

# Finance Committee

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**Monday 18 March 2024 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**

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Councillor Zahira Naz  
Councillor Mike Lavery  
Councillor Bryan Lodge  
Councillor Toby Mallinson  
Councillor Glynis Chapman  
Councillor Marieanne Elliot  
Councillor Mary Lea  
Councillor Shaffaq Mohammed  
Councillor Ibbly Ullah

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## PUBLIC ACCESS TO THE MEETING

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The Finance Committee may take decisions in respect of the Finance and Property matters (but for the avoidance of doubt not those matters which are reserved to the Charity Trustee Sub-Committee) more particularly detailed below:

### Finance

- Monitoring Council budget each month;
- Agreement of Council policies in respect of fees and charges;
- Agreement upon virements of £500,000 and over **or** representing a major change of policy (any value) from one division of a Service to another or between Services within Directorates or between Directorates and within the approved budget.

### Capital Programme

Agreement of reports on the implementation of the capital programme provided under the Capital Programme Financial Reporting and Control Procedures, including:-

- (a) Approval of all new schemes; except expenditure relating to feasibility works up to the value of £100,000 in accordance with the Financial Procedure Rules and
- (b) Approval of a variation to an existing scheme which increases the value of the scheme by more than £100,000;

### Property

- (a) Acquisitions of Property where the consideration to be paid by the Council exceeds £250,000, but not including any acquisition of Property that the Council is obliged by law to complete;
- (b) Disposals of Property, being of the freehold or leasehold but not including a mortgagee sale or disposal that Council must by law complete such as Right to Buy, lease enfranchisement or easements to certain service providers
  - Where the Council has been required by Law to publicly advertise the proposed Disposal (e.g. public open space); **and** one or more objections to the proposed Disposal has been received;
  - Which are not subject to a competitive process where the consideration to be received by the Council exceeds £300,000;
  - For less than the best consideration reasonably obtainable;
  - Which for any statutory or other legal reason need to be decided by a committee, not an officer
  - Which involve the transfer of a freehold interest, the grant of a lease for a term of not less than twenty-five years or the assignment of a lease with a remaining term of not less than twenty-five years AND a relevant councillor or parish/town council has objected
- (c) Appropriation to another purpose of surplus property that has not been identified for disposal by the Finance Committee.

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](http://www.sheffield.gov.uk) . You may not be allowed to see some reports because they contain confidential information. These items are usually marked \* on the agenda. Members of the public have the right to ask questions or submit petitions to Policy Committee 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](mailto:committee@sheffield.gov.uk), as this will assist with the management of attendance at the meeting. The meeting rooms in the Town Hall have a limited capacity. We are unable to guarantee entrance to the meeting room for observers, as priority will be given to registered speakers and those that have registered to attend.

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

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

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

If you require any further information please email [committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk).

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## FACILITIES

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

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**FINANCE COMMITTEE AGENDA  
18 MARCH 2024**

**Order of Business**

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**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 19 February 2024.

(Pages 11 - 14)

**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](mailto:committee@sheffield.gov.uk), by 9.00 a.m. on 14 March 2024.)

**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 - one supplemental question on each question may be asked by the Member who had submitted the original question).

**7. Work Programme**

Report of the Director of Policy and Democratic Engagement

(Pages 15 - 24)

**8. 2023/24 Quarter 3 Budget Monitoring Report**

Report of the Director of Finance and Commercial Services

(Pages 25 - 82)

**9. Capital Approvals Month 10 (2023/24)**

Report of the Director of Finance and Commercial Services

(Pages 83 - 126)

10. **Advertising and Sponsorship Policy** (Pages 127 - 158)  
Report of the Director of Policy and Democratic Engagement
11. **Changes to the Constitution: Part 4 – Financial Procedure Rules (Financial Regulations)** (Pages 159 - 254)  
Report of the Director of Finance and Commercial Services

**NOTE: The next meeting of Finance Committee will be held on Tuesday 16 April 2024 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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



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

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

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

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

Further advice can be obtained from David Hollis, General Counsel by emailing [david.hollis@sheffield.gov.uk](mailto:david.hollis@sheffield.gov.uk).

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Finance Committee

Meeting held 19 February 2024

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

**1. APOLOGIES FOR ABSENCE**

1.1 No apologies for absence were received.

**2. EXCLUSION OF PRESS AND PUBLIC**

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

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The Minutes of the meeting of the Committee held on 23 January 2024 were approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Two questions had been submitted by Aidan Cassidy from ACORN Sheffield. A representative did not attend the meeting to ask the questions therefore a written response would be provided.

**6. MEMBERS' QUESTIONS**

6.1 A schedule of questions to the Chair, submitted in accordance with Council Procedure Rule 16, and which contained written answers, was circulated. A supplementary question was asked under the provisions of Council Procedure Rule 16.4, the Chair agreed to provide a written response.

**7. WORK PROGRAMME**

7.1 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.

7.2 Officers agreed to request an update on the Lease of land in Millhouses Park item

and the two items which had no Committee date allocated on the Work Programme.

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

1. approves the Committee's work programme, as set out in Appendix 1, including any additions and amendments identified in Part 1;
2. gives 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. notes any referrals from Council (petition and resolutions) detailed in Section 2 of the report and agrees the proposed responses.

**8. CAPITAL APPROVALS MONTH 9 (2023/24)**

8.1 The Finance Manager submitted a report that provided details of proposed changes to the existing Capital Programme as brought forward in Month 9 2023/24.

8.2 Officers agreed to provide an update on whether the three tower blocks in the Nether Edge and Sharrow Ward were included in the Tower Block Fire Safety work.

**8.3 RESOLVED UNANIMOUSLY:** That the Finance Committee:-

1. approves the proposed additions and variations to the Capital Programme listed in Appendix 1;
2. approves the issuing of grant funding as identified in Appendix 2; and
3. approves the acceptance of grant funding as identified in Appendix 3.

**8.4 Reasons for Decision**

8.4.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

8.4.2 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.

**8.5 Alternatives Considered and Rejected**

8.5.1 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.

**9. AMENDMENT TO COUNCIL TAX LONG-TERM EMPTY PREMIUM AND INTRODUCTION OF SECOND HOME PREMIUM**

9.1 The Senior Revenues and Benefits Manager and the Assistant Policy and Support Manager presented a report that provided details of the Council's powers to make changes to the Council Tax Long-Term Empty Premium and to introduce a new Council Tax premium for second homes.

9.2 **RESOLVED UNANIMOUSLY:** That the Finance Committee:-

1. notes the new powers which will enable the Council to make changes to the Council Tax Long-Term Empty Premium from 2024/25, and the ability to introduce a new Council Tax Premium for second homes from 2025/26; and
2. agrees to adopt these powers and introduce the Council Tax Long-Term Empty Premium, for dwellings empty and substantially unfurnished for more than 12 months, from 1 April 2024.

**9.3 Reasons for Decision**

9.3.1 Legislation provides for making changes to the Long-Term-Empty Premium and for the introduction of a second home premium.

9.3.2 The Council must decide if it wants to make changes to the Long-Term-Empty Premium. If the Council decides it wants to make changes to the Long-Term-Empty Premium, it must decide if it wants to do so from 2024/25 or from 2025/26.

9.3.3 The Council must also decide if it wants to introduce a second home premium. If the Council decides to introduce a second homes premium, that is agrees to apply a premium of 100% to dwellings that meet the definition of being a second home and that it will do so from 2025/26.

**9.4 Alternatives Considered and Rejected**

9.4.1 The alternative options the Council has is to not adopt these new powers and keep the Long-Term-Empty Premium the same and to not adopt the second home premium.

**10. FINANCE COMMITTEE CLIMATE STATEMENT**

10.1 The Director of Finance and Commercial Services presented a report that set out the Statement of Climate Commitments relevant to the Finance Committee.

10.2 **RESOLVED UNANIMOUSLY:** That the Finance Committee consider and agree the Statement of Climate Commitments relevant to the Finance Committee to

ensure that the proposed actions contained in such statement are reflected in their Work Programme.

### 10.3 **Reasons for Decision**

10.3.1 It is important that the response to the Annual Climate Progress Report is open and transparent in setting out the challenges which the local authority faces in making progress and clarifies future expectations on the part we all have to play in addressing climate change.

10.3.2 Committee do not currently have specific strategic goals for climate. The process required to develop these, and have the statements approved to be read at each committee meeting meant that option 5.2 was not feasible with the available resource and timeframe.

### 10.4 **Alternatives Considered and Rejected**

10.4.1 Not providing committee climate statements considered due to the resource required to collate.

10.4.2 Providing more detailed Committee Climate Statements that provided an overview of strategic climate goals, with each Chair then reading the committees statement publicly at their respective committee meeting following release of the report.



## Report to Finance Committee

18 March 2024

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**Report of:** Director of Policy and Democratic Engagement

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**Subject:** Committee Work Programme

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**Author of Report:** Rachel Appleyard, Principal Democratic Services Officer

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### 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.

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## 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 any 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	Completed
Future High Streets Fund	Briefing tour	Completed

## Appendix 1 – Work Programme

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

New Items	Proposed Date	Note
Amended Items	Proposed Date	Note
REMOVED: Parkwood Springs	N/A	Following changes to Committee delegations, this now falls in the remit of the TRC Policy Committee, TRC are receiving a report at their next meeting on 13th March 2024.
REMOVED: Levelling Up Fund Prospectus	N/A	Following changes to Committee delegations, decisions on grants are now made by the relevant Policy Committee (which is TRC) and capital spend is monitored through the Capital Approvals report. TRC Policy Committee receive regular updates from officers on the LUF prospectus and area programmes.
MOVED: Lease of land in Millhouses Park, Sheffield – update on previous report	TBC	An update was provided at pre-agenda meeting 28.02.24. Members of the Committee will receive an in depth briefing prior to bringing a report to Committee for decision.

