

Finance Committee

Monday 11 September 2023 at 2.00 pm

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

The Press and Public are Welcome to Attend

Membership

Councillor Zahira Naz
Councillor Mike Levery
Councillor Toby Mallinson
Councillor Mike Chaplin
Councillor Glynis Chapman
Councillor Marieanne Elliot
Councillor Mary Lea
Councillor Shaffaq Mohammed
Councillor Ibbby Ullah

PUBLIC ACCESS TO THE MEETING

The Finance Committee comprises takes 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 Councillor Zahira Naz.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk . You may not be allowed to see some reports because they contain confidential information. These items are usually marked * on the agenda. Members of the public have the right to ask questions or submit petitions to Policy Committee meetings and recording is allowed under the direction of the Chair. Please see the [Finance 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 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 Committee have to be held as physical meetings. If you would like to attend the meeting, please report to an Attendant in the Foyer at the Town Hall where you will be directed to the meeting room. However, it would be appreciated if you could register to attend, in advance of the meeting, by emailing committee@sheffield.gov.uk, as this will assist with the management of attendance at the meeting. The meeting rooms in the Town Hall have a limited capacity. We are unable to guarantee entrance to the meeting room for observers, as priority will be given to registered speakers and those that have registered to attend.

Alternatively, you can observe the meeting remotely by clicking on the 'view the webcast' link provided on the meeting page of the [website](#).

If you wish to attend a meeting and ask a question or present a petition, you must submit the question/petition in writing by 9.00 a.m. at least 2 clear working days in advance of the date of the meeting, by email to the following address: committee@sheffield.gov.uk.

In order to ensure safe access and to protect all attendees, you will be recommended to wear a face covering (unless you have an exemption) at all times within the venue. Please do not attend the meeting if you have COVID-19 symptoms. It is also recommended that you undertake a Covid-19 Rapid Lateral Flow Test within two days of the meeting.

If you require any further information please email committee@sheffield.gov.uk.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**FINANCE COMMITTEE AGENDA
11 SEPTEMBER 2023**

Order of Business

Welcome and Housekeeping

The Chair to welcome attendees to the meeting and outline basic housekeeping and fire safety arrangements.

1. Apologies for Absence

2. Exclusion of Press and Public

To identify items where resolutions may be moved to exclude the press and public.

3. Declarations of Interest

Members to declare any interests they have in the business to be considered at the meeting.

(Pages 7 - 10)

4. Minutes of Previous Meeting

To approve the minutes of the last meeting of the Committee held on 1 August 2023.

(Pages 11 - 16)

5. Public Questions and Petitions

To receive any questions or petitions from members of the public.

(NOTE: There is a time limit of up to 30 minutes for the above item of business. In accordance with the arrangements published on the Council's website, questions/petitions at the meeting are required to be submitted in writing, to committee@sheffield.gov.uk, by 9.00 a.m. on 7 September 2023).

6. Members' Questions

To receive any questions from Members of the committee on issues which are not already the subject of an item of business on the Committee agenda – Council Procedure Rule 16.8.

(NOTE: a period of up to 10 minutes shall be allocated for Members' supplementary questions).

7. Work Programme

Report of the Director of Policy and Democratic Engagement

(Pages 17 - 32)

Formal Decisions

8. **Quarter 1 Budget Monitoring (2023/24)** (Pages 33 - 82)
Report of the Director of Finance and Commercial Services
9. **Capital Approvals Month 4 (2023/24)** (Pages 83 - 120)
Report of the Director of Finance and Commercial Services
10. **Economic Recovery Fund Round 2 - Scoring Outcome** (Pages 121 - 160)
Report of the Executive Director, City Futures
11. **Sale of Land at Cotton Mill Row, Kelham Island, Sheffield** (Pages 161 - 170)
Report of the Executive Director, City Futures

NOTE: The next meeting of Finance Committee will be held on Monday 16 October 2023 at 2.00 pm

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its Policy Committees, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest** (DPI) relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from David Hollis, Interim General Counsel by emailing david.hollis@sheffield.gov.uk.

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Finance Committee

Meeting held 1 August 2023

PRESENT: Councillors Zahira Naz (Chair), Mike Levery (Deputy Chair), Toby Mallinson (Group Spokesperson), Mike Chaplin, Glynis Chapman, Marieanne Elliot, Mary Lea, Shaffaq Mohammed and Ibbi Ullah

1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence received.

2. EXCLUSION OF PRESS AND PUBLIC

2.1 It was noted that Appendix 1 to the report at item 8 on the agenda was not available to the public or press because it contained exempt information. If Members wished to discuss the exempt information, the Committee would ask the members of the public and press to kindly leave for that part of the meeting and the webcast would be paused.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made at the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 The Minutes of the meeting of the Committee held on 10 July 2023 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Four questions had been submitted by the Friends of Millhouses Park regarding the proposed lease of land at Millhouses Park. No one was able to attend the meeting therefore a written response would be provided.

6. WORK PROGRAMME

6.1 The Committee received a report containing the Committee's Work Programme for consideration and discussion. The aim of the Work Programme was to show all known, substantive agenda items for forthcoming meetings of the Committee, to enable this Committee, other committees, officers, partners and the public to plan their work with and for the Committee.

6.2 The Principal Democratic Services Officer agreed to contact the lead officer for the Economic Recovery Fund item to discuss whether a decision could be made sooner.

6.3 **RESOLVED UNANIMOUSLY:** That Finance Committee:-

1. that the Committee's work programme, as set out in Appendix 1, be agreed

including any additions and amendments identified in Part 1; and

2. that Members give consideration to any further issues to be explored by officers for inclusion in Part 2 of Appendix 1 of the next work programme report, for potential addition to the work programme.

7. CAPITAL APPROVALS MONTH 3 (2023/24)

7.1 The Finance Manager submitted a report that provided details of proposed changes to the existing Capital Programme as brought forward in Month 03 2023/24.

7.2 Officers agreed to provide Members with further information on the need for a feasibility study for SEND provision at Peaks College, the section of Five Weirs Walk due to be resurfaced, the number of properties to be fitted with PV and whether the Housing Service provided regular updates on the roofing programme to the Housing Policy Committee.

7.3 **RESOLVED UNANIMOUSLY:** That Finance Committee:-

- (i) approves the proposed additions and variations to the Capital Programme listed in Appendix 1;
- (ii) approves the proposed additions to the Capital Programme listed in Appendix 2 subject to the signing of a Memorandum of Understanding with the South Yorkshire Integrated Care Board; and
- (iii) approves the making of grant funding to third parties as identified in Appendix 3.

7.4 Reasons for Decision

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

7.4.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

7.5 Alternatives Considered and Rejected

7.5.1 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.

8. LEASE OF LAND AT MILLHOUSES PARK, SHEFFIELD

8.1 The Head of Property Services and the Head of Parks and Countryside submitted a report seeking approval to grant a new lease over a rectangular area of land at Millhouses Park, Sheffield, adjacent to the Wagon and Horses Public House, on the terms set out in the Appendices to the report.

8.2 During consideration of this item of business, and in order for Members of the Committee to ask questions on Appendix 1 of the report, it was **RESOLVED**: That the public and press be excluded from the meeting and the webcast be paused before further discussion takes place on the grounds that, in view of the nature of the business to be transacted, if those persons were present, there would be a disclosure to them of exempt information as described in paragraph 3 of Schedule 12A to the Local Government Act 1972, as amended.

8.3 The meeting was re-opened to the public and press, and the webcast was recommenced, prior to the decision being taken by the Committee.

8.4 **RESOLVED UNANIMOUSLY**: That Finance Committee approves the lease of the subject property to K S Yeardley F C B Ltd Pension Scheme on the terms set out in this report, subject to satisfactory due diligence checks being completed.

8.5 Reasons for Decision

8.5.1 Whilst the route to gaining agreement for this offer within the park has been convoluted and at times difficult, overall we believe the park offer to those people that use it is better with this second facility operating.

8.6 Alternatives Considered and Rejected

8.6.1 The Council could choose not to grant a lease to the proposed tenant and they could be required to return the land in its original state (grassed area) to Sheffield City Council. This would result in a reduced offer to the people who visit Millhouses, with less variety of offer and less capacity during busy summer months.

9. YOUTH INVESTMENT FUND GRANTS

9.1 The Head of Community Youth Services and Programme Manager, Communities submitted a report seeking approval for the Council to become the accountable body for multiple grants from the Youth Investment Fund.

9.2 Officers agreed to provide Members with further information on the list of sites where bids had been submitted for grant funding from the Youth Investment Fund.

9.3 **RESOLVED UNANIMOUSLY**: That Finance Committee approves the Council becoming accountable body for multiple grants up to a maximum combined value of £7.9 million from the Youth Investment Fund for the refurbishment and/or

creation of youth and community facilities across the city in line with the basis set out in this report.

9.4 Reasons for Decision

9.4.1 The Youth Investment Fund (YIF) is a £368 Million Government commitment to young people to transform and level up the out-of-school youth sector.

9.4.2 Officers have been working on up to 13 proposals for funding from the Youth Investment Fund with a combined value of up to £7.9 million. It is a requirement of the funding that projects are fully completed by 31st March 2025.

9.4.3 If successful, the funding will provide up to 13 new and refurbished youth facilities that will contribute to the aims of the Youth Strategy (2022-25) of enhancing the provision of universal youth work by investing in youth facilities across the city to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces.

9.4.4 Having the right facilities in the right places will also contribute to the stated aim of having 3 universal youth provisions in each ward every week.

9.4.5 This decision will ensure that, if successful, the acceptance of the funding can be completed quickly to ensure that the projects can be delivered against the programme.

9.5 Alternatives Considered and Rejected

9.5.1 Alternative option 1 – Do nothing.

A do-nothing option would be for the Council not to accept grant funding from the Social Investment Business Foundation through the Youth Investment Fund. This would result in not gaining the benefits of the funding for young people and communities across the city. Each individual project will benefit young people and their communities by increasing universal youth provision and/or providing facilities across the city that are safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces.

9.5.2 Alternative option 2 – Wait for the outcome of the application process.

Waiting until after grants are awarded will lead to a delay in progressing the projects and would increase the risk that projects could not be completed before the end of the funding period. Authorising the acceptance of grants prospectively reduces this risk.

10. SHEFFIELD NHS HEALTH CHECK PROGRAMME

10.1 The Strategic Director of Public Health and Integrated Commissioning and the Health Improvement Principal submitted a report seeking permission to commission the NHS Health check programme.

- 10.2 The NHS Health Check programme is a Public Health programme in England for people aged 40-74. It is a risk assessment and management programme which aims to prevent or delay the onset of cardiovascular diseases (CVD) including diabetes, heart disease, kidney disease and stroke.
- 10.3 In April 2013, the NHS Health Check became a mandated public health service in England. Local authorities are responsible for making provision to offer an NHS Health Check to eligible individuals aged 40-74 once every five years.
- 10.4 Previously, Sheffield City Council had commissioned Primary Care Sheffield to be the provider of the programme. The contract with Primary Care Sheffield ended in April 2021 and, due to pressures from the pandemic, the Council had not been in a position to be able to re-commission until now.
- 10.5 **RESOLVED UNANIMOUSLY:** That Finance Committee approves the commissioning of an external provider to deliver the NHS health check programme for a period of 5 years and an estimated value of £925,000, as set out in this report.
- 10.6 **Reasons for Decision**
- 10.6.1 The NHS Health check is a mandated service and to not re-commission would result in a breach of the mandate with possible sanctions against Sheffield City Council.
- 10.7 **Alternatives Considered and Rejected**
- 10.7.1 Do not re-commission the programme – this would leave us in breach of the DHSC mandate.

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Report to Finance Committee

11 September 2023

Report of: Director of Policy and Democratic Engagement

Subject: Committee Work Programme

Author of Report: Rachel Appleyard, Principal Democratic Services Officer

Summary:

The Committee's Work Programme is attached at Appendix 1 for the Committee's consideration and discussion. This aims to show all known, substantive agenda items for forthcoming meetings of the Committee, to enable this committee, other committees, officers, partners and the public to plan their work with and for the Committee.

Any changes since the Committee's last meeting, including any new items, have been made in consultation with the Chair, and the document is always considered at the regular pre-meetings to which all Group Spokespersons are invited.

The following potential sources of new items are included in this covering report, where applicable:

- Questions from the public (where notified sufficiently in advance)
- Petitions to this committee, including those referred from Council
- References from Council or other committees (statements formally sent for this committee's attention)
- A list of issues, each with a short summary, which have been identified by the Committee or officers as potential items but which have not yet been scheduled (the source of the items is specified)

The Work Programme will remain a live document and will be brought to each Committee meeting.

Recommendations:

1. That the Committee's work programme, as set out in Appendix 1, be agreed including any additions and amendments identified in Part 1;
2. That Members give consideration to any further issues to be explored by officers for inclusion in Part 2 of Appendix 1 of the next work programme report, for potential addition to the work programme; and
3. That the referrals from Council (petition and resolutions) detailed in Section 2 of the report be noted and the proposed responses set out be agreed.

Background Papers: None

Category of Report: Open

COMMITTEE WORK PROGRAMME

1.0 Prioritisation

1.1 For practical reasons this committee has a limited amount of time each year in which to conduct its formal business. The Committee will need to prioritise firmly in order that formal meetings are used primarily for business requiring formal decisions, or which for other reasons it is felt must be conducted in a formal setting.

1.2 In order to ensure that prioritisation is effectively done, on the basis of evidence and informed advice, Members should usually avoid adding items to the work programme which do not already appear:

- In the draft work programme in Appendix 1 due to the discretion of the chair; or
- within the body of this report accompanied by a suitable amount of information.

2.0 References from Council or other Committees

2.1 Any references sent to this Committee by Council, including any public questions, petitions and motions, or other committees since the last meeting are listed here, with commentary and a proposed course of action, as appropriate:

Issue	
Referred from	
<i>Details</i>	
Commentary/ Action Proposed	

3.0 Member engagement, learning and policy development outside of Committee

3.1 Subject to the capacity and availability of councillors and officers, there are a range of ways in which Members can explore subjects, monitor information and develop their ideas about forthcoming decisions outside of formal meetings. Appendix 2 is an example 'menu' of some of the ways this could be done. It is entirely appropriate that member development, exploration and policy development should in

many cases take place in a private setting, to allow members to learn and formulate a position in a neutral space before bringing the issue into the public domain at a formal meeting.

2.2 Training & Skills Development - Induction programme for this committee.

Title	Description & Format	Date
Future High Streets Fund / Heart of the City	Site visit	4 th July 2023
Future High Streets Fund	Briefing tour	26 th October 2023

Appendix 1 – Work Programme

Part 1: Proposed additions and amendments to the work programme since the last meeting:

New Items	Proposed Date	Note
NEW: Sale of Land at Cotton Mill Row, Kelham Island	September 2023	
NEW: Corporate Debt Policy	October 2023	The review and approval of the Council’s Corporate Debt Policy in response to the Full Council Motion on Ethical Debt Collection.
NEW: Commission of a Debt Recovery Framework	October 2023	A commissioning decision is required in advance of the expiry of the current Debt Recovery Framework under which suppliers undertake debt recovery activity on behalf of the Council.
NEW: Community Buildings Policy and Community Asset Transfer Policy	November 2023	To seek approval and adopt Community Building and Community Asset Transfer Policies.
Amended Items	Proposed Date	Note
MOVED: Parkwood Springs	January 2024	Moved from September.
MOVED: Sale of Land at Junction Road, Woodhouse	October 2023	Moved from September.

Part 2: List of other potential items not yet included in the work programme

Issues that have recently been identified by the Committee, its Chair or officers as potential items but have not yet been added to the proposed work programme. If a Councillor raises an idea in a meeting and the committee agrees under recommendation 3 that this should be explored, it will appear either in the work programme or in this section of the report at the committee’s next meeting, at the discretion of the Chair.

Topic	
Description	
Lead Officer/s	
Item suggested by	<i>Officer, Member, Committee, partners, public question, petition etc</i>
Type of item	<i>Referral to decision-maker/Pre-decision (policy development/Post-decision (service performance/ monitoring)</i>
Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	

Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	
Lead Officer Commentary/Proposed Action(s)	

Part 3: Agenda Items for Forthcoming Meetings

Meeting 4 (23/24)	11 September 2023	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					
2023/24 Quarter 1 Budget Monitoring		Philip Gregory / Jane Wilby	Decision			This Cttee
Capital Approvals Month 4 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee
Economic Recovery Fund	Approval to enter into contract with those who	Sarah Lowi Jones	Decision	EDS Policy Committee have been regularly briefed throughout	There is a stakeholder plan	This Cttee

	are successful in Round 2 following an application period and scoring process.			<p>the development and launch of ERF2 and the main three members sit on the ERF Steering Group. LAC Chairs have been kept informed throughout as well.</p> <p>It is expected that on this specific decision the EDS Policy Committee will be briefed, alongside LAC Chairs and political group briefings will be offered.</p>	that aims to inform and engage the public in ERF progress and delivery.	
NEW: Sale of Land at Cotton Mill Row, Kelham Island	Approval of the freehold sale of the Land to the adjoining landowner on the terms set out in the report.	John Hurman / Tammy Whitaker	Decision	<p>Discussion well in advance as part of the work programme item at Pre-agenda meetings.</p> <p>Discussion and, where required, briefing by officers at pre-committee meetings in advance of each formal meeting, after the agenda is published.</p>		This Cttee

Meeting 5 (23/24)	16 October 2023	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					
Capital Approvals Month 5 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee
Annual review of Sheffield's Council Tax Reduction Scheme	The Council is required, on an annual basis, to review its Council Tax Reduction Scheme.	Tim Hardie / Jon West / John Squire	Decision	Members were briefed at the Finance Briefing on 11.07.23 where it was agreed that a report should be prepared for consideration by the Finance Committee on 16.10.23. A draft report will be presented at the pre-agenda meeting		This Cttee

				on 19.09.23 with a further opportunity for scrutiny at the pre-meet on 11.10.23.		
NEW: Corporate Debt Policy	<p>The review and approval of the Council's Corporate Debt Policy, which aims to maximise income collection and minimise levels of debt in the most fair, efficient and cost-effective way, whilst providing support for our most vulnerable customers.</p> <p>Response to Council Motion (14/12/22) Moving Towards an Ethical Debt Collection: Policy and Ending the Use of Bailiffs Sheffield City Council - Agenda for Council on Wednesday 14 December 2022, 3.00 pm</p>	Tim Hardie	Decision / Strategy/Policy Development	Members will be briefed at the Finance Briefing on 15.08.23 with the intention of preparing a report for consideration by the Finance Committee on 16.10.23. A draft report will be presented at the pre-agenda meeting on 19.09.23 with a further opportunity for scrutiny at the pre-meet on 11.10.23.	Public engagement should be covered under the wider activity already underway in relation to the Council's Cost of Living Crisis response, of which this is one aspect.	This Cttee
NEW: Commission of a Debt Recovery Framework	A commissioning decision is required in advance of the expiry of the current Debt Recovery Framework under which suppliers undertake debt recovery activity on behalf of the Council.	Tim Hardie / Jon West	Decision	TBA		This Cttee

MOVED: Sale of Land at Junction Road Woodhouse	Following the publication of an open space notice, two written responses were received from local residents. These are to be treated as objections to the sale of an open space. Given this they are now to be considered by Finance Sub Committee.	Tammy Whitaker/ James Dibaj	Decision	Approved by ICM on 12/11/2021 see: click here	The proposed sale of land (which constitutes open space) was published in the Sheffield Telegraph on 3rd February 2022 (week one) and 10th February 2022 (week two) and the Councils website: click here and generated the attached objections.	This Cttee
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Meeting 6 (23/24)	6 November 2023	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					

Capital Approvals Month 6 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee
NEW: Community Buildings Policy and Community Asset Transfer Policy	To seek approval and adopt Community Building and Community Asset Transfer Policies. Both policies will set out how the Council will work in a consistent and proactive manner, setting out a clear, transparent management of Community Buildings / Assets.	Peter Bartle / Tammy Whitaker	Decision	Briefed Leaders Board, and knowledge briefing for committee to follow.	Programme Board established with representatives from VCS.	This Cttee

Meeting 7 (23/24)	18 December 2023	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					

Capital Approvals Month 7 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee
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Meeting 8 (23/24)	23 January 2024	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	(re: decisions) Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					
2023/24 Quarter 2 Budget Monitoring		Philip Gregory / Jane Wilby	Decision			This Cttee
Capital Approvals Month 8 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee
MOVED: Parkwood Springs	Decision on redevelopment of the former ski village	Tammy Whitaker/ Alan Seasman	Decision	Written briefing	TBC	This Cttee

Meeting 9 (23/24)	19 February 2024	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> • <i>Any other committee-specific standing items eg finance or service monitoring]</i> 					
Capital Approvals Month 9 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee

Meeting 10 (23/24)	18 March 2024	2pm				
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> •Decision •Referral to decision-maker •Pre-decision (policy development) •Post-decision (service performance/ monitoring) 	<i>(re: decisions)</i> Prior member engagement/ development required <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> Public Participation/ Engagement approach <i>(with reference to toolkit in Appendix 3)</i>	Final decision-maker (& date) <ul style="list-style-type: none"> •This Cttee •Another Cttee (eg S&R) •Full Council •Officer
Standing items	<ul style="list-style-type: none"> • <i>Public Questions/ Petitions</i> 					

	<ul style="list-style-type: none"> Any other committee-specific standing items eg finance or service monitoring] 					
2023/24 Quarter 3 Budget Monitoring		Philip Gregory / Jane Wilby	Decision			This Cttee
Capital Approvals Month 10 (2023/24)		Philip Gregory / Damian Watkinson	Decision			This Cttee

Items which the committee have agreed to add to an agenda, but for which no date is yet set.						
Topic	Description	Lead Officer/s	Type of item <ul style="list-style-type: none"> Decision Referral to decision-maker Pre-decision (policy development) Post-decision (service performance/ monitoring) 	(re: decisions) Prior member engagement/ development required (with reference to options in Appendix 2)	(re: decisions) Public Participation/ Engagement approach (with reference to toolkit in Appendix 3)	Final decision-maker (& date) <ul style="list-style-type: none"> This Cttee Another Cttee (eg S&R) Full Council Officer
Levelling Up Prospectus	Prospectus setting out Sheffield's Levelling Up ambitions	Kate Martin	Decision or pre decision policy development			This Cttee

Appendix 2 – Menu of options for member engagement, learning and development prior to formal Committee consideration

Members should give early consideration to the degree of pre-work needed before an item appears on a formal agenda.

All agenda items will anyway be supported by the following:

- Discussion well in advance as part of the work programme item at Pre-agenda meetings. These take place in advance of each formal meeting, before the agenda is published and they consider the full work programme, not just the immediate forthcoming meeting. They include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers
- Discussion and, where required, briefing by officers at pre-committee meetings in advance of each formal meeting, after the agenda is published. These include the Chair, Vice Chair and all Group Spokespersons from the committee, with officers.
- Work Programming items on each formal agenda, as part of an annual and ongoing work programming exercise
- Full officer report on a public agenda, with time for a public discussion in committee
- Officer meetings with Chair & VC as representatives of the committee, to consider addition to the draft work programme, and later to inform the overall development of the issue and report, for the committee's consideration.

The following are examples of some of the optional ways in which the committee may wish to ensure that they are sufficiently engaged and informed prior to taking a public decision on a matter. In all cases the presumption is that these will take place in private, however some meetings could happen in public or eg be reported to the public committee at a later date.

These options are presented in approximately ascending order of the amount of resources needed to deliver them. Members must prioritise carefully, in consultation with officers, which items require what degree of involvement and information in advance of committee meetings, in order that this can be delivered within the officer capacity available.

The majority of items cannot be subject to the more involved options on this list, for reasons of officer capacity.

- Written briefing for the committee or all members (email)
 - All-member newsletter (email)
 - Requests for information from specific outside bodies etc.
 - All-committee briefings (private or, in exceptional cases, in-committee)
 - All-member briefing (virtual meeting)
 - Facilitated policy development workshop (potential to invite external experts / public, see appendix 2)
 - Site visits (including to services of the council)
 - Task and Finish group (one at a time, one per cttee)
- Furthermore, a range of public participation and engagement options are available to inform Councillors, see appendix 3.

Appendix 3 – Public engagement and participation toolkit

Public Engagement Toolkit

On 23 March 2022 Full Council agreed the following:

A toolkit to be developed for each committee to use when considering its 'menu of options' for ensuring the voice of the public has been central to their policy development work. Building on the developing advice from communities and Involve, committees should make sure they have a clear purpose for engagement; actively support diverse communities to engage; match methods to the audience and use a range of methods; build on what's worked and existing intelligence (SCC and elsewhere); and be very clear to participants on the impact that engagement will have.

The list below builds on the experiences of Scrutiny Committees and latterly the Transitional Committees and will continue to develop. The toolkit includes (but is not be limited to):

- a. Public calls for evidence
- b. Issue-focused workshops with attendees from multiple backgrounds (sometimes known as 'hackathons') led by committees
- c. Creative use of online engagement channels
- d. Working with VCF networks (eg including the Sheffield Equality Partnership) to seek views of communities
- e. Co-design events on specific challenges or to support policy development
- f. Citizens assembly style activities
- g. Stakeholder reference groups (standing or one-off)
- h. Committee / small group visits to services
- i. Formal and informal discussion groups
- j. Facilitated communities of interest around each committee (eg a mailing list of self-identified stakeholders and interested parties with regular information about forthcoming decisions and requests for contributions or volunteers for temporary co-option)
- k. Facility for medium-term or issue-by-issue co-option from outside the Council onto Committees or Task and Finish Groups. Co-optees of this sort at Policy Committees would be non-voting.

This public engagement toolkit is intended to be a quick 'how-to' guide for Members and officers to use when undertaking participatory activity through committees.

It will provide an overview of the options available, including the above list, and cover:

- How to focus on purpose and who we are trying to reach
- When to use and when not to use different methods
- How to plan well and be clear to citizens what impact their voice will have
- How to manage costs, timescales, scale.

There is an expectation that Members and Officers will be giving strong consideration to the public participation and engagement options for each item on a committee's work programme, with reference to the above list a-k.

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Report to Policy Committee

Author/Lead Officer of Report: Philip Gregory,
Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: *Philip Gregory, Director of Finance & Commercial Services*

Report to: *Finance Committee*

Date of Decision: *11th September 2023*

Subject: *2023-24 Q1 Budget Monitoring Report*

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

Purpose of Report:

This report brings the Committee up to date with the Council's outturn position for 2023/24 including General Fund revenue position, Housing Revenue Account, and Capital Programme Monitoring (Appendix 1). The report also provides an update of the Council's Treasury Management activity (Appendix 2) and the Collection Fund Account (Appendix 3).

Recommendations:

The Committee is recommended to:

The Committee is asked to:

- a) Note the updated information and management actions provided by this report on the 2023/24 Revenue Budget Outturn as described in this report

- b) Note the updated information and management actions provided by this report on the Q1 2023/24 Capital Programme Monitoring as described in **Appendix 1**;
- c) Note the Treasury Management report for Q1 2023/24 as described in **Appendix 2**
- d) Note the Collection Fund monitoring report for Q1 2023/24 as described in **Appendix 3**

Background Papers:
[2023/24 Revenue Budget](#)

Lead Officer to complete: -	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: Philip Gregory, <i>Director of Finance and Commercial Services</i></p> <p>Legal: Sarah Bennett, <i>Assistant Director, Legal and Governance</i></p> <p>Equalities & Consultation: Adele Robinson, <i>Equalities and Engagement Manager, Policy, and Performance.</i></p> <p>Climate: n/a</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>
2	<p>SLB member who approved submission:</p> <p><i>Philip Gregory, Director of Finance and Commercial Services</i></p>
3	<p>Committee Chair consulted:</p> <p><i>Cllr Zahira Naz, Chair of the Finance Committee</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>Lead Officer Name: <i>Philip Gregory</i> <i>Jane Wilby</i></p> <p>Job Title: <i>Director of Finance and Commercial Services</i> <i>Head of Accounting</i></p>
	<p>Date: 31st August 2023</p>

1. PROPOSAL

1.1. This report provides an update on the current outturn position for Sheffield City Council's revenue and capital budget for 2023/24.

2023-24 Q1 Financial Position by Directorate

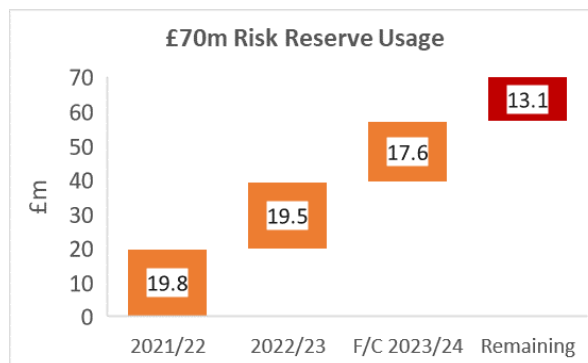
1.2. At the end of the first quarter of 2023-24, the Council's revenue budget shows a forecast overspend of £17.6m.

Full Year £m	Outturn	Budget	Variance
Neighbourhood Services	138.2	135.0	3.2
Adults	138.3	134.8	3.5
Children's	124.0	115.3	8.7
Strategic Support	52.4	47.7	4.7
City Futures	44.0	43.4	0.6
Public Health & Integrated Commissioning	10.7	10.9	(0.2)
Corporate	(490.1)	(487.1)	(3.0)
Total	17.6	(0.0)	17.6

1.3. This overspend is due to a combination of factors. Agreed Budget Improvement Plans ("BIPs") are not forecast to fully deliver within the year. There are underlying cost and demand pressures faced by services that are partially offset by one-off items. These "one-offs" consist of grant income, draws from specific reserves or provisions and income from central government or external sources.