### 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.

<b>Topic</b>	
<b>Description</b>	
<b>Lead Officer/s</b>	
<b>Item suggested by</b>	<i>Officer, Member, Committee, partners, public question, petition etc</i>
<b>Type of item</b>	<i>Referral to decision-maker/Pre-decision (policy development/Post-decision (service performance/ monitoring)</i>
<b>Prior member engagement/ development required</b> <i>(with reference to options in Appendix 2)</i>	
<b>Public Participation/ Engagement approach</b> <i>(with reference to toolkit in Appendix 3)</i>	

<b>Lead Officer Commentary/Proposed Action(s)</b>	
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**Part 3: Agenda Items for Forthcoming Meetings**

Meeting 10 (23/24)	18 March 2024	2pm				
<b>Topic</b>	<b>Description</b>	<b>Lead Officer/s</b>	<b>Type of item</b> <ul style="list-style-type: none"> <li>•Decision</li> <li>•Referral to decision-maker</li> <li>•Pre-decision (policy development)</li> <li>•Post-decision (service performance/ monitoring)</li> </ul>	<i>(re: decisions)</i> <b>Prior member engagement/ development required</b> <i>(with reference to options in Appendix 2)</i>	<i>(re: decisions)</i> <b>Public Participation/ Engagement approach</b> <i>(with reference to toolkit in Appendix 3)</i>	<b>Final decision-maker (&amp; date)</b> <ul style="list-style-type: none"> <li>•This Cttee</li> <li>•Another Cttee (eg S&amp;R)</li> <li>•Full Council</li> <li>•Officer</li> </ul>
Standing items	<ul style="list-style-type: none"> <li>• <i>Public Questions/ Petitions</i></li> <li>• <i>Any other committee-specific standing items eg finance or service monitoring]</i></li> </ul>					
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
Advertising and Sponsorship Policy	To adopt a modern authority wide policy to govern advertising and sponsorship opportunities/outputs	Nicola Allen	Decision	Written or verbal briefing for the committee Briefing for political groups if required	n/a	This Cttee, referred to Finance Committee from S&R.

	across the City Council's assets and land. The policy will support the values and priorities of the Council, with restrictions included to support our commitments and priorities on health and the environment, while allowing for increases in income generation within the set criteria.					
Changes to the Constitution: Part 4 – Financial Procedure Rules (Financial Regulations)	Annual refresh of the Financial Regulations following consultation with Finance colleagues.	Liam Darling / Jane Wilby / Philip Gregory	Referral to decision maker			This Cttee for noting, Full Council final decision maker

Meeting 11 (23/24)	16 April 2024	2pm				
Topic	Description	Lead Officer/s	Type of item	(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)
Standing items	<ul style="list-style-type: none"> <li>Public Questions/ Petitions</li> </ul>		<ul style="list-style-type: none"> <li>Decision</li> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/ monitoring)</li> </ul>			<ul style="list-style-type: none"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>

	<ul style="list-style-type: none"> <li>Any other committee-specific standing items eg finance or service monitoring]</li> </ul>					
Capital Approvals Month 11 (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"> <li>Decision</li> <li>Referral to decision-maker</li> <li>Pre-decision (policy development)</li> <li>Post-decision (service performance/ monitoring)</li> </ul>	(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"> <li>This Cttee</li> <li>Another Cttee (eg S&amp;R)</li> <li>Full Council</li> <li>Officer</li> </ul>
Lease of land in Millhouses Park, Sheffield – update on previous report	Approval to grant a new lease.	Angela Glentworth / Ruth Bell	Decision	An update was provided at pre-agenda meeting 28.02.24. Members of the Committee will receive an in depth briefing prior to bringing a report to Committee for decision.		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:** *19<sup>th</sup> March 2024*

**Subject:** *2023-24 Q3 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:

- a) Note the updated information and management actions 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 Q3 2023/24 Capital Programme Monitoring as described in **Appendix 1**.
- c) Note the Treasury Management report for Q3 2023/24 as described in **Appendix 2**
- d) Note the Collection Fund monitoring report for Q3 2023/24 as described in **Appendix 3**

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

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: Philip Gregory, <i>Director of Finance and Commercial Services</i>		
	Legal: Sarah Bennett, <i>Assistant Director, Legal Services</i>		
	Equalities & Consultation: Adele Robinson, <i>Equalities and Engagement Manager, Policy, and Performance</i> .		
	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	<b>SLB member who approved submission:</b> Philip Gregory, <i>Director of Finance and Commercial Services</i>		
3	<b>Committee Chair consulted:</b> Cllr Zahira Naz, <i>Chair of the Finance Committee</i>		
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.		
	<table border="0"> <tr> <td><b>Lead Officer Name:</b> Philip Gregory Jane Wilby</td> <td><b>Job Title:</b> Director of Finance and Commercial Services Head of Accounting</td> </tr> </table>	<b>Lead Officer Name:</b> Philip Gregory Jane Wilby	<b>Job Title:</b> Director of Finance and Commercial Services Head of Accounting
<b>Lead Officer Name:</b> Philip Gregory Jane Wilby	<b>Job Title:</b> Director of Finance and Commercial Services Head of Accounting		
	<b>Date:</b> 1 <sup>st</sup> March 2024		

## 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 Q3 Financial Position by Directorate

1.2. At the end of the third quarter of 2023-24, the Council's revenue budget shows a forecast overspend of £16.7m. This was an improvement of £700k from the previous quarter's outturn position.

Full Year £m	Q3 Outturn	Budget	Q3 Variance	Q2 Variance	Move ment
Neighbourhood Services	148.9	146.8	2.1	3.3	(1.2)
Adults	146.7	144.2	2.6	3.4	(0.8)
Children's	142.5	131.3	11.2	8.8	2.4
City Futures	49.2	48.8	0.4	1.0	(0.6)
Strategic Support	15.0	10.6	4.5	4.4	0.0
Public Health & Integrated Commissioning	12.8	11.2	1.6	1.8	(0.2)
Corporate	(498.4)	(492.9)	(5.5)	(5.2)	(0.3)
<b>Total</b>	<b>16.7</b>	<b>(0.0)</b>	<b>16.7</b>	<b>17.4</b>	<b>(0.7)</b>

1.3. This overspend is due to a combination of factors. Agreed Budget Implementation 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	(4.7)	2.9	3.9	2.1
Adults	(11.2)	3.5	10.3	2.6
Children's	(5.0)	4.0	12.2	11.2
City Futures	(0.1)	0.4	0.1	0.4
Strategic Support	(1.1)	0.1	5.5	4.5
Public Health & Integrated Commissioning	(0.5)	0.0	2.0	1.6
Corporate	0.0	0.0	(5.5)	(5.5)
<b>Total</b>	<b>(22.7)</b>	<b>10.9</b>	<b>28.5</b>	<b>16.7</b>

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 general fund budgets in 2021/22 and 2022/23 have meant we have drawn almost £40m from this reserve to date. Current overspends of £16.7m would deplete this reserve to just £14m for budget overspends for 24/25 and beyond. Given this challenging position and likely requirement in the next few years to draw on this reserve, a further £12.5m has been identified from a one-off surplus from our collection fund. This is subject to approval at full council on 6<sup>th</sup> March.

## 1.5. 2023-24 Q3 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	Q3 Outturn	Budget	Q3 Variance	Q2 Variance	Movement
Adult Health & Social Care	154.6	152.5	2.1	3.1	(1.0)
Communities Parks and Leisure	46.8	47.1	(0.4)	0.8	(1.2)
Economic Development & Skills	11.1	11.1	0.0	(0.0)	0.1
Education, Children & Families	145.6	132.4	13.2	10.9	2.3
Housing	11.1	8.2	2.9	3.2	(0.3)
Strategy & Resources	(462.7)	(462.5)	(0.2)	0.6	(0.8)
Transport, Regeneration & Climate	43.6	43.6	(0.0)	(0.0)	0.0
Waste & Street Scene	66.6	67.6	(1.0)	(1.1)	0.1
<b>Total</b>	<b>16.7</b>	<b>(0.0)</b>	<b>16.7</b>	<b>17.4</b>	<b>(0.7)</b>

1.5.2. In 22/23, the Council's 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. Whilst there is a likelihood we may receive some additional government funding in the final quarter of 2023/24, it is unlikely we will see an improvement on this scale.

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 £28.5m 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	(11.5)	3.5	10.1	2.1
Communities Parks and Leisure	(0.2)	0.1	(0.2)	(0.4)
Economic Development & Skills	0.1	0.0	(0.1)	0.0
Education, Children & Families	(5.2)	4.0	14.4	13.2
Housing	(1.7)	0.2	4.4	2.9
Strategy & Resources	(3.6)	2.8	0.6	(0.2)
Transport, Regeneration & Climate	0.0	0.1	(0.2)	(0.0)
Waste & Street Scene	(0.6)	0.3	(0.7)	(1.0)
<b>Total</b>	<b>(22.7)</b>	<b>10.9</b>	<b>28.5</b>	<b>16.7</b>

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

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**General Fund Budget Implementation Plans (in £m)**

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<b>Committee</b>	<b>Total Savings</b>	<b>Financial Savings Deliverable in Year</b>	<b>In Year Gap</b>	<b>Financial Savings Deliverable Next Year (Slippage)</b>	<b>Undeliverable Savings</b>
Adult Health & Social Care	31.6	28.0	3.5	3.5	0.0
Comm, Parks & Leisure	2.0	1.9	0.1		0.1
Economic Dev & Skills	0.5	0.5	0.0		0.0
Ed, Children & Families	6.9	2.9	4.0	0.3	3.6
Housing	0.6	0.5	0.2		0.2
Strategy & Resources	4.1	1.4	2.7	2.5	0.2
Transport, Regen & Climate	0.8	0.7	0.1		0.1
Waste & Street Scene	1.1	0.8	0.3		0.3
<b>Grand Total</b>	<b>47.7</b>	<b>36.8</b>	<b>10.9</b>	<b>6.4</b>	<b>4.5</b>

The current forecasts show £10.9m savings plans are undeliverable this year. This represents a delivery rate of 77% against target with a further 23% set to be delivered in the following year.

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.

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- 1.5.5. Inflation is continuing to fall; from April 2023 CPI at 7.8% to 4.2% in December (month 9). Whilst we are seeing some stabilisation in the cost base, the fall in inflation does not mean that our costs will now reduce, higher costs are now embedded in baseline expenditure. There is an increased demand for services alongside cost pressures in social care, home to school transport and homelessness services.

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**1.6. Key Committee Overspends:**

- 1.6.1. **Adult Health and Social Care are forecast to overspend by £2.1m** The main area of overspend in the service sits in staffing budgets. The high cost of packages of care put in place during covid increased our baseline costs and this carries into 23/24. Work to review packages of care has continued throughout 23/24 which has helped to reduce baseline costs in Homecare. This work and one-off funding has mitigated the position again this year leaving a £0.5m overspend in the purchasing budgets. However, there remains an underlying pressure of around £10m, a significant aspect of which is within Learning Disabilities, plus £3.5m savings undelivered in 23/24 which will need to be resolved through the Recovery Plan for 2024/25. This was presented to Committee 31 January 2024 detailing how underlying issues, which are estimated at around £17m including additional staff pressures, will be addressed. Action owners and responsible Assistant Directors are currently working through implementation plans to ensure the requisite staff capacity and any additional resources are made available.

- 1.6.2. **Education, Children and** The key overspends in the service relate to placements with external residential placements a particular issue which are

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**Families are forecast to overspend by £13.2m**

forecast to overspend by £6.7m. The average placement cost has increased to £5,800 per week but due to a limited number of places in the city, placements for the most complex children can cost much more. Actions are being taken to ensure that 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. Overall looked after children numbers have remained stable with increased demand being met, where possible, through family based placements.

Further demand in home to school transport costs are forecast to create a £3.6m overspend against budgets this year. Since the start of the new school year, the overspend has increased due to a further 180 children now requiring transportation to school. Sheffield City Council are now supporting over 2,365 children with transportation to school, this has increased by almost 1,000 children in 4 years, and demand is forecast to continue to increase. An overarching SEND review, including Home to School Transport, is currently underway. Outcomes from the review will bring about longer-term changes to reduce pressures but the underlying cost base will be difficult to reduce due to the rising demand for the service.

Integrated Commissioning budgets are forecast to overspend by £2m in recognition of the unachieved saving from 2022/23 relating to leveraging additional funding from Health partners.

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**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 £4.5m for temporary accommodation and £3.5m for supported accommodation. The shortfalls are split between the Housing General Fund and Strategy and Resources budgets respectively.

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**The Budget Implementation Group**

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**1.6.4. A working group is in place to drive**

A senior officer working group has been established to help drive delivery of the budget. The purpose of the Budget Implementation Group (BIG) is to improve the delivery of the

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<b>improvements in budget delivery</b>	Council's annual Revenue Budget (both General Fund and Housing Revenue Account), challenge and drive delivery of the Budget Implementation Plans (BIPs) and make recommendations for the allocation of transformation funding. 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.
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### **Transformation Funding**

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1.6.5. <b>The Council identified £4m to support transformation activity</b>	As part of 2023-24 budget setting, the Council identified a £4m fund that would be used to support programmes of transformational 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.
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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 are working to stabilise the organisation and bring budgets back to a steady footing for the future. Each programme of work is being monitored, and progress reported to the Council's Performance & Delivery board to ensure activity remains on track. Overall performance will be reported to the finance committee as part of in-year budget monitoring briefings, with relevant policy committees overseeing progress on programmes in their areas.

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### **Medium Term Financial Analysis (MTFA) & 2024/25 Budget**

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1.6.6. <b>By law, the council must set a balanced budget</b>	The Council is facing a challenging financial position. The Strategy and Resources Committee on 5 <sup>th</sup> September received the Council's Medium-Term Financial analysis, highlighted the financial pressures facing the Council over the coming 4 years and the potential gap of £61.2m in resources.
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Each Committee has worked to reach savings targets to achieve a balanced budget for 2024/25. On February 21<sup>st</sup> 2024, the Strategy and Resources committee recommended the budget to full Council on 6<sup>th</sup> March.

For 2024/25 we are forecasting pressures of £79m for Committees budgets. These pressures result from rising demand for services but also significant increases in contract and price inflation due to the current economic backdrop. Approximately £49m of these pressures relate to Social Care Services. Through our 2024/25 Business Planning Process, Committees managed to identify £8m of savings to help deliver the balanced budget. Delivery of these savings will require steadfast commitment, and targeted resources from the Council to be successful.

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In addition to these savings, increases in Business Rates income and associated grants, uplifts to sales fees and charges where appropriate, additional funding from government (mainly ringfenced to social care) along with the difficult decision to increase Council Tax by 4.99%, means we are able to set a balanced budget for 2024/25.

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## 23-24 Q3 Committee Budget Outturn Position

### 1.7. Adult Health & Social Care- £2.1m overspend

The forecast revenue outturn position for the ASC Committee is overspent by £2.1m	Full Year Forecast £m	Outturn	Budget	Variance
ADULTS, CARE AND WELLBEING INTEGRATED COMMISSIONING ( Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services)		146.7	144.2	2.6
<b>Total</b>		<b>154.6</b>	<b>152.5</b>	<b>2.1</b>

The Adult Health & Social Care committee is forecasting an overspend of £2.6m as at Q3. This is an improvement of £0.8m since the Q2 outturn forecast. A £1.3m favourable movement was due to drawdown of funding from reserve balances following conclusion of work to review eligible spend identified in the accounts. Some of this favourable movement has been offset with additional pressures brought about through increased staffing costs as a result of ongoing recruitment across the service.

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 INTEGRATED COMMISSIONING ( Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services)		(11.2)	3.5	10.3	2.6
		(0.3)	0.0	(0.2)	(0.5)
<b>Total</b>		<b>(11.5)</b>	<b>3.5</b>	<b>10.1</b>	<b>2.1</b>

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.

Within the "one-offs" of £11.5m this year include £6.2m social care grant from government, alongside discharge funding and Continuing Health Care Funding. There is a risk the level of demand for this type of care continues once the funding ceases resulting in an additional pressure for the service.

1.7.2. Of the £31.6m savings targets, £28m are on track to be delivered in year with some saving set to outperform budget, leaving a £3.5m in year gap: Of the £31.6m savings, £12.6m relate to additional grant income not a reduction in costs. Of the £3.5m of savings declared unachievable in 23/24, £3.5m are hoped to be delivered in 24/25 and with the remaining £1.4m declared undeliverable offset by £1.4m over delivery on some savings.

#### Budget Savings (BIPS) £m

Financial RAG	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Red	7.0	2.5	4.5	3.3	1.2
Amber	1.4	1.0	0.4	0.2	0.2
Green	23.2	24.6	-1.4	0.0	-1.4
<b>Total</b>	<b>31.6</b>	<b>28.0</b>	<b>3.5</b>	<b>3.5</b>	<b>0.0</b>

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
Consistent bed rates	0.4		0.4	0.4	
Dedicated case management for young adults	0.4		0.4	0.4	
Direct Payments	0.3	0.2	0.1	0.1	
Driving Improvements in Social Work Practice	1.1		1.1	1.1	
Homecare Transformation Project - Strength Based Reviews	0.5	0.3	0.2	0.2	
Nursing care costs	0.4		0.4		0.4
Review cost increases	0.3	0.2	0.1	0.1	
Review of Better Care Fund	0.5		0.5		0.5
Review of Living & Ageing Well	0.2		0.2	0.2	
Review significant cost increases	1.1	0.7	0.4	0.4	
Reviewing homecare post pandemic	1.0	0.6	0.4	0.4	
Supported Living	0.5	0.3	0.2	0.2	
<b>RED BIPS Total</b>	<b>7.0</b>	<b>2.5</b>	<b>4.5</b>	<b>3.3</b>	<b>1.2</b>

1.7.3. Purchasing activities are overspent by £0.5m	Full Year £m	Outturn	Budget	Var.
Learning Disabilities	35.9	32.4	3.4	
Older People	23.9	24.8	(0.9)	
Physical Disabilities	17.0	18.2	(1.2)	
Mental Health	8.3	9.1	(0.8)	
<b>Total Purchasing</b>	<b>85.1</b>	<b>84.6</b>	<b>0.5</b>	

		The one-off income as noted above is offsetting overspends in Learning Disabilities purchasing budgets. Without this mitigation, LD budgets would be £11.2m overspent. The Recovery Plan for 2024/25 was presented to Committee 31 January 2024 detailing how underlying issues, including the overspend in Learning Disabilities, will continue to be addressed.
1.7.4.	<b>The recovery plan detailed how the service will address the budget position in 2023/24</b>	<p>The Adult Social Care recovery plan was presented to committee on <a href="#">20<sup>th</sup> September 2023</a> detailed how the service intends to address in 2023/24 in 5 key focus areas:</p> <ul style="list-style-type: none"> <li>• Recovery reviews</li> <li>• Enablement approach for working age adults,</li> <li>• Staffing costs</li> <li>• Residential care</li> <li>• Disability Facilities Grant</li> </ul> <p>The service provided an update on performance against this plan in <a href="#">January 2024</a>. The service noted an underlying pressure in the service is £17m, this informs the level of savings target for 2024/25</p>
1.7.5.	<b>Transformation funding has been approved to support delivery of the BIPs</b>	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.
1.7.6.	<b>A delay in housing related support provision is forecast to create a small underspend in 2023/24</b>	A £460k 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. £350k relates to uncommitted contract spend and £100k due to staff vacancies.
1.7.7.	<b>The service is £2.4m overspent on staffing</b>	Staffing is £2.4m overspent across the service including STIT (Short -Term Intervention Team) £0.3m, Enablement teams £0.2m, Living and aging well teams £0.4m, Mental Health and Wellbeing teams £0.4m and £0.9m across Governance and Financial Inclusion teams. This is after accounting for offsetting income. There is a risk the staffing commitment in the service is outside of agreed budgets moving into 2024/25.
1.7.8.	<b>A reduction in the disabled facilities grant has created an overspend</b>	Community Equipment is £0.3m overspent and City-Wide Care Alarms £0.5m overspent due to no longer having access to Disabled Facilities Grant to fund these services.
1.7.9.	<b>Savings delivery remains a challenge to</b>	The key financial risk for 2023/24 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

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**the committee's financial position** are also required of the service. So far, BIP delivery is positive at 89% with the remainder to be delivered in 2024/25.

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.

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1.8. **Communities, Parks & Leisure Committee – overspend of £0.4m**

1.8.1.	The Communities Parks & Leisure Committee is forecast to overspend by £0.4m	Full Year £m	Outturn	Budget	Variance
	<b>Community Services</b> (Community Safety; Family Centres; Youth Services; Community Services Business Support)		11.6	11.8	(0.2)
	<b>Parks, Leisure &amp; Libraries</b> (Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)		34.5	34.3	0.2
	<b>Integrated Commissioning</b> (Voluntary Sector)		0.8	0.8	(0.0)
	<b>Business Improvement</b>		(0.1)	0.2	(0.3)
	<b>Total</b>		<b>46.7</b>	<b>47.1</b>	<b>(0.4)</b>

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
	<b>Community Services</b> (Community Safety; Family Centres; Youth Services; Community Services Business Support)		(0.2)	0.0	0.0	(0.2)
	<b>Parks, Leisure &amp; Libraries</b>		0.0	0.1	0.1	0.2
	<b>Integrated Commissioning</b> (Voluntary Sector)		0.0	0.0	(0.0)	(0.0)
	<b>Business Improvement</b>		0.0	0.0	(0.3)	(0.3)
	<b>Total</b>		<b>(0.2)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.4)</b>

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
	Green	1.1	1.1	0.0		0.0
PARKS, LEISURE & LIBRARIES Total		1.7	1.6	0.1		0.1
COMMUNITY SERVICES	Green	0.4	0.4	0.0		0.0
COMMUNITY SERVICES Total		0.4	0.4	0.0		0.0
<b>Grand Total</b>		<b>2.0</b>	<b>1.9</b>	<b>0.1</b>		<b>0.1</b>

1.8.4. <b>Libraries will under deliver BIPs by £125k</b>	Libraries services are forecast to fall short of their savings target this year by £125k. This undelivered BIP 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.
1.8.5. <b>There is a potential further underspend in Youth Services</b>	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 2023/24 are contributing to an underlying underspend in the service currently forecast at £567k but could more if the planned spend in Q4 does not materialise.
1.8.6. <b>Community services is forecast to overspend by £300k</b>	The overspend in the community services budgets (excluding Youth Services), relates to community support workers costs that were previously funded through Clinically Extremely Vulnerable grant funding which is no longer in place to support the expenditure.
1.8.7. <b>Parks &amp; Leisure Services are forecasting a combined overspend of £0.2m</b>	The majority of the overspend in the Parks & Leisure service is due to Coroner and Medico Legal Centre which are forecast to overspend by £153k due to increased staffing and contractual costs.

## 1.9. Economic Development & Skills Committee – balanced

1.9.1.	The Economic Development & Skills Committee budgets is forecast to hit a balanced position for the year	Full Year £m	Outturn	Budget	Variance
		<b>EDUCATION &amp; SKILLS (Employment and Skills; Family and Community Learning)</b>	0.9	0.9	(0.0)
		<b>PARKS, LEISURE &amp; LIBRARIES (Events)</b>	0.7	0.6	0.1
		<b>ECONOMY, CULTURE &amp; SKILLS</b>	9.6	9.7	(0.1)
		<b>Total</b>	<b>11.1</b>	<b>11.1</b>	<b>0.0</b>

The forecast for services within the committee is to balance with small offsetting overspends in events and underspends in Economy, Culture & Skills.