Full Year Variance £m	One-off	BIPs	Trend	Total Variance
Neighbourhood Services	(4.1)	2.5	4.8	3.2
Adults	(9.9)	3.9	9.5	3.5
Children's	(3.9)	3.7	8.9	8.7
Strategic Support	0.0	0.0	4.7	4.7
City Futures	0.0	0.4	0.2	0.6
Public Health & Integrated Commissioning	0.0	0.0	(0.2)	(0.2)
Corporate	0.0	0.0	(3.0)	(3.0)
Total	(17.9)	10.6	25.0	17.6

1.4. In 2021/22, the Council set aside £70m of reserves to manage the financial risks associated with delivering a balanced budget position. Overspends against budgets in 2021/22 and 2022/23 have meant we have drawn almost £40m from this reserve already leaving just over £30m to manage any future budget deficits. If we overspent by £17.6m as this current forecast outturn position suggests, just £13m would be left to mitigate future budget pressures.



1.5. 2023-24 Q1 Financial Position by Committee

1.5.1. The major budget risk areas are in Childrens & Adults Social Care and in Homelessness services

Full Year £m	Outturn	Budget	Variance
Adult Health & Social Care	146.9	143.7	3.2
Education, Children & Families	124.7	115.8	8.9
Housing	10.2	7.0	3.2
Transport, Regeneration & Climate	39.6	40.0	(0.4)
Economic Development & Skills	9.5	9.4	0.1
Waste & Street Scene	63.5	64.2	(0.8)
Communities Parks and Leisure	41.7	41.3	0.3
Strategy & Resources	(418.4)	(421.5)	3.1
Total	17.6	(0.0)	17.6

1.5.2. In 22/23, the Council's forecast overspend improved by over £14m from the first quarter's forecasts to final outturn. This was mainly due to additional income received rather than underlying improvements in budgets and cost reductions. A big contributor to this was the Government's £500m discharge fund announced in November 2022, the sustainability of this income source and other mitigations from the last financial year are still unclear and cannot be relied upon.

Many underlying budget issues in social care services still remain and this is reflected in the current forecast position.

1.5.3. Most of the overspend is due to underlying cost and demand pressures in services. We estimate that £25m is embedded in the baseline costs but is somewhat mitigated by one-off income:

Full Year Variance £m	One-off	BIPs	Trend	Total Variance
Adult Health & Social Care	(9.9)	3.9	9.1	3.2
Education, Children & Families	(3.9)	3.7	9.1	8.9
Housing	(1.7)	0.2	4.7	3.2
Transport, Regen & Climate	0.0	0.1	(0.5)	(0.4)
Economic Development & Skills	0.0	0.0	0.1	0.1
Waste & Street Scene	(0.5)	0.2	(0.4)	(0.8)
Communities Parks and Leisure	0.0	0.2	0.2	0.3
Strategy & Resources	(1.8)	2.2	2.7	3.1
Total	(17.9)	10.6	25.0	17.6

1.5.4. Balancing the General Fund 2023/24 budget was only possible because the Council identified £47.7m of savings:

General Fund Budget Improvement Plans (in £m)

Committee	Total Savings	Financial Savings Deliverable in Year	In Year Gap	Financial Savings Deliverable Next Year	Undeliverable Savings
Adult Health & Social Care	31.6	27.6	3.9	2.3	1.6
Communities, Parks & Leisure	2.0	1.9	0.2		0.2
Economic Devt & Skills	0.5	0.5	0.0		0.0
Education, Children & Families	6.9	3.2	3.7	0.3	3.4

Housing	0.6	0.5	0.2		0.2
Strategy & Resources	4.1	1.9	2.2	2.2	0.1
Transport, Regen & Climate	0.8	0.7	0.1		0.1
Waste & Street Scene	1.1	0.9	0.2		0.2
Total	47.7	37.1	10.6	4.8	5.7

The current forecasts show £10.6m savings plans are undeliverable this year. This represents a delivery rate of 78% against target. In 22/23, less than 65% of savings targets were delivered. Whilst we are improving upon overall delivery performance, we are still falling short of targets meaning further draws could be required from our reserves to meet these overspends if they are not managed and mitigated. Delivering in year budgets must be a key focus for all services for the Council to retain financial sustainability.

1.5.5. Whilst inflation is beginning to fall, costs incurred are very unlikely to fall significantly resulting in these increased costs now being embedded in our cost base. There is an increased demand for services alongside cost pressures in social care, home to school transport and homelessness services.

1.6. **Key Committee Overspends:**

1.6.1. **Adult Health and Social Care are forecast to overspend by £3.2m** The high cost of packages of care put in place during covid increased our baseline costs and this carries into 23/24. A huge amount of work has been done as part of an investment plan to tackle the underlying issues. One off funding has mitigated the position this year leaving a £0.7m overspend in the purchasing budgets. Work continues on the package reviews to reduce the baseline costs for the future. Recovery work is underway including establishment of Task & Finish groups and the development of business cases around invest to saves including focus on enablement, day services, reviewing high cost 1 to 1 support and maximising income. The main area of overspend in the service now sits in staffing budgets. Service improvements in the Short -Term Intervention Team (STIT) are underway to deliver a stable position.

1.6.2. **Education, Children and Families are forecast to overspend by £8.9m** The key overspends in the service relate to placements with external residential placements a particular issue which are forecast to exceed the previous year's costs by £4.8m. This sits alongside undelivered targets from the previous year of £2m. The average placement cost is £5,400 per week. However due to a limited number of places in the city, placements for the most complex children can cost a great deal more. Actions are being taken to ensure that the right costs for placements are being met by all elements including education and where possible health. High-cost placements are also being reviewed.

The savings proposal for £1.6m to increase fostering placements this year is forecast to not be delivered. Marketing is taking place, but our number of foster carers remains static. Nationally this has been an issue since the pandemic as older foster carers decided to exit the market and there has not been the like for like recruitment to new foster carers.

Further demand in home to school transport costs are forecast to create a £3m overspend against budgets this year. This has the potential to increase in October when we know exactly how many children require transportation to school. An overarching review of this area will commence in 2024.

-
- 1.6.3. **Homelessness support in temporary and exempt accommodation is forecast to cost the Council £8.4m** The Government does not fully subsidise all housing benefit payments made by the Council even though it sets the rules that determine the amount the Council has to pay. In 2022/23, the Council incurred a loss of £5.9m as a result of the legislation relating to temporary homelessness and supported accommodation. The Council is essentially bridging the gap between the amount the accommodation costs to procure and the amount we are able to recover via housing benefits.

In 2023-24, this is forecast to cost the Council £4.9m for temporary accommodation and £3.5m for supported accommodation. The shortfalls are split between the Housing General Fund and Strategy and Resources budgets respectively.

The Budget Implementation Group

-
- 1.6.4. **A subgroup has been set up to drive improvements in Budget delivery** A senior officer working group has been established to help drive delivery of the budget. The purpose of the Budget Improvement Group (BIG) is to improve the delivery of the Council's annual Revenue Budget (both General Fund and Housing Revenue Account) and in particular the delivery of the Budget Improvement Plans (BIPs). It will look to facilitate Council wide learning. The group is jointly chaired by the Director of Finance and Commercial Services and the Chief Operating Officer. The group has a nominated core member from each Directorate: Adults, Children's, City Futures, Neighbourhoods and Strategic Support Services.

Transformation Funding

-
- 1.6.5. **We identified £4m to support transformation activity** As part of 2023-24 budget setting, the Council identified a £4m fund that would be used to support programmes of change in the organisation, expedite the delivery of savings plans or support where delivery of savings has become "stuck". The "BIG" group has provided advice, challenge, and recommendations for allocation of the transformation funding to the Council's Performance and Delivery Board.

In August 2023, the Performance & Delivery board approved bids to support delivery of programmes in Adult Social Care, Housing, Children's services, ICT, HR, and Organisational Strategy to build upon the Future Sheffield programme. These key projects will help stabilise the organisation and bring budgets back to a steady footing for the future. Each programme of work will be monitored, and progress reported to the Council's Performance & Delivery board to ensure activity remains on track. Overall performance will be reported to S&R committee and finance committee as part of in-year budget monitoring, with relevant policy committees overseeing progress on programmes in their areas.

Medium Term Financial Analysis (MTFA)

- 1.6.6. **The MTFA presented to S&R Committee on 7th September detailed committee budget savings targets** An updated medium term financial analysis is due to be presented to Strategy & Resources committee on 7th September to give members an early view of the forecast financial position for the Council for the next 4 years and to set the financial constraints within which the budgeting and business planning process will need to work to achieve a balanced budget position over the medium term. The analysis forecasts a budget gap of £18m for 24/25 that will need to be bridged by services in order to set a balanced budget for 2024/25.

- 1.6.7. The below table outlines the proposed committee savings targets following an equitable application of funds resulting in a deliverable outcome for all Committees:

Committee	Original Pressures	Remaining Income Allocations				Other Funding (split based on NRB)	Target to Find	Savings Identified	Sales, Fees and Charges Income	New Pressures	Adjusted Target To Find
		Pay award Funded	ASC Precept	Social Care Grant	Significant RPIX contracts and Housing Benefits						
Adult Health & Social Care	27.0	(1.9)	(5.4)	(10.9)		(0.9)	7.8	(4.6)	(4.5)	2.7	1.5
Education, Children & Families	12.4	(2.7)		(5.0)		(0.7)	4.1	0.0	(0.2)	4.4	8.3
Housing General Fund	3.6	(0.4)			(2.5)	(0.0)	0.7	0.0	(0.0)	2.9	3.5
Transport, Regeneration & Climate	1.0	(0.4)				(0.2)	0.5	0.0	(0.1)	(0.1)	0.3
Economic Development & Skills	0.9	(0.2)				(0.1)	0.7	0.0	(0.0)	0.1	0.7
Waste & Street Scene	9.8	(0.6)			(6.4)	(0.4)	2.5	0.0	(0.5)	0.5	2.5
Communities Parks and Leisure	1.5	(1.2)				(0.2)	0.0	0.0	(0.2)	0.5	0.4
Strategy & Resources (Corporate)	9.9	0.0				0.0	6.9	(6.2)	0.0	0.0	0.7
Strategy & Resources (Committee)	4.7	(2.7)				(0.4)	0.8	(0.4)	(0.1)	(0.0)	0.3
Total	70.8	(10.0)	(5.4)	(15.9)	(12.7)	(2.9)	23.9	(11.1)	(5.6)	11.0	18.1

Key points to note:

- The proposal will cover the anticipated 2024/25 pay awards for all Committees.
- The Adult Social Care Precept is applied to the AHSC Committee.
- The Social Care grant is split between Adult Social Care & Education, Children & Families based on their relative shares of the original social care pressures for 2024/25.
- £7.2m has been allocated towards contract inflation pressures which are out of the control of the relevant committee. Examples include the waste contract, highways, and Microsoft licencing.
- £5.5m has also been set aside to cover the significant increase in Housing Benefit subsidy losses for Exempt Properties (S&R £3m) and £2.5m contribution to support the large increase in Homelessness accommodation costs around housing benefits support.

- 1.6.8. Services are required to develop solutions to bridge the budget gap for 2024/25 and bring forward proposals to the November policy committee meetings. At the same time working hard to bring the in-year overspend down through ongoing work on recovery plans and additional support to deliver budget implementation plans (BIPs).

This current forecast in-year overspend must be urgently managed and mitigated to avoid the risk that the Council has to look to our available Budget Contingency Reserve (£30m) to balance at year end. Maintenance of a prudent level of contingency reserves is critical to ensure stability and sustainability for 2024/25 onwards.

23-24 Q1 Committee Budget Outturn Position

1.7. Adult Health & Social Care- £3.2m overspend

The forecast revenue outturn position for the AHS&C Committee is overspent by £3.2m	Full Year Forecast £m	Outturn	Budget	Variance
ADULTS, CARE AND WELLBEING		138.3	134.8	3.5
INTEGRATED COMMISSIONING (Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services)		8.5	8.9	(0.3)
Total		146.9	143.7	3.2

1.7.1. The 2023/24 settlement provided additional "one-off" funding for social care	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
ADULTS, CARE AND WELLBEING		(9.9)	3.9	9.5	3.5
INTEGRATED COMMISSIONING (Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services)		0.0	0.0	(0.3)	(0.3)
Total		(9.9)	3.9	9.1	3.2

In February 2023 the Department for Levelling Up, Housing and Communities (DLUHC) approved the 2023/24 settlement for Local Government. Included within the Settlement were some funding and taxation commitments for 2024/25. These included details of Council Tax thresholds and additional funding for social care.

Beyond 2024/25 the picture is less clear. However, there is a general acknowledgement that due to fiscal constraints, there will be very little, if any, increase in public sector spending in unprotected services such as Local Authorities over the remaining period of the Medium-Term Financial Analysis. This settlement has been treated as "one-off" in year due to future uncertainty.

1.7.2. Of the £31.6m savings targets, £27.6m are on track to be delivered in year with some saving set to outperform budget, leaving a £3.9m in year gap:

Budget Savings (BIPS) £m					
Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Red	9.5	4.5	5.0	2.0	3.0
Amber	1.0	0.6	0.4	0.3	0.0
Green	21.1	22.5	-1.4	0.0	-1.4
Total	31.6	27.6	3.9	2.3	1.6

Savings Description	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Appropriate use of residential care	0.5	0.3	0.3		0.3
Contract savings	0.3	0.1	0.1	0.1	0.0
Dedicated case management for young adults	0.4		0.4	0.4	0.0
Direct Payments	0.3	0.2	0.1	0.1	0.0
Driving Improvements in Social Work Practice	1.1		1.1		1.1
Ending of temporary funding	0.8	0.6	0.2		0.2
Homecare Transformation Project - Strength Based Reviews	0.5	0.3	0.2	0.2	0.0
New approach to joint packages of care	1.3	0.9	0.5		0.5
Nursing care costs	0.3	0.2	0.2	0.2	0.0
Review cost increases	0.3	0.2	0.1	0.1	0.0
Review of Better Care Fund	0.5	0.3	0.3		0.3
Review of Living & Ageing Well	0.2		0.2		0.2
Review of Living & Ageing Well	0.7		0.7		0.7
Review significant cost increases	1.1	0.7	0.4	0.4	0.0
Reviewing homecare post pandemic	1.0	0.6	0.4	0.4	0.0
Supported Living	0.5	0.3	0.2	0.2	0.0
RED BIPS Total	9.5	4.5	5.0	2.0	3.0

1.7.3.	Purchasing activities are overspent by £0.7m	Full Year £m	Outturn	Budget	Var.
	Learning Disabilities		34.6	32.5	2.0
	Older People		23.2	24.1	(0.8)
	Physical Disabilities		17.5	18.2	(0.8)
	Mental Health		9.3	9.1	0.2
	Total Purchasing		84.6	83.9	0.7

Learning Disabilities Purchasing, excluding the Social Care Grant is £8.2m overspent. This is net of £1.7m Continuing Health Care income from 22/23. Recovery work is underway including establishment of task & finish groups and the development of business cases around invest to saves including focus on enablement, day services, reviewing high cost 1 to 1 support and maximising income.

1.7.4.	The recovery plan details how the service will address the budget	The Adult Social Care recovery plan which will be presented to committee on 20 th September 2023 details how the service intends to address in 2023/24 in 5 key focus areas:
		<ul style="list-style-type: none"> • Recovery reviews • Enablement approach for working age adults, • Staffing costs • Residential care

	<ul style="list-style-type: none"> Disability Facilities Grant
<p>1.7.5. Transformation funding has been approved to support delivery of the BIPs</p>	<p>Funding has been approved to keep agency teams in place until the end of the financial year. This is a short-term investment to reduce long-term costs. Additional governance arrangements have been put in place to manage the performance of agency teams, with monthly reporting to the Council's Performance and Delivery Board.</p>
<p>1.7.6. A delay in housing related support provision is forecast to create a small underspend in 2023/24</p>	<p>A £0.3m underspend in Integrated Commissioning relates to Housing Related Support. Expenditure had been previously agreed for a new complex needs service for vulnerable adults who have accommodation needs. The service is unable to start until a suitable property is found and because it has not been possible to secure anywhere to date, the service will not start until later in the year.</p>
<p>1.7.7. The Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care responsibilities and costs</p>	<p>Fair Cost of Care is to determine an appropriate fee level on over-65 Care Homes and Homecare delivery. SCC are currently an average to low payer when benchmarked against other Local Authorities which indicates the potential to have to increase rates above current forecast levels. Any grant allocated is unlikely to fully cover the cost of those increases.</p> <p>Social Care Reform will levy significant new responsibilities on Local Authorities and introduces a cap on care costs. The grant allocated is unlikely to fully cover the costs of those increases or the required increase staffing base needed to deliver our new responsibilities.</p> <p>Following an announcement in the government's Autumn Statement 2022, the planned adult social care charging reforms are now delayed until October 2025. Market pressure may present a risk to Sheffield City Council's budgets, without clarity on support from Central Government.</p>
<p>1.7.8. Savings delivery remains the biggest challenge to the committee's financial position</p>	<p>The key financial risk going into 2023/24 for the service is the pace of savings required and the impact of prior year's savings carrying into 2023/24 on top of current challenges. when significant new additional savings are also required of the service.</p> <p>As with the other areas of the Council, cost and pay inflation are the major drivers for social care pressures into the medium term. Adults Social Care services are also forecasting increased pressures as a result of fee uplifts, growth and other demographic changes, plus increased transition costs between children's and adult care.</p>

1.8. **Communities, Parks & Leisure Committee – overspend of £0.3m**

1.8.1.	The Communities Parks & Leisure Committee is forecast to overspend by £0.3m	Full Year £m	Outturn	Budget	Variance
	Community Services (Community Safety; Family Centres; Youth Services; Community Services Business Support)		9.8	9.6	0.2
	Parks, Leisure & Libraries (Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)		31.1	30.9	0.2
	Integrated Commissioning (Voluntary Sector)		0.8	0.8	(0.0)
	Total		41.7	41.3	0.3

1.8.2.	There is forecast to be a shortfall of BIP delivery of £0.2m relating to Parks and Libraries	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
	Community Services (Community Safety; Family Centres; Youth Services; Community Services Business Support)		0.0	0.0	0.2	0.2
	Parks, Leisure & Libraries		0.0	0.2	0.0	0.2
	Integrated Commissioning (Voluntary Sector)		0.0	0.0	(0.0)	(0.0)
	Total		0.0	0.2	0.2	0.3

1.8.3. Of the committee's £2m savings, £200k will not be delivered in year:

Budget Savings (BIPS) £m

Service	Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
PARKS, LEISURE & LIBRARIES	Red	0.6	0.5	0.1		0.1
	Amber	0.4	0.4	0.0		0.0
	Green	0.7	0.7	0.0		0.0
PARKS, LEISURE & LIBRARIES Total		1.7	1.5	0.2		0.2
COMMUNITY SERVICES	Green	0.4	0.4	0.0		0.0
COMMUNITY SERVICES Total		0.4	0.4	0.0		0.0
Grand Total		2.0	1.9	0.2		0.2

1.8.4.	Libraries will under deliver BIPs by £135k	<p>Libraries are set to fall short of the £585k target by £135k. This is part of a multi-year savings programme of £771k over 3 years. The shortfall will be mitigated by high vacancy rates this year. The next stage of redesign of library service is needed including a review of home library service as well as longer term review which needs to link into Council's approach to face to face service delivery in communities.</p> <p>A small proportion of the BIP relating to parks will also fall short this year but be offset elsewhere in the service budgets.</p>
<hr/>		
1.8.5.	Underspends in Youth offset some overspends in Early Help & Prevention	<p>The Youth service underspent by £1.1m last year due to delays in the implementation of a new operating model and recruitment slippage. Continued delays into 23/24 are set to create a £200k underspend again this year. This is somewhat mitigating overspends in early help and prevention staffing and family centres budgets.</p>
<hr/>		
1.8.6.	The Parks Leisure & Libraries Services are forecast to overspend by £200k	<p>Coroner and Medico Legal Centre are forecast to overspend by £150k due to increased staffing and contractual costs and small assorted overspends elsewhere are being offset by place strategy and change (£336k) due to unfilled vacancies in the service.</p>

1.9. **Economic Development & Skills Committee – £0.1m overspend**

1.9.1.	The Economic Development & Skills Committee budgets is forecast to overspend by £100k	Full Year £m	Outturn	Budget	Variance
		EDUCATION & SKILLS (Employment and Skills; Family and Community Learning)	0.8	0.8	0.0
		PARKS, LEISURE & LIBRARIES (Events)	0.4	0.3	0.1
		ECONOMY, CULTURE & SKILLS	8.3	8.2	0.0
		Total	9.5	9.4	0.1

The forecast for services within the committee is to overspend by £100k £80k within the events budgets and £30k in Economy, Culture & Skills.

1.9.2.	Whilst the net budget is £9.4m, the Committee is reliant on £15.5 m of income to support the services.	Service	Net Budget	Outturn - Income	Outturn - Expend	Total Outturn	Total Variance
		ECONOMY, CULTURE & SKILLS	8.2	(6.8)	15.1	8.3	0.0
		EDUCATION & SKILLS	0.8	(7.9)	8.7	0.8	0.0
		PARKS, LEISURE & LIBRARIES	0.3	(0.8)	1.2	0.4	0.1
		Grand Total	9.4	(15.5)	24.9	9.5	0.1

1.9.3. **Budget Savings (BIPS) £m**

Service	Financial RAG	Description	Total Savings	Savings Deliverable in Year	In Year Gap
ECONOMY, CULTURE & SKILLS	Green	Maximising income from external grant sources	0.1	0.1	0.0
	Green	Reduction in activity budget for responding to in-year opportunities	0.1	0.1	0.0
ECONOMY, CULTURE & SKILLS Total			0.1	0.1	0.0
EDUCATION & SKILLS	Green	Review of delivery model of SEND at Sheaf Training Centre.	0.1	0.1	0.0
		Use grant funding to mitigate pay award pressure	0.3	0.3	0.0
EDUCATION & SKILLS Total			0.4	0.4	0.0
Total			0.5	0.5	0.0

1.9.4. **The committee's BIPS will be delivered** The four savings targets totalling £0.5m are forecast to be fully delivered this year.

1.10. Education, Children & Families Committee - £8.9m overspend

1.10.1.	The Education, Children & Families General Fund is overspent by £8.9m	Full Year £m	Outturn	Budget	Variance
		Children & Families	109.6	104.4	5.3
		Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	13.6	10.1	3.5
		Integrated Commissioning (Commissioning; Children's Public Health; Early Help and Prevention)	1.5	1.3	0.1
		Total	124.7	115.8	8.9

1.10.2.	The 2023/24 settlement provided additional "one-off" funding for social care	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
		Children & Families	(3.9)	3.3	5.9	5.3
		Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	0.0	0.4	3.1	3.5
		Integrated Commissioning	0.0	0.0	0.1	0.1
		Total	(3.9)	3.7	9.1	8.9

In February 2023 the Department for Levelling Up, Housing and Communities (DLUHC) approved the 2023/24 settlement for Local Government. Included within the Settlement were some funding and taxation commitments for 2024/25. These included details of Council Tax thresholds and additional funding for social care.

Beyond 2024/25 the picture is less clear. However, there is a general acknowledgement that due to fiscal constraints, there will be very little, if any, increase in public sector spending in unprotected services such as Local Authorities over the remaining period of the Medium-Term Financial Analysis. This settlement has been treated as "one-off" in year due to future uncertainty.

1.10.3. Budget Savings (BIPs) £m

Service	Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
CHILDREN & FAMILIES	Red	4.3	1.3	3.1	0.3	2.7
	Amber	0.2		0.2		0.2
	Green	1.4	1.4	0.0		0.0

CHILDREN & FAMILIES Total		6.0	2.7	3.3	0.3	3.0
EDUCATION & SKILLS	Red	0.4		0.4		0.4
	Amber	0.1	0.0	0.1		0.1
	Green	0.4	0.4	0.0		0.0
EDUCATION & SKILLS Total		0.9	0.4	0.4		0.4
INTEGRATED COMMISSIONING	Green	0.1	0.1	0.0		0.0
INTEGRATED COMMISSIONING Total		0.1	0.1	0.0		0.0
Grand Total		6.9	3.2	3.7	0.3	3.4

Of the committee's £6.9m Budget Implementation Plans (BIP) are forecast to fall short by £3.7m representing a 46% delivery rate.

1.10.4. Details of the BIPs set to fall short of the target are shown below:

Financial RAG	Description	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Red	A targeted campaign to increase numbers of fostering places available by 40 by OCT 2023	1.6		1.6		1.6
	Engage with partner to more cost effective way of working	0.3		0.3		0.3
	Edge of Care Staffing	0.2	0.0	0.1	0.0	0.1
	On-call service review	0.3		0.3		0.3
	Rebase the MAST budget	1.2	1.1	0.1	0.1	-0.0
	Review care leaver offer to ensure access to support continues post 21	0.4	0.2	0.2	0.2	-0.0
	Sufficiency and Placement Mix - identify and transition 18 year-old Care expedite transfer to Council / Social Housing	0.5		0.5		0.5
Children & Families Total		4.3	1.3	3.1	0.3	2.7
Red	Max opportunities across TS, C&F and SENDSARS for collaboration work to drive efficiencies in Home to School transport	0.4		0.4		0.4
Education & Skills Total		0.4		0.4		0.4
Total		4.7	1.3	3.4	0.3	3.1

1.10.5. **Placement costs continue to create overspends for the service** The key overspends in the service relate to placements with external residential a particular issue. These are forecast to exceed the previous year's costs by £4.8m. This sits alongside undelivered targets from the previous year of £2m.

The average placement is £5,400 per week. However, due to a limited number of places in the city, the most complex children can cost a great deal more. Actions are being taken to ensure that the right costs for placements are being met by

all elements including education and where possible health. High-cost placements are also being reviewed.

1.10.6. **The number of children in care is fairly stable** Even though there is an increase in demand at the front door, we are maintaining our number of children in care that is with a backdrop of increased Unaccompanied Asylum Seeker Children. The number of looked after children has reduced from 674 (2021), to 666 (2022) to 653 (2023). This is low in contrast to comparators. This impacts on the cost of placements given the cases tend to be more complex and therefore more expensive.

1.10.7. **We are struggling to recruit foster carers** The savings proposal for £1.6m to increase fostering placements this year is also forecast to not be delivered. Marketing is taking place, but our number of foster carers is remains static. Nationally this has been an issue since the pandemic as older foster carers decided to exit the market and there is not the like for like recruitment to new foster carers.

Foster placements has dropped from 71.0%to 65.1%, this has caused the major rise to the number of children placed in children’s homes, secure units, and hostels (including semi-independent living) from 19.0% to 25.1%, which is largely higher than comparators (range 12%to 16%).

This needs to be seen in the changes to our placement mix- more young people who we look after are young asylum-seeking children – who historically have been less likely to be placed within family-based care. A project is underway to increase Supported Lodgings – which should impact the use of semi-independent living. Whilst we want to increase the offer across the city, we are specifically working to target communities who have expressed an interest in supporting young people from asylum seeking backgrounds and who we have not historically reached effectively.

1.10.8. **Home to school transport is set to cause a £3m overspend this year** Further demand in home to school transport costs are forecast to create a £3m overspend against budgets this year. This has the potential to increase further in October when we know exactly how many children require transportation to school. An overarching review of this area will commence in 2024.

1.10.9. Dedicated Schools Grant (DSG) is forecast to overspend by £0.3m	DSG Full Year Forecast £m	Outturn	Budget	Variance
	Children & Families	6.9	6.9	(0.0)
	Education & Skills	231.9	231.8	0.1
	Integrated Commissioning	3.5	3.3	0.2
	Total	242.2	242.0	0.3

The main cause of overspend in Education & Skills is due to £0.1m increase in Early Years EHCP plans.

The integrated commissioning overspend relates to back dated costs of increased Medical Services contract with Nexus.

1.11. **Housing Committee - General Fund Overspend of £3.2m & Housing Revenue Account overspend of £0.5m**

1.11.1.	The Housing General Fund is forecast to overspend by £3.2m against budget.	Full Year £m	Outturn	Budget	Variance
		Housing General Fund	10.1	7.0	3.2
		Regeneration And Development (Housing Growth - General)	0.1	0.1	0.0
		Total	10.2	7.0	3.2

The majority of the overspend in the Housing General Fund relates to homeless temporary accommodation and the loss the Council incurs as a result of Government subsidy rules.

1.11.2. **An increase in demand for Supported Accommodation & Housing Benefit Regulations have created a budget problem for the Council**

The Government does not fully subsidise all housing benefit payments made by the Council even though it sets the rules that determine the amount the Council has to pay.

In 2022/23, the Council incurred a loss of £2.8m as a result of the legislation relating to temporary homelessness accommodation. The Council is essentially bridging the gap between the amount the accommodation costs, in this case using hotels and B&Bs, and the amount we are able to recover via housing benefits from DWP, "subsidy loss".

In 2023/24 based on current demand and costs, the forecast subsidy loss is expected to reach £4.9m. There is no budget to support this. The in-year position has been mitigated by the use of prior year Homelessness grants totalling £1.7m, the team are working through the detail to ensure we are maximising use of grant funding towards the issue and clarifying eligibility on a number of other funding streams. Use of this funding could create pressures on staffing budgets in the next 2 years, but teams are looking for ways to resolve this. This particular mitigation is a one-off and is not an option for future years. Urgent action must be taken to reduce the loss incurred by the Council in this area.

1.11.3. **The Housing Solutions team are developing short- and long-term strategies to deal with the problems**

A report will be brought to the November Housing Policy committee to give further detail on the issues faced by the Authority and details actions to help bring this overspend down. Ultimately, we need to stop using hotels and B&Bs as Temporary Accommodation for a variety of reasons, not just because of the financial cost. The service is developing a Temporary Accommodation strategy that will set out our approach, and options including commissioning models or recommendations for policy decisions.

The situation has arisen post lockdown and following the introduction of the Homelessness Reduction Act in 2017 coupled with the shortage of affordable housing in the city and a limited range of options, our use of hotel and B&B accommodation has reached an unsustainable and unaffordable level. The increase in Homelessness is a national issue and there are now more than 100,000 households in

Temporary Accommodation which is the highest level for 20 years.