1.9.2. Whilst the net budget is £11.1m, the Committee is reliant on £16.6m of income to support the services much of this within Education and Skills from European Social Fund (ESF). The Budget breakdown is shown in the below table:

Service	Net Budget	Outturn - Income	Outturn - Expend	Total Outturn	Total Variance
CULTURE, TOURISM & EVENTS	4.3	(0.2)	4.7	4.4	0.2
DIRECTOR OF ECON DEV & CULTURE	2.1	(0.4)	2.3	1.9	(0.2)
EMPLOYMENT & SKILLS	1.8	(5.7)	7.2	1.6	(0.2)
ECONOMY & BUSINESS SUPPORT	1.1	(0.5)	1.9	1.3	0.2
FAMILY & COMMUNITY LEARNING	0.9	(8.1)	9.0	0.9	(0.0)
EVENTS	0.6	(0.8)	1.4	0.7	0.1
BUSINESS DEVELOPMENT & FUND MA	0.4	(0.9)	1.3	0.4	(0.0)
<b>Grand Total</b>	<b>11.1</b>	<b>(16.6)</b>	<b>27.7</b>	<b>11.1</b>	<b>0.0</b>

### 1.9.3. Budget Savings (BIPS) £m

Service	Financial RAG	Description	Total Savings	Savings Deliverable in Year	In Year Gap
<b>ECONOMY, CULTURE &amp; SKILLS</b>	<b>Green</b>	Maximising income from external grant sources	0.1	0.1	0.0
	<b>Green</b>	Reduction in activity budget for responding to in-year opportunities	0.1	0.1	0.0
<b>ECONOMY, CULTURE &amp; SKILLS Total</b>			<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
<b>EDUCATION &amp; SKILLS</b>	<b>Green</b>	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
<b>EDUCATION &amp; SKILLS Total</b>			<b>0.4</b>	<b>0.4</b>	<b>0.0</b>
<b>Total</b>			<b>0.5</b>	<b>0.5</b>	<b>0.0</b>

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1.9.4.	<b>The committee's Budget Implementation Plans will be delivered</b>	The four savings targets totalling £0.5m are forecast to be fully delivered this year.
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## 1.10. Education, Children & Families Committee - £13.2 overspend

1.10.1.	The Education, Children & Families General Fund is overspent by £13.2m	Full Year £m	Outturn	Budget	Variance
	<b>Children &amp; Families Education &amp; Skills</b> (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)		121.0	113.6	7.4
	<b>Integrated Commissioning</b> (Commissioning; Children's Public Health; Early Help and Prevention)		20.6	16.8	3.8
			4.0	2.0	2.0
	<b>Total</b>		<b>145.6</b>	<b>132.4</b>	<b>13.2</b>

The EC&F committee budget is set to overspend by £13.2 as at Q3, this position has worsened by £2.3m since the Q2 outturn position; £1.9m worse in children & families, primarily placements and our in house residential facility and a further increase in home to school transport costs of £0.5m.

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
	<b>Children &amp; Families Education &amp; Skills</b> (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)		(5.0)	3.5	8.8	7.4
	<b>Integrated Commissioning</b>		0.0	0.4	3.3	3.8
			(0.2)	0.0	2.2	2.0
	<b>Total</b>		<b>(5.2)</b>	<b>4.0</b>	<b>14.4</b>	<b>13.2</b>

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.

In January 2024 the Government made a statement to announce additional measures for local authorities, worth £600 million. This included £500 million of new funding for councils with responsibility for adults and children's social care, distributed through the Social Care Grant. There has been an allocation of £5.6m for Sheffield that will be applied against

current spend within the Children's directorate budgets in 2024/25.

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	4.6	1.3	3.3	0.3	3.0
	Amber	0.2		0.2		0.2
	Green	1.2	1.2	0.0		0.0
<b>CHILDREN &amp; FAMILIES Total</b>		<b>6.0</b>	<b>2.4</b>	<b>3.5</b>	<b>0.3</b>	<b>3.2</b>
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
<b>EDUCATION &amp; SKILLS Total</b>		<b>0.9</b>	<b>0.4</b>	<b>0.4</b>		<b>0.4</b>
INTEGRATED COMMISSIONING	Green	0.1	0.1	0.0		0.0
<b>INTEGRATED COMMISSIONING Total</b>		<b>0.1</b>	<b>0.1</b>	<b>0.0</b>		<b>0.0</b>
<b>Grand Total</b>		<b>6.9</b>	<b>2.9</b>	<b>4.0</b>	<b>0.3</b>	<b>3.6</b>

Of the committee's £6.9m Budget Implementation Plans (BIP) £4m are forecast to fall short this year representing a 42% delivery rate.

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

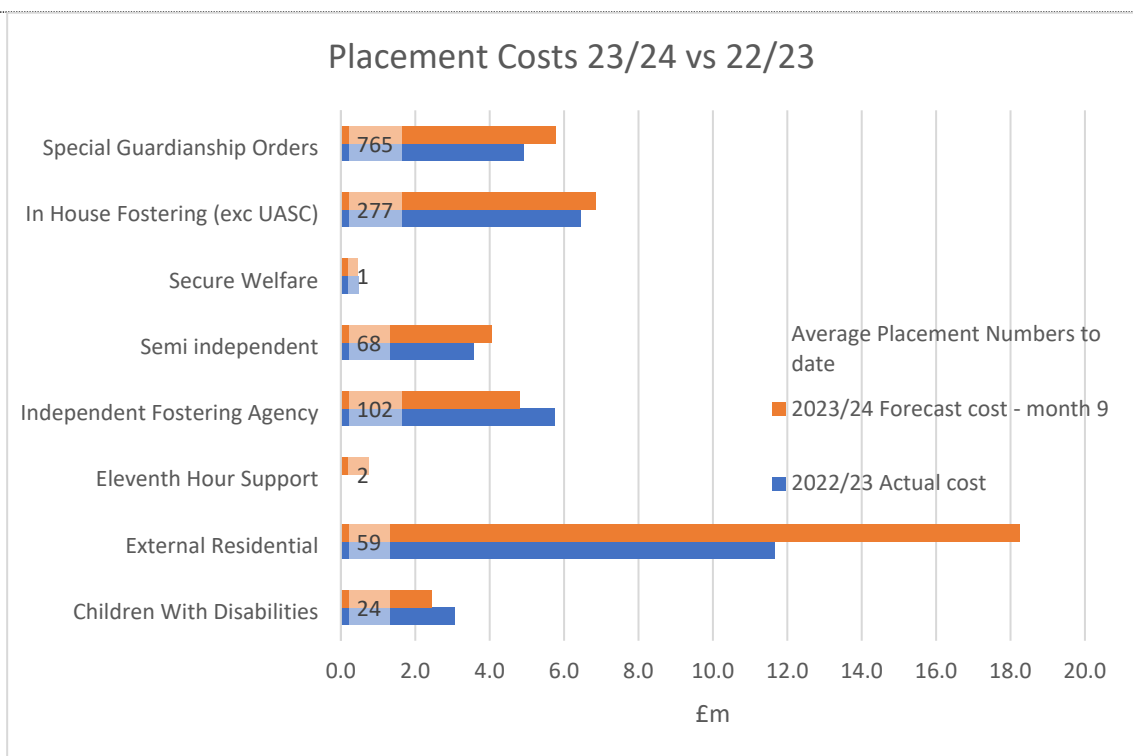
Financial RAG	Description	Total Savings	Savings Deliverable in Year	In Year Gap	Savings Deliverable Next Year	Undeliverable Savings
Red	A targeted campaign to increase numbers of fostering places available by 40 by OCT 2023	1.6		1.6		1.6
	Engage with partner to more cost effective way of working	0.3		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
	Decentralise funding to increase efficiency	0.2	0.0	0.2	0.0	0.2
<b>Children &amp; Families Total</b>		<b>4.6</b>	<b>1.3</b>	<b>3.3</b>	<b>0.3</b>	<b>3.0</b>

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
<b>Education &amp; Skills Total</b>		<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>Total RED BIPS</b>		<b>4.9</b>	<b>1.3</b>	<b>3.7</b>
		<b>0.3</b>	<b>3.3</b>	

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 £7.4m. This sits alongside undelivered targets from the previous year of £2m.

The average placement is £5,800 per week. However, due to a limited number of places in the city, the most complex children can cost much 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 chart shows a comparison in costs year on year by placement type. The significant difference is noticeably in our external residential placements which are forecast to cost £18.3m in 2023/24 compared with £11.7m in 2022/23. There has been an increase in the number of placements in external residential this year which is more expensive than other placement types.

1.10.7. **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 652 (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.

1.10.8. **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 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.

1.10.9. **£2m undelivered savings proposal from 22/23 adds to the committee overspend** Integrated Commissioning budgets are forecast to overspend by £2m in recognition of the unachieved saving from 2022/23 which reduced the base budgets this year. The saving related to leveraging additional funding from Health partners.

1.10.10. **Home to school transport is set to cause a £3.6m overspend this year** Further demand in home to school transport costs are forecast to create a £3.6m overspend against budgets this year. The new school year has increased this overspend with a further 89 children now requiring transportation to school. Sheffield City Council are now supporting 2,365 children with transportation to school, this has increased by almost 1,000 children in 4 years.

An overarching review of home to school transport has now commenced to drive actions to reduce costs and no of trips provided. The impact of this work is unlikely to deliver measurable results this year but should reduce the overspend in the longer term.

1.10.11. <b>Dedicated Schools Grant (DSG) is forecast to overspend by £0.6m</b>	<b>DSG Full Year Forecast £m</b>	<b>Outturn</b>	<b>Budget</b>	<b>Variance</b>
	<b>Children &amp; Families</b>	7.7	7.7	0.0
	<b>Education &amp; Skills</b>	230.3	229.4	0.9
	<b>Community Services</b>	0.6	0.6	0.0
	<b>Integrated Commissioning</b>	4.2	4.1	0.1
	<b>Organisational Strategy P&amp;D</b>	0.2	0.2	0.0
	<b>Total</b>	<b>243.0</b>	<b>242.0</b>	<b>1.0</b>

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The main cause of overspend in Education & Skills is due to increases in Early Years EHCP plans and Special Educational Needs.

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

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1.11. **Housing Committee - General Fund Overspend of £2.9m & Housing Revenue Account overspend of £4.8m**

1.11.1.	<b>The Housing General Fund is forecast to overspend by £2.9m against budget.</b>	<b>Full Year £m</b>	<b>Outturn</b>	<b>Budget</b>	<b>Variance</b>
		Housing General Fund	11.0	8.0	2.9
		Regeneration And Development (Housing Growth - General)	0.1	0.2	(0.1)
		<b>Total</b>	<b>11.1</b>	<b>8.2</b>	<b>2.9</b>

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 £4.5m. 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**

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.

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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.

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1.11.4.	<b>There is further demand risk to</b>	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
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**Housing General Fund budgets**

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 £4.8m

Full Year £m	Outturn	Budget	Q3 Variance	Q2 Variance	Movement
Net Income – Dwellings	(160.7)	(161.6)	0.8	1.4	(0.6)
Other income	(7.8)	(7.4)	(0.4)	(0.8)	0.4
Repairs & Maintenance - Responsive repairs	53.0	47.4	5.7	3.3	2.4
Repairs & Maintenance - Other	1.4	1.9	(0.5)	(0.6)	0.1
Depreciation	25.0	25.0	0.0	0.0	0.0
Tenant Services					
-Council Tax	1.9	1.9	0.0	0.0	0.0
-Disrepairs	4.9	4.0	0.9	0.7	0.2
-Other	54.8	55.9	(1.1)	(1.5)	0.3
Interest on borrowing	13.0	13.6	(0.7)	(0.7)	0.0
Contribution to Capital Programme	14.5	19.3	(4.8)	(1.9)	(2.9)
<b>Total</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>

The account position worsened by £2.9m from Q2 outturn to Q3. This is explained mainly by poor performance in repairs and maintenance and increases in disrepair costs.

1.11.6. **The key variance is rent loss of £1.3m from vacant properties** £1.3m of the variance relates rent loss from vacant properties including an undelivered BIP saving to implement measures to improve void rent loss. A multi-functional voids team is now in place to address this. This is offset by (£698k) lower bad debt provision than budget.

1.11.7. **Other income is (£0.4m) higher than anticipated** The service has benefitted from additional interest of £468k due to prevailing interest rates, partially offset by garage rent loss due to vacancies.

1.11.8. **Repairs and maintenance costs are £5.7m over budget** There are overspends in responsive repairs of over £5.7m. Key variances include overspends of £5.9m in subcontractor costs due to workflow increases in voids and working at height, £2.0m on equipment and materials, £2.0m agency costs partially offset by £0.9m underspend on employees, offset by (£3.9m) forecast capital income recharges mainly relating to firestopping, voids and working at height. The total overspend is compounded by the unachieved BIP shown in 1.11.12. Increased expenditure in the service has prevented any progress against delivery of this BIP. New leadership in the service is in place with a keen focus on investigating root cause analysis of expenditure trends and activity drivers impacting teams and costs. The analysis work is closely aligned with support and advice from finance colleagues. The forecast outturn position for Q3 accounts for activity and costs to be maintained for the final quarter of the



year; we do not expect to see a further increase in the next few months.

- 1.11.9. **Tenant Services is forecast to underspend by (£1.1m)** There are a variety of overspends in tenant services largely offset by lower recharges. Estate & Environment (tipping and transport) £454k and Furnished Accommodation £244k, offset by (£346k) additional capital management fee income, (£234k) lower than anticipated recharges, plus significant staffing underspends in Fire Safety (£360k), Housing Employability Project (£339k) and Asset Management Programme (£199k).
- 1.11.10. **Disrepair claims are continuing to cause overspends** Legal fees on disrepair cases are still high and creating overspends to budget partly due to an unachieved BIP. 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) due to a delayed need for borrowing to finance the housing capital programme.

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
<b>HOUSING GENERAL FUND Total</b>		<b>0.4</b>	<b>0.3</b>	<b>0.2</b>		<b>0.2</b>
REGENERATION & DEVELOP	Green	0.2	0.2	0.0		0.0
<b>REGENERATION AND DEVELOPMENT Total</b>		<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	
HOUSING REVENUE ACCOUNT	Red	5.6	1.4	4.2	1.0	3.2
	Green	17.2	17.2	0.0	0.0	0.0
<b>HOUSING REVENUE ACC Total</b>		<b>22.8</b>	<b>18.6</b>	<b>4.2</b>	<b>1.0</b>	<b>3.2</b>
<b>Grand Total</b>		<b>23.5</b>	<b>19.1</b>	<b>4.4</b>	<b>1.0</b>	<b>3.3</b>

Of the £23.5m savings targets in place for 2023/24, £19.1m 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.

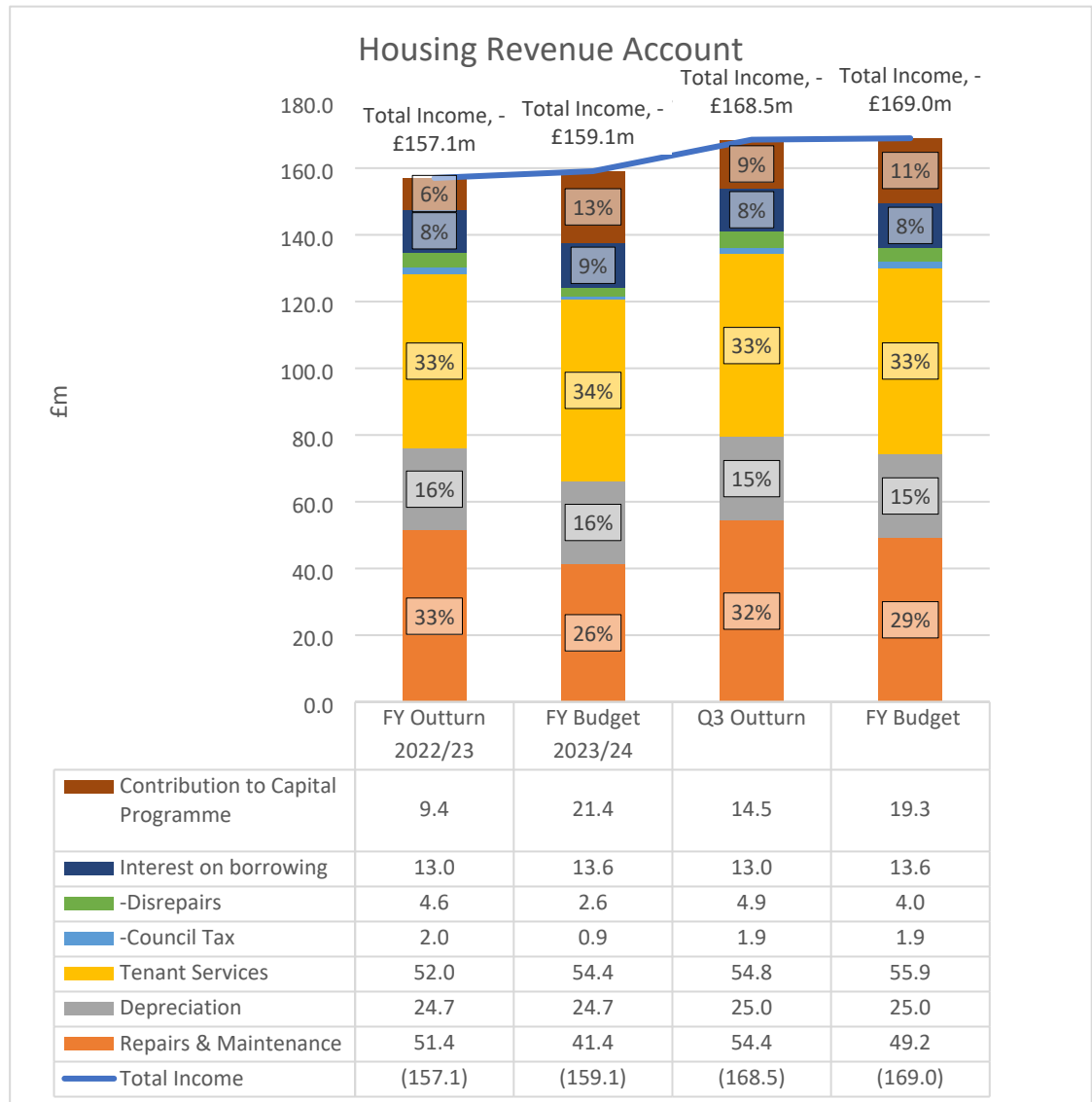
Other red rated savings relate to the HRA, the main shortfall with repairs & maintenance:

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	0.1	1.6
Introduce recharges to tenants for a range of repairs caused by loss, misuse or damage.	0.3	0.1	0.2
Reduction in sub-contractor usage and a review of overheads in RMS	1.5		1.5
Reductions in staff through VER/VS	0.6	0.2	0.4

Review of Community Buildings	0.2	0.2
<b>TOTAL RED HRA BIPS</b>	<b>5.6</b>	<b>1.4</b>

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	(4.7)	(4.4)	(0.3)
Expenditure	4.2	4.3	(0.0)
<b>Total</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(0.3)</b>

There have been adjustments in forecast income and expenditure over the last 3 months to more closely reflect actuals seen to date and expected consumption for the rest of the year.

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1.11.15.	<b>Overspends in the HRA impact the capital programme</b>	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.
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## 1.12. Strategy and Resources - £0.2m overspend

1.12.1.	The Strategy and Resources Committee budget is forecast to overspend by £0.2m	Full Year £m	Outturn	Budget	Variance
		Housing Benefit	3.7	0.2	3.5
		General Counsel	3.7	2.7	0.9
		Regeneration And Development (Property)	(4.1)	(4.6)	0.6
		People & Culture	6.6	6.0	0.5
		Operational Services (Customer Services; Facilities Management; Transport)	21.9	21.6	0.4
		Policy & Democratic Engagement	8.3	8.1	0.3
		Digital Innovation & Ict	15.3	15.1	0.1
		Corporate Transactions	(522.0)	(522.0)	0.0
		Public Health (Public Health Dph)	0.0	0.0	0.0
		Resources Management& Planning	(0.0)	0.0	(0.0)
		Organisational Strategy P & D	4.7	4.7	(0.0)
		Finance & Commercial Services	22.0	22.0	(0.0)
		Community Services (Local Area Committees)	2.9	2.9	(0.0)
		Contract Rebates & Discounts	(1.1)	(0.7)	(0.4)
		Central Costs	(48.0)	(47.5)	(0.4)
		Consolidated Loans Fund	23.5	29.1	(5.5)
		<b>Total</b>	<b>(462.7)</b>	<b>(462.5)</b>	<b>(0.2)</b>

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. This is a complex national issue experienced nationally amongst other Local Authorities. Members in other Local Authorities have directly raised the issues with Government and have sought financial support. This is an option for the Housing Policy Committee to consider about the HB regulations and addressing the costs incurred.

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1.12.3.	<b>Shortfalls in income from commercial property are forecast to create a £0.6m budget gap</b>	<p>There is a shortfall against budgeted income for Electric Works of £201k due to low occupancy rate. A one-off dilapidation payment of £135k from former tenant Skybet has helped to reduce the income shortfall in 23/24. The property lost key tenants in 2022/23, leaving occupancy at 62%, which hasn't fluctuated since. The level of occupancy required to meet income targets is approximately 85%.</p> <p>The property team are falling short of their fee targets by £163k on property disposals and £112k on acquisitions. There is also a further £187k shortfall in other commercial estate income and vacant property management costs.</p>
1.12.4.	<b>Shortfalls in 2022/23 BIP delivery have left legacy issues for 2023/24</b>	<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 &amp; 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>
1.12.5.	<b>Interest income from cash balances continues to remain strong</b>	<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 February 2024, the interest rate was held at 5.25%, the market implied path is that the bank rate will remain at this level until July 2024 when a fall to 5% is expected. A further drop of 0.5% is anticipated by December 2024 based on current assumptions.</p> <p>The Council has strong cash balances and agile treasury management activity has enabled us to benefit from these favourable market investment rates. Slippage in the capital programme has also reduced the need to externalise borrowing. A forecast £5.5m improvement against expectations has been reflected in the Q3 forecast and goes some way towards mitigating some of the challenges faced in Strategy and Resources committee budgets.</p>

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1.13. **Transport, Regeneration & Climate Committee - balanced**

1.13.1.	The Transport, Regeneration & Climate Committee is forecast balance to budget	Full Year £m	Outturn	Budget	Variance
	<b>Streetscene &amp; Regulation</b> (Clean Air Zone)		0.0	0.0	0.0
	<b>Inclusive Growth &amp; Development</b> (Planning Services; ITA Levy; Transport and Infrastructure)		41.2	41.1	0.0
	<b>Regeneration And Development</b> (Capital Delivery; Property Regeneration, Director Of Regeneration And Development)		2.4	2.5	(0.0)
	<b>Total</b>		<b>43.6</b>	<b>43.6</b>	<b>(0.0)</b>

The TRC committee has demonstrated effective financial management against budgets and has continued to forecast a balanced revenue outturn position this quarter. Q2 also forecasted to balance income and expenditure against budget.