Some of the immediate measures in place to contain the problem include:

- **Voids** – working with the recently established team in housing to ensure we are utilising our stock to maximum effectiveness,
- Investigating **private sector** capacity and alternative delivery models to better use private sector rental as interim housing options
- Introduction of temporary **new management** resource in the housing solutions team focussing on strengthening process and challenge
- Recruiting **additional temporary staff** to deal with backlogs of cases and increasing the number of staff in the prevention team,
- Encouraging **partnering** of exempt supported accommodation providers with registered providers and social landlords to maximise claim eligibility.
- Commissioned end-to-end independent **process reviews** of placements to ensure rapid re-housing is taking place and challenging the robustness process and placement decisions,
- Reviewing, and moving on, **longer term placements in temporary and supported accommodation** to provide more cost effective options to those at immediate risk of hotel accommodation,
- Developing business cases to strengthen the bolster resource in the **claims review team**,
- Working with **other Authorities** to understand potential localised solutions within the sub-region.

In the longer term, other actions are also underway:

- Current construction costs have made planned new TA schemes unaffordable in their current form. **Value engineering** work on capital investment opportunities for Temporary Accommodation are underway to find ways to make investments financially viable.
- Becoming more **creative** with our acquisition approach including repurposing alternative accommodation or leasing opportunities
- Working with **partner organisations**, including the South Yorkshire Housing Partnership to expand housing that is available
- Focus towards improving earlier **prevention** levels and focus on prevention activities including supporting residents to maintain tenancies and better targeted support.
- Our work with the **Royal Foundation** offers greater opportunities and access to resources with the aspiration to eliminate family homelessness.

1.11.4. **There is further demand risk to Housing General Fund budgets** The Home Office are accelerating decisions on backlogs of asylum cases, and this is likely to start being felt in the next month. This will mean more people will be presenting as homeless following positive decisions in addition to the usual flow. This would result in a higher than usual number of people who have No Recourse to Public Funds (NRPF) with negative decisions. Partner organisations are signposting to Supported Exempt Accommodation (SEA). Both are likely to add pressures to the use of hotels and SEA. We are working with Migration Yorkshire and Home Office to try and understand the scale of the issue and what the impact will be and looking for any alternative options.

1.11.5.	The Housing Revenue Account is forecast to overspent by £0.5m	Full Year £m	Outturn	Budget	Variance
	Net Income – Dwellings		(160.2)	(161.6)	1.4
	Other income		(7.7)	(6.9)	(0.8)
	Repairs & Maintenance		50.2	48.8	1.4
	Depreciation		25.0	25.0	0.0
	Tenant Services		54.1	55.5	(1.4)
	-Council Tax		1.9	1.9	0.0
	-Disrepairs		4.4	3.9	0.5
	Interest on borrowing		12.9	13.6	(0.7)
	Contribution to Capital Programme		19.3	19.7	(0.5)
	Total		(0.0)	(0.0)	(0.0)

1.11.6. **The key variance is rent loss of £1.6m from vacant properties** £1,590k of the variance relates to an undelivered BIP saving to implement measures to improve void rent loss, however a multi-functional voids team is now in place to address this. This is offset by (£334k) lower bad debt provision than budget.

1.11.7. **Other income is £800k higher than anticipated** Furnished accommodation service charges have overachieved by over £430k against budgeted levels and the service has benefitted from additional interest of £470k

1.11.8. **Repairs and maintenance costs are £1.4m over budget** There are overspends in responsive repairs of over £1m in the service. Key variances include overspends of £3.9m in subcontractor costs due to workflow increases in voids and working at height, £758k on equipment and materials, £540k employee costs, and an under recovery on the obsolete heating programme of £276k, offset by (£4.6m) forecast capital income recharges mainly relating to firestopping, voids and working at height. The total overspend is largely represented by the unachieved BIP as show in 1.11.11.

1.11.9. **Tenant Services is forecast to underspend by £1.4m** There are a variety of overspends in tenant services largely offset by lower recharges, additional capital management fee income £346k and vacancies in fire safety £329k, Tenancy enforcement team £294k and communal areas £241k.

1.11.10. **Disrepair claims are continuing to cause overspends** Legal fees on disrepair cases are still high, partly due to an unachieved BIP, though an improvement plan is in place to reduce claims and further cost escalations.

1.11.11. **Capital financing costs are lower than budget** HRA capital financing costs i.e., the interest payable on debt are lower than budget by £700k.

1.11.12. **Budget Savings (BIPS) £m**

Service	Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
HOUSING GENERAL FUND	Red	0.2		0.2		0.2
	Green	0.3	0.3	0.0		0.0
HOUSING GENERAL FUND Total		0.4	0.3	0.2		0.2
REGENERATION & DEVELOP	Green	0.2	0.2	0.0		0.0
REGENERATION AND DEVELOPMENT Total		0.2	0.2	0.0		0.0
HOUSING REVENUE ACCOUNT	Red	5.0	1.8	3.1		3.1
	Green	17.8	17.8	0.0	0.0	0.0
HOUSING REVENUE ACC Total		22.8	19.7	3.1	0.0	3.1
Grand Total		23.5	20.2	3.3	0.0	3.3

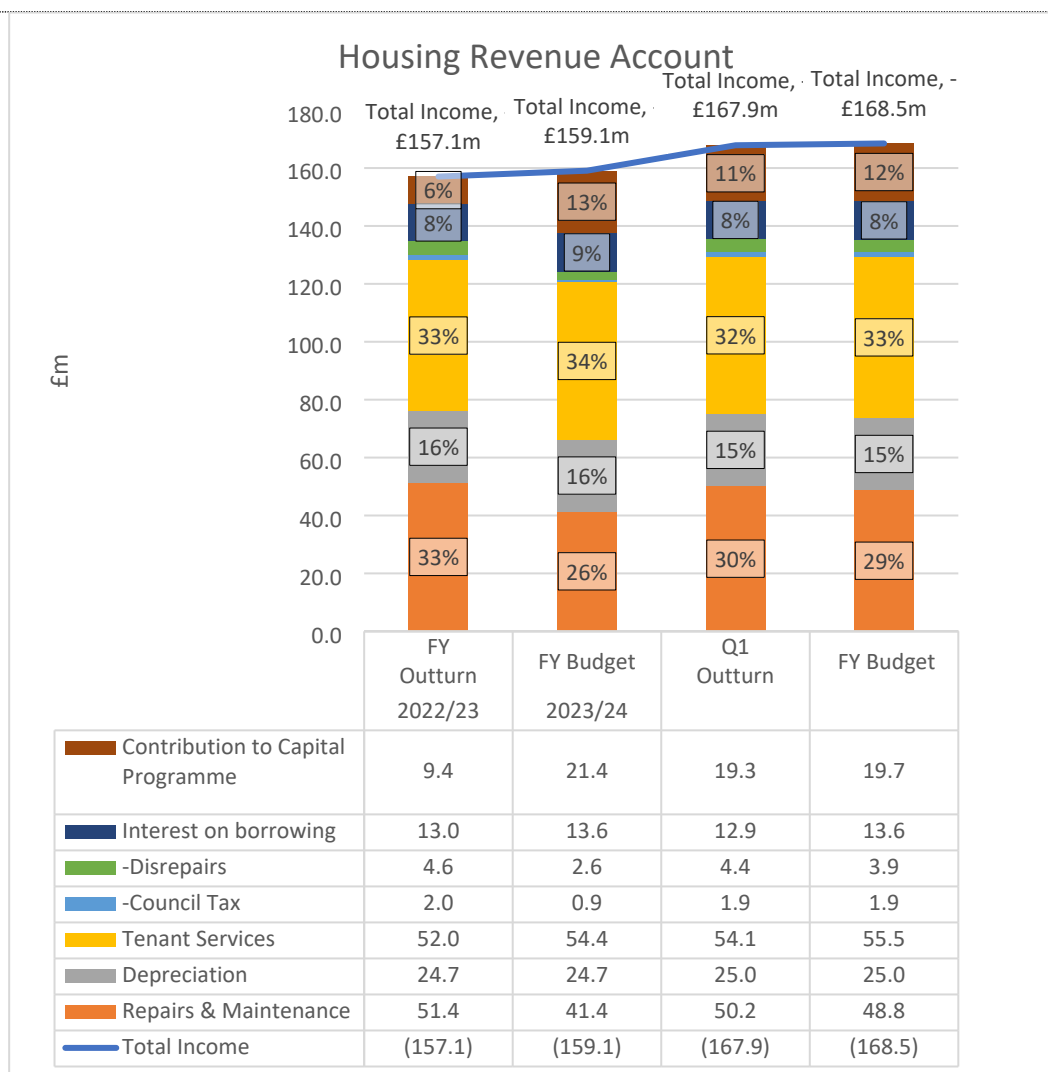
Of the £23.5m savings targets in place for 2023/24, £20.2m are forecast to be delivered. The £0.2m saving in the Housing General Fund relates to temporary accommodation which given the context of current budget pressures is not achievable this year.

Other red rated savings relate to the HRA, the main shortfall with repairs & maintenance:

Description	Total Savings	Savings Deliverable in Year	In Year Gap
Improvement in disrepair management	1.2	0.9	0.3
Improvement in void rent loss	1.8	0.3	1.5
Introduce recharges to tenants	0.3	0.2	0.2
Reduction in sub-contractor usage and a review of overheads in (RMS)	1.5	0.5	1.0
Review of Community Buildings	0.2		0.2
Total	5.0	1.8	3.1

1.11.13. The below chart shows the breakdown of the HRA in comparison to the prior year.

Uplifts to budgets in disrepairs, council tax, tenant services and most significantly repairs and maintenance should make contributing to the capital programme more achievable this financial year.



1.11.14.	Community heating account underspent by £0.4m	Full Year £m	Outturn	Budget	Variance
		Income	(5.0)	(4.4)	(0.6)
		Expenditure	4.5	4.3	0.2
		Total	(0.5)	(0.1)	(0.4)

1.11.15. **Overspends in the HRA impact the capital programme** The forecast outturn position results in a reduced contribution to the future programme. A sustained improvement in revenue budgets in 2023/24 must be delivered to ensure the long-term capital programme and HRA business plan remains affordable.

1.12. Strategy and Resources - £3.1m overspend

1.12.1.	The Strategy and Resources Committee budget is forecast to overspend by £3.1m	Full Year £m	Outturn	Budget	Variance
		Housing Benefit	3.7	0.2	3.5
		Regeneration And Development (Property)	(3.9)	(4.9)	1.0
		Organisational Strategy P & D	4.8	4.3	0.4
		Human Resources	6.3	5.9	0.5
		General Counsel	3.1	2.6	0.5
		Operational Services (Customer Services; Facilities Management; Transport)	20.5	20.1	0.4
		Policy & Democratic Engagement	6.1	5.7	0.3
		Digital Innovation & ICT	15.2	15.2	(0.0)
		Finance & Commercial Services	19.1	19.1	0.1
		Central Costs	(5.1)	(4.9)	(0.2)
		Public Health (Public Health DPH)	(0.1)	(0.1)	(0.0)
		Other Central Costs - Capita	0.0	0.0	0.0
		Corporate Transactions	(515.2)	(515.2)	0.0
		Community Services (Local Area Committees)	2.9	2.9	(0.0)
		Resources Management& Planning	0.3	0.3	(0.0)
		Contract Rebates & Discounts	(1.0)	(0.7)	(0.3)
		Consolidated Loans Fund	25.1	28.1	(3.0)
		Total	(418)	(421)	3.1

1.12.2. **An increase in demand for Supported Accommodation & Housing Benefit Regulations have created a budget problem for the Council**

Exempt accommodation is defined in the Housing Benefit regulations as being accommodation provided by a Council, a Housing Association, a registered Charity, or a voluntary organisation where care or support or supervision is provided by the landlord or is provided on behalf of the landlord.

Where exempt accommodation is provided by a *Housing Association*, the subsidy rules mean that the Council receives 100% in subsidy in respect of the awards of Housing Benefit that are paid. Where exempt accommodation is provided by a *voluntary organisation or a registered charity* (but not by a Housing Association), the subsidy rules mean that the Council does not receive 100% in subsidy in respect of the awards of Housing Benefit that are paid.

The Housing Independence Service completed an exercise a few years ago with short term service providers who were not registered social landlords to encourage them to register themselves or partnered them with existing social landlords to act as the official landlord for the service they were providing. Completing a similar exercise with long-term providers and Adult Care and Housing commissioners will help relieve future pressures on Council budgets.

The subsidy shortfall cost the Council £3m for this type of accommodation in 22/23 and is forecast to cost in the region of £3.5m for 23/24 unless immediate action is taken to limit our exposure to the issue.

1.12.3. **Shortfalls in income from commercial property are forecast**

There is a shortfall against budgeted income for Electric Works of £305k due to low occupancy rate. The property lost key tenants in 2022/23 and more have left in this financial year

	<p>to create a £1m budget gap leaving occupancy at 57% where the budget is for 85% occupancy to meet income targets.</p> <p>The property team are falling short of their fee targets by £219k on property disposals and £128k on acquisitions. There is also a further £200k shortfall in other commercial estate income.</p>
<p>1.12.4. Shortfalls in 2022/23 BIP delivery have left legacy issues for 2023/24</p>	<p>Savings plans in 2022/23 required significant budget savings relating to operating model changes in the Council's Strategic Support Services directorate. Some of the savings plans were not delivered in 22/23 and have slipped into this financial year. Affected services include Organisational Strategy Performance and Delivery (formally Business Change), Human Resources, General Council (Legal Services), Finance & Commercial Services, Policy, and Democratic Engagement.</p> <p>The Future Sheffield programme will look to re-base budgets in some of these services over the coming months to ensure resourcing is financially sustainable in the directorate. Allocations from the transformation fund have been made to support this programme of work to right size services to ensure operational and financial resilience for the future.</p>
<p>1.12.5. Interest income from cash balances continues to remain strong</p>	<p>High interest rates have had a positive impact for the Council for 2022/23 and further gains above budget have been made into 2023/24. At the Bank of England's last Monetary Policy Committee meeting in August 2023, the interest rate increased by a further 0.25% to 5.25%.</p> <p>The Council has strong cash balances and agile treasury management activity has enabled us to benefit from these favourable market investment rates. A forecast £3m improvement against expectations has been reflected in the Q1 forecast and goes some way towards mitigating some of the challenges faced in Strategy and Resources committee budgets.</p>

1.13. **Transport, Regeneration & Climate Committee - underspend of £0.4m**

1.13.1.	The Transport, Regeneration & Climate Committee is forecast to underspend by £0.4m	Full Year £m	Outturn	Budget	Variance
		Streetscene & Regulation (Clean Air Zone)	0.0	0.0	0.0
		Inclusive Growth & Development (Planning Services; ITA Levy; Transport and Infrastructure	37.3	37.6	(0.3)
		Regeneration And Development (Capital Delivery; Property Regeneration, Director Of Regeneration And Development)	2.3	2.4	(0.1)
		Total	39.6	40.0	(0.4)

1.13.2.	Underlying income trends contribute to the budget position	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
		Streetscene & Regulation (Clean Air Zone)	0.0	0.0	0.0	0.0
		Inclusive Growth & Development (Planning Services; ITA Levy; Transport and Infrastructure	0.0	0.1	(0.4)	(0.3)
		Regeneration And Development (Capital Delivery; Property Regeneration, Director Of Regeneration And Development)	0.0	0.0	(0.1)	(0.1)
		Total	0.0	0.1	(0.5)	(0.4)

Services within the committee are required to deliver £800k of savings this year. Current forecasts show £700k of the BIPs are on target.

The shortfall against target relates to the proposal to increase fees and charges for Building Control services. New methodology for liabilities (WIP) has been introduced but has created a negative movement in July, impacting forecast outturn and overall deliverability of BIP target. The activity levels still support original forecast.

1.13.3.	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, somewhat offset by a continuation of reduced planning fee income for the year in the region of £0.5m
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1.13.4.	A breakdown of budgets included in the TRC committee is provided below for further detail on the split between income and expenditure budgets:
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Service	Budget	Outturn - Income	Outturn - Expendi ture	Total Outturn	Total Variance
PRECEPTS AND LEVIES	23.8		23.8	23.8	(0.0)
TRANSPORT & INFRASTRUCTURE	13.4	(6.2)	18.8	12.6	(0.8)
CAPITAL DELIVERY SERVICE	2.0	(5.7)	7.7	2.0	(0.0)
PROPERTY REGENERATION	0.3	(0.8)	1.1	0.3	(0.1)
PLANNING SERVICES	0.3	(4.2)	4.9	0.7	0.5
DIR OF PLANNING INVEST & SUS	0.1	0.0	0.1	0.1	0.0
DIRECTOR OF REGEN AND DEVELOPM	0.1	(0.1)	0.2	0.1	(0.0)
CARBON REDUCTION			0.0	0.0	0.0
CLEAN AIR ZONE	0.0	(6.4)	6.4	0.0	0.0
SUSTAINABILITY & INVESTMENT		0.0	0.0	0.0	0.0
Grand Total	40.0	(23.5)	63.1	39.6	(0.4)

1.14. Waste & Street Scene Committee is £0.8m underspent

1.14.1.	The Waste & Street scene committee is forecast to underspend by £0.8m.	Full Year £m	Outturn	Budget	Variance
		Streetscene & Regulation (City Centre Management; Director Of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services)	63.5	64.2	(0.8)
		Total	63.5	64.2	(0.8)

1.14.2.	Whilst the committee is forecast to underspend this year, £200k of savings plans are set to fall short of target	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
		Streetscene & Regulation (City Centre Management; Director Of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services)	(0.5)	0.2	(0.4)	(0.8)
		Total	(0.5)	0.2	(0.4)	(0.8)

1.14.3. Budget Savings £m*rounded to nearest £100k

Financial RAG	Description	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Red	Further dimming of lighting & reduction to carbon emissions	0.1		0.1		0.1
	Red Total	0.1		0.1		0.1
Amber	Challenge planning conditions for longer parking tariff periods	0.1		0.1		0.1
	Reduction in nighttime running hours of City Centre fountains	0.1	0.1	0.1		0.1
	Amber Total	0.2	0.1	0.1		0.1
Green	5% cuts to supplies & services budgets	0.1	0.1	0.0		0.0
	50% cut to training budgets	0.0	0.0	0.0		0.0
	Create new car park at West Lane	0.1	0.1	0.0		0.0
	Freeze the annual contribution to the lifecycle costs sinking fund	0.3	0.3	0.0		0.0
	Removal of underspent budget	0.1	0.1	0.0		0.0
	Removal of vacant posts to create improved structure and service delivery	0.2	0.2	0.0		0.0
	Green Total	0.8	0.8	0.0		0.0
	TOTAL	1.1	0.9	0.2		0.2

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

Service Area	Budget	Outturn - Income	Outturn - Expend	Total Outturn	Variance
WASTE MANAGEMENT	30.9	(6.3)	37.1	30.8	(0.1)
HIGHWAYS CONTRACT	29.0	(48.0)	77.0	29.0	0.0
ENVIRONMENTAL REGULATIONS	3.4	(1.7)	5.4	3.7	0.3
PLACE HUB	2.7	0.0	2.7	2.7	0.0
HIGHWAY MAINTENANCE DIVISION	1.5	(0.9)	2.5	1.7	0.1
CITY CENTRE MANAGEMENT	1.5	(1.4)	3.2	1.8	0.3
SHEFFIELD CITY MARKETS	1.1	(1.6)	3.1	1.4	0.3
STREETSCENE®	0.5	0.0	(0.2)	(0.2)	(0.7)
EMERGENCY PLANNING	0.2	(0.1)	0.3	0.2	(0.0)
LICENSING	0.1	(1.5)	1.7	0.2	0.2
COST OF LIVING HUB	0.0	(11.0)	11.0	(0.0)	(0.0)
PARKING SERVICES	(6.7)	(12.3)	4.4	(8.0)	(1.2)
Grand Total	64.2	(84.8)	148.3	63.5	(0.8)

The above breakdown provides good context for the high value expenditure budgets of the committee. An £800k underspend represents just 1.2% deviation from net budget and less than 0.5% of expenditure budgets.

- 1.14.5. **Contract inflation over the past two years has driven up base budgets** Whilst inflation is beginning to fall, contract inflation pressures driven by RPIX are now embedded in our cost base. Contract inflation was applied for 2022/23 at 8%, for 2023/24 at 12.6% and medium-term planning assumptions have allowed for 7% for 2024/25 costs, 4% for 2025/26 and 3% thereafter in line with current market expectations.

1.6 **Capital Programme Monitoring Q1 2023/24**

Further details on the capital spending priorities of each of these Committees are contained in our Capital Strategy which is refreshed each year. **Appendix 1** sets out the overall position at quarter 1 against the 2023/24 approved budget.

1.7 **Treasury Management Report Q1 2023/24**

Appendix 2 summarises the Treasury Management position for the period to 30th June 2023 and the potential implications for revenue budgets. The report meets the requirements of both the Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities. The regulatory environment places responsibility on Members for the review and scrutiny of Treasury Management policy and activities. This report is therefore important, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

1.8 **Collection Fund Monitoring Report Q1 2023/24**

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 (NDR). It shows how these local taxes have been distributed to the Council's General Fund. **Appendix 3** provides an update of the Council's collection fund position as at Q1 and forecast outturn position for 23/24.

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

- 2.1 The recommendations in this report are that each Policy Committee notes their 2023/24 budget forecast position and takes action on overspends.

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 The primary purpose of this report is to provide Members with information on the City Council's revenue, capital, treasury, and collection fund budget monitoring position for 2023/24.

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 To record formally changes to the Revenue Budget and the Capital Programme.

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CAPITAL PROGRAMME MONITORING AS AT JULY 2023

Section 1 – Statement of Budget Movement

	2023/24	2024/25	Future	Total	Comments
Month 3 Approved Budget	315.4	134.1	269.1	718.6	The key changes to the programme from last month relate to: KEY ADDITIONS
Additions	2.7	8.6	38.3	49.6	+ £46.7m - Inclusion of major Council Housing Re-roofing programme + £0.9m - Inclusion of UK Shared Prosperity Fund Grant Schemes + £1.8m - Various investments into Education estate
Variations	-8.8	-6.9	-12.6	-28.3	KEY VARIATIONS
Reprofile	-13.1	12.3	0.8	0.0	+ £3m - Increase in grant to Urbo Developments via MCA funding + £1.2m - Increase in Council Housing Energy Efficiency Allocation due to grant income - £32.6m - Drawdown from Block Allocation to fund Council Housing Re-Roofing
Slippage & Acceleration	-4.0	4.0	0.0	0.0	KEY REPROFILES
Month 4 Approved Budget	292.2	152.1	295.6	739.9	- £4.9m - Reprofile of Council Housing Block Allocations - £8.2m - Reprofile of Council Housing External Wall Insulation Scheme SLIPPAGE - £4m - Slippage on Future High Streets Fund Public Realm Scheme

The table above summarises the movement in budget from month 3 to month 4 23/24 and Capital programme budget position as at July 2023. Showing an overall approved capital programme of **£739.9m** over the next 5 years.

Section 2 – 2023/24 Forecast Outturn Position and Movement From Prior Month

The forecast outturn position at the end of July 2023 is **£261.3m** against an approved budget of **£292.2m**. A variance of **£30.9m**.

This is a movement of £32.1m from the £63m below budget at Month 3.

£23.2m of this movement was due to the reduction in budgets, bringing these into line with reduced forecasts. However, forecast expenditure has also increased by £8.9m. This will continue to be monitored carefully as indications are that the final outturn position will be significantly less the currently forecast as outlined in section 4.

Details of the key variations and movements by Policy Committee area are shown in the table below.

Key areas to note:

Housing - £28.5m below budget

- Major reprofiling of Stock Increase Programme underway in response increased tender return costs and pressures on overall HRA budget.
- Identified slippage on External Wall Insulation Scheme

Transport, Regen & Climate Change - £4.5m below budget

- Delays to Future High Streets Fund Events Central Scheme due to tender returns requiring additional time to secure funding
- Reprofiling of expected delivery of Stocksbridge Towns Fund Programme
- Delays to Levelling Up Fund Castle Site programme again due to tender returns requiring additional time to secure funding

Adult Health & Social Care - £2.1m over budget

- There remains pressure withing the Disabled Facilities Grant Budgets due to the ongoing backlog which built up during COVID exacerbated by increased demand and rising construction prices. Work is ongoing to refine the data held by the service to estimate current liabilities. The previous level of overspend forecast overspend was thought to be manageable within one off Social Care grant funding. However, the current month's forecast indicates this may not be possible creating an additional pressure. Work will be on going with the service to validate this forecast.

Forecast 23/24 Outturn Position and movement

Capital Programme	FY Outturn	FY Budget	Month 04		Comments (where variance +/- 500k)	Month 03		Comments (where variance +/- 500k)
			FY Variance	Movement		FY Variance	Movement	
ADULT HEALTH & SOCIAL CARE	8,329	6,200	2,129		Key Variances + £2.1m - Work ongoing to refine data on outstanding cases and identified additional cases. Increase from prior month means previous identified funding may not be sufficient to cover revised forecast	795	1,334	Key Movements + £1.3m - Work ongoing to refine data on outstanding cases and identified additional cases. Increase from prior month means previous identified funding may not be sufficient to cover revised forecast
COMMUNITIES, PARKS & LEISURE	25,291	25,282	9			(8)	18	
ECONOMIC DEVELOPMENT & SKILLS	256	1,103	(847)		Key Variances - £0.9m - Forecasts not completed for Community & Cultural Assets and Low Carbon grants projects		(847)	Key Movements - £0.9m - Forecasts not completed for Community & Cultural Assets and Low Carbon grants projects
EDUCATION, CHILDREN & FAMILIES	21,382	21,179	203		Key Variances + £0.57m - Nether Green Jnr Roof - Forecast increased costs due to additional structural works: awaiting budget increase authorisation for +£0.55m +£0.14m - Manor Lodge Primary School Expansion - some slippage upon rephased budget upon request for an additional +£1.2m awaiting approval. +£0.12m - Wharnccliffe Side - some slippage upon rephased budget upon request for an additional +£1.4m awaiting approval. - £0.47m - Rushey Meadow Children's Home - anticipated slippage on scheme due to design issues -£0.11m - Tinsley Junior Green Space - slippage of expenditure into future years as project currently on hold.	625	(422)	Key Movements -£0.61m - Devolved Formula Capital - Approval of £0.61m Budget to bring in line with forecast -£0.13m - Pipworth Adaptations KS2 - Awaiting budget increase of +£0.13m -£0.11m - Tinsley Junior Green Space - slippage of expenditure into future years as project currently on hold. +£0.16m - Marcia School - recent Budget reduction of £160k (moved to Parks Balance Sheet) regarding a Playing Fields agreement. +£0.15m - Nether Green Jnr Roof - Forecast costs in 23-24 increased by £0.15m due to additional structural works: awaiting budget increase authorisation for +£0.55m +£0.14m - Manor Lodge Primary School Expansion - some slippage upon rephased budget upon request for an additional +£1.2m awaiting approval. +£0.12m - Wharnccliffe Side - some slippage upon rephased budget upon request for an additional +£1.4m awaiting approval.
HOUSING	70,561	99,019	(28,458)		Key Variances - £9.9m - Newstead OPIL - Scheme to be reprofiled as part of overall SIP reprofile - £8.4m - Stock Increase Block allocation - to be reprofiled as part of overall SIP reprofile - £3.8m - Hemsworth OPIL - Scheme to be reprofiled as part of overall SIP reprofile - £3.8m - Corker Bottoms New Builds - delays to scheme delivered by SHC - £1.5m - Newstead Enabling Works - Forecast underspend on works anticipated to be used for reinstatement works - £1.2m - General Council Housing Acquisitions - reprofiling due to increase volume to be delivered under Local Authority Housing Fund - £0.4m - External Wall Insulation package 3 - Investigating asbestos in roofs - £0.3m - Lift Replacement Programme - Slippage due to delay in procurement + £0.6m - Daresbury / Berners New Council Housing - Reflects worst case scenario of outcome of contract variations + £0.4m - Single Staircase Tower Blocks - Contractual completion is a 13 week extension of time on original contract dates	(54,369)	25,911	Key Movements + £15m - Block allocations - Approval of budgets to bring into line with forecast + £8.2m - External Wall Insulation 2 - Approval of revised budget to bring into line with forecast + £1.3m - General Acquisition Refurbishments - Approval of revised budget to bring into line with forecast following Contract Award + £0.8m - Infield Lane Apartments - Approval of budget to purchase these new build apartments
STRATEGY & RESOURCES	7,165	6,567	598		Key Variances +£0.75m - GP Hub - City - awaiting full budget approval for +£0.75m +£0.29m - GP Hub - SAPA - awaiting full budget approval for +£0.29m. +£0.28m - GP Hub - Foundry 2 - awaiting full budget approval for +£0.28m. +£0.26m - Woodhouse Hub - Forecast increased costs due to additional structural works. +£0.24m - GP Hub - Foundry 1 - awaiting full budget approval for +£0.24m. -£0.23m - Transport Efficiency - due to slight slippage of expected vehicles delivery dates on part of programme. -£0.19m - Spring St Kennels - currently no forecast expenditure in 23-24 as project on hold pending further investigation. - £0.6m - Other Corporate FRA works - reduction in costs due to omission of some works to be retendered.	(515)	1,113	Key Movements +£0.75m - GP Hub - City - awaiting full budget approval for +£0.87m, with some slipped into future years. +£0.29m - GP Hub - SAPA - awaiting full budget approval for +£0.29m. +£0.28m - GP Hub - Foundry 2 - awaiting full budget approval for +£0.28m. +£0.24m - GP Hub - Foundry 1 - awaiting full budget approval for +£0.24m. -£0.23m - Transport Efficiency - due to slight slippage of expected vehicles delivery dates on part of programme. -£0.19m - Spring St Kennels - currently no forecast expenditure in 23-24 as project on hold pending further investigation.
TRANSPORT, REGEN & CLIMATE	127,423	131,934	(4,511)		Key Variances - £2.5m - FHSF - Events Central - Forecast slippage on scheme due funding issues. All years overspend of £0.9m forecast. Budget amendment to be brought forward - £2.1m - LUF Castle Site - Slippage of scheme completion into 24/25 All years overspend of £2.3m now forecast - £1.5m - STocksbridge Towns Fund Programme - Slippage across programme. Mainly Hub. -£0.4m CAZ Back Office - Spend now profiled in 24/25 - £0.4m - Upper Don Flood Phase 2 - Slippage - £0.3m - HOCIL Block A - Slippage - £0.3m - Sheaf Valley Cycle Route - Slippage - £0.3m - TCF Nether Edge Wedge - Slippage + £1m - LUF S1 Artspace - Budget awaiting approval + £0.9m TCF City Centre - Forecast increased costs required to finalise design stage + £0.5m - Nether Edge Crookes ATN - Overspend on scheme - awaiting confirmation of additional funding + £0.4m - On street Charge points - Awaiting budget approval + £0.3m - TCF Housing Zone North - Forecast Acceleration	(9,495)	4,983	Key Movements + £4m - Future High Streets Fund Public realm - Approval of budget to bring in line with latest reprofile. + £1.2m - Barker Pool budget reduction
WASTE & STREET SCENE	912	907	5			(20)	25	
TOTAL	261,318	292,191	(30,873)			(62,988)	32,114	

Section 3 – Top 10 Schemes forecasting to overspend over project life

The table below identifies the top 10 capital schemes forecasting to overspend over the life of the project by value and therefore potential risks to the authority.