1.13.2.	Underlying income trends contribute to the budget position	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
	<b>Streetscene &amp; Regulation</b> (Clean Air Zone)		0.0	0.0	0.0	0.0
	<b>Inclusive Growth &amp; Development</b> (Planning Services; ITA Levy; Transport and Infrastructure)		0.0	0.1	(0.1)	0.0
	<b>Regeneration And Development</b> (Capital Delivery; Property Regeneration, Director Of Regeneration And Development)		0.0	0.0	(0.0)	(0.0)
	<b>Total</b>		<b>0.0</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.0)</b>

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

1.13.3. **Budget Savings (BIPS) £m**

Service/ Description	Total Savings	Deliverabl e in Year	In Year Gap
DLUC funding for Regeneration team (year 1 of 2/3)	0.2	0.2	0.0
<b>REGENERATION AND DEVELOPMENT Total</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>
Increase price of skip permits to cover increased costs	0.0	0.0	0.0
Increase to base budget to reflect sustained improvement	0.2	0.2	0.0
Increase to discretionary fees and charges to cover increased cost of service.	0.2	0.1	0.1
Increased charge to cover pay award	0.1	0.1	0.1
Reduction in the SCC contribution to SY fund with no impact on provision.	0.0	0.0	0.0
Use of Planning reserve to fund balance of pay award if deemed as required	0.1	0.1	0.0
<b>PLANNING, INVESTMENT &amp; SUSTAIN Total</b>	<b>0.6</b>	<b>0.4</b>	<b>0.1</b>
<b>Committee Total</b>	<b>0.8</b>	<b>0.7</b>	<b>0.1</b>

The shortfall against target relates to the proposal to increase fees and charges for Building Control services.

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:

Service	Budget	Outturn - Income	Outturn - Expendi ture	Total Outturn	Total Variance
PRECEPTS AND LEVIES	23.8		23.8	23.8	(0.0)
TRANSPORT & INFRASTRUCTURE	14.0	(6.6)	19.8	13.2	(0.8)
PLANNING SERVICES	3.2	(3.3)	7.3	4.0	0.8
CAPITAL DELIVERY SERVICE	2.0	(6.1)	8.1	2.0	(0.0)
PROPERTY REGENERATION	0.3	(1.0)	1.3	0.3	(0.0)
DIR OF PLANNING INVEST & SUS	0.2	0.0	0.2	0.2	0.0
DIRECTOR OF REGEN AND DEVELOPM	0.1	(0.6)	0.7	0.1	(0.0)
CLEAN AIR ZONE	0.0	(7.4)	7.4	0.0	0.0
<b>Grand Total</b>	<b>43.6</b>	<b>(25.0)</b>	<b>68.6</b>	<b>43.6</b>	<b>(0.0)</b>

1.13.5. **The underspend is due to Highway Network activity** Contributory factors in the underspend are vacancies within Transport & Infrastructure relate to extra income from higher than planned Highway Network Management activity. This is entirely offset by continued reduced planning fee income for the year.

1.13.6. **There are overspends in development control** Planning applications are forecast to fall short of income targets by £441k and building standards £363k this year, which is a similar position to the previous quarter. Income is unlikely to recover to budgeted levels for the remainder of the year.

## 1.14. Waste & Street Scene Committee is £1m underspent

1.14.1.	The Waste & Street scene committee is forecast to underspend by £1m.	Full Year £m	Outturn	Budget	Variance
		<b>Streetscene &amp; Regulation</b> (City Centre Management; Director Of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services)	66.6	67.6	(1.0)
		<b>Total</b>	<b>66.6</b>	<b>67.6</b>	<b>(1.0)</b>

The W&SS committee forecasts an underspend against budget as at Q3, this is within £0.1m of the position forecast at Q2 representing good quality forecasting and financial management of Council budgets.

1.14.2.	Whilst the committee is forecast to underspend this year, £300k of savings plans are set to fall short of target	Full Year Variance £m	One-off	BIPs	Trend	Total Variance
		<b>Streetscene &amp; Regulation</b> (City Centre Management; Director Of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services)	(0.6)	0.3	(0.7)	(1.0)
		<b>Total</b>	<b>(0.6)</b>	<b>0.3</b>	<b>(0.7)</b>	<b>(1.0)</b>

Full details of the budget saving targets are shown below.

### 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
<b>Red Total</b>		<b>0.1</b>		<b>0.1</b>		<b>0.1</b>
Amber	Challenge planning conditions and allow SSC to compete with private operators for commuter and longer parking Milton street & Devonshire Green car parks to reset tariffs and parking periods Reduction in night time running hours of City Centre fountains	0.1		0.1		0.1
		0.1	0.0	0.1		0.1
<b>Amber Total</b>		<b>0.2</b>	<b>0.0</b>	<b>0.1</b>		<b>0.1</b>
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
<b>Green Total</b>		<b>0.8</b>	<b>0.8</b>	<b>-0.0</b>	<b>-0.0</b>
		<b>1.1</b>	<b>0.8</b>	<b>0.3</b>	<b>0.3</b>

Permanent budget mitigations have been agreed from other service areas to balance the budget position in the service and will not result in pressures for future years.

- 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	Net Budget	Outturn - Income	Outturn - Expend	Total Outturn	Variance
WASTE MANAGEMENT	31.7	(5.5)	37.1	31.6	(0.1)
HIGHWAYS CONTRACT ENVIRONMENTAL REGULATIONS	29.5	(47.5)	77.0	29.5	(0.0)
HIGHWAY MAINTENANCE DIVISION	4.8	(1.7)	6.9	5.2	0.4
CITY CENTRE MANAGEMENT	2.0	(2.0)	4.0	2.0	(0.0)
SHEFFIELD CITY MARKETS DIR OF STREETSCENE AND REGS	1.9	(1.4)	3.7	2.3	0.5
EMERGENCY PLANNING	1.4	(1.7)	3.3	1.6	0.2
LICENSING	1.2	0.0	0.6	0.6	(0.6)
PLACE HUB	0.3	(0.1)	0.4	0.3	(0.0)
COST OF LIVING HUB	0.2	(1.5)	1.8	0.3	0.1
PARKING SERVICES	0.0	0.0	(0.0)	(0.0)	(0.0)
<b>Grand Total</b>	<b>67.6</b>	<b>(85.0)</b>	<b>151.5</b>	<b>66.6</b>	<b>(1.0)</b>

The above breakdown of the committee's budget provides good context for the high value expenditure budgets of the committee. A £1.0m underspend represents just 1.5% deviation from net budget and less than 1% 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%, contract indices for 2024/25 reflect January rates at 4.2%; medium-term planning assumptions have allowed for 4% for 2025/26 and 3% thereafter in line with current market expectations.

## 1.6 **Capital Programme Monitoring Q3 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 3 against the 2023/24 approved budget.

## 1.7 **Treasury Management Report Q3 2023/24**

**Appendix 2** summarises the Treasury Management position for the period to 31<sup>st</sup> December 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 Q3 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 Q3 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 DECEMBER 2023****Section 1 – Statement of Budget Movement**

Month 6 Approved Budget	296.6	156.8	295.5	748.9	The key changes to the programme from the last report relate to: <b>KEY ADDITIONS</b> + £4.5m - Inclusion of Council Housing acquisitions at Hackenthorpe + £3.1m - Inclusion of Local Authority Housing Fund 2 acquisitions + £3.8m - Council Housing Capitalised Repairs Works + £1.2m - Acquisition of properties for council housing at Darnall +£1.7m - Approval of grant pass through re: Attercliffe Waterside Development + 0.9m - Inclusion of Window Door Replacement schemes at Limpsfield/Mossbrook schools + £0.6m - Inclusion of 4 x SEND Integrated Resource provisions + £0.5m - Inclusion of Brownfield Land Release Fund Demolitions +£0.5m - Inclusion of Manor OPIL Fire safety scheme + £0.4m Inclusion of On Street Electric Vehicle chargers <b>KEY VARIATIONS</b> + £0.7m - Magna Cycling Route Phase 1 +£0.5m - Approval of 3 x new Pedestrian Crossings - £3.3m - Housing Block Allocations - Reduction of allocations to fund capitalised repairs expenditure (budgets still to be approved)  <b>Reprofile / Slippage</b> - Major reprofiling of Council Housing Stock Increase Programme and key Regeneration Schemes including Future High Streets Fund / Levelling Up Fund
Additions	13.6	4.7	0.0	18.3	
Variations	-2.8	2.0	-1.7	-2.5	
Reprofile	-38.4	-6.2	44.6	0.0	
Slippage and Acceleration	-22.1	20.9	1.2	0.0	
Month 9 Approved Budget	246.9	178.2	339.6	764.6	

The table above summarises the movement in the capital budget from month 6 to month 9 23/24 and the Capital programme budget position as at September 2023. Showing an overall approved capital programme of **£764.6m** over the next 5 years.

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

The forecast outturn position at the end of December 2023 is **£210.2m** against an approved budget of **£246.9m**. A variance of **£36.7m**.

This is a movement of £28.3m from the £65m below budget at Month 6.

Overall the forecast outturn position has fallen by £21.4m as a result of continued requests for project managers to forecast more realistically regarding expenditure profiles.

The approved budget for the year has fallen by almost £50m as a result of the approval of slippage and reprofiling of the Council Housing Stock Increase Programme and major regeneration schemes within the Levelling Up Fund and Future High Streets Fund programmes

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

**Key areas to note:****Transport, Regen & Climate Change - £28.4m below budget**

- Delays to Future High Streets Fund Events Central Scheme due to tender returns requiring additional time to secure funding
- Slippage on final blocks of Heart of The City Programme
- 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
- Lower than forecast uptake of Clean Air Zone Grants

**Housing - £7.1m below budget**

- Delay to acquisition of properties at Corker Bottoms from Sheffield Housing Company
- Delay to acquisitions under Local Authority Housing Funding for refugee accommodation

**Adult Health & Social Care - £0.9m 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 current level of forecast overspend for 23/24 is able to be contained within historic one off grant funding and £0.5m additional resources announced by government. Careful monitoring is required to establish the position for 24/25.

**Strategy & Resources - £0.7m over budget**

- This largely relates to budgets awaiting approval for GP Hubs schemes, which is dependent on signing of a funding agreement with the Integrated Care Board. Once complete this position will normalise.