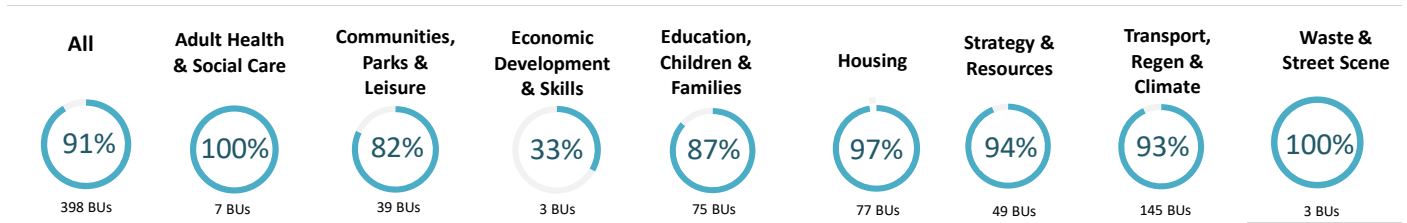
Items “Awaiting Approval” indicate that solutions are identified and variance will be removed when relevant budgets are approved.

The remaining items represent known issues on schemes which will require either additional funding or scope reductions to bring schemes back within funding envelopes.

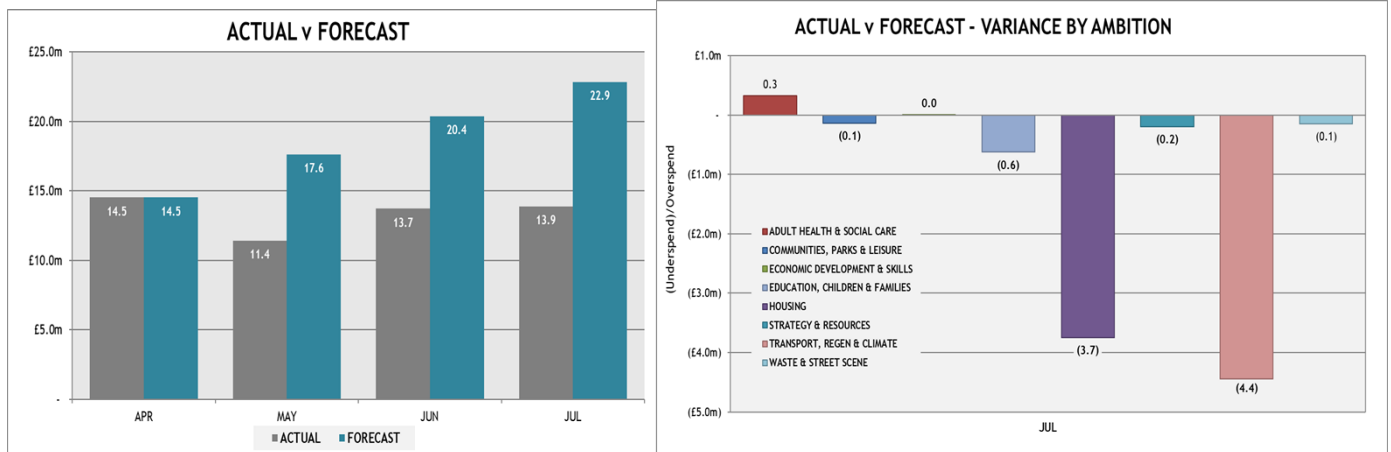
Business Unit	Policy Committee	All Years Budget	Forecast Variance on all years budget	Explanation	
4.1	Levelling Up Fund Castle Site	TRANSPORT, REGEN & CLIMATE	13,400	2,182	OVERSPEND - Due to market conditions and period of time since budget was initially estimated, the current forecast exceeds the budget. Castle Site Project to be delivered through a 2 stage process. This will provide an opportunity to review current estimates and align delivery to the available funding. Additional funding bid has also been submitted by SCC. No risk of overspend by SCC and forecasts will be updated prior to Contract Award for the full works.
4.2	Accelerated Adaptations Grants	ADULT HEALTH & SOCIAL CARE	2,735	1,736	Overspend - Ongoing issues in management of COVID backlog of works to private households, increased demand and construction inflation. Also ongoing work to refine data with service to confirm full extent of liability. Funding brought forward from previous financial year and expected announcement of additional funding from central government may partially mitigate, but accuracy of forecast to be reviewed.
4.3	Wharnccliffe Side Primary School Expansion	EDUCATION, CHILDREN & FAMILIES	50	1,415	Awaiting Approval - Full costs of scheme forecast in advance of anticipated budget approval September 23
4.4	Manor Lodge Primary School Expansion	EDUCATION, CHILDREN & FAMILIES	192	1,004	Awaiting Approval - Full costs of scheme forecast in advance of anticipated budget approval September 23
4.5	Levelling Up Fund - Market Tavern	TRANSPORT, REGEN & CLIMATE	192	1,004	Awaiting Approval - Full budget formally approved at Finance Committee August 23 - awaiting completion of budget by project manager
4.6	Transforming Cities Fund - City Centre	TRANSPORT, REGEN & CLIMATE	1,759	898	OVERSPEND - Based on the current information, the cost manager estimates an Early Contractor Involvement project shortfall to end detailed designs. This is as a result of post contract design changes. Which have resulted in an increase in internal and external fees. In addition, costs have been incurred for a GPR survey. The project sponsor has instructed that the work on the project progresses and they have noted the need to identify additional funds which is likely to be from Transforming Cities Fund at Final Business Case Stage but remains a potential risk until this is approved
4.7	Future High Streets Fund Events Central	TRANSPORT, REGEN & CLIMATE	6,617	908	Overspend - Latest cost estimate indicates £900k overspend. Additional funding has been identified to cover this. However, the anticipated outcome of the current tender process is a further increase in cost. Additional SYMCA funding is being identified to meet this eventuality
4.8	New Build Council Housing - Daresbury & Berners	HOUSING	13,764	584	OVERSPEND - Current forecast is for worst case scenario based on potential delays on connection of utilities. Cost will need to be met from Stock Increase Programme contingency budget.
4.9	GP Transformational Hubs - City Centre	STRATEGY & RESOURCES	-	746	Awaiting Approval - Full budget conditionally approved at Finance Committee August 23 - awaiting signing of funding agreement with Integrated Care Board before budget can be formally approved.
4.10	Nether Green Junior School Roof	EDUCATION, CHILDREN & FAMILIES	1,670	550	Awaiting Approval - Various site issues leading to cost increases which will put additional pressure on Schools' Condition Funding. Variation being presented for approval September 23
Total			40,379	11,027	

Section 4 - Forecasting

4.1 – Capital Business Unit forecasting performance

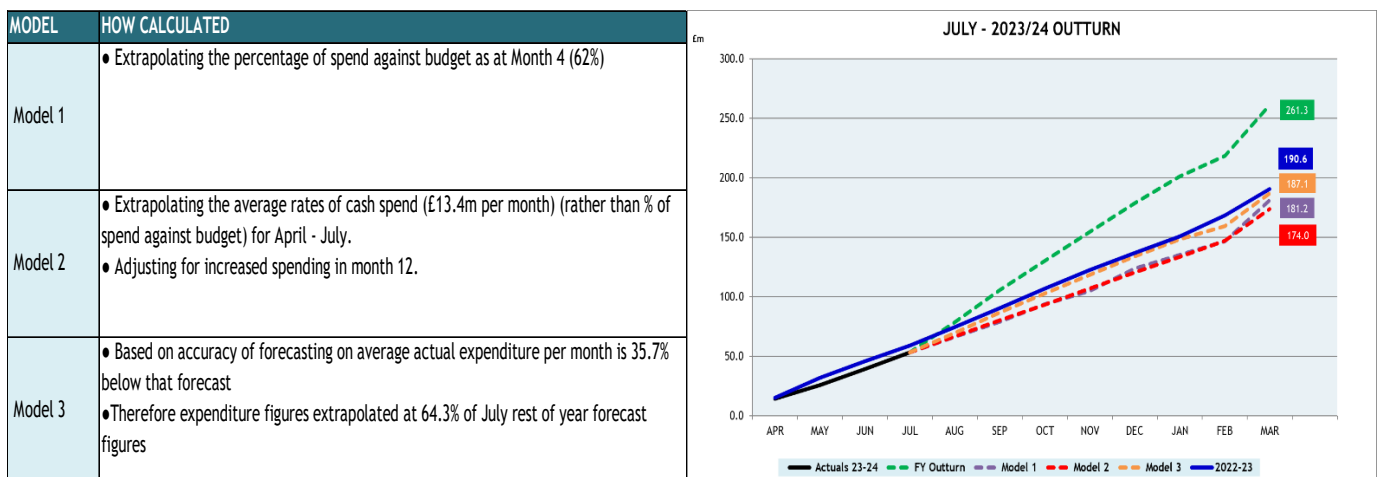


4.2– Capital Business Unit Forecasting Accuracy



Graphs at 4.2 compare the actual expenditure incurred each month against that which was forecast in the prior month. As can be seen overall actual expenditure in July was £9m less than had been forecast in the previous month. This continues the trend seen in previous months and back into 22/23. Key schemes that have spent significantly below forecast in July are -£0.5m (Heart of The City schemes), -£0.7m (Future High Streets Fund Programme), -£1.1m (TCF Programme), -£0.6m (Clean Air Zone programme), -£0.6m (Stocksbridge Towns Fund Programme), -£1m (External Wall Insulation Package 3), -£0.8m (New Build Council Housing Gaunt Road), -£0.7m (Local Authority Housing Fund Acquisitions), -£0.7m (Heating Breakdowns), -£0.6m (Newbuild Council Housing Newstead General Needs). We are working closely with colleagues in the Capital Delivery Service to identify key drivers behind the regular high levels of over optimistic forecasts.

4.3 – Forecasting Models



The graph at 4.3 shows a potential spread of outturn positions compared to the current forecast based on the extrapolation models described. Also included is the profile of expenditure for 2022/23 as a comparator.

While the work to improve the accuracy of forecasting has reduced the overall forecast outturn by £44.5m since April, the level of over-forecasting identified at 5.2 suggests that the estimated position remains over optimistic. Historic data and the extrapolation models used suggest that we expect to see this reduce by a further £70m as the year progresses.

Section 5 – Key Risks and Issues

Key Issues

- **Disabled Facilities Grant** - Pressure continues in this area to deal with COVID backlog, increasing demand and rising costs. One off historic grant and anticipated additional government funding was expected to alleviate pressure in 23/24 but latest forecast indicates a potential further issue. Further close work to be undertaken with service to review accuracy of latest forecast.

- **Levelling Up Fund - Castle Site** - Current designed scheme exceeds approved funding and there is a risk that a) savings have to be identified post tender b) additional funding is required for recent cost estimates. Additional funding is being explored but the timescales are currently unknown and there is no guarantee of success. Extension of timescales for completion to 2025 has alleviated risk to completion date.

- **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, outcome of this to be confirmed shortly, but currently underwritten from CIF.

- **Daresbury/ Berners Council Housing New Build Schemes** - Now forecasting potential overspend of £0.6m placing further pressure on Stock Increase Programme Budget

High levels of inflation and supply issues re: construction materials - This is having a significant impact on cost and delivery timescales of capital schemes as evidenced by Future High Streets Programme, Levelling Up Programme and challenges faced on Council Housing Stock Increase Programme as contractors price in these risks to tender returns.

Key Risks

Key risk areas -

Schemes funded via time limited grants:

- **Active Travel Fund** - Due to a failure to finalise change requests and Stage 3 agreements for Sheaf Valley Cycle Route there is currently over £300k spent at risk on this scheme that we are unable to claim funds for until the issue is resolved. Failure to do so will require these to be funded from other sources – potentially LNCTP.

- **Transforming Cities Fund Schemes** – Extended design periods are leading to increased costs on these phases which are exceeding the funding released under staged agreements with SYMCA. While these costs should be recoverable when schemes progress to full delivery, timescales on this remain unclear.

Other Issues

Schools Condition Allocation - Works already committed and proposed pipeline indicate the majority of 24/25 allocation (not yet confirmed) is already allocated, which may mean difficult choices to be made should further urgent works be identified.

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Revenue Implications of Treasury

1. Purpose of the Report

The purpose of this report is to summarise the Treasury Management position for the period to 30th June 2023 and the potential implications for revenue budgets.

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

2. Summary.

Investment income is higher than budgeted, this results in the treasury budget forecasting to underspend by £2.6m in 2023/24. Interest rates for new borrowing are also much higher than at budget setting but this cost can be mitigated by delaying borrowing or potentially avoiding new borrowing in 2023/24 if cash balances remain healthy.

The cause of the dramatic rise in rates is due to 'stubbornly' high inflation figures, meaning bank rates are now anticipated to push higher and remain there longer than was expected at budget setting.

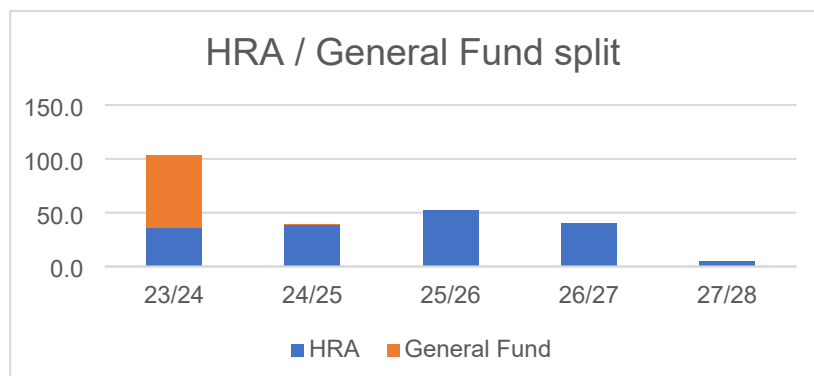
3. Capital Investment & Funding

1.1 Significant capital investment delivered across the city	The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure and supports the local economy, whilst ensuring the impact on debt costs within the revenue budget is effectively managed.																								
1.2 The capital budget for 23/24 to 27/28 totals £717m	As at June 23, the <u>approved</u> capital budget, for the period from 2023/24 through to 2027/28 totals £717m (a full breakdown is shown in Appendix 1). This figure at budget setting was £605m, the increase represents some of the slippage from 22/23.																								
1.3 Housing and non-housing split of planned investment	The split of this planned investment across housing and non-housing are shown in the graph below: -																								
<div style="text-align: center;"> <table border="1" style="margin: 10px auto;"> <caption>Capital Investment Data (Estimated from Chart)</caption> <thead> <tr> <th>Year</th> <th>Non Housing (£m)</th> <th>Housing (£m)</th> <th>Total (£m)</th> </tr> </thead> <tbody> <tr> <td>23/24</td> <td>190</td> <td>120</td> <td>310</td> </tr> <tr> <td>24/25</td> <td>20</td> <td>120</td> <td>140</td> </tr> <tr> <td>25/26</td> <td>0</td> <td>140</td> <td>140</td> </tr> <tr> <td>26/27</td> <td>0</td> <td>120</td> <td>120</td> </tr> <tr> <td>27/28</td> <td>0</td> <td>10</td> <td>10</td> </tr> </tbody> </table> </div>		Year	Non Housing (£m)	Housing (£m)	Total (£m)	23/24	190	120	310	24/25	20	120	140	25/26	0	140	140	26/27	0	120	120	27/28	0	10	10
Year	Non Housing (£m)	Housing (£m)	Total (£m)																						
23/24	190	120	310																						
24/25	20	120	140																						
25/26	0	140	140																						
26/27	0	120	120																						
27/28	0	10	10																						
1.4 Borrowing increases are largely due to	The proportion of this investment funded by prudential borrowing over this period has increased to £240m (34%). This compares to £220m																								

slippage from 22/23 (36%) when budgets were set. Again, this is expected due to the larger overall Capital investment.

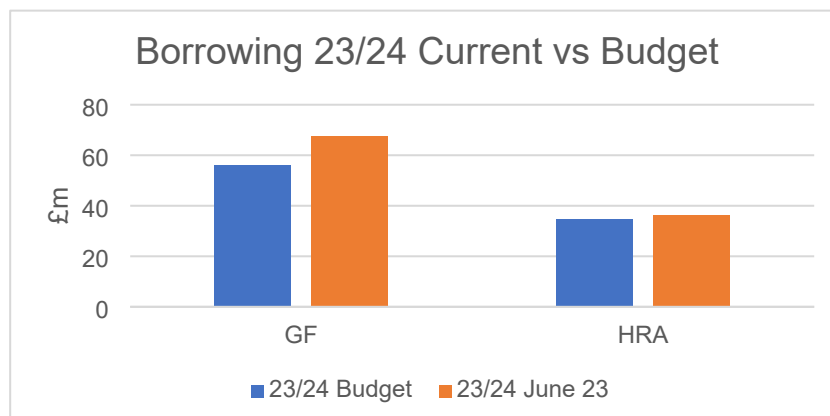
1.5 Graph - Prudential borrowing over next 5 years

The following graph shows how this element of funding varies over the five years. General Fund borrowing (£68m) makes up the majority of borrowing in the near term, but the HRA forecasts to borrow more from beyond 23/24.



1.6 Slippage from 22/23 impacts 23/24 borrowing

Most of the increase in prudential borrowing can be seen in 23/24 on the general fund requirement.



1.7 It is hoped that new borrowing can be delayed until interest rates are more favourable.

Economics conditions have seen the cost of borrowing rise dramatically in the first quarter of this year, forecasts are for more uncertainty but with cost eventually falling back by 24/25. The timing of this reduction has moved further out as economic data, particularly inflation continues to disappoint markets.

This supports delaying borrowing and using internal sources, with options to look at short term borrowing should liquidity become an issue over this period.

If 23/24 forecasts for prudential borrowing (£91m) was externalised, current interest rates of around 5.4% would see an additional (fully year cost) of around £4.9m.

1.8 Cash balances have remained strong and so

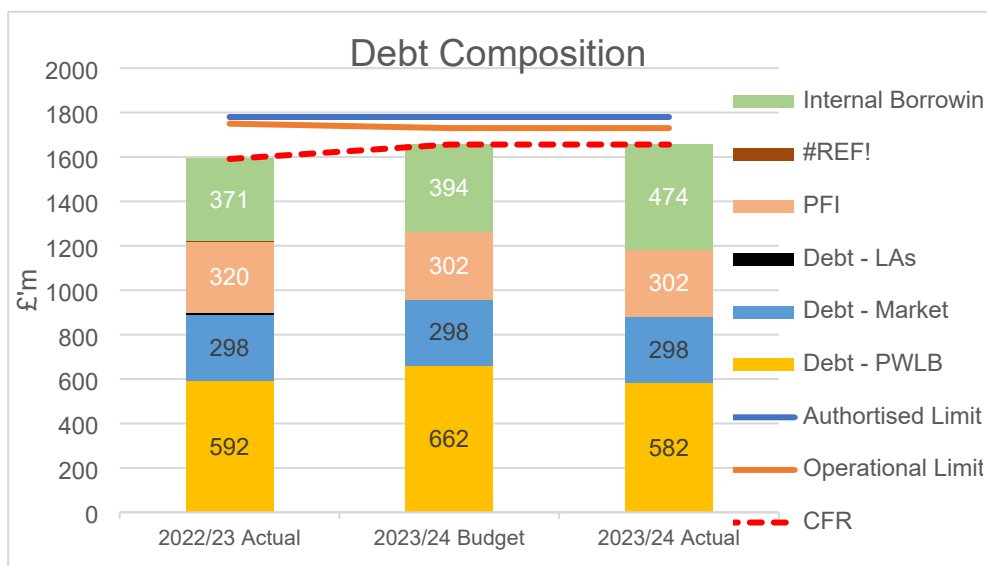
Cash balances have remained strong, partially due to underspends in the Capital programme (22/23) and have afforded us the luxury of

we have delayed borrowing. delaying borrowing. Irregular funding flows from government partially created this opportunity. Balances are expected to decrease over the year but have remained level during the first quarter after the pension prepayment was made.

4. Update on Debt

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

Borrowing from internal sources will increase with less debt externalised than budgeted.



The above table shows: -

- The Council is using a substantial proportion of its own liquidity to fund capital expenditure, rather than taking external borrowing. If no further borrowing is externalised the Council will have borrowed internally up to £474m by 31 March 2024. This is an increase to the budgeted position, but external sources are reduced accordingly.
- This approach is taken because we pay more to borrow externally than we receive on any cash we invest; cash balances are relatively healthy and interest rates are expected to fall in the medium term. The associated interest rate risk should be noted, i.e., rates could be higher in future when we need to borrow externally.
- No new borrowing has been taken since March 22.
- The Council is expected to maintain a moderate amount of borrowing capacity, over and above its current/forecast CFR when compared to the Operational Boundary. Whilst this capacity is forecast to reduce, we do not anticipate breaching the Boundary this year, as we still have a satisfactory margin of safety.

2.2 Strategy Update – no proposed changes

- There are no proposed changes to: -
- Treasury Management Strategy Statement
 - Annual Investment Strategy

other than to delaying external borrowing

- Minimum Revenue Provision Policy
- Either the Operational or Authorised Borrowing Limits

The 2023/24 Treasury Management Strategy Statement (TMSS) set out plans to borrow an additional £80m to fund in-year Capital Expenditure and reduce the under-borrowed position. Strong cash balances have allowed us to defer until rates are more favourable.

Short term loans may be taken if Interest rates do not come down as quickly as expected.

This financial year: -

- Pension prepayment of £134m had material impact on liquidity but cash balances still remain strong.
- £20m of loans will be repaid during 23/24
- There is a much-reduced probability of further borrowing to fund General Fund investment is anticipated during this financial year, so internal borrowing is expected to increase as per the chart in 2.1.
- There are no significant shifts in planned HRA borrowing despite major cost increases in the housing / construction market. Some planned cap ex has slipped in to 25/26, this further supports the plan to delay new borrowing.

2.3 No rescheduling of our borrowing has been undertaken

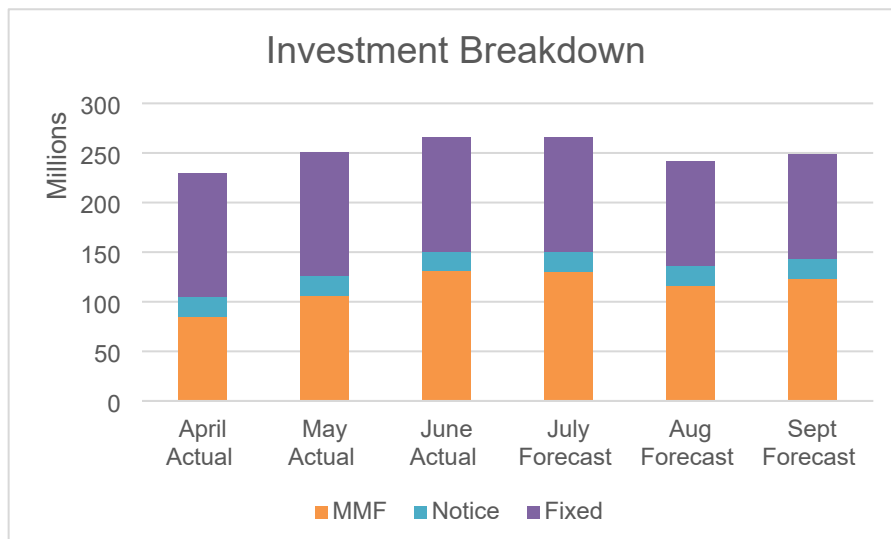
No rescheduling of any of our borrowing has been undertaken. We will keep this position under review, currently the charges to reschedule PWLB debt are higher than the benefits of doing so.

5. Update on Investments**3.1 Investment balances have increased and rates are forecast to be higher than budgeted for.**

Investment balances have increased over the first Quarter but are forecast to fall over the rest of the financial year. The year end forecast position of £220m supports the decision to delay borrowing. Due to increasing interest rates, investment balances are making a significant contribution to revenue (see 4.1). Rates are forecast to remain higher for longer until material reductions in inflation are seen.

	Month End Balance (£M)	Average Return
April Actual	£230.0	3.85%
May Actual	£251.1	3.97%
June Actual	£269.0	4.24%
July Forecast	£266.5	4.40%
Aug Forecast	£242.6	4.50%
Sept Forecast	£249.4	4.75%
YTD Ave	£251.4	4.29%

3.2 Breakdown of investment by type Fixed investments have been allowed to mature during the first quarter to replace the MMF balances which were reduced by the pension prepayment at the start of the year. MMF balance offer liquidity with fixed investment offering higher returns. Our investment profile will continue to balance these two factors.



3.3 Sufficient liquidity is being maintained, balances are expected to reduce, but income from investments is higher than budgeted. There are no investments for longer than 365 days

Most Local Authorities are in a similar position to Sheffield in that they currently have significant cash balances. However, we are beginning to see more Locals looking for cash, with higher alternative borrowing costs, lending rates to locals have increase dramatically. Borrowing costs have also increased and as usual are higher than typical investment returns within our appetite for risk.

Investment balances are expected to fall toward the end of the financial year, though income will still be higher than budgeted due to the increased rate environment.

On this basis, the Council will maintain a mix of investment balances to ensure ready access to funds and where possible benefit from locking away funds for a short, fixed duration. We will not pursue yield at cost of the security of funds or the liquidity requirement of the Authority.

There are currently no proposals for the Council to invest sums for periods longer than 365 days.

6. Revenue

<p>4.1 Treasury Management costs are in line with budget. Income is much higher than originally forecast.</p>	Main Revenue Variances June 23			Budget	Forecast	Variance	
				£m	£m	£m	
	Investment income			-5.9	-8.9	-3.0	Fav
	Borrowing Costs			33.1	33.1	0.0	*
	Minimum Revenue Provision			15.1	15.1	0.0	
	Total			42.30	39.30	-3.00	Fav
<p>*Borrowing Costs contains £0.5m provision for new borrowing in 23/24.</p>							

The above table shows:

- Costs are forecast in line with budget however borrowing costs contains £0.5m provision for new borrowing in 23/24. While the chance of borrowing has decreased the cost of doing so has gone up. It is prudent to keep this contingency in place until later in the year when borrowing needs crystalise.
- Full year impact of anticipated higher interest rates on income.

<p>4.2 Financing Costs to Net Revenue generally increase but with a noticeable one off reduction in the current year.</p> <p>23/24 shows a decrease due to Investment income and delays to borrowing costs.</p>	<p>Ratio of Financing Costs to Net Revenue Stream:</p>	2022.23	2023.24	2024.25	2025.26	2026.27
		Actual	Budget	Est	Est	Est
	General Fund	6.3%	5.9%	8.6%	8.9%	8.8%
HRA	7.6%	6.5%	7.5%	7.7%	8.8%	

Excluding PFI financing costs and associated grants but includes MRP charges made to services but not included in the treasury management budget.

The above table shows:

- Improvement in the ratio due lower net costs. Higher income and not externalising debt have improved this position.
- The improvement is short term as debt is still needed eventually and investment returns will return to normal levels.
- General Fund looks to be a much lower improvement on 22/23 than the HRA but there are additional MRP costs which increased this ratio. In the Treasury Strategy this ratio was 7.0%.
- The GF increase in 24/25 is due to the remaining HOTC schemes going live and MRP charges beginning, plus additional borrowing cost.
- Please note that the capital programme projections become less accurate the further forward the projection period is, and therefore financing costs may increase if the amount of the capital programme in 23/24 to 24/25 is funded by prudential borrowing increases.