Forecast 23/24 Outturn Position and movement

Capital Programme	FY Outturn	FY Budget	Month 09 FY Variance	Comments (where variance +/- 500k)	Month 06 FY Variance	Movement	Comments (where variance +/- 500k)
ADULT HEALTH & SOCIAL CARE	7,013	6,200	813	<b>Key Variances</b> <b>+ £0.8m - Recovery from COVID backlog and increased demand are at the root of issues. Overspend can be contained within £0.6m resources c/f from prior year and £0.5m increase in grant recently announced. However pressure likely to remain in 24/25</b>	908	(95)	
COMMUNITIES, PARKS & LEISURE	25,938	25,913	25		77	(52)	
ECONOMIC DEVELOPMENT & SKILLS	996	1,125	(130)		(9)	(121)	
EDUCATION, CHILDREN & FAMILIES	18,908	21,374	(2,466)	<b>- £0.8m - Contribution to new SEN School - Delivery of school by DfE has been delayed</b> <b>- £0.5m - Rushey Meadow Children's Home - anticipated slippage on scheme due to design issues</b> <b>- £0.4m - King Egberts School Expansion - Slippage on scheme due to additional drainage works</b> <b>- £0.2m - Nether Green School Roof - Forecast saving</b> <b>- £0.2m - Silverdale School Expansion - Minor Slippage on final payments</b> <b>- £0.2m - Aldine House Internal Door Replacement - Potential incorrect forecast</b> <b>- £0.1m - Parkwood Springs Canopy contribution - Procurement by academy trust has slipped</b>	(1,846)	(621)	<b>Key Movements</b> <b>+£1.2m - Approval of budgets bringing these into line with forecasts</b> <b>- £0.8m - Contribution to new SEN School - Delivery of school by DfE has been delayed</b> <b>- £0.4m - King Egberts School Expansion - Further slippage on scheme due to additional drainage works</b> <b>- £0.2m - Aldine House Internal Door Replacement - Potential incorrect forecast</b> <b>- £0.1m - Parkwood Springs Canopy contribution - Procurement by academy trust has slipped</b>
HOUSING	66,367	73,456	(7,089)	<b>Key Variances-</b> <b>- £4.6m - Corker Bottoms New Builds - delays to scheme delivered by SHC</b> <b>- £1m - Local Authority Housing Fund Acquisitions 2- slippage of completion of some purchases and refurbishments into 24/25</b> <b>- £0.7m - External Wall Insulation package 2 - Slippage on programme</b> <b>- £0.8m - Private Sector Homes Upgrade Grant 2 - Take up lower than expected</b> <b>- £0.8m - Stock Increase Block Allocation - Awaiting approval of budget draw down</b> <b>- £0.3m - Lift Replacements - Delay on procurement</b> <b>- £0.2m - Fire Suppression Systems - Demand lower than expected</b> <b>- £0.2m - Gleadless Valley Acquisitions - Potential purchases now unlikely to complete in year</b> <b>- £0.2m - Demolition Programme - Expected saving on budget</b> <b>- £0.2m - Kitchen &amp; Bathroom replacements - Saving following over accrual of costs</b>  <b>+ £0.8m - Electrical Upgrades Programme - Partly acceleration but overall £0.2m overspend forecast</b> <b>+ £0.6m - Adaptations - Forecast overspend on contract for disabled adaptations</b> <b>+ £0.6m - Council Housing Acquisitions - Acceleration on programme</b>	(31,568)	24,479	<b>Key Movements</b> <b>+ £29.6m - Approval of budget adjustments largely in relation to slippage in Stock Increase Programme</b> <b>- £4.6m - Corker Bottoms New Builds - delays to scheme delivered by SHC</b>
STRATEGY & RESOURCES	6,024	5,307	718	<b>Key Variances</b> <b>+£1.6m - 4 x new GP Hubs schemes - Awaiting signing of MoU with Integrated Care Board before budgets can be authorised</b> <b>+£0.26m - Woodhouse Hub - Forecast increased costs due to additional structural works.</b>  <b>- £0.3m - Carr Forge Dam Repairs - Project no longer progressing</b> <b>-£0.19m - Spring St Kennels - currently no forecast expenditure in 23-24 as project on hold pending further investigation.</b> <b>- £0.13m - Glen Howe Retaining Wall Works - Scheme no longer progressing</b> <b>- £0.13m - Public Sector Decarbonisation Schemes - saving on programme of works</b> <b>- £0.1m - Saving on previous structural works budget</b> <b>- £0.11m - Closed Churchyards Boundary Walls - Forecast slippage on repair works</b> <b>-0.1m - Mount Pleasant Park FRA - Scheme no longer progressing</b>	871	(153)	
TRANSPORT, REGEN & CLIMATE	84,249	112,627	(28,378)	<b>Key Variances</b>  <b>- £10.3m - Heart Of The City - Slippage on completion of remaining blocks</b> <b>- £14m - Stocksbridge Towns Fund Programme - Work to refine programme ongoing. Anticipated slippage of expenditure</b> <b>- £0.9m - LUF Castle Site - Slippage on overall LUF programme</b> <b>- £1.4m - Future High Streets Fund Programme - Forecast slippage on programme due funding issues. All years overspend of £0.9m forecast. Additional funding will need to be secured.</b> <b>- £1.4m - CAZ Grants - Forecast slippage on grant awards</b> <b>-£1.7m - West Bar CPO Programme - Delays on anticipated purchases</b>  <b>+ £0.7m - TCF City Centre Development costs- Spnd currently exceeding funding allocations - to be recovered from construction phase funding</b> <b>+ £0.8m - TCF Housing Zone North - Scheme now forecasting to be £1m over budget over all years</b>	(33,428)	5,049	<b>Key Movements</b> <b>+ £21.1m - Approval of slippage budgets bringing these into line with forecasts (Including £8.8m Leveling Up Fund Programme, £3.5 m Future High Streets Fund, £3.6m Borwinfield Acquisitions, £2.8m CAZ grants )</b> <b>+ £0.4m - TCF Housing Zone North - Forecast increase in costs Scheme now forecasting to be £1m over budget over all years</b>  <b>-£10m - Heart Of The City Programme - Delays to final payments largely on Blocks A, H &amp; Leahs Yard</b> <b>- £2.7m - Stocksbridge Towns Fund Programme - Slippage on programme</b> <b>-£1.3m - Future High Streets Fund -Slippage on Public Realm scheme &amp; Front Door Grants</b> <b>- £0.5m - LUF Programme - Further slippage on programme</b> <b>-£1.4m - West Bar CPO Programme -Further delays on anticipated purchases</b> <b>-£0.3m - Asset Enhancement Works -Slippage on programme of works to prepare assets for sale</b> <b>-£0.1m - Upper Don Valley Flood Phase 1 -Slippage on final stage of works</b>
WASTE & STREET SCENE	735	907	(173)		3	(175)	
<b>TOTAL</b>	<b>210,230</b>	<b>246,910</b>	<b>(36,680)</b>		<b>(64,991)</b>	<b>28,311</b>	

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 new projects or projects moving from feasibility to delivery stages where the anticipated revised costs have been forecast in anticipation of formal budget approval and funding is identified.

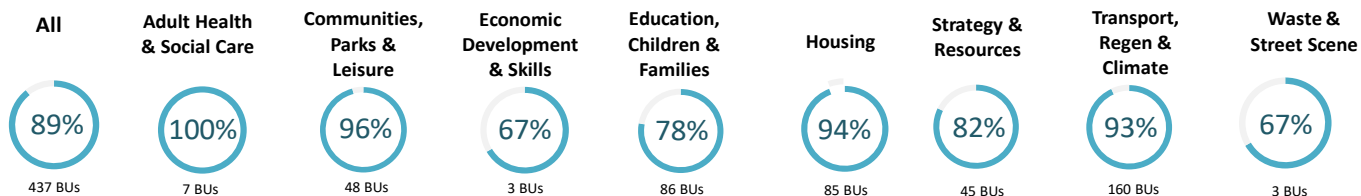
The remaining items represent known issues on schemes which will require either additional funding or scope reductions to bring schemes back within funding envelopes.

Business Unit	Policy Committee	All Years Budget	Forecast Variance on all years budget	Explanation
4.1 Levelling Up Fund: Castlegate Public Realm & Enabling Works	TRANSPORT, REGEN & CLIMATE	13,400	3,510	<b>Overspend</b> - 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. The current forecast indicates level of cost of preferred option An additional £3.5m is anticipated from SYMCA Gainshare funding to address part of this variance. Outturn Expenditure: As pre-tender cost plan. To be updated further upon agreement of Stage 1 costs and update to Stage 2 cost plan
4.2 Stocksbridge Towns Fund Manchester Road Hub	TRANSPORT, REGEN & CLIMATE	9,955	1,738	<b>Awaiting Approval</b> - Original construction was programmed commence this Financial Year, due to changes regarding Café, Entrance and core location, Contract Award is now programmed for May 24. Towns Fund budgets have recently been reviewed with the Towns Board. Budget increase to cover increased costs due at January Finance Committee
4.3 Accelerated Adaptations Grant (AAG)	ADULT HEALTH & SOCIAL CARE	998	1,497	<b>Overspend</b> - Pressure continues in this area to deal with COVID backlog, increasing demand and rising costs. One off historic grant and anticipated additional government funding will alleviate pressure in 23/24. As a result of underspending in other areas overall overspend in approx £900k
4.4 Stocksbridge Towns Fund Manchester Road Arcade Shop Fronts	TRANSPORT, REGEN & CLIMATE	604	1,066	<b>Awaiting Approval</b> - Towns Fund budgets have recently been reviewed with the Towns Board. In December, slippage approval was requested for £566k slippage. The current estimated costs of the Shop Front Scheme is £1.7m, £1,066k greater than the current allocated budget. However, Towns Fund budgets have recently been reviewed with the Towns Board which included an increased allocation for the Shop Fronts Scheme and a formal request for a budget increase is due to be submitted.
4.5 Transforming Cities Fund: Housing Zone North	TRANSPORT, REGEN & CLIMATE	1,759	985	<b>Overspend</b> - The project is now forecasting an overspend. The main reasons for this are client initiated design changes, the most significant of these is the Hollis Croft area, which has resulted in significant programme delays. Other reasons for the forecast overspend include delays as a result of the Yorkshire Water leak; redesign including the continuous footways and hotel lay by; poor condition of the gullies; redesign to meet client expectations; and weather delays. A briefing note is being prepared for the client team to provide further details. Additional funding may need to be sourced by re-prioritisation of the City Region Sustainable Transport Fund allocation.
4.6 Transforming Cities Fund: Cross City Bus	HOUSING	1,759	985	<b>OVERSPEND</b> - This is as a result of additional fees incurred resulting from the client's decision to update the RIBA 2 plan and the additional contract costs as a result. Ground Penetrating Radar fees are also an additional cost from the original budget. The client is aware of the forecast overspend and the need to identify additional funds. Costs should be recovered from the Mayoral Combined Authority when the Final Business Case is submitted for the delivery stage of the scheme
4.7 Future High Street Fund - Events Central 20-26 Fargate	TRANSPORT, REGEN & CLIMATE	1,759	960	<b>Overspend</b> - Budget spend profile updated to reflect contractors design completion forecast of Jan 24. Resulting in an increase in 23/24 spend. Full year overspend forecast. This is as a result of additional fees incurred resulting from the client's decision to update the RIBA 2 plan and the additional contract costs as a result. GPR fees are also an additional cost from the original budget. The client is aware of the forecast overspend and the need to identify additional funds. YTD overspend as a result of increased design costs. Negotiations continue and the contractor is putting a proposal together with regards to the approach to the contract going forward. It is anticipated that additional funding to cover these costs will be released on submission of Final Business Case to the COMBINED Authority for the construction phase
4.8 GP Transformational Hubs - City Centre	TRANSPORT, REGEN & CLIMATE	6,617	908	<b>Awaiting Approval</b> - Full budget conditionally approved at Finance Committee August 23 - awaiting signing of funding agreement with Integrated Care Board before budget can be formally approved.
4.9 Heart Of The City Development Costs	STRATEGY & RESOURCES	-	868	<b>Awaiting Approval</b> - A reallocation of budgets across the Heart of The City Programme due to be approved at January Finance committee with no increase to the overall funding envelope
4.10 Stocksbridge Towns Fund High Street Accessibility	HOUSING	350	360	<b>Awaiting Approval</b> - Towns Fund budgets have recently been reviewed with the Towns Board. In December, slippage approval was requested for £200k slippage. The current estimated costs of the Accessibility Scheme is £710k, £360 greater than the current allocated budget. However, Towns Fund budgets have recently been reviewed with the Towns Board which included an increased allocation for the Accessibility Scheme and a formal request for a budget increase is due to be submitted.
<b>Total</b>		<b>37,203</b>	<b>12,879</b>	