7. Risk Assessment

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

8. Other Matters

6.1 Section 151 Officer Compliance	<p>The Section 151 Officer confirms compliance with the approved TMSS for 2023/24 and that a prudent investment approach has been followed with priority given to the security and the liquidity of amounts invested over the yield we receive.</p> <p>The Section 151 Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2023/24</p>
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9. Appendix 1 – Prudential and Treasury Management Indicators

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

Capital Programme and Funding

Forecast as at June 23	2023/24 Forecast £m	2023/24 Budget £m	2023/24 Variance £m
Non-Housing Expenditure	191.0	107.2	83.8
Housing Expenditure	123.2	106.9	16.3
Total	314.3	214.1	100.1
Financed by:			
Capital Receipts	20.6	8	12.4
Capital Grants and Contributions	126.1	58	68.3
Revenue Contributions	63.8	57	6.5
Prudential Borrowing	103.8	91	12.9
Total	314.3	214.1	100.1

Breakdown of Capital Expenditure

Capital Expenditure	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
ADULT HEALTH & SOCIAL CARE	6.2	0.0	0.0	0.0	0.0	6.2
COMMUNITIES, PARKS & LEISURE	25.2	0.1	0.0	0.0	0.0	25.3
ECONOMIC DEVELOPMENT & SKILLS	14.7	4.1	0.6	0.0	0.0	19.4
EDUCATION, CHILDREN & FAMILIES	20.0	0.6	0.0	0.0	0.1	20.7
HOUSING	123.2	118.9	141.5	119.2	7.5	510.5
STRATEGY & RESOURCES	6.6	0.0	0.0	0.0	0.0	6.6
TRANSPORT, REGEN & CLIMATE	117.6	10.3	0.2	0.0	0.0	128.1
WASTE & STREET SCENE	0.8	0.0	0.0	0.0	0.0	0.8
	314.3	134.1	142.3	119.2	7.6	717.5

Movement in Capital Financing Requirement

Capital Financing Requirement (CFR)	Per TMSS 23/24 £m	June 23 Forecast £m
CFR - General Fund CFR	1,282.0	1,275.0
CFR - Housing Revenue Account	399.7	382.0
TOTAL	1,681.7	1,657.0
Borrowing	960.0	890.2
Other Long-Term Liabilities	302.0	302.0
Forecast - Total Debt as at 31 March 2022	1262.0	1192.2

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

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

Interest Rate Forecast

The Council's treasury advisor, Link Asset Services, has provided the following forecast. The increase in the bank rate between their two forecasts is indicative of the level of volatility. This change was caused by the unexpected static inflation report resulting in the bank increasing the base rate by 0.5%.

Bank Rate	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
26.06.23	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
25.05.23	4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
Change	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.50	0.50	0.25	0.25	0.00	0.00

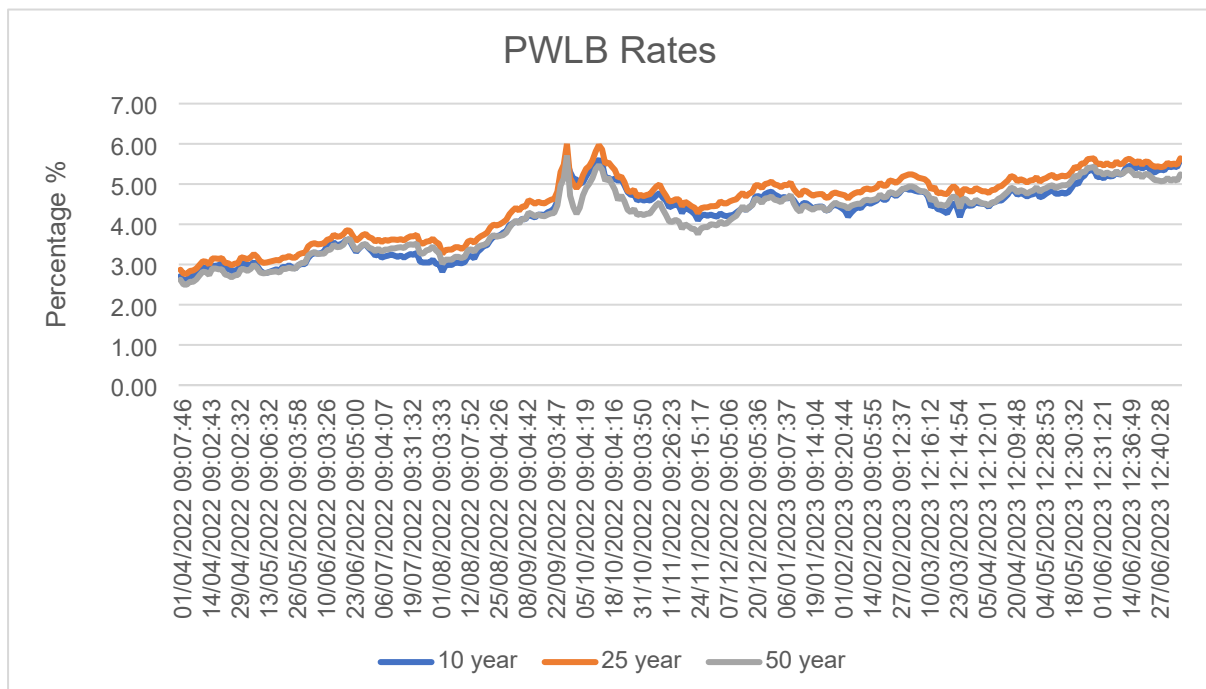
The long term forecast for for borrowing rates is to reduce steadily from 24/25 onwards. This had been previously expected this year but keeps being pushed backwards on negative economic data.

There remains significant uncertainty in gilt markets, strong cash balances should allow us to delay new borrowing until coditions are more favourable.

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

PWLB

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



Collection Fund Monitoring

Q1 2023/24

Summary

1. In 2023/24 approximately £360.6m of the Council's net expenditure was forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
2. As at the end of July, the local share of the Collection Fund Income Stream is forecasting a small surplus of £1.8m across the Fund.
3. This surplus will not affect the 2023/24 general fund position, and instead will be accounted for within the 2024/25 revenue budget.

Income Stream, retained by SCC (all figures £m)	Budget 23/24	Forecast Year End Position	Variance
Council Tax	(267.8)	(268.4)	(0.6)
Business Rates (<i>excl related grants</i>)	(92.8)	(94.0)	(1.2)
Total	(360.6)	(362.4)	(1.8)

Council Tax

4. The forecast year end position for Council Tax is a surplus of £0.6m.

Collection Fund - Council Tax (all figures £m)	Budget 23/24	Forecast Year End Position	Variance
Gross Council Tax income yield for 2023/24	(439.7)	(439.8)	(0.1)
Revenue foregone due to Council Tax Support	40.8	40.0	(0.8)
Other discounts and exemptions	69.6	69.1	(0.5)
Prior year liability adjustments		1.4	1.4
Net Collectible Council Tax	(329.3)	(329.3)	(0.0)
Losses on collection and increase/(decrease) to bad debt provision	14.8	14.1	(0.7)
Council Tax Income	(314.5)	(315.2)	(0.7)
Allocation of Council Tax Income (<i>%age share in brackets</i>)			
Sheffield City Council (85.2%)	(267.8)	(268.4)	(0.6)
South Yorkshire Police and Crime Commissioner (11.0%)	(34.6)	(34.7)	(0.1)
South Yorkshire Fire & Rescue (3.8%)	(12.0)	(12.0)	(0.0)
Total Allocations	(314.5)	(315.2)	(0.7)

5. The estimates used for the purposes of setting the 23/24 Budget appear to be reasonably accurate. The Net Collectible Council Tax (after exemptions and discounts) are in line with original estimates. The driver for the surplus position is a £0.7m improvement against the expected bad debt provision. This is due to an expected recovery in the collection relating to this year's liability, as well as prudent estimates of the rate at which the Council collects historic debts.

6. The main threat to the position is the uncertainty created by the ongoing inflationary context, and the impact this may have on residents' ability to pay Council Tax. The headline position assumes a level of decline in future months, so we are proceeding on a cautious footing and estimating a level of payment failure and additional provision needed for eventual bad debt.
7. As above, any variance to the budgeted position will not affect the 23/24 outturn position but must be accounted for in future years. The above table demonstrates a surplus payment into 24/25, if this position holds true.

Business Rates

8. The forecast year end position for Business Rates is a £1.2m surplus.

Collection Fund - Business Rates (all figures £m)	Budget 23/24	Forecast Year End Position	Variance
Gross Business Rates income yield	(267.1)	(267.0)	0.1
Estimated Reliefs	76.5	76.5	0.0
Losses on collection, appeals and increase/(decrease) to bad debt provision	11.7	9.7	(2.0)
Net Collectable Business Rates	(178.9)	(180.8)	(1.9)
Transitional Protection Payments due to Authority	(9.3)	(9.3)	(0.0)
Cost of Collection allowance	0.7	0.7	0.0
Disregarded amounts (see breakdown below)	3.5	3.4	(0.1)
Non Domestic Rating Income	(184.0)	(186.0)	(2.0)
Allocation of net business rates (<i>percentage share in brackets</i>)			
(a) Sheffield City Council (49%)	(90.2)	(91.1)	(0.9)
SY Fire Authority (1%)	(1.8)	(1.9)	(0.1)
Central Government (50%)	(92.0)	(93.0)	(1.0)
Total Allocations	(184.0)	(186.0)	(2.0)
Share of disregarded amounts			
(b) Sheffield City Council	(2.6)	(2.9)	(0.3)
South Yorkshire Mayoral Combined Authority	(0.9)	(0.5)	0.4
Sheffield City Council NNDR Income, (a) + (b)	(92.8)	(94.0)	(1.2)

9. This is mainly due to a £2.0m improvement against losses on collection – as payment rates of both 23/24 and historic debt remain strong (having already recovered to the pre-COVID trend), less of the credit within the Fund is needed to be set aside to cover risk of default. As such, this credit can be released as surplus to the General Fund.
10. This position is sensitive to a number of risks – that aggregate rating liability remains stable, and that payment rates continue to be strong. The assessment of bad debt and payment rates at this stage proceeds on a prudent footing, and regular monitoring is conducted to give confidence to the forecast year end position.

Conclusion

11. The above forecast of a modest surplus position rests on a number of assumptions – detailed above. For avoidance of doubt, it must be remembered that any eventual deficit at year end does not affect the 2023/24 General Fund revenue outturn, and will be accounted for within future revenue budgets.
12. Due to the size of the Collection Fund, a small percentage variation in income or expenditure over the coming months will have a significant impact on the forecast position. The surplus outlined above is less than 1% of the 23/24 Collection Fund income share. Monthly monitoring of the Collection Fund position is conducted to ensure that we are fully aware of any changes and the potential budget impacts.

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Report to Policy Committee

Author/Lead Officer of Report:

Damian Watkinson,
Finance Manager

Tel: 0114 273 6831

Report of: *Philip Gregory*

Report to: *Finance Committee*

Date of Decision: *11th September 2023*

Subject: *Capital Approvals for Month 04 2023/24*

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 checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>Appendix 3 is not for publication because it contains confidential information under Section 100A 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 04 2023/24.

Recommendations:

- (i) That the committee approve the proposed additions and variations to the Capital Programme listed in Appendix 1
- (ii) That the committee approve in principle the award of grant funding as identified in Appendix 2 and delegates approval of the grant award the Director of Regeneration & Development. Such approval (and entry into the agreement) is to be subject to the prior completion of a subsidy control principles assessment to demonstrate, to the reasonable satisfaction of the Director of Regeneration & Development that the above grant award is consistent with the subsidy control principles.
- (iii) That the committee approves the acceptance of grant funding as identified in Appendix 3

Background Papers:

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

Appendix 1, Appendix 2, Appendix 3

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Liz Gough</i>
	Legal: <i>Rahana Khalid/ Tarmina Saville</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	SLB member who approved submission: <i>Tony Kirkham</i>
3	Committee Chair consulted: <i>Cllr Zahira Naz</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for

submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
Lead Officer Name: <i>Damian Watkinson</i>	Job Title: Finance Manager
Date: 30/08/23	

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 04 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:

- 13 additions of specific projects to the capital programme creating a net increase of £9.29m
- 8 variations to specific projects and allocations in the capital programme creating a net reduction of £1.074m

- 4.2.3 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 Appendix 2 in relation to grants to be made to 3rd parties and Appendix 3 in relation to grants to be accepted.

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 £'000
A Transport Regeneration & Climate Change								
New additions								
Page 89	<p>Levelling Up Fund – Harmony Works</p> <p>Recommendations</p> <ul style="list-style-type: none"> To approve the use of £1.6m Levelling Up Funding as a grant to Harmony Works subject to their securing of match funding <p>Why do we need the project?</p> <p>Sheffield City Council has successfully bid for ‘Levelling Up Funding’[LUF] to invest in three projects that focus on the heritage, culture, natural environment and public realm of the Castlegate area.</p> <p>Harmony Works brings together two music institutions: Sheffield Music Academy and Sheffield Music Hub. The Hub introduces young people to music through community outreach; the Academy identifies and develops promising young talent. Both operate out of ‘borrowed’ facilities that are not suited to the scale and quality of their work.</p> <p>LUF funding will enable Harmony Works to acquire Canada House, a Grade II Listed building beside the Castle site. Additional match funding will be secured to refurbish the building to provide fit-for-purpose facilities in an accessible location, securing the future of an asset that would otherwise fall into disrepair.</p> <p>How are we going to achieve it?</p> <p>Harmony Works will lead delivery of the project and will be given LUF grant funding of up to £1,600k on confirmation that the required match funding has been secured and the project is viable. A small amount of £50k will be paid in advance as an options payment on the property.</p> <p>What are the benefits?</p> <ul style="list-style-type: none"> Increased footfall in the area Increased number of cultural events Reduction in anti-social behaviour Better training and education facilities <p>When will the project be completed?</p> <p>2023-24</p>							+1,600
	Funding Source	Levelling Up Funds	Amount	Funding Source	Levelling Up Funds	Amount £1.6m	Funding Source	Levelling Up Funds

	Approval Route	Principle of Levelling Up programme approved with acceptance of grant Feb 22						
Page 90	Crookesmoor Road Crossing							+198
	Recommendations							
	To approve the addition of £198K to the Capital Programme to progress design works for a crossing point on Crookes Road / School Road Sheffield 10 in advance of a decision on the wider Crookes/Walkley Active Travel Neighbourhoods being made at Transport Regeneration & Climate Change Committee in September 2023.							
	Why do we need the project?							
Through public consultation, there has been an identified need for safer crossing points on the boundaries of the Crookes-Walkley Active Travel Neighbourhood. Temporary crossings have previously been installed to establish whether a more permanent solution is required at the identified locations.								
The temporary crossing installed at Crookesmoor Road/ Conduit Road appears to be well used as a controlled facility and as an informal crossing point. Based on the results of a pedestrian crossing survey, the recommendation would be to retain this as a signal-controlled facility.								
How are we going to achieve it?								
Design works will now be undertaken to fully design a permanent controlled crossing point on Crookesmoor Road / Conduit Road. The estimated cost of the scheme is £198k and will be fully funded from Local Transport Plan.								
What are the benefits?								
<ul style="list-style-type: none"> • improvement in the personal perception of safety • accident reduction • safer environment in which to travel on foot or bicycle. 								
When will the project be completed?								
2023-24								
Funding Source	Local Transport Plan	Amount	£198k	Status	Ringfenced for Transport Projects	Approved		
Approval Route		TRC committee briefing 09.08.23						
Crookes Road / School Road Crossing							+198	
Recommendations								

Page 91	<p>To approve the addition of £198K to the Capital Programme to progress design works for a crossing point on Crookes Road / School Road Sheffield 10 in advance of a decision on the wider Crookes/Walkley ATN being made at Transport Regeneration & Climate Change Committee in September 2023.</p> <p>Why do we need the project?</p> <p>Through public consultation, there has been an identified need for safer crossing points on the boundaries of the Crookes-Walkley Active Travel Neighbourhood. Temporary crossings have previously been installed to establish whether a more permanent solution is required at the identified locations.</p> <p>The temporary crossing at Crookes Road/School Road appears to be well used both as a controlled facility and as an informal crossing point. The Traffic flow is high and there are limited crossing opportunities.</p> <p>How are we going to achieve it?</p> <p>Design works will now be undertaken to fully design a permanent controlled crossing point on Crookes Road / School Road. The estimated cost of the scheme is £198k and will be fully funded from Local Transport Plan.</p> <p>What are the benefits?</p> <ul style="list-style-type: none"> • improvement in the personal perception of safety • accident reduction • safer environment in which to travel on foot or bicycle. <p>When will the project be completed?</p> <p>2023-24</p>							
	Funding Source	Local Transport Plan	Amount	£198k	Status	Ringfenced for Transport Projects	Approved	
	Approval Route		TRC committee briefing 09.08.23					
<p>A625 Safer Roads Recommendations</p> <p>To approve the addition of £108.4K to the Capital Programme to progress feasibility works to investigate and propose safety measures on the A625.</p> <p>Why do we need the project?</p> <p>The Department for Transport (DfT) introduced the Safer Roads Fund (SRF) to support road safety in England, and it is part of a wider package of investment into Britain's road network.</p> <p>As part of round 3 of the Safer Roads Fund (SRF) the A625 in Sheffield has been identified in the latest analysis by the SRF as eligible for funding for improvements. The DfT has identified a funding amount of £1.425m to improve the stretch of road between the A61 in Sheffield and the B6375 near Whirlow. The route was selected from traffic flow and casualty data combined by the Road Safety Foundation (RSF) to establish an overall risk rating.</p>							+108.4	

How are we going to achieve it?

Feasibility works will be undertaken to investigate locally defined road safety measures. The types of measures being considering, but not limited to, and all subject to design standards and available funds are: -

- Central Hatchings
- Reducing speed limits
- Street Lighting
- Pedestrian Crossings
- Refuge Islands
- Delineation and Signing
- Protected turn lane
- Traffic calming

The cost of this phase is £108.4k and will be funded from Safer Road funds.

What are the benefits?

- To achieve a reduction in the number and severity of road injury collisions
- To contribute to the creation of a safer residential environment
- Allow easier access to local facilities.
- A reduction in vehicle speeds can potentially reduce vehicle emission and will contribute towards improved air quality.
- Road safety schemes can reduce the intimidatory impact of traffic on our neighbourhoods and make walking and cycling in these areas safer and more attractive; the outcome of this is to reduce the city’s carbon footprint and improving personal health.

When will the project be completed?

2023-24 [feasibility stage]

Funding Source	Safer Roads	Amount	£108.4k	Status	Ringfenced for transport projects	Approved	
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Approval Route	This is a scheme that has full cross-party support, has been discussed at length with TRC committee members and addresses one of Sheffield’s key transport priority areas in road safety.						
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Variations and reasons for change

Five Weirs Walk Improvements Recommendations

	<p>To approve the full delivery of the scheme and budget reduction of £44.6k</p> <p>Scheme description</p> <p>The aim of this scheme is to improve a section of the Five Weirs Walk [route6] National Cycle Network to bring it to a better standard and to promote active travel to reduce carbon impact of transport in the Lower Don Valley. It will also contribute to outdoor city aims by improving conditions for leisure journeys, making it easier for those with mobility aids to use this particular section.</p> <p>Project works will include: - 430m of loose surfaced section of the Five Weirs Walk (National Cycle Network 6) to be resurfaced in tarmac, removing one pinch point by relocating a bin, widening the route where vegetation allows. General Tidying of the information board and the viewpoint, and placement of additional bench.</p> <p>What has changed?</p> <p>The scheme has recently been approved to undertake design works. This stage is now complete and project delivery will commence at a full cost of £64.4k, funded from Sustrans income, resulting in an approved budget reduction of £44.6k</p> <p>Variation type: -</p> <ul style="list-style-type: none"> Budget decrease 	-44.6		
	<table border="1"> <tr> <td data-bbox="185 759 336 823">Funding</td> <td data-bbox="336 759 2013 823">Sustrans</td> </tr> </table>	Funding	Sustrans	
Funding	Sustrans			
	<table border="1"> <tr> <td data-bbox="185 823 566 888">Approval Route</td> <td data-bbox="566 823 2013 888">TRC Committee 16.03.23</td> </tr> </table>	Approval Route	TRC Committee 16.03.23	
Approval Route	TRC Committee 16.03.23			
	<p>Streets Ahead Opportunities</p> <p>Recommendations</p> <p>To approve the budget increase of £435k for the rolling programme of works including works to be requested by the Local Area Committees</p> <p>Scheme description</p> <p>The Streets Ahead project has now completed the “Core Investment Period”. Public satisfaction with the condition of the Highway Infrastructure has increased and there is a very clear public anticipation that the City Council will continue to support and augment the basic maintenance tasks with small scale accessibility improvements.</p> <p>The Council regularly receive requests to carry out small highway enhancement work such as handrail installation, community ‘H’ markings, bollard installation, pedestrian railing, new signs and road markings. Requests are individually assessed and installation is instructed for those that are of benefit to more than just one individual so they become more of a community scheme.</p> <p>What has changed?</p> <p>This project is a rolling programme of works. The 2023-24 capital budget allocation is to be increased by £435k to a total of £455.7k which will include £285k for capital works commissioned by the Local Area Committees.</p>	+435		

	<p>The increase will be funded from £360k Local Transport Plan and £75k Road Safety Fund</p> <p>Variation type: -</p> <ul style="list-style-type: none"> Budget increase 	
	<p>Funding Local Transport Plan and Road Safety Fund</p>	
	<p>Approval Route TRC Committee 16.03.23</p>	
<p>Page 94</p>	<p>Nether Edge & Crookes Active Travel Neighbourhood Recommendations</p> <p>To approve the budget increase of £465k.</p> <p>Scheme description</p> <p>The project provides two Active Travel Neighbourhoods [ATN's] in Nether Edge and Crookes/Walkley.</p> <p>The objective of the ATNs is to reduce through traffic movements, which in turn can create safety concerns for those living in those neighbourhoods. Reducing through traffic aims to will create a more pleasant, safer environment in which live, or travel on foot or by bicycle.</p> <p>What has changed?</p> <p>Since implementation, due to the high levels of extra staff time and monitoring undertaken, coupled with the need for communications support in dealing with consultations required throughout the implementation of the scheme there has been a significant cost increase on this scheme.</p> <p>The budget will be increased by £465k funded from £205.6k Active Travel / Gainshare funding and £259.5k Local Transport Plan.</p> <p>Variation type: -</p> <ul style="list-style-type: none"> Budget increase 	<p>+465</p>
<p>B</p>	<p>Communities Parks & Leisure</p>	
	<p>New additions</p>	
	<p>Millhouses Changing Places Toilet - FEASIBILITY</p>	<p>+16</p>

Recommendation

To approve the addition of £15.6K to the Capital Programme to establish the best option for installing a Changing Places Toilet at Millhouses Park funded by the accepted Changing Place Grant.

Why do we need the project?

Millhouses Park has been identified as a suitable location for a Changing Places toilet based on the geography of the site and the fact that it attracts groups and individuals from across the city. Burton Street project based in Hillsborough have been consulted who use Millhouses Park as a destination to visit and will do more often if a Changing Places toilet is built.

Grant funding has been made available to all district and local councils in the UK to make public spaces more accessible for people with complex physical needs and disabilities. The impact of receiving the grant is overwhelmingly positive and was agreed to be a positive decision for advancing equality of opportunity in the city. If the funding is not utilised it will be lost, as would be the opportunity for making a big difference to the lives of severely disabled visitors and their Carers.

How are we going to achieve it?

- Carry out surveys to assess feasibility of a modular or purposed built facility in the proposed location adjacent to the existing WCs by the boating lake.
- Provide necessary information and budget costs for the Outline Business Case, Procurement Strategy and documents to go out to tender for a Changing Places toilet and changing facility.

What are the benefits?

- This will be the fourth location of a Changing Places Toilet advancing equality of opportunity in the city.

When will the project be completed?

Feasibility complete August23
Project complete March24

Funding Source	Changing Places Grant £100K	Amount	£15.6K	Status	Grant accepted at Finance Committee 13th June 2023	Approved	Communities, Parks & Leisure PG 14th August 2023
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Approval Route Mandate shared with CPL Committee Members July23

Youth Investment Fund – All Saints Youth Club

+640

Recommendation

To approve the addition of £640K to the Capital Programme for refurbishment of the All Saints Youth Club facility funded by Youth Investment Grant.

Why do we need the project?

Grant funding is available from the Department for Digital, Culture, Media & Sport to carry out improvements to facilities that are used to provide youth community services.

The All Saints Youth Club building is outdated and in need of refurbishment to modernise the facility, helping to make it more accessible and able to meet the needs of the youth clubs that use it.

How are we going to achieve it?

- Internal remodelling of sections of the building to improve youth activities on the site.
- Internal refurbishment of the existing building including replacement of the kitchen and main WC facilities
- Improved energy performance such as additional loft insulation, new double-glazed windows, and solar panels
- External works including car park resurfacing and soft landscaping to consist of informal social areas that incorporate paved areas with seating, picnic benches and new wildflower/shrub and tree planting.

What are the benefits?

- Upgraded toilet and wash facilities.
- Improved building access including addition of WC for disabled users.
- Improved onsite parking.
- Upgraded kitchen facilities.
- Improved energy performance of the building by addition of new windows and external doors, new M&E services, and improved ventilation
- Improved external areas including resurfacing to hardstanding areas to improve the connection between internal and external areas.

When will the project be completed?

All grant funded work needs to be completed by December 2024. This deadline requires the tender process for the scheme to commence as soon as possible to meet this deadline. Failure to do so would result in the loss of the funding.

Initial e-mail confirmation of grant funding has been received from YIF, but formal documents are awaited. However, it is proposed to approve budgets and commence the tender process for the scheme in advance of this receipt to maintain momentum. No award of contract for works will be made until all formal funding agreements have been signed in the usual way.

Budget

23/24 Budget	£66K
<u>24/25 Budget</u>	<u>£574K</u>
Total	£640K

	Funding Source	Youth Investment Fund Grant	Amount	£640K	Status	Email confirmation received 16.08.23 – formal documents awaited Approval to accept grant given at Finance Committee 1 st August 2023	Approved	Communities, Parks & Leisure PG 14th August 2023		
	Approval Route		Youth Strategy adopted by Leader Decision March 2022 Strategy Leadership Board briefed on proposals to apply for funding in June 2022 Briefing note sent to all Councillors 2nd June 2023 by LAC managers to update on progress Decision to accept grant funding if offered taken at Finance Committee 01.08.23							
Page 97	<p>Youth Investment Fund – Stocksbridge Youth Club</p> <p>Recommendation</p> <p>To approve the addition of £1,545K to the Capital Programme for refurbishment of the Stocksbridge Youth Club facility funded by Youth Investment Grant.</p> <p>Why do we need the project?</p> <p>Grant funding is available from the Department for Digital, Culture, Media & Sport to carry out improvements to facilities that are used to provide youth community services.</p> <p>The Stocksbridge Youth Club building is outdated and in need of refurbishment to modernise the facility, helping it to meet the needs of the youth clubs that use the building.</p> <p>How are we going to achieve it?</p> <ul style="list-style-type: none"> • Internal Remodelling of sections of the building to improve youth activities on the site. • Internal refurbishment of the existing building including improvements to the energy performance by the addition of new M&E services and improved ventilation • Improvements to the building’s external areas through the provision of car park resurfacing, wheelchair access and soft landscaping to consist of informal social areas that incorporate paved areas with seating, picnic benches and new wildflower/shrub and tree planting. <p>What are the benefits?</p> <ul style="list-style-type: none"> • Upgraded toilet and wash facilities. • Improved building access for disabled users • Upgraded kitchen facilities. • Improved energy performance of the building improved energy performance by addition of new M&E services and improved ventilation. • Improved external areas with tree planting and soft landscaping to increase environmental benefits and create areas for socialisation. 								+1,545	

Page 98	<p>When will the project be completed?</p> <p>All grant funded work needs to be completed by December 2024. This deadline requires the tender process for the scheme to commence as soon as possible to meet this deadline. Failure to do so would result in the loss of the funding.</p> <p>Initial e-mail confirmation of grant funding has been received from YIF, but formal documents are awaited. However, it is proposed to approve budgets and commence the tender process for the scheme in advance of this receipt to maintain momentum. No award of contract for works will be made until all formal funding agreements have been signed in the usual way.</p> <p>Budget</p> <p>23/24 Budget £136K 24/25 Budget £1,409K Total £1,545K</p>							
	Funding Source	Youth Investment Fund Grant	Amount	£1,545K	Status	Email confirmation received 16.08.23 – formal documents awaited Approval to accept grant given at Finance Committee 1 st August 2023	Approved	Communities, Parks & Leisure PG 14th August 2023
	Approval Route		<p>Youth Strategy adopted by Leader Decision March 2022</p> <p>Strategy Leadership Board briefed on proposals to apply for funding in June 2022</p> <p>Briefing note sent to all Councillors 2nd June 2023 by LAC managers to update on progress</p> <p>Decision to accept grant funding if offered taken at Finance Committee 01.08.23</p>					
Variations and reasons for change								
<p>Ellesmere Park Improvements Recommendation</p> <p>To approve an increase in budget and funding of £43.5K to allow the contract to be awarded and works to progress with minor changes in scope for improvements to Ellesmere Park.</p> <p>Scheme description</p> <ul style="list-style-type: none"> Deliver a new playground set within the Ellesmere South. This responds to the community’s request for a local functioning play space which is accessible and gives children the opportunity to play, be physically and socially active in a time of economic challenge. Refurbish the Basketball Court and install floodlights allowing users to play Basketball in a high quality, lit facility supporting users to stay engaged in a positive physical activity throughout autumn/winter and extending playing hours to allow more users to utilise the court. Through additional landscaping improvements such as shrub clearance, tree planting, access improvements and addressing deteriorating areas of the park the overall site quality will be raised immediately, liabilities addressed, and maintenance tasks reduced. 								+43

Page 99	<p>What has changed?</p> <ul style="list-style-type: none"> Slightly different play equipment following community feedback; no additional costs: <ul style="list-style-type: none"> Omit: Play Panels, Trampoline, 4-way Spinner Add: Climbing Unit Basketball Court painting added; £2k for base paint, £2k for creating/delivering bespoke design and £1k to deliver painting of the seating area; to be funded by Basketball England Other costs have increased since the Outline Business Case due to increased flood lighting costs and design changes from the Pre-Tender estimate such as edgings and tree protection fencing, not included within original estimate sum included in the Procurement Strategy <p>Variation type: Budget increase</p> <p>Budget</p> <p>Prev Years Actuals £27.4K £27.4K <u>Current 23/24 Budget</u> £171.2K + £43.5K = £214.7K Total Project Budget £198.6K + £43.5K = £242.1K</p> <p>Funding</p> <p>£65.2K Public Health funding £3.3K Revenue Contribution to Capital from the Sports Team £20.0K Revenue Contribution to Capital via the S106 Maintenance allocation £43.5K Veolia Environmental Trust grant towards the creation of a new playground £60.0K Local CIL £45.0K Contribution from Youth Services <u>£5.0K Contribution from Basketball England</u> £242.1K Total</p>	
	Funding	See Funding Section above
	Approval Route	Already part of the approved Parks & Countryside Programme of works
	C	Waste and Street Scene
	New additions	
	None	

	Variations and reasons for change	
	None	
D	Adult Health & Social Care	
	New additions	
	None	
	Variations and reasons for change	
	None	
Page 100	Housing	
	New additions	
	<p>Council Housing New Build – Newstead Reinstatement</p> <p>Recommendation</p> <p>To approve the addition of £36.7K to the Capital Programme to consider options for the possible reinstatement of the Newstead site (General Needs and Older Persons Independent Living) funded by the underspend on the Newstead Enabling scheme.</p> <p>Why do we need the project?</p> <p>The remit for the reinstatement work is for the Newstead site to, once again, be safe and accessible with the works that have been completed under the stand alone ‘enabling’ phase for the development of new housing, protected. The reinstatement works are required to be undertaken at minimal costs and will keep the site safe and accessible.</p> <p>Options for reinstatement are being considered in the event that the proposed new Council housing developments are required to be paused until the construction market stabilises and the developments can be efficiently delivered as part of the HRA Business Plan.</p> <p>How are we going to achieve it?</p> <p>In order to complete the feasibility, a design team has been brought together to consider the implications and next steps for the possible reinstatement of the Newstead site as a safe and accessible site. Disciplines include architecture; engineering; contaminated land remediation and landscape architecture.</p>	+37

Page 101	<p>To inform the feasibility study, earthworks modelling has been undertaken and a review of the existing as built drawings and utilities records with recommendations for the next steps collated.</p> <p>What are the benefits?</p> <p>Benefits of the feasibility works will be a plan to make the Newstead site safe e.g. reduce bank gradients, replant grass, reinstate the public right of way to its original route which can be advanced quickly.</p> <p>When will the project be completed?</p> <p>Feasibility estimated as September 2023</p> <p>Funding</p> <p>The feasibility work will be funded using the underspend expected from the Newstead Enabling Works budget therefore the Stock Increase Programme contingency will not be affected. The expected underspend on the completed enabling works is currently circa £1,400K and is due to a number of ‘worst case’ items (e.g. categorisation of the removal of spoil) profiled in the project, which did not come to fruition.</p> <p>The funding is a mixture of HRA Borrowing and 1-4-1 funding. While at feasibility only HRA Borrowing can be transferred.</p>							
	Funding Source	Budget Transfer from BU 97572	Amount	£36.7K	Status	Underspend of £1,400K on the Enabling Works Project is being forecast	Approved	Housing PG 16.08.23
	Approval Route		Project linked to works undertaken as part of the Stock Increase Programme approved February 2023					
Variations and reasons for change								
<p>Council Housing New Build – Newstead Enabling Recommendation</p> <p>To approve the transfer of £36.7K from this budget to create a new budget for the Newstead Reinstatement feasibility from the £840K HRA Borrowing element of the expected underspend. (see entry above)</p> <p>Scheme description</p> <p>Deliver the enabling works for the whole of the Newstead site in Birley the scope of which was as follows:</p> <ul style="list-style-type: none"> • Omission of a small attenuation tank and pond, and replacement with a larger attenuation tank • A new street lighting supply for lights around the perimeter of the site • Additional asbestos pipe and fragment removal 								-37

<ul style="list-style-type: none"> • Disposal of contaminated topsoil from site • Surface water drainage works and highway development works. <p>What has changed?</p> <p>The enabling works project is now complete and is forecasting an underspend of circa £1,400K due to a number of ‘worst case’ items (e.g. categorisation of the removal of spoil) profiled in the project, which did not come to fruition.</p> <p>Variation type: Budget decrease</p> <p>Budget</p> <p>Current 23/24 Budget £1,496.7K - £36.7K = £1,460.0K</p>		
Funding	HRA Borrowing 60% + 1-4-1 Receipts 40%	
Approval Route	Part of the Stock Increase Programme approved February 2023	
<p>Gleadless Valley Acquisitions</p> <p>Recommendation</p> <p>To approve an increase in budget and funding of £2,000K for the ongoing acquisitions of properties in the Gleadless Valley Area funded by HRA via the Gleadless Valley Masterplan Block allocation.</p> <p>Scheme description</p> <p>SCC need to acquire a number of leasehold properties to allow the proposed renewal and remodelling within the scope of the masterplan to take place. There are approximately 16 leasehold properties to acquire within the Masterplan remit.</p> <p>Further acquisitions within the Masterplan boundary (in the absence of new build properties) will enable properties to be ringfenced for those tenants who are being displaced. All properties identified for demolition are 3 bed units and therefore the focus will be on acquiring 3 bed units.</p> <p>145 Units are identified for remodelling, and these are a mixture of 1, 2 and 3 bed properties. In the absence of new build units further acquisitions of these types will provide alternative options for residents to remain within the local area.</p> <p>What has changed?</p> <p>An ongoing budget is required to allow the Gleadless Valley Team to purchase properties on the site. The proposed £2,000K covers leaseholder acquisitions that have not yet been made, as well as potential opportunities which may arise on the open market.</p> <p>Benefits</p> <ul style="list-style-type: none"> • Purchasing the properties will help facilitate the clearance of the site for demolition to make way for new good quality housing to be built. 		+2,000

Page 103	<ul style="list-style-type: none"> It will signal to the community that change is happening and may act as a catalyst for more owners to come forward to sell early if it is in their interests to do so. It will result in financial savings to the Council in terms of compensation payable, as statutory compensation is not required. Depending on what is decided for its future temporary use purchased properties could be used to provide temporary accommodation and would result in an income to the HRA. Purchasing the properties will provide more control over the management and maintenance of the sites, help SCC to address the A.S.B issues present at the sites and attract more footfall to the centre, increasing spend and economic regeneration of the local centre. In the longer term, it will provide more opportunity for the Council to support the regeneration of the shopping centre, delivering the wider aims of the Gleadless Valley masterplan. SCC's overall stock numbers will increase. <p>Variation type: Budget increase</p> <p>Costs 23/24</p> <table> <tr> <td>Acquisition</td> <td>£1,405.6K</td> </tr> <tr> <td>Fees</td> <td>£643.2K</td> </tr> <tr> <td>Total</td> <td>£2,048.8K</td> </tr> </table> <p>Budget</p> <table> <tr> <td>Prev Years Actuals</td> <td>£432.7K</td> <td>£432.7K</td> </tr> <tr> <td>Current 23/24 Budget</td> <td>£48.8K + £2,000K =</td> <td>£2,048.8K</td> </tr> <tr> <td>Total Project Budget</td> <td>£481.5K + £2,000K =</td> <td>£2,481.5K</td> </tr> </table>		Acquisition	£1,405.6K	Fees	£643.2K	Total	£2,048.8K	Prev Years Actuals	£432.7K	£432.7K	Current 23/24 Budget	£48.8K + £2,000K =	£2,048.8K	Total Project Budget	£481.5K + £2,000K =	£2,481.5K	
	Acquisition	£1,405.6K																
	Fees	£643.2K																
Total	£2,048.8K																	
Prev Years Actuals	£432.7K	£432.7K																
Current 23/24 Budget	£48.8K + £2,000K =	£2,048.8K																
Total Project Budget	£481.5K + £2,000K =	£2,481.5K																
Funding	HRA via Gleadless Valley Masterplan Block Allocation																	
Approval Route	Part of the Housing Investment Programme approved February 2023																	
	<p>Gleadless Valley Master Plan Delivery Block Allocation</p> <p>Recommendations</p> <ul style="list-style-type: none"> To approve the draw down of £2,000K to fund further acquisitions of HRA properties at Gleadless Valley (see entry above) To approve the draw down of £423.4K to the Gleadless Valley Team's revenue budget to fund their activities in 23/24 <p>Scheme description</p> <p>Block allocation of HRA funds for implementing the Gleadless Valley Masterplan</p> <p>What has changed?</p>		-2,423															

Page 104	<p>1. A Final Business Case has been brought forward to set up a budget for further acquisitions on the Gleadless Valley site. Therefore, a draw down of £2,000K from this allocation is required see entry above).</p> <p>2. A Final Business Case has been brought forward to set up the Revenue Team’s budget for 23/24. The total costs of the Team and their revenue activities in 23/24 will be £627.2K. With £203.8K rolled over from 22/23 a draw down of £423.4K from this allocation is required. This will be facilitated by a corresponding reduced contribution to the Major Repairs Reserve.</p> <p>Variation type: Budget decrease</p> <p>Budget</p> <p>Current 23/24 Budget £195.3K - £195.3K = £0.0K <u>Current 24/25 Budget £9,200.7K - £2,228.1K = £6,972.6K</u> Total 23-27 Budget £40,521.4K - £2,423.4K = £38,098.0K</p>		
	Funding	HRA	
	Approval Route	Part of the Housing Investment Programme approved February 2023	
	Education Children & Families		
	New additions		
	<p>Broomhill Nursey Special Education Needs & Disability (SEND) Integrated Resource – FEASIBILITY</p> <p>Recommendations</p> <ul style="list-style-type: none"> To approve the addition of £18.5k to the Capital Programme to consider financially viable options to re-configure the ground floor (Sure Start Children’s Centre) on site and once re-configured, provide up to 18 placements. <p>Why do we need the project?</p> <p>A key priority for SEND sufficiency, over the next five years is to double the number of Integrated Resource (IR) placements across the city. To achieve this, an expression of interest process was launched last term across primary and secondary schools.</p> <p>Broomhall Nursery submitted an interest to develop an Early Years and Foundation Stage (EYFS) IR. The provision would potentially provide up to 18 placements for children aged 3-4 year olds (9 placements x 2 sessions per day), supporting the needs of pre-school children ranging from Autism, communication and interaction, cognition and learning and Social & Emotional Mental Health. The provision will also look to provide a portage service for children aged 2+ and their families in the home.</p> <p>On site, there is a vacant Sure Start Children’s Centre which is currently under used. This could potentially be re-configured to create an EYFS IR provision. Therefore, the proposal is for Capital Delivery Services (CDS) to carry out a feasibility of the vacant building to identify financially viable options for the provision to include:</p>		+18.5

<ul style="list-style-type: none"> • A disabled access to the building. • Re-configure ground floor - partition to create a classroom and separate entrance. • Re-configure existing toilet and add shower and changing facilities. <p>How are we going to achieve it?</p> <ul style="list-style-type: none"> ○ Feasibility Study to Royal Institute of British Architects level: RIBA 2 <p>What are the benefits?</p> <ul style="list-style-type: none"> • Potential provision of up to 18 placements for children aged 3-4 year olds (9 placements x 2 sessions). • Developing places via a special led hub supports the strategic direction for SEND, which is to deliver sufficiency via mainstream inclusion and improvements to post 16. <p>When will the project be completed?</p> <p>The target date for the provision to open is September 2024</p>							
Funding Source	High Needs Capital	Amount	£18.5k	Status		Approved	
Approval Route		Key element of approved Capital Strategy					
<p>Wharnccliffe Side Primary Expansion – construction stage</p> <p>Recommendations</p> <p>To approve additional capital expenditure of £1.4m, funded from a mixture of S106 and Basic Need funding, to progress expansion works at Wharnccliffe Side Primary school to provide an increase in pupil numbers from 140 to 210.</p> <p>Why do we need the project?</p> <p>A housing development of over 300 homes is being built in the catchment area. Some homes are already inhabited and others ready for sale. Wharnccliffe Side is a small school in this semi-rural area which is currently oversubscribed in some year groups and the new development is expected to generate an increased yield of pupils for the school. As a result a permanent expansion of Wharnccliffe Side Primary from 20PAN (Published Admittance Numbers) to 30PAN per year from September 2024 has been identified as required. This will include:</p> <ul style="list-style-type: none"> • New standalone nursery associated group room, WC’s, stores and plant facilities. • Expansion of existing hall. • Re-purposing of the existing nursery to create 2 classrooms. <p>What are the benefits?</p> <ul style="list-style-type: none"> • Meets Council’s duty for provision of educational places. 							+1,415.4

Page 106	<ul style="list-style-type: none"> Additional 70 school places created. <p>When will the project be completed? 30/08/2024</p>							
	Funding Source	Section 106: £388.5k Basic Need Capital: £1,076.5k	Amount	£49.6k feasibility +£1,415.4k works. £1,465k Total	Status		Approved	
	Approval Route		Statutory duty Commissioning Plan 2023-2026: Early Education & Childcare, Primary, Secondary & Post 16 Sectors approved Education Children & Families committee 03.07.23					
	<p>Manor Lodge Primary Expansion - construction stage</p> <p>Recommendations</p> <ul style="list-style-type: none"> To approve additional capital expenditure of £1.2m, funded from Basic Need funding, to progress expansion works at Manor Lodge Primary school to provide an increase in pupil numbers from 315 to 420. <p>Why do we need the project?</p> <p>There is increasing pressure on Manor Lodge Primary school for places due to the regeneration of the area and the development of houses. Subsequently Manor Lodge Primary is oversubscribed and has a waiting list. As a result a permanent expansion of Manor Lodge from 45PAN (Published Admittance Numbers) to 60PAN per year group from September 2024 has been identified as required. This will include:</p> <ul style="list-style-type: none"> New standalone 2 classroom block with associated group rooms WC's Stores and plant facilities <p>What are the benefits?</p> <ul style="list-style-type: none"> Meets Council's duty for provision of educational places. Additional 105 school places created. <p>When will the project be completed? 02/08/2024</p>							+1,194.2

	Funding Source	Basic Need Capital Allocation	Amount	£55.8k feasibility +£1,194.2k works. £1,250k Total	Status		Approved			
	Approval Route		Statutory duty Commissioning Plan 2023-2026: Early Education & Childcare, Primary, Secondary & Post 16 Sectors approved Education Children & Families committee 03.07.23							
Variations and reasons for change										
Page 107	<p>Nether Green Junior Roof</p> <p>Recommendations</p> <ul style="list-style-type: none"> To approve a further allocation of £550k from the School Condition funding allocation due to unforeseen issues requiring additional works resulting in additional costs and delays. <p>Scheme description</p> <ul style="list-style-type: none"> Replacement of roof covering including rainwater goods at the Nether Green school site. <p>What has changed?</p> <ul style="list-style-type: none"> Additional works have been identified as work on the site has progressed, these include +£145k for ceiling level insulation removal, +£60k costs due to time extension and +£50k contingency provision, various smaller cost increase amounts and +£179k of other essential works. Significant areas of Further work <ul style="list-style-type: none"> Cupola Leadwork Ceiling Level Insulation Removal Lighting Fixing Upgrades Essential Stonework Repairs Stone Vent Tower Roof & Masonry Repairs Essential Timber Repairs Scaffold Alterations Full Replacement of Flat Roofs Renovation of Hall Floor Extension of Time Additional Contingency Other essential works 								+550	

	<ul style="list-style-type: none"> ○ Replacing leadwork to roof junctions, gutters, and small flat roofs, ○ Internal plasterwork to the Staff Room and reception area, ○ Mould treatment in the Hall roof space including installation of addition ventilation tiles, ○ Refurbishment of the head teacher’s office dormer roof, ○ Asbestos testing to previously inaccessible areas within the roof void, ○ Render repairs. <p>Variation type: -</p> <ul style="list-style-type: none"> ● Budget increase: +£550k for reasons as noted above. 			
	<table border="1"> <tr> <td data-bbox="185 523 336 587">Funding</td> <td data-bbox="336 523 2013 587">+£550k increase from £1.67m to £2.22m to be funded from DfE School Condition Fund Allocation</td> </tr> </table>	Funding	+£550k increase from £1.67m to £2.22m to be funded from DfE School Condition Fund Allocation	
Funding	+£550k increase from £1.67m to £2.22m to be funded from DfE School Condition Fund Allocation			
	<table border="1"> <tr> <td data-bbox="185 587 566 651">Approval Route</td> <td data-bbox="566 587 2013 651">Existing scheme in delivery</td> </tr> </table>	Approval Route	Existing scheme in delivery	
Approval Route	Existing scheme in delivery			
<p>Page 108</p>	<p>Dore Primary Temporary Expansion</p> <p>Recommendations</p> <ul style="list-style-type: none"> ● To approve a reduction in programme budget, funded from Basic Need Allocation, of £62.3k upon closure of this project. This originally related to a provision for removal of temporary classrooms from site which is no longer required. <p>Scheme description</p> <ul style="list-style-type: none"> ● Originally the scheme was authorised to procure and install mobile classrooms on site (now installed), but with a financial provision to also remove them once the bulge year requirements had been met. It is felt that this provision can now be released, upon closure of this project, as it is likely the classrooms will stay on site and, should they no longer be required, or be required for another project, then a separate request for funding to remove them can be made at a future point in time. <p>What has changed?</p> <ul style="list-style-type: none"> ● Planned removal of temporary classrooms no longer required as part of this project. <p>Variation type: -</p> <ul style="list-style-type: none"> ● Budget decrease: -£62.3k for reasons as noted above. 	<p>-62.3</p>		
	<table border="1"> <tr> <td data-bbox="185 1364 336 1431">Funding</td> <td data-bbox="336 1364 2013 1431">-£62.3k decrease from DfE Basic Need Fund Allocation to be added back to the programme.</td> </tr> </table>	Funding	-£62.3k decrease from DfE Basic Need Fund Allocation to be added back to the programme.	
Funding	-£62.3k decrease from DfE Basic Need Fund Allocation to be added back to the programme.			
	<table border="1"> <tr> <td data-bbox="185 1431 566 1437">Approval Route</td> <td data-bbox="566 1431 2013 1437">Existing scheme completed</td> </tr> </table>	Approval Route	Existing scheme completed	
Approval Route	Existing scheme completed			
G	Strategy & Resources			

	New additions	
	None	
	Variations and reasons for change	
	None	
H	Economic Development & Skills	
	New additions	
	None	
Page 109	Variations and reasons for change	
	<p>Tinsley Art Project</p> <p>Recommendations</p> <p>To approve the budget increase of £320k.</p> <p>Scheme description</p> <p>This project is to create a piece of public art in the Tinsley area, following the demolition of the Tinsley Cooling Towers, designed in conjunction with public consultation and to celebrate the heritage & history of the Tinsley area and waterways.</p> <p>It will provide a positive contribution to the area by creating a visitor's attraction that encourages active travel, exercise and use of the waterway.</p> <p>What has changed?</p> <p>The project proposes the design and fabrication of an artistic canal boat that will be installed within one of the ponds close to the Tinsley Marina. Lighting will be provided by solar power and the fabrication will include re-used materials.</p> <p>The full cost of the project [including previous spend] is £885k and is funded by a combination of a contribution from EoN, contribution from British land and Section 106 income.</p> <p>The project budget has been increased by £320k.</p> <p>Variation type: -</p> <ul style="list-style-type: none"> Budget increase 	+320

	Funding	Contributions from EoN, British land & Section 106	
	Approval Route	Economic Development & Skills Policy members briefed 13.02.23	

	Scheme name / summary description of key terms	Recipient	Value £'000
A	Transport Regeneration & Climate Change		
Page 111	<p>Levelling Up Fund – Harmony Works</p> <p>Background</p> <p>Harmony Works brings together two music institutions: Sheffield Music Academy and Sheffield Music Hub. The Hub introduces young people to music through community outreach; the Academy identifies and develops promising young talent. Both operate out of 'borrowed' facilities that are not suited to the scale and quality of their work. Harmony Works will acquire Canada House, a Grade II Listed building beside the Castle site. It will provide fit-for-purpose facilities in an accessible location, securing the future of an asset that would otherwise fall into disrepair.</p> <p>Sheffield City Council has agreed to provide funding for the Sheffield Music Academy in funding the purchase and capital works at Canada House in accordance with the terms of the planning permission dated 15 November 2022 issued by Sheffield City Council under reference number: 22/02548/FUL or any replacement or amendment of that permission.</p> <p>The funding will be passed via a grant agreement.</p> <p>Legal Implications</p> <p>The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to provide funding for this project.</p> <p>The grant provided by the Council is to be used towards the purchase price, in accordance with the terms and conditions detailed in the Grant Agreement.</p> <p>Key points to note from the Agreement are:</p> <ul style="list-style-type: none"> • Payment is to be made in two instalments, the first grant payment of £50,000 for option to purchase payment shall be made to the recipient no later than 30th October 2023. The second grant payment of £1,550,000 for the Purchase shall be made to the recipient no later than 31st March 2024 upon Sheffield City Council being satisfied that recipient has sufficient match funding to deliver the project outputs. 	Harmony Works	1,600

	<ul style="list-style-type: none"> The recipient of the grant must provide financial and operational reports (including risk register and insurance reviews) on its use of the grant. The grant can be reduced, withdrawn, suspended or require repayment in specific circumstances for example if the grant is used for purposes other than the project development works or if the Council considers that the recipient has not made satisfactory progress with the delivery of the project. <p>The recipient must comply with all applicable legislation and regulations including but not limited to the Public Contracts Regulations 2015, UK GDPR, the Data Protection Act 2018 and Subsidy Control Legislation and a subsidy control review will be conducted prior to execution of any Grant Agreement.</p>		
B	Communities Parks & Leisure		
None			
D	Waste and Street Scene		
None			
D	Adult Health & Social Care		
None			
E	Housing		
None			
F	Education Children & Families		
None			
G	Strategy & Resources		
None			

H	Economic Development & Skills		
	None		

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

Document is Restricted

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Report to Policy Committee

Author/Lead Officer of Report: Sarah Lowi Jones (Economic Policy Officer)

Tel: 0114 223 2368

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

Report to: *Finance Committee*

Date of Decision: *11th September 2023*

Subject: *Economic Recovery Fund Round 2 – Scoring Outcome*

Type of Equality Impact Assessment (EIA) undertaken	Initial <input type="checkbox"/>	Full <input checked="" type="checkbox"/>
Insert EIA reference number and attach EIA: 2315		
Has appropriate consultation/engagement 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:-		
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

Purpose of Report:

This report provides an overview of progress to deliver the second round of the Economic Recovery Fund (ERF) now that the application and scoring phases are complete. The report lists the outcomes of the scoring process for all applications and provides information about the geographical spread and make-up of the areas that applied for funding. The report marks the point at which ERF moves from the application and scoring phases into the contracting phase, which will enable successful projects to start delivering improvements and activities in their areas.

Recommendations:

Finance Committee are asked to:

1. Provide approval for Sheffield City Council (“**SCC**”) to allocate funding to areas offered over £50,000 (up to £200,000) and, subject to due diligence and other checks being undertaken to the satisfaction of the Director of Economic Development, Culture and Skills, for SCC to enter into a funding agreement with an appropriate lead organisation for each of the areas listed in the table below:

Project Area	Funding Offer (final figures TBC)
Crookes	£90,000
Darnall	£100,000
Harborough Avenue	£70,000
Heeley & Newfield Greens	£100,000
London Road	£142,355
Northern Avenue	£66,818
Spital Hill	£74,470
Westfield	£71,456
Woodhouse	£70,000

2. Note the areas listed in the table below have been allocated funding of up to £50,000 under the general delegation to officers, subject to due diligence and other checks being satisfied:

Project Area	Funding Offer (final figures TBC)
Abbeydale	£37,682
Banner Cross	£36,198
Broomhill	£40,250
Chapelton	£49,644
Ecclesfield	£38,857
Firth Park	£39,932
Greenhill	£50,000
Hackenthorpe	£49,573
Hillsborough	£46,022
Infirmarv Road	£32,116
Lowedges	£37,321
Middlewood	£48,971
Stannington	£49,962
Walkley	£35,052

Background Papers:

[Sheffield Covid-19 Business Recovery Plan \(October 2020\)](#)

[Sheffield City Council One Year Plan \(2021/22\)](#)

[Form 2 Executive Report – Covid-19 Economic Recovery Fund \(03/11/20\)](#)

[Form 2 Executive Report – Sheffield Covid Business Recovery Plan: Phase 1 Recovery Delivery Programme \(09/06/21\)](#)

[Budget amendment approving the £2m allocation to build on the work of ERF \(02/03/22\)](#)

[Report to Economic Development and Skills Committee – 9th June 2022 – \(Economic Recovery Fund 2022-23\)](#)

[Report to Economic Development and Skills Committee – 19th October 2022 \(Decision to approve the second round of the Economic Recovery Fund\)](#)

[Economic Recovery Fund – Evaluation of Round 1](#)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed.	Finance: Natalia Govorukhina
		Legal: Kieran McGaughey
		Equalities & Consultation: Ed Sexton
		Climate: N/A
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	Kate Martin
3	Committee Chair consulted:	Cllr Martin Smith
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Diana Buckley	Job Title: Director of Economic Development, Culture and Skills
	Date: 31/08/2023	

1. PROPOSAL

Background

1.1 The Economic Recovery Fund (ERF) is a unique, innovative grant fund that aims to support local economic recovery in district and local centres. It was developed as a flagship part of the city's Covid [Business Recovery Plan](#).

1.2 The first round of funding launched in March 2021 and supported 26 projects with grants of up to £50,000 (small) and up to £200,000 (large). It is overseen by a Steering Group made up of Councillors, senior officers and four private/community sector representatives:

Cllr Martin Smith (Chair of Economic Development and Skills Policy Committee – EDPS)
Cllr Minesh Parekh (Deputy Chair of EDPS Committee)
Cllr Henry Nottage (Group Spokesperson on EDSP)
Diana Buckley (Director, Economic Development, Culture and Skills)
Carl Mullooly (Head of Local Area Committee Team)
Ben Morley (Head of Strategic Development and External Programmes)
Javed Khan (Metro Bank)
Shahida Siddique (Faith Star)
Amy Tingle (City Cabs)
Tom Wolfenden (Sheffield Technology Parks)

1.3 In February 2022 Full Council approved a further £2m to support a second round of ERF. Work to develop the second round was led by the Economic Development and Skills Policy Committee, with the support of the Economic Recovery Fund Steering Group. Several workshops were held over summer 2022 to shape and define Round 2. The outcome was presented at the Committee's meeting on 19th October 2022, where key changes were approved.

1.4 ERF2 was designed around a number of phases, as below:

Application phase	9 February - 31 st May
Scoring phase	June-July
Contracting phase	August-September
Delivery phase	No earlier than September 2023 and completed no later than end September 2024

1.5 The application and scoring phases have now been completed and this report provides an overview of the outcomes of the process so far. The approval requested of Finance Committee will allow the project to formally move into its next phases: contracting, then delivery.

1.6 Application Phase

During the application phase efforts were made to engage with high street businesses across the city and encourage anyone interested in applying to come forward. As well as delivering a communications campaign that targeted messages to local businesses, Business Sheffield utilised its 6 Business Information Officers to help raise awareness and provided support to prospective applicants. They talked to businesses across the city to gauge interest and offer

support, information and bid writing capacity. The team were fundamental in the delivery of many applications that came forward.

- 1.7 A team of 5 Application Development Workers (ADWs) were deployed from April 2023 and allocated to teams that requested additional support, which they provided flexibly and responsively according to the needs of the team. They worked successfully with 26 different project teams.
- 1.8 The central team recorded nearly 100 enquiries about the Fund during the application phase and met all requests to meet, share information, offer guidance and support, as well as reading draft applications and providing detailed feedback.

Scoring Phase

- 1.9 A total of 49 applications were received, of which 8 were judged to be ineligible and were not scored. The other 41 applications were scored and moderated by the ERF Steering Group collectively using the process described in Appendix 1. The outcome of that process is shown in Appendix 2, which lists the projects that passed scoring, passed scoring subject to conditions, did not pass scoring or were ineligible for the Fund.
- 1.10 The total value of the 23 projects that passed scoring exceeded the available budget by nearly £1m so the Steering Group agreed an approach to reducing individual project budgets, to ensure value for money and that the successful projects could all benefit from a share of the funding. The outcome of that process is also shown in Appendix 2 in the column 'funding offered'.¹

Contracting Phase

- 1.11 All projects have been informed of the outcome of their application to ERF2. Unsuccessful applicants have been introduced to Local Area Committee (LAC) Teams to ensure they have a point of contact going forward and to explore, where possible, other opportunities to deliver elements of these projects. Business Information Officers are also ready to pick up with those businesses and ensure they feel supported and are aware of the Business Sheffield offer.
- 1.12 The ERF Project Team have been working with successful projects over summer to share the feedback and further questions from the ERF Steering Group, set out the next steps and support teams to get their projects ready for contracting. This will include carrying out due diligence and other checks on the proposed Lead Organisation and, where necessary, the submission of further information, amended applications and budgets.
- 1.13 Once the Director of Economic Development, Culture and Skills is satisfied SCC will contract (a Funding Agreement) with the Lead Organisation. For any area that does not have a suitable Lead Organisation in place an organisation will be provided for them. This organisation will be appointed through an SCC led procurement. It will therefore take longer to enter into the delivery phase for these projects than for areas in which SCC can contract directly with a local organisation.

¹ It is important to note that the funding offer listed above may vary in the final contract as details continue to be finalised with projects.

Delivery

- 1.14 Once in contract, projects will enter into the delivery period and payments will be made to the Lead Organisation in line with the schedule in the Funding Agreement. Projects will be monitored on a regular basis (monthly project updates and quarterly financial monitoring) and the programme will be overseen by the ERF Steering Group. Regular updates will also be provided to the Economic Development and Skills Committee.
- 1.15 The delivery period runs from September 2023 (or whenever a project enters into contract) until the end of September 2024 when all project activity needs to be completed. An in-person induction will be offered (alongside written guidance) to all funding recipients and a programme of sessions scheduled to provide capacity building and up-skilling opportunities for those teams.
- 1.16 A closedown period will then take place between October 2024 – January 2025 to ensure that all relevant monitoring evidence and completion statements are submitted.

Shape of the ERF2 programme

- 1.17 Each of the 23 individual projects forms the ERF Grant Fund programme (made up of the District and Flexible Funds). Members have been clear that they hoped to see a wide geographical spread of applications across the city and good representation from areas counted amongst the most deprived. This informed the focused approach taken in the application phase to provide proactive and supportive help to any area interested and keep an overview of where applications were being discussed.
- 1.18 The spread of applications across the city by LAC area – both successful and unsuccessful – are set out below in Table 1 (see also the map at Appendix 3). This shows a fair spread across the city. The North East, South West and South East have 2 projects each compared to the 4 or 5 that were successful in North, East, South and Central. No city-wide projects were successful.
- 1.19 The number of successful projects in each LAC area funded in Round 1 (not shown in the table) show an improvement particularly in the representation of North and South LAC areas, which both have in total three more funded projects than in Round 1. The numbers are in line with previous numbers for all other LAC areas (within 1 +/-).

LAC Area (successful projects)	Pass	Pass with conditions	Fail	TOTAL
North (Stannington, Middlewood, Ecclesfield, Chapeltown)	3	1	6	10
North East (Spital Hill, Firth Park)	1	1	5	7
East (Northern and Harborough Avenues, Woodhouse, Darnall)	2	2	2	6
South East (Westfield, Hackenthorpe)	2	-	2	4

South (Greenhill, London Road, Lowedges, Abbeydale, Heeley/Newfield Green)	3	2	5	10
South West (Crookes, Banner Cross)	-	2	2	4
Central (Infirmary Road, Hillsborough, Broomhill, Walkley)	4	-	2	6
Citywide	-	-	2	2
TOTAL	15	8	26	49

- 1.20 In terms of looking at the applications by Indices of Multiple Deprivation Table 2 below shows that ERF2 has had a strong reach into deprived areas of the city.² 43% of all applications were received from areas in the city that are amongst the 10% most deprived in England (decile 1) and 67% of applications were received from areas in the city that are amongst the 50% most deprived in England (deciles 1-5). This suggests there is a particular need and demand for making improvements in these areas:

IMD DECILE	No. apps	As %	Bottom / Top 50% (no.)	As %
1	21	43	33	67
2	7	14		
3	3	6		
4	0	0		
5	2	4		
6	2	4	16	33
7	4	8		
8	2	4		
9	4	8		
10	1	2		
N/A (city-wide)	3	6		
TOTAL	49	100	49	100

- 1.21 Of all applications received from areas in IMD deciles 1-5, i.e. areas amongst the most deprived, there was a 55% success rate (45% fail rate). For areas in IMD deciles 6-10, less/least deprived areas, 38% were successful compared to 62% that failed (see Table 3). While a great deal of effort went into engaging a wide range of areas in the city, there is likely to be a range of reasons for this data. This will be explored as part of the evaluation of the Fund. However, it does show that applications from areas amongst the most deprived in the city have not been disadvantaged through the application or scoring process as they have a higher success rate than areas that are less deprived.

	Successful	Fail	Total	Success rate
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² Several areas sit across or at the border of one or more areas with a different IMD; these are shown in appendix 2.

Bottom 50% (decile 1-5)	18	15	33	55%
Top 50% (decile 6-10)	5	8	13	38%
N/A (city wide)	0	3	3	0

- 1.22 In terms of areas that had funding previously, direct comparisons are difficult to draw as while some areas applied again the project team or Lead Organisation may have changed. However, the four large projects from Round 1 (Broomhill, Firth Park, Hillsborough, Walkley) were excluded from the District Centre Fund and limited to applying for a small grant of up to £50k in the Flexible Fund, given they had already received a significant investment. They were all successful in passing scoring and receiving a funding offer.
- 1.23 Three Round 1 projects that had small grants previously applied for larger grants in the Round 2 District Centre Fund and were successful though with reduced funding offers (Spital Hill, Woodhouse, Chapelton).
- 1.24 In two cases an existing project area/team created new collaborations in adjacent areas with distinct projects planned (e.g. Hillsborough extending into Middlewood and Walkley into Infirmary Road).
- 1.25 In total, of the 23 successful projects 16 were from areas not funded in the first Round (i.e. 70% of successful projects are 'new' to ERF).

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The Economic Recovery Fund was a key project of the city's Business Recovery Plan and contribute to the following strategic priorities that sit within it:
- Stimulating demand in the local economy
 - Opening our city and district centres safely and securely
 - Stimulating investment in culture to help rebuild confidence and visitor numbers
- 2.2 The Fund will directly deliver against the following outcomes and actions in the Business Recovery Plan:
- Our places, in the city centre, district centres and in local neighbourhoods, adapt to the changing economy
 - Visitors and residents will be able to visit, learn about and enjoy the cultural, leisure and green spaces that Sheffield is renowned for.
 - Businesses have the confidence, information, support and infrastructure they need to operate through and beyond the current crisis, to adapt to changing circumstances
 - Business failure rates amongst profitable and productive companies are minimised and good quality jobs are safeguarded.
 - Opportunities to rebuild and renew our economy whilst becoming a cleaner and more sustainable city, are seized.
- 2.3 ERF will also contribute to the Council's Delivery Plan, across the following three strategic objectives:
- Fair, inclusive and empowered communities

- Strong and connected neighbourhoods which people are happy to call home
- Clean economic growth

3. HAS THERE BEEN ANY CONSULTATION?

3.1. The development and delivery of the second round of ERF funding has been agreed in consultation with the ERF Steering Group and Economic Development and Skills Policy Committee. As part of that process the findings of a comprehensive evaluation that included interviews with funded projects, businesses, SCC staff and others were considered.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1. Equality Implications

4.1.1 An Equality Impact Assessment has been completed. The main risks around ERF and EDI currently are around:

- Different sections of local communities feeling that they can be part of and are welcome to participate in the development of projects.
- Ensuring project teams consider accessibility issues in their communications and project delivery (for example in event delivery).
- That focus and efforts promised in proposals are followed through into delivery and sustained throughout that period.

4.1.2 An action plan has been identified to mitigate these risks that includes:

- Ensuring projects considered inclusion as part of their proposals (which was scored alongside sustainability and legacy statements) and brief guidance on what to consider was included on the application form.
- Embedding expectations around running projects in an open and inclusive way, with accessibility issues considered, as part of the Funding Agreement each project will sign.
- The project team will ask each project about their specific EDI actions regularly as part of the monitoring process and encourage teams to take this into account during the delivery of their projects. The actions will those described in the application form and seen as a minimum, as scope and support will be given for developing additional inclusive and accessible ways of working.
- A training session on EDI and accessibility will be offered as part of the induction process for all projects.
- The evaluation team will be asked to evaluate (where this is possible) EDI impacts of ERF projects individually and as a programme.
- Any central communications delivered will take into account the make-up and needs of the target audience.
- These actions and any arising issues relating to EDI will be reviewed by the ERF Steering Group regularly.

4.2. Financial and Commercial Implications

4.2.1 The £2m funding identified for ERF Round 2 is the Council's own funding from the New Homes Bonus and was agreed by Council during the budget-setting

process in February 2022. Therefore, there are no outside sources, special conditions or clawbacks to take into account.

- 4.2.2 See Table 4 below that gives the ERF2 budget headlines. The total value of grant funding offered for all successful projects is £1,376,679 (including both District and Flexible funding streams) leaving unallocated balance of £73,321 across those streams combined. The Match Fund Pot of £260k also remains unallocated. The other project costs include employee, communication, evaluation and other fees, and are £291,263 in total including £50,000 contingency set aside for the ERF Round 2 so that any unforeseen costs or additional activity can be covered. To note, any decision to use this contingency will be made by the Director of Economic Development, Skills and Culture in consultation with the Steering Group (that includes the relevant Elected Members).

Table 4: ERF2 - Budget

Funding streams	
District Fund (£1.25m available)	£1,215,423
Flexible Fund (£200k available)	£161,256
Match fund (not yet allocated)	£260,000
Project costs	
Staffing and internal fees	£162,313
Comms costs (not incl. officer time)	£15,000
Application Development Workers	£32,687
Evaluation	£30,000
Contingency	£50,000
TOTAL	£1,926,679
District and Flexible Grant remaining	£73,321

- 4.2.3 The amount of the grant awarded for successful projects will not be increased in the event of any overspend by the recipient in its delivery of the funded activity. Each project will need to manage activity within the allocation they are awarded. All projects include their own contingency and ongoing monitoring will be required to ensure this risk is minimised.
- 4.2.4 The payment of the Funding under the terms of the funding agreement is believed to be outside the scope of VAT unless otherwise agreed, but if any VAT shall become chargeable the payment of the Funding shall be deemed to be inclusive of all VAT and SCC shall not be obliged to pay any VAT over and above the agreed funding allocation.
- 4.2.5 Underspend from ERF Round 1 is in the process of being finalised and will be rolled into the budget for ERF Round 2. Any decision as to how to use that funding will be taken by the relevant Committee or under officer delegation as appropriate, with recommendations of the ERF Steering Group considered and consultation with Members as needed (Steering Group has no formal decision-making powers).

4.3. Legal Implications

- 4.3.1 The Council has no specific powers or duties to deliver economic regeneration. The Council is able however to undertake the recommendation set out in on this report by virtue of Section 1 of the Localism Act 2011. This provides Local Authorities with a “general power of competence” and allows them to “do anything that individuals generally may do”.
- 4.3.2 Funding recipients will be required to enter into a suitable funding agreement, under the terms of which the Council will be entitled to clawback funds where appropriate, for example where the project is not delivered satisfactorily, or any fraud occurs. This risk will also be mitigated by ensuring lead organisations undergo due diligence as part of pre-contract checks and by regular monitoring of each project to ensure public funds are disbursed appropriately.
- 4.3.3 All organisations receiving funding under the project, or any other benefit, will be assessed on a case-by-case basis by the Senior Programme Manager aligned to the ERF Project Team to ensure compliance with the subsidy control rules.

4.4. Climate Implications

- 4.4.1 An Initial Climate Impact Assessment has been undertaken and the overall impact of ERF proposals is thought to be carbon neutral, with some potential for modest positive impacts. The main areas in which impact is expected include:
- The installation of bike racks in some areas and encouraging local people to use active travel where possible.
 - Increasing the number of double aperture bins so that recycling is an option for pedestrians passing through the public highway.
 - Greening of local public spaces (through, for example, the delivery of planting schemes and installation of trees).
 - The consideration of use of resources in the delivery of events (avoiding single use plastic, for example and encouraging active travel to events).
 - The offer of training on climate awareness/sustainability for all successful projects.
- 4.4.2 The evaluation team will be asked to consider the impact of ERF projects individually and collectively (where possible) as part of this piece of work.

5. **ALTERNATIVE OPTIONS CONSIDERED**

Programme

- 5.1 As noted, a range of options for delivering ERF2 were considered over summer and autumn 2022. Several alternative ways of delivering the second round of funding were considered as part of this process and proposals were made in relation to changing and improving the second round of funding. These were approved by the EDSP Committee at its meeting on 19th October 2022. This approach has subsequently been enacted so the proposals here are the outcome of an agreed process.

Outcomes

- 5.2 Because the Fund was oversubscribed, Steering Group had to look at ways of managing that and ensuring funding offers were within the available budget and made in a fair way (as described in appendix 1).

5.3 Alternatives to that included the following, but the agreed approach was felt by the Steering Group to be a balanced, individualised and fair way of dealing with the budget pressure that took into account the specific elements within each project and strengths and weaknesses. It was felt that any blanket measures would cut across these nuances and lead to outcomes unreflective of their scoring judgements.

Alternative	Rationale	Why rejected
Making a blanket cut to all projects that passed scoring	To reduce the overall funding ask to keep within the budget	Projects had different strengths and weaknesses and this tactic felt unfair and arbitrary to the Steering Group
Raising threshold at which projects would have passed	To reduce the number of projects that would receive funding	Project that passed scoring not receiving funding – Steering Group wanted to maximise the number of areas that could benefit from the Fund
To remove specific types of activity from all budgets	To reduce the overall funding ask and limit specific activity	This would have potentially been applied unequally across projects, depending on whether they had included the activity in their proposals or not

6. REASONS FOR RECOMMENDATIONS

- 6.1 The nature of ERF means that the projects that have been allocated funding have been through a rigorous process, both during the development of the applications and in scoring. The ERF Steering Group are collectively supportive of the outcomes of this process and in the recommendations presented here.
- 6.2 The successful projects have been informed of the outcome in principle and area awaiting Committee approval in order to move forward. Delaying or changing these recommendations may have an impact on the Council’s reputation in these areas and would impact on the delivery of the intended outcomes of the ERF.
- 6.3 The recommendations here allow the Council to continue its work to engage with and empower local businesses and high streets and support their recovery following the impacts of the Covid-19 pandemic and subsequent cost of living crisis.
- 6.4 The intended outcome is to have a programme that meets the ERF objectives through the successful delivery of the proposals in these 23 projects as well as the Council’s Delivery Plan objectives.

Appendix 1: ERF Scoring Process

1. Overview

- 1.1. The ERF is a competitive grant fund, so scoring is an important part of the process as it decides which projects will be awarded grant funding and to what level.
- 1.2. The aim of the process is to ensure that projects are fairly and robustly evaluated on: value for money, fit with the Fund's objectives, are deliverable, fairly distributed across the city (and that no groups are disadvantaged by the process) and to ensure the steering group had confidence in the teams' ability to deliver the project as outlined.
- 1.3. The process also ensures that applications meet the four eligibility criteria:
 - The project team is a collaboration that includes businesses and represents their views.
 - The project is aimed at benefiting local businesses in the target area or sector.
 - The lead organisation that will receive and manage the funding can be named.
 - ERF funding is needed to make the project happen.

2. Process

- 2.1. The scoring process for ERF was updated and refreshed for the second round of funding. The fundamentals remained the same as:
 - the process is owned by the ERF Steering Group, who undertake scoring collectively; and
 - applications are assessed on set criteria (based on the sections of the application form) and scored out of 5, with a minimum pass mark of 3 for each.
- 2.2. The main change between the first and second rounds is that applications were divided between Steering Group 'teams' to reduce the administrative burden on this senior level group and keep the process moving as quickly as possible. An additional moderation process was put in place to ensure consistency across the teams.
- 2.3. A Councillor, Senior Officer and private/community sector representative were included in each scoring team to ensure a breadth of perspectives. Scoring teams were:

Team 1	Team 2	Team 3
Cllr Smith	Cllr Parekh	Cllr Nottage
Diana Buckley (SCC)	Ben Morley (SCC)	Carl Mullooly (SCC)
Javed Khan (Metro Bank)	Shahida Siddique (Faith Star)	Amy Tingle (City Taxis)
	Tom Wolfenden (Sheffield Tech Parks)	
ERF Project Team (all meetings): Sarah Lowi Jones, Ian Holmes		

- 2.4. The scoring process functioned as follows:

ERF 2 Scoring Process

Preparation

- Practice scoring session for ERF Steering Group
- Confirmation of any potential conflicts of interest (e.g. Councillors did not score projects from their wards)
- Applications checked for eligibility
- Applications assigned to scoring teams (x3 teams that all included a Councillor from the Economic Development and Skills Policy Committee, senior Council Officer and private/community representative)

Scoring

- Steering Group teams assign scores collectively to eligible applications in meetings
- Each section (including the budget) attracts a maximum score of 5, with a pass mark of 3
- Any individual section failing to meet the minimum score means the application fails
- The minimum score to pass across the 6 sections of the scoring pro-forma is 18
- Conditions, changes to scope, budget or ways of working for individual projects specified by scoring teams

Moderation

- Selection of applications moderated in meeting of all Steering Group members to ensure consistency
- Applications ranked and the total funding ask of successful projects calculated
- Steering Group reserved the option of using geography and factors such as the prevalence of areas with high scores in the Indices of Multiple Deprivation to ensure there is a fair spread across types of area in the city, though this was not needed
- Additional principles around how to reduce budgets and de-scope projects (to respond to budget pressure) agreed

Revision

- Project Team enacted the changes required by Steering Group to budgets to achieve funding offers that fit the available budget
- Outcomes agreed creating three core groups: unsuccessful projects; successful projects that can move forward to contracting with no/limited conditions or changes; and, successful projects that will require revision before contracting can begin
- All applicants informed of the outcome from the scoring process and next steps

Contracting/ Decision

- Contracting discussions to take place to finalise details and set out SCC's requirements/terms and conditions
- Projects awarded up to £50k to be signed off by the Director of Economic Development, Skills and Culture when ready
- Projects between £50-200k to be approved by Finance Committee (11 September)

Project revisions

2.5. The overall funding ask of projects that passed scoring was £2.384m, which far exceeded the available funding of £1.45m. In order to maximise the number of groups that could benefit from ERF funding, ensure all projects represent value for money and that funding offers fit within the available budget it was necessary for the Steering Group to consider how individual applications should be de-scoped to reduce this £1m pressure.

2.6. This was done on the basis of some key principles, that any individual funding offer should:

- be reflective of the feedback and scoring given by Steering Group
- be deliverable and proportionate to the scale of the project and area
- offer value for money and be as well costed and realistic as possible
- should ensure all activity is eligible for ERF funding
- not be based on blanket cuts, nor any set percentage rate reduction applied across the board
- reflect the small grant threshold of the District Centre Fund where they are marginally over, or where the activity proposed fits better as a small rather than large grant (e.g. if a funding ask is £53,865 then it should meet the £50k threshold)
- unsuccessful projects that could not be funded through ERF should be supported to explore other options via the Local Area Committee teams in the first instance, or signposted to external sources of funding where appropriate, with help offered to enable teams to navigate any relevant application process.

2.7. Steering Group also provided guidance in specific areas:

- Websites design and creation will not be supported as it does not represent value for money and there is significant risk around their longevity and impact
- Marketing budgets should be proportionate (reduced if necessary) and should prioritise content generation over social media management.
- Shop front schemes have, generally, been poorly defined despite the high funding ask. Broadly it was agreed that these budgets be slimmed down and further detail requested from project teams during the contracting process on how they will be delivered.
- Street art projects are likewise generally quite expensive and can be scaled down to comparable costs seen in ERF1.
- As Christmas lights on lamppost columns are expensive and short-term, where both lamppost lights and shop front decorations have been included, lamppost lights should be removed in favour of assets that

would be owned and maintained locally. Where there are other pressures lamppost lights can be de-scoped.

- Flexible Fund (though not under pressure) should be scrutinised in the same way as the District Centre Fund for fairness to all applicants, the majority of whom will need to accept some reduction in the funding offer.

2.8. In sum, Steering Group highlighted where some budgets were unrealistic, had activity that was over costed and/or elements that were felt to be poor value. This guidance allowed the Project Team to assess budgets in detail in a balanced and individualised way, to enable a significant portion of the original funding ask has been scaled back.

Economic Recovery Fund Scoring Pro Forma

Application Summary and Background

Project Title:	
District/Flexible:	
Lead organisation:	
Total Requested:	
Additional documents:	(list)
Project summary:	
Ward profile (link):	
Officer views/liaison:	

1. Purpose	
Why is it needed? Is it clear what issues, needs, opportunities and priorities this project is aimed at addressing? How far is evidence available to support assertions made? How far have the applicants engaged with their business community – are we confident that this proposal reflects their views? Comments:	Mark out of 5

2. Summary of project	
Is it clear what this project will deliver? How far does it seem to be realistic and deliverable? How do the applicants propose the project be delivered/managed – does this give us confidence in their process? Comments:	Mark out of 5

3. Project Team

<p>Are we clear who the steering group/project team/delivery group are for this project?</p> <p>Do we have confidence that between the proposed group there are the skills and capacity to deliver an ERF project?</p>	Mark out of 5
Comments:	

4. Project funding and budget	
<p>How realistic are the costs as set out in the budget?</p> <p>How far are we comfortable that the costs represent value for money?</p> <p>Are the salary/management costs within the accepted range (up to 15% and up to 5%) and how far have they built in an appropriate contingency?</p> <p>How far does the sequencing of activity/costs convince us of the robustness of their budget and planning?</p>	Mark out of 5
Comments:	

5. Outputs and Impacts	
<p>How far does the project align to the relevant objective(s) of the Fund?</p> <p>How far do we accept the broader benefit/impact of this proposal?</p> <p>To what extent are we convinced by the sustainability/inclusion and legacy statements and how far the applicants have engaged with this issue?</p>	Mark out of 5
Comments:	

6. Project Management	
<p>How convincing is the proposed plan and have the applicants sufficiently considered: how they will communicate with, engage and involve local businesses; how they will work as a management team; the financial management processes/responsibilities required; who will deliver the activity; how suppliers will be appointed etc.</p> <p>How convincing is the group's thinking on milestones and risk identification/management?</p>	Mark out of 5
Comments:	

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Overall assessment	
What is your level of confidence in this proposal? What are your main concerns? What are its key strengths?	Overarching Score /30
Comments for feedback:	

Scores for each section will be given out of 5, as follows:

Score	Description of Response
1	<p>Unacceptable Response</p> <ul style="list-style-type: none"> • No response, or • Not in alignment with the information set out in the guidance • Response not relevant or question not answered <p>Completely unsatisfactory suggesting the applicant would have serious difficulties delivering the project, or has provided no relevant information at all.</p>
2	<p>Poor Response</p> <ul style="list-style-type: none"> • The response is partially in alignment with the Fund and guidance but there are significant gaps • The response has deficiencies, e.g. supporting evidence is minimal, relies on assertion <p>Indicates that the applicant would meet only some of the proposals some of the time. Considerable work would be needed with the applicant to expand on information provided in order for the information to indicate that standards are likely to be met.</p>
3	<p>Acceptable Response</p> <ul style="list-style-type: none"> • The response is in alignment with the aims of the Fund • Some shortfalls but any concerns are of a minor nature <p>Further evidence may be required but confident that the applicant will be able to deliver the proposal. Further work may be needed to ensure that delivery will be consistent</p>
4	<p>Good Response</p> <ul style="list-style-type: none"> • The response is in alignment with the Fund • Good supporting evidence which is relevant, credible and supports claims <p>Indicates that the applicant has fully understood the aims of the Fund and can apply and deliver all the elements of their proposal. A small amount of work may be required in non-key areas to minimise any risk of delivery failure</p>
5	<p>Excellent Response</p> <ul style="list-style-type: none"> • The response is in alignment with the aims of the Fund • Offers relevant detailed evidence and rationale to support their claims • Demonstrates a wholly comprehensive understanding of the aims of the Fund <p>Indicates that the proposed approach will result in the project aims being met and exceeded.</p>

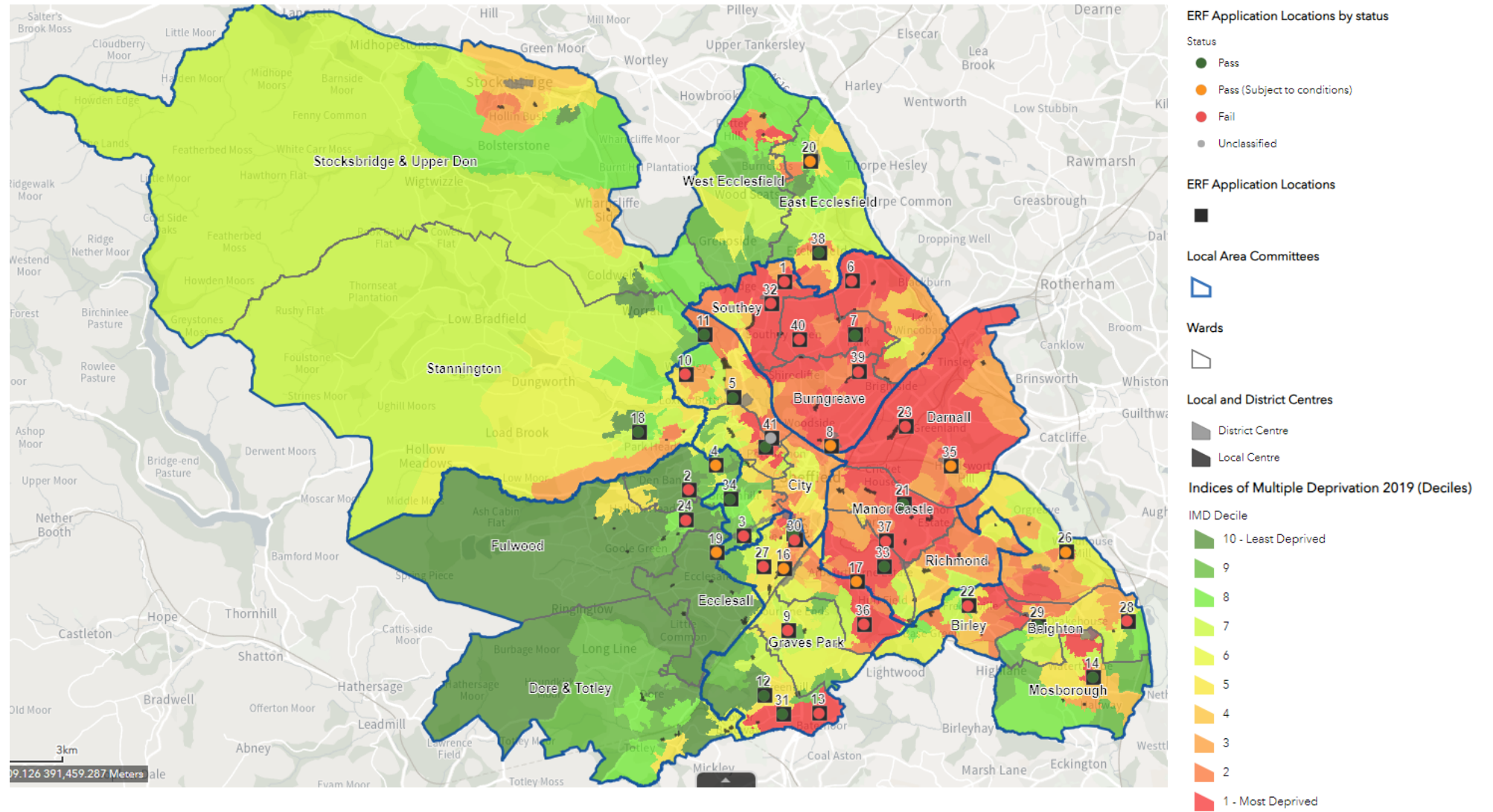
Appendix 2: ERF2 Applications and Scoring Outcomes

Project Name	Fund	Funding ask (APPLICATION)	LAC area	ERF1 Y/N	Scoring Outcome (pass/fail)	Funding offered	Large/small
Crookes Collective	District	£199,962	South West	N	Pass - CONDITIONS	£90,000	Large
Discover Darnall	District	£199,569	East	N	Pass - CONDITIONS	£100,000	Large
Harborough Avenue	District	£98,922	East	N	Pass	£70,000	Large
Heeley & Newfield Greens	District	£200,000	South	N	Pass - CONDITIONS	£100,000	Large
London Road	District	£199,597	South	N	Pass	£142,355	Large
Northern Avenue	District	£66,818	East	N	Pass	£66,818	Large
Revive Woodhouse 2	District	£99,384	East	Y	Pass - CONDITIONS	£70,000	Large
Spital Hill	District	£158,213	North East	Y	Pass - CONDITIONS	£74,470	Large
Westfield Matters	District	£85,000	South East	N	Pass	£71,456	Large
Banner Cross	District	£122,725	South West	N	Pass - CONDITIONS	£36,198	Small
Choose Chapeltown	District	£200,000	North	Y	Pass - CONDITIONS	£49,644	Small
Connecting Stannington	District	£49,962	North	N	Pass	£49,962	Small
Ecclesfield High Street	District	£49,985	North	N	Pass	£38,857	Small
Family Friendly Firth Park	Flexible	£49,332	North East	Y	Pass	£39,932	Small
Growing Greenhill	District	£50,150	South	N	Pass	£50,000	Small
Hackenthorpe Traders Connect	District	£70,088	South East	N	Pass	£49,573	Small
Hillsborough Together	Flexible	£50,998	Central	Y	Pass	£46,022	Small

Independent Abbeydale	District	£198,424	South	N	Pass - CONDITIONS	£37,682	Small
It's All About Broomhill	Flexible	£49,120	Central	Y	Pass	£40,250	Small
Lowedges Boost	District	£37,321	South	N	Pass	£37,321	Small
Middlewood	District	£53,391	North	N	Pass	£48,971	Small
Next Stop Infirmaroy Road	District	£38,471	Central	N	Pass	£32,116	Small
Walkley Working	Flexible	£49,559	Central	Y	Pass	£35,052	Small
Attercliffe Community Garden	District	£163,577	East	N	Fail		
Beautiful Beighton	District	£49,884	South East	N	Fail		
Buchanan Parade Development	District	£153,660	North East	N	Fail		
Clearly, We're Crosspool	District	£52,471	South West	N	Fail		
Family fun at Margetson Shops	District	£199,719	North East	N	Fail		
Fresher Frecheville	District	£119,502	South East	N	Fail		
Fulwood High Street	District	£200,000	South West	N	Fail		
Local Social	District	£162,173	Multiple / City Wide	N	Fail		
Longley 4 Greens	District	£126,025	North East	N	Fail		
Nether Edge Pocket Park	District	£13,402	South	Y	Fail		
Proud of Page Hall	District	£40,891	North East	Y	Fail		
Revitalising Jordanthorpe	District	£169,469	South	N	Fail		
Revive Gleadless Valley	District	£60,384	South	N	Fail		
Sharrow vale	District	£59,363	Central	N	Fail		
Shiregreen Matters	District	£112,190	North East	N	Fail		
This is Woodseats	District	£205,000	South	N	Fail		
Wisewood	District	£40,003	Central	N	Fail		
York House	District	£50,000	East	N	Fail		

Bridge The Gap	Flexible	£48,736	North East	N	Ineligible		
Creative Owners Health & Wealth	Flexible	£50,000	Multiple / City Wide	N	Ineligible		
Sheffield Food Mile	Flexible	£49,928	South	N	Ineligible		
Highlighting Heeley	District	£47,500	South	N	Ineligible		
Brighter Burngreave	District	£200,000	North East	N	Ineligible		
Exchange Street	District	£50,000	Central	N	Ineligible		
The Local Tote	Flexible	£8,963	Multiple / City Wide	N	Ineligible		
Happy Bodies Strong Minds	District	£200,000	South	N	Ineligible		

Appendix 3: Map of ERF Applications by Outcome and IMD (Pass/Pass with conditions/Fail)



Area	Status	IMD Decile	
1 – Margetson Crescent (Parson Cross)	FAIL	1	
2 – Crosspool	FAIL	9	
3 – Sharrow Vale Rd	FAIL	9	
4 – Crookes	PASS CONDITIONS	9	or 6/7
5 – Hillsborough	PASS	2	
6 – Shiregreen	FAIL	1	
7 – Firth Park	PASS	1	
8 – Spital Hill	PASS CONDITIONS	2	
9 – Woodseats	FAIL	7	or 5/9
10 – Wisewood	FAIL	3	or 5/8
11 – Middlewood	PASS	2	or 8/9
12 – Greenhill	PASS	10	or 5
13 – Jordanthorpe	FAIL	1	
14 – Westfield	PASS	1	
15 – London Rd	PASS	3	or 2/6
16 – Abbeydale Rd	PASS CONDITIONS	5	or 2/6
17 – Heeley and Newfield Green	PASS CONDITIONS	1	
18 – Stannington	PASS	7	or 8
19 – Banner Cross	PASS CONDITIONS	9	or 10
20 – Chapeltown	PASS CONDITIONS	5	or 2/8
21 – Harborough Avenue (Manor Park)	PASS	1	

Area	Status	IMD Decile	
22 – Frecheville	FAIL	6	or 8
23 – Attercliffe	FAIL	1	
24 – Fulwood	FAIL	8	or 10
25 – Walkley / Upperthorpe	PASS	1	or 2
25 – Infirmary Road	PASS	1	or 2
26 – Woodhouse	PASS CONDITIONS	2	
27 – Nether Edge	FAIL	7	or 5
28 – Beighton	FAIL	6	
29 – Hackenthorpe	PASS	3	or 4
30 – The Food Mile	FAIL	2	or 3/5/6
31 – Lowedges	PASS	1	
32 – Buchanan Rd (Parson Cross)	FAIL	1	
33 – Northern Avenue (Manor Park)	PASS	1	
34 – Broomhill	PASS	8	
35 – Darnall	PASS CONDITIONS	1	
36 – Gleadless Valley	FAIL	1	
37 – York House	FAIL	1	
38 – Ecclesfield	PASS	2	or 5
39 – Page Hall	FAIL	1	
40 – Longley	FAIL	1	
41 – Local Social	FAIL	2	

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Part A

Initial Impact Assessment

Proposal name Economic Recovery Fund Round 2 – Scoring Outcome

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

The 49 applications received in the second round of the Economic Recovery Fund have been evaluated, scored if eligible and a set of 23 projects are recommended to be awarded funding.

Proposal type

- Budget

If Budget, is it Entered on Q Tier?

- Yes

If yes what is the Q Tier reference

Year of proposal (s)

- 21/22 23/23 23/24 24/25 other

Decision Type

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

Lead Committee Member

Cllr Smith, Cllr Parekh, Cllr Nottage

Lead Director for Proposal

Diana Buckley

Person filling in this EIA form

Sarah Lowi Jones

EIA start date 22/08/2023

Equality Lead Officer

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

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

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

Portfolio, Service and Team

Is this Cross-Portfolio

- Yes No

Portfolio

Economic Development

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

- Yes No Please specify

Consultation

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

- Yes No

If consultation is not required please state why

ERF is not fulfilling a statutory obligation and consultation has been carried out with relevant Members and through the completion of an evaluation that included interviews with grant recipients, businesses, residents and others.

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

- Yes No

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

- Yes No

If you have said no to either please say why

Initial Impact

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

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

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

Identify Impacts

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

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

Cumulative Impact

Does the Proposal have a cumulative impact

- Yes No

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

If yes, details of impact

ERF will be delivered in 23 separate project areas in Round 2 and of those 23 7 had funding in Round 1, providing a cumulative impact year on year. It is hoped that the impact of ERF projects will also be felt in all areas after the initial delivery period, with high street collaborations encouraged and empowered to work together on a longer-term basis.

Proposal has geographical impact across Sheffield

- Yes No

If Yes, details of geographical impact across Sheffield

While 49 different project teams applied for funding, 23 were eventually successful in being allocated funding. These come from a range of areas across the city (see report for more detail and appendix 2 for a map illustrating the spread of applications).

When compared to the first round of funding, North and South LACs are better represented in Round 2 (three more funded projects in each compared to Round 1), suggesting they will receive more benefit from this round of funding.

Local Area Committee Area(s) impacted

- All Specific

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

All LAC areas have at least 2 successful projects that have been allocated funding, however there is not an even split. LACs have between 2-5 funded projects in their area (see report – Table 1 at page 6). The ERF is a competitive process and Councillors made the decision that there would be no quota applied across LAC area.

Initial Impact Overview

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

Based on the information currently available it is intended that funded projects will have a positive impact as the fundamental eligibility requirement was for them to represent local collaborations/project teams. In addition, there is an expectation (that forms part of the Funding Agreement) that sets out projects should work in an open, inclusive and accessible way. All projects were asked to consider inclusion as part of their application and are expected to make proactive and positive attempts to do so throughout the delivery of their projects. Brief guidance applicants were expected to consider was included as questions in the application form as follows:

It is really important that your project reflects the diversity of your community and that you work in an inclusive way, so that nobody feels left out or that they did not have an opportunity to feed in views or participate if they wanted to.

Consider here how you will engage with different parts of your community and how they might need different support or mechanisms to encourage their involvement.

Consider who is on your steering group/management committee/on your project team. How far does it reflect your community and local business owners? Where it doesn't how might you change that?

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

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

Initial Impact Sign Off

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

Yes No

Date agreed 25/08/2023

Name of EIA lead officer Ed Sexton

Part B

Full Impact Assessment

Health

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

Yes No *if Yes, complete section below*

Staff

Yes No

Customers

Yes No

Details of impact

Comprehensive Health Impact Assessment being completed

Yes No

Please attach health impact assessment as a supporting document below.

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

Yes No

Name of Health Lead Officer

Age

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Some of the projects include proposals to include young people in the development of public art projects. This is expected to have a positive impact on youth engagement and will be carried out by experienced professionals in the field (appointment of artists will be made by the local project teams). Other projects want to ensure older members of the community (and those with mobility difficulties) are catered for by installing benches for rest where there currently are none.

Disability

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

We have requested that teams take into account accessibility requirements for their communication and delivery of their projects. We will monitor and question projects on how they fulfil this. One example would be in the delivery of local events, ensuring that in their planning they have considered accessibility and actively put in place mitigations to ensure those with specific needs are considered (e.g. not having a venue with only stairs that is inaccessible to wheelchair users) and that plans are in place to deal with any issues on event days.

Pregnancy/Maternity

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Race

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Projects have been asked to ensure they are inclusive of the different ethnicities that make up their community and ensure the work they deliver speaks to and includes them. Proposals have included celebration events not only of Christian festivals like Christmas, but also of festivals such as Eid and Chinese New Year as well, reflecting the make-up of those communities. ERF projects are expected to have at least a neutral but hopefully a positive impact on community cohesion as different parts of the community speak and work together.

Several of the projects are based in areas that are very diverse and the profile of business owners reflects that. Teams were certainly encouraged to be inclusive and where issues around inclusion were raised with the Project Team as part of the application process, these were raised and addressed directly with the local team. For example, encouraging teams to meet in a venue that does not serve alcohol to ensure this did not exclude observant Muslims from attending.

Religion/Belief

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

As above.

Sex

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Sexual Orientation

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Gender Reassignment (Transgender)

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Carers

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Voluntary, Community & Faith sectors

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Some VCFS organisations will be acting as the Lead Organisation for the project in their areas, meaning they will be holding and disbursing the funding on behalf of the project team/steering group delivering the project. This is expected to have a positive impact on the sector as this provides the opportunity to undertake additional work in their local communities that will positively benefit the businesses and high street. ERF projects led by VCFS organisations provide an opportunity to create new relationships that did not exist before, and hopefully strengthen and deepen ones that are long-standing.

Partners

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

It is hoped that business groups that come together to oversee ERF projects will invite other Council or partners services to speak to their teams about important local issues. For example, Police could be invited to business meetings to talk about their work to manage anti-social behaviour or theft, or the Environmental Health team could talk through their action on fly-tipping and graffiti. This approach worked well in Round 1, for example in Spital Hill where partners attended local events and traders meetings to hear business views, share work and priorities and build relationships.

Cohesion

Staff

Yes No

Customers

Yes No

Details of impact

See section on race, as above.

Poverty & Financial Inclusion

Impact on Staff

Yes No

Impact on Customers

Yes No

Please explain the impact

Armed Forces

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Other

Please specify

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Action Plan and Supporting Evidence

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

In ensuring the ERF Round 2 projects have a positive impact on their communities and to mitigate any risks around equality, diversity and inclusion the ERF Team will:

- Expectations around running projects in an open and inclusive way, with accessibility issues considered, forms part of the Funding Agreement each project will sign
- The project team will ask each project about specific EDI actions regularly as part of the monitoring process and encourage teams to take this into account during the delivery of their projects

- A training session will be offered as part of the induction process for all projects (ideally led by the SCC team, or if needed by a supplier appointed through a procurement)
- The evaluation team will be asked to evaluate (where this is possible) EDI impacts of ERF projects individually and as a programme
- Any central communications delivered will take into account the make-up and needs of the target audience
- These actions and any arising issues relating to EDI will be reviewed by the ERF Steering Group regularly

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

[Empty text box for supporting evidence]

Detail any changes made as a result of the EIA

The action plan above was already part of planned ERF activity.

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

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

[Empty text box for corporate escalation explanation]

Sign Off

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

Yes No

Date agreed Name of EIA lead officer

Review Date

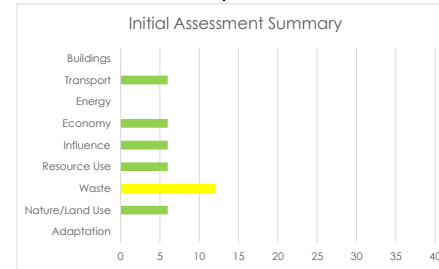
Climate Change Impact Assessment Summary

Project/Proposal Name	ERF Round 2 Scoring Outcomes	Portfolio	City Futures
Committee	Economic Development and Skills	Lead Member	Cllr Smith, Cllr Parekh, Cllr Nottage
Strategic Priority	Fair, Inclusive and Empowered Communities	Lead Officer	Diana Buckley
Date CIA Completed	18/08/23	CIA Author	Sarah Lowi Jones
		Sign Off/Date	

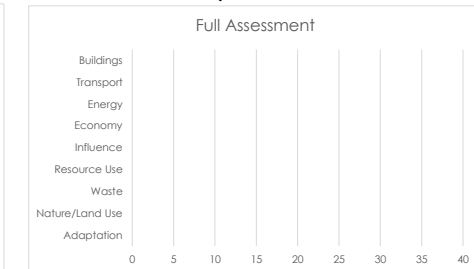
Project Description and CIA Assessment Summary	ERF projects were all asked to provide a statement on how they would consider and act upon sustainability issues in the delivery of their projects. In addition, training on climate awareness/low carbon will be offered as part of the induction and upskilling process offered to all successful projects. Several projects will be delivering elements that aim to have a positive impact - such as improving access to bike storage, encouraging active travel, greening of public spaces (e.g. using planting schemes and tree installation). It is assumed that the impacts of all of these elements will be modest, but it is hoped on balance still positive.
---	--

Rapid Assessment	Does the project or proposal have an impact in the following areas? Select all those that apply. Only complete the sections you have selected here in the assessment.		
Buildings and Infrastructure	No	Influence	Yes
Transport	Yes	Resource Use	Yes
Energy	No	Waste	Yes
Economy	Yes	Nature/Land Use	Yes
		Adaptation	No

Initial Assessment Summary



Full Assessment Summary



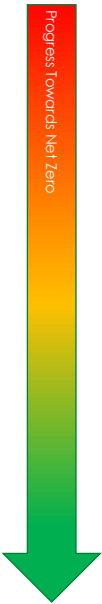
>=27	The project will increase the amount of CO2e released compared to before.
21-26	The project will maintain similar levels of CO2e emissions compared to before.
12-20	The project will achieve a moderate decrease in CO2e emissions compared to before.
3-11	The project will achieve a significant decrease in CO2e emissions compared to before.
0-2	The project can be considered to achieve net zero CO2e emissions.

Initial Assessment

Category	Impact	Description of Project Impact	Score
Buildings and Infrastructure	Construction		
	Use		
	Land use in development		
Transport	Demand Reduction		
	Decarbonisation of Transport		
	Public Transport		
	Increasing Active Travel	Some projects wish to encourage active travel and install bike racks.	6
Energy	Decarbonisation of Fuel		
	Demand Reduction/Efficiency Improvements		
	Increasing infrastructure for renewables generation		
Economy	Development of low carbon businesses		
	Increase in low carbon skills/training	We will offer businesses access to information available through Business Sheffield in an effort to upskill and build skills in this area.	6
	Improved business sustainability		
Influence	Awareness Raising	The project team will offer training on climate awareness as part of the induction/upskilling programme.	6
	Climate Leadership		
	Working with Stakeholders		
Resource Use	Water Use		
	Food and Drink		
	Products		
	Services	Projects have been encouraged (and several committed to) considering how events can be delivered in a way that minimises environmental impact, for example by avoiding the use of single use plastics and encouraging active travel	6

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10	The project will significantly increase the amount of CO2e released compared to before.
9	The project will increase the amount of CO2e released compared to before.
8	The project will maintain similar levels of CO2e emissions compared to before.
7	
6	The project will achieve a moderate decrease in CO2e emissions compared to before.
5	
4	
3	The project will achieve a significant decrease in CO2e emissions compared to before.
2	
1	The project can be considered to achieve net zero CO2e emissions.
0	
Carbon Negative	The project is actively removing CO2e from the atmosphere.



Waste	Waste Reduction	Several areas are looking to install double aperture bins so that there is an option to recycle on the public highway.	6
	Waste Hierarchy		
	Circular Economy	Two projects have proposed creating a 'borrow bank' of items that will be accessed by local businesses to improve the appearance and maintenance of their premises.	6

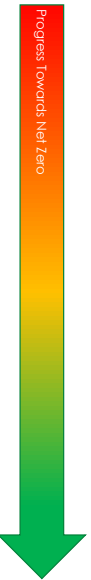
Nature/Land Use	Biodiversity	Several projects want to increase and diversify the planting in local areas by having wildflower areas, herb garden, pavement planters, trees and other greening of public spaces.	6
	Carbon Storage		
	Flood Management		

Adaptation	Exposure to climate change impacts		
	Vulnerable Groups		
	Just Transition		

Full Assessment

Category	Impact	Description of Project Impact	Mitigation Measures	Mitigated Score	Procurement Action Required?	Proposed KPI/Measure
Buildings and Infrastructure	Construction					
	Use					
	Land use in development					
Transport	Demand Reduction					
	Decarbonisation of Transport					
	Public Transport					
	Increasing Active Travel					
Energy	Decarbonisation of Fuel					
	Demand Reduction/Efficiency Improvements					
	Increasing infrastructure for renewables generation					
Economy	Development of low carbon businesses					
	Increase in low carbon skills/training					
	Improved business sustainability					
Influence	Awareness Raising					
	Climate Leadership					
	Working with Stakeholders					
Resource Use	Water Use					
	Food and Drink					
	Products					
	Services					
Waste	Waste Reduction					

10	The project will significantly increase the amount of CO2e released compared to before.
9	The project will increase the amount of CO2e released compared to before.
8	The project will maintain similar levels of CO2e emissions compared to before.
7	
6	The project will achieve a moderate decrease in CO2e emissions compared to before.
5	
4	
3	The project will achieve a significant decrease in CO2e emissions compared to before.
2	
1	The project can be considered to achieve net zero CO2e emissions.
0	
Carbon Negative	The project is actively removing CO2e from the atmosphere.



	Waste Hierarchy					
	Circular Economy					

Nature/Land Use	Biodiversity					
	Carbon Storage					
	Flood Management					

Adaptation	Exposure to climate change impacts					
	Vulnerable Groups					
	Just Transition					

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Report to Policy Committee

Author/Lead Officer of Report:

Tammy Whitaker Head of Regeneration and Property Services

Tel: 07342 071141

Report of: *Executive Director City Futures*

Report to: *Finance Committee*

Date of Decision: *11 September 2023*

Subject: *Sale of Land at Cotton Mill Row, Kelham Island Sheffield S3*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? EIA ID: 2324.				
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 checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- Exemption applies to Appendix 2 & 3				

Purpose of Report:

Regeneration and Property Services propose the disposal of freehold land at Cotton Mill Row, Kelham Island, Sheffield S3 on a private treaty basis on the terms set out in the attached Appendix for the development of a high-density residential led mixed use scheme.

As the land has not been subject to a competitive marketing process and consideration to be received by the Council exceeds £300,000, this report seeks the approval of the Council’s Finance Committee to dispose of the Land.

Recommendations:

That Finance Committee approve the freehold sale of the Land on the terms set out in the Appendix 3

Lead Officer to complete:-

1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Damian Watkinson</i>
		Legal: <i>David Sellars</i>
		Equalities & Consultation: <i>Ed Sexton</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	SLB member who approved submission:	<i>Executive Director City Futures</i>
3	Committee Chair consulted:	<i>Cllr Zahira Naz</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>John Hurman</i>	Job Title: <i>Senior Surveyor</i>
	Date: <i>07 August 2023</i>	

1. PROPOSAL

- 1.1 This report relates to the proposed disposal of vacant land at Cotton Mill Row, shown edged red on the attached plan, ("the Land") to the adjoining landowner, whose interest is outlined blue on the attached plan, to facilitate the development of both sites for a high density residential led mixed use scheme.
- 1.2 The Land, which formed part of a larger land and property interest, was acquired by the Council in 2006. During the intervening years Kelham Island, once a catalyst/first phase in this emerging residential area, has now matured, and its effect is naturally spreading towards the local area fringes and beyond to West Bar and Neepsend.
- 1.3 The Land occupies a unique corner position providing potential for a landmark development on the Inner Relief Road to compliment the West Bar development opposite and industrial heritage of the Kelham Island Conservation Area. However, the Land is limited in size (approximately 0.17 acres), and full development potential cannot be achieved if sold in isolation.
- 1.4 The property to the North, is held in private ownership. It was purchased by the current owner in November 2021, and is the subject of planning application 22/01936/FUL. The wording of paragraphs 1.5 to 1.9 has been provided by colleagues in the planning authority and sets out their view on the current planning position.
- 1.5 The two sites collectively form the proposed housing allocation site ref. KN09 in the draft Sheffield Plan. The housing allocation presents the opportunity to bring

forward a cohesive scheme that both addresses the Inner Relief Road and relates positively to the existing Cotton Mill development to the west, providing a positive edge to the Kelham Island Industrial Conservation Area.

- 1.6 The current planning proposal, for the northern site only, features six storeys of habitable windows facing onto the Council-owned land. This would effectively sterilise the development potential of the Land, reducing the opportunities to make effective use of a vacant site. If a building with south-facing windows were erected on the northern plot, the development opportunities for the southern site would be severely limited as most proposals would likely cause overlooking and/or overshadowing to the windows on the northern plot. It is likely that any subsequent proposal on the southern plot would need to be confined to the southern tip of that plot only, to maintain acceptable separation distances, with the land in between being effectively wasted.
- 1.7 If the building on the northern plot were redesigned to omit the south-facing windows as a future-proofing measure, several housing units would need to be lost from the current scheme, which could impact upon viability and deliverability, and thereby lead to the project stalling. This is in the context of several other design amendments being requested by planning officers in the interests of protecting the character of the Conservation Area, which might also lead to a reduction in overall development quantum and further threaten deliverability.
- 1.8 Bring the two plots together into the same ownership and developing as a single proposal, enables the development to be redesigned in a way that maximises the potential of the wider site in terms of housing numbers, whilst avoiding any overlooking or overshadowing between buildings, as well as adopting a cohesive architectural approach to massing, layout, detailing and landscaping. The likely outcome is a far higher quality of development befitting of its important location at the edge of the Conservation Area, whilst also being more financially viable.
- 1.9 Taking the planning position into consideration Regeneration and Property Services therefore consider that the Land has greater value if sold to the adjoining landowner, as the same advantages arising from its ownership would not be available to general purchasers in the market due to the Lands limited size.
- 1.10 To make the most effective use of the Land and embed a development into the area and support the wider regeneration of the edge of the Kelham Island Conservation Area, it is proposed that the Land is disposed of to the adjoining landowner on a private treaty basis.
- 1.11 Regeneration and Property Services has been in negotiation with the landowner regarding the combining of the two sites for the development of mixed use residential led scheme.
- 1.12 Following feedback from the Council's Planning Department the developer proposes to revise planning application 22/01936/FUL or submit a fresh application across the two combined sites comprising of two buildings (A & B); containing 3x commercial units totalling 590 square meters; and 143 apartments

in total, arranged into 4x studio, 71x 1 bed, 56x two bed and 12x 3 bed. It is considered that by splitting the development into two buildings it will provide a physical break in the building frontage and assist in providing relief to the overall massing of the scheme.

- 1.13 It is proposed that Building B, to be located on the Council's land, shall contain 36 dwellings comprising of 12x 1 bed, 18x 2 bed and 6x 3 bed apartments over the upper 6 floors. The ground floor shall mainly comprise of commercial space, with the remaining area used for ancillary uses and access.
- 1.14 Indicative floor plans of the proposed development not in the public domain are provided at Appendix 2.
- 1.15 Conforming with Planning Policy CS41 (no more than half of the homes in a scheme of more than 60 units should consist of a single house type) the development will provide a mix of studio, 1, 2 and 3 bed apartments of varying sizes, all of which meet national space standards.
- 1.16 This proposed scheme aligns with the City Councils vision to facilitate the regeneration of the Kelham Island neighbourhood by delivering predominantly non-student led accommodation. By offering fewer studio apartments and more 1 bed and 2 bed units the scheme will naturally attract first and second time buyers, which shall include postgraduates, young professionals and possibly even suburban downsizers, a theme that echo's the Councils vision for the area.
- 1.17 Dependant on the site purchase and planning process construction is expected to start within 12 months of exchanging contracts. From implementation of the planning permission construction is likely to take up to 18 months. A retention sum will be paid to the Council, in addition to the purchase price, if the planning consent is not implemented with 12 months.
- 1.18 Council planning policy identifies the Land as being located within the "City Centre" Affordable Housing Market Area, and consequently no contribution is required for affordable housing in this area, the developer will however be required to pay a Community Infrastructure Levy.

2 HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The development of high-density residential accommodation continues to remain a dominant driver for private investment within the city. Although student developments have predominantly attracted the most interest over the last 5-10 years, investor and developer demand is now beginning to turn towards the post-graduate and young professional markets as well as suburban downsizers. This activity is continuing to drive the redevelopment of underutilised or brownfield sites within the city and help businesses relocate to more sustainable locations.
- 2.2 The proposed development will help drive more footfall in the city centre having a positive impact on businesses and retail trade and will also ensure a supply of housing for a skilled workforce and the businesses looking to attract them.

2.3 The proposed development also contributes to the wider Council vision of ensuring that the comprehensive regeneration of the Kelham Island neighbourhood continues.

2.4 The development will deliver considerable environmental improvements, removing older inefficient commercial buildings and delivering newer more energy efficient buildings.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The Council is not required to consult on proposals for the disposal of land. The statutory planning process will involve consultation on the details of the development.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An Equality Impact Assessment (ref: 2324) has been carried out in respect of the proposals set out in this report and it is considered that the redevelopment of the Land and adjoining site will be of positive benefit for all local people with the repurposing of a cleared site and redundant commercial buildings and the creation of new housing and commercial space.

4.2 Financial Implications

4.2.1 The financial and commercial implications include:

- Encourage further regeneration of the city centre through the redevelopment of underutilised commercial sites for housing.
- Provide a capital receipt to the Council.
- Produce increased Council Tax revenue
- Produce CIL.

4.3 Legal Implications

4.3.1 Pursuant to Section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best price reasonably obtainable upon a disposal of its land.

4.3.2 Offering the land for sale in the open market would generally provide the most robust indication that best value has been obtained. However, this is not the case in these circumstances. The proposed purchaser is considered to be a 'special purchaser', being a buyer who has a special reason for paying more than the market value, for instance if the land is adjoining their existing property or provides the only viable option to a buyer in relation to the project or scheme they are pursuing which requires them to acquire the land.

4.4 Other Implications

4.4.1 None beyond those identified in this report.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The Council could do nothing; this may result in the Land remaining vacant for several more years and would not contribute to the Council's aspirations to see the Kelham Island area regenerated. This could also have a negative impact on the future use of the Land.
- 5.2 The Council could offer the Land for sale in the open market; this may result in a disposal and subsequent development, but in isolation, due to its small size, the Land would be limited in terms of future development potential, and it is considered that a sale would generate a lower capital receipt for the Council as a result.

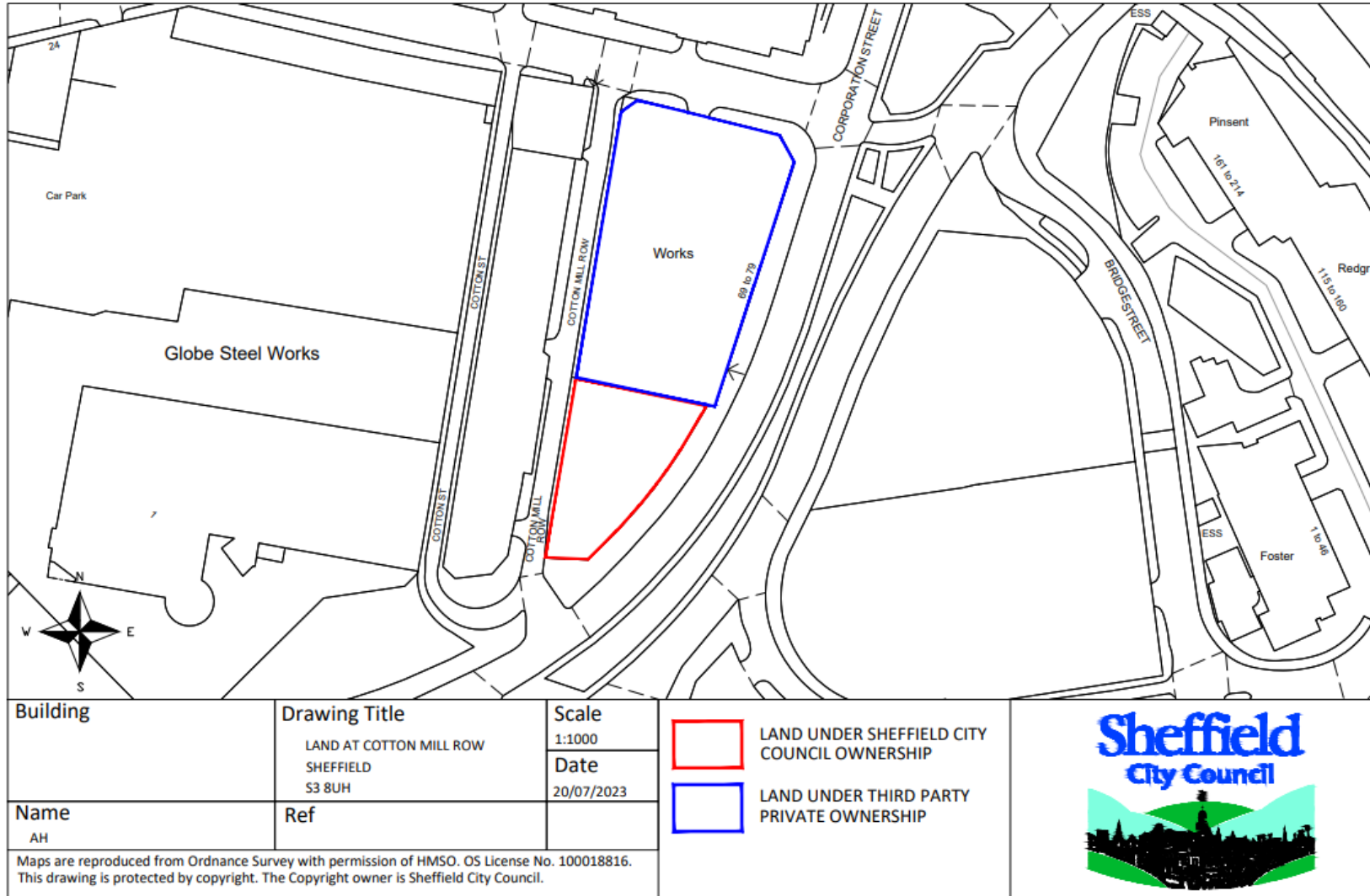
6. REASONS FOR RECOMMENDATIONS

- 6.1 The intended outcome of the proposal is to deliver new residential accommodation within the city centre and repurpose vacant and redundant commercial sites where older buildings are inefficient and would benefit from redevelopment.
- 6.2 The development proposals will help attract additional footfall which will be of benefit to the city centre. The disposal will also deliver a significant capital receipt, increased Council Tax revenue and CIL contribution for the Council.
- 6.3 The proposals will deliver the economic and financial benefits as outlined within this report.

APPENDICES

- 1. Location Plan
- 2. Indicative floor plans (confidential not for publication)
- 3. Proposed Terms of Sale (confidential not for publication)

1. Location Plan



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

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