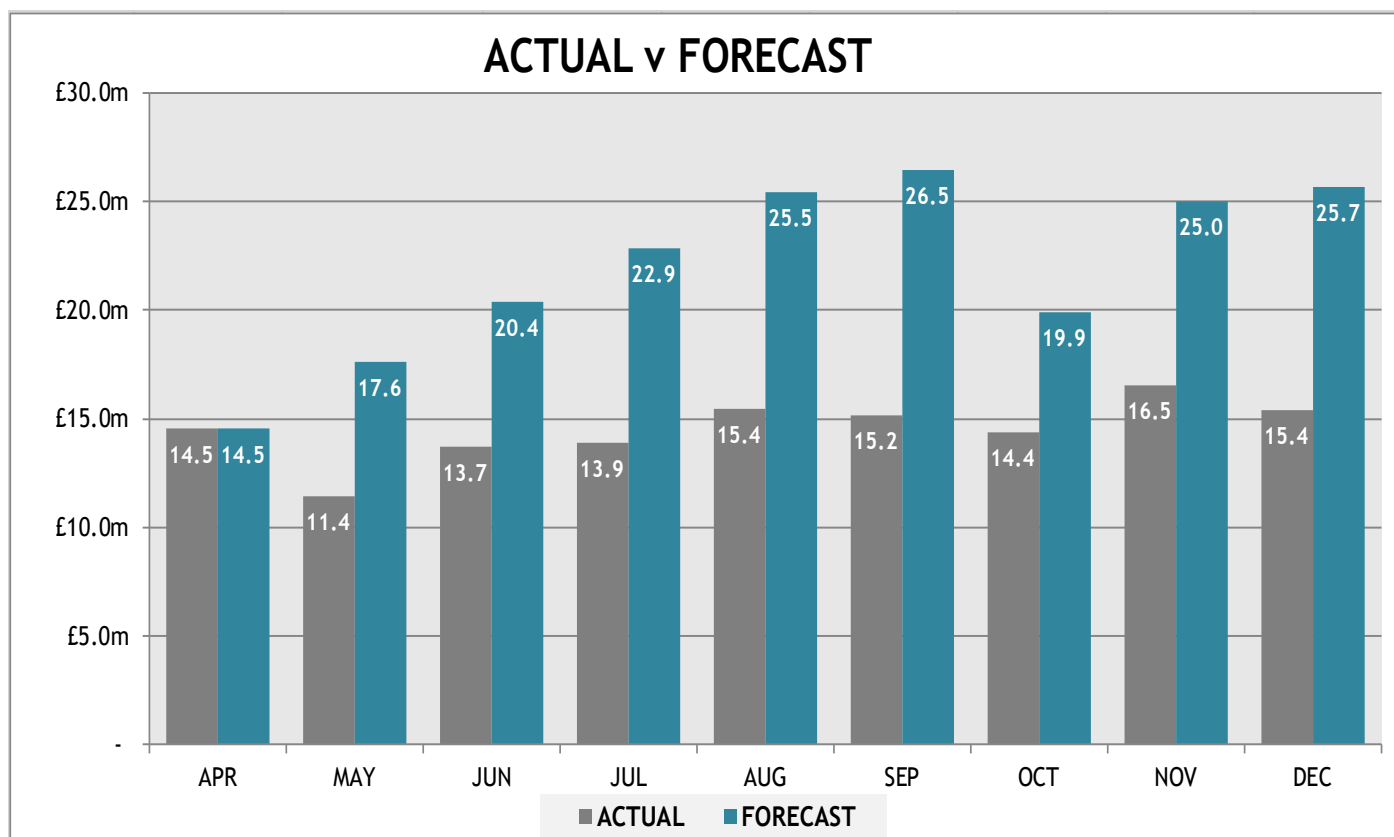


## Section 4 - Forecasting

### 4.1 – Capital Business Unit forecasting performance – December 2023



### 4.2– Capital Business Unit Forecasting Accuracy



The graph at 4.2 compares the actual expenditure incurred each month against that which was forecast in the prior month. As can be seen month on month overall actual expenditure is consistently less had been forecast in the previous month. This continues the trend seen in previous financial years 22/23. Cumulatively over last 3 months forecasts have exceeded actual expenditure by £24.3m.

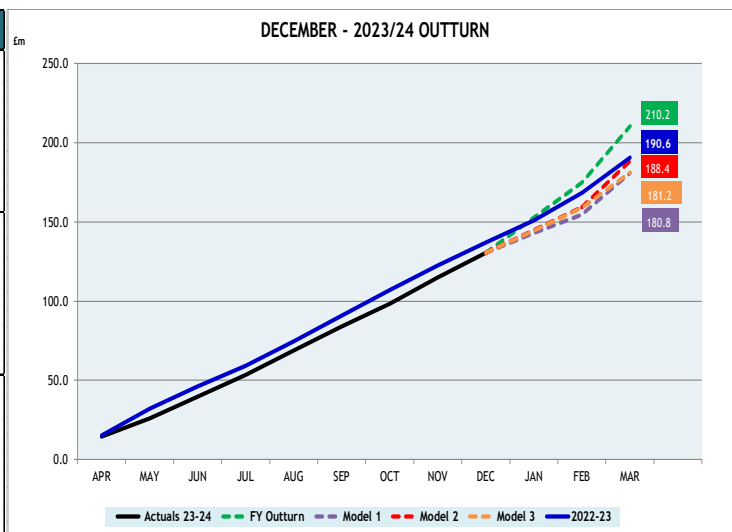
The key areas have been:

- Housing - £10.9m
- Transport Regen & Climate Change - £7.3m
- Education, Children & Families - £3.3m
- Essential Compliance - £1.3m

We continue to work 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

MODEL	HOW CALCULATED
Model 1	<ul style="list-style-type: none"> <li>Extrapolating the percentage of spend against budget as at Month 9 (73%)</li> </ul>
Model 2	<ul style="list-style-type: none"> <li>Extrapolating the average rates of cash spend (£14.49m per month) (rather than % of spend against budget) for April - December.</li> <li>Adjusting for increased spending in month 12.</li> </ul>
Model 3	<ul style="list-style-type: none"> <li>Based on accuracy of forecasting on average actual expenditure per month is 36.4% below that forecast</li> <li>Therefore expenditure figures extrapolated at 63.6% of December rest of year forecast figures</li> </ul>



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.

As noted in Section 2, above, the forecast outturn position has fallen by a further £21.4m from the position in September. This was expected based on levels of over-optimism evident in forecasting

Forecasting models and historic data suggest that the final outturn position will be around £15m lower than currently forecast

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 additional government funding is expected to alleviate pressure in 23/24. 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 of £5m is allocated within the Gainshare Programme and a Business Case submitted to secure this with a decision expected March 24. Extension of timescales for completion to 2026 has alleviated risk to completion date.

- **Future High Street Fund Programme** - Failure of tender exercise on Events Central scheme to bring in designed scheme within budget will require a cost led retendering exercise.

- **Council Housing Stock Increase Programme** - The affordability of the current Stock Increase Programme remains an ongoing issue due to high levels of tender returns for schemes which has provided the opportunity to review current specifications and standards and allow more time for elected member and resident consultation. Decisions regarding future size and shape of the programme will be considered as part of the Council HRA Business Plan 2024/25 and the updated 5 year Housing Investment Programme (capital).

**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

## 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. In addition, indications are that the final scheme values will exceed funding currently allocated which will require a reprioritisation of City Region Sustainable Transport Funding.

#### 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.

**Council Housing Right To Buy (RTB) Receipts** - The current profile of Stock Increase Programme (SIP) could have an impact on loss of RTB receipts being used to support The SIP programme. A review of The SIP Programme is underway to revise The profile to protect spending of RTB receipts.

**Corporate Estate Maintenance** - There is a risk of current funding resources not being enough to address the works identified as programme priority works from the current backlog of corporate replacements and longer-term capital repair works required within the SCC estate. Building closures and risk to people, both staff and the public are potential effects.

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## Revenue Implications of Treasury

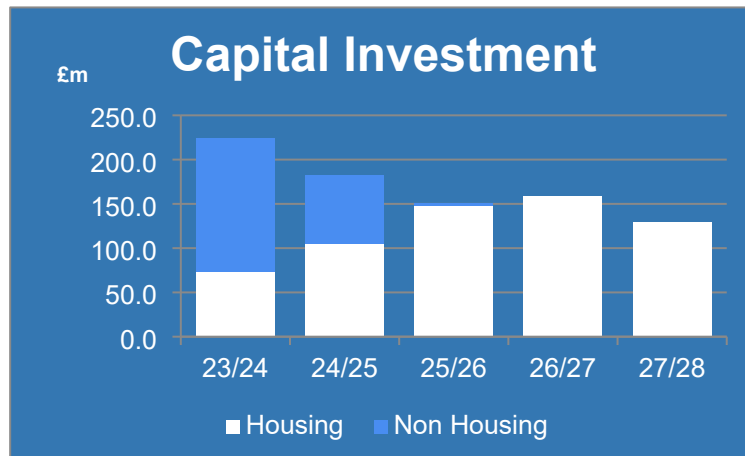
### Purpose of the Report

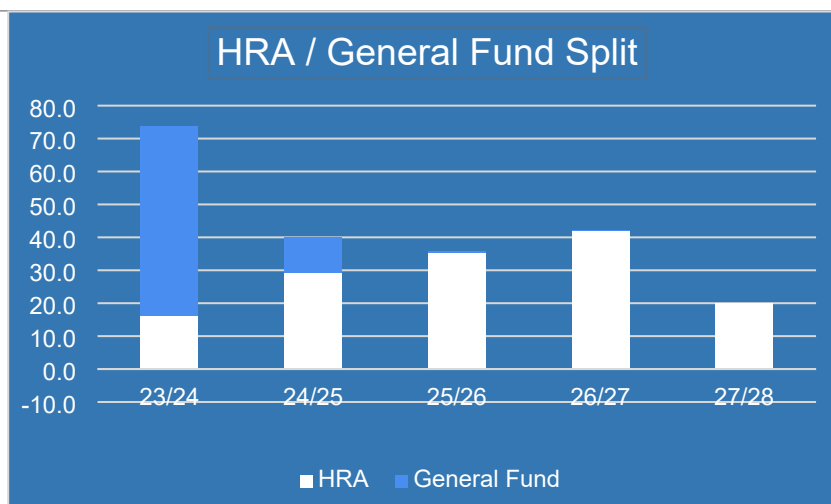
The purpose of this report is to summarise the Treasury Management position for the period to 31st December 2023 and the potential implications for revenue budgets.

In addition, Appendix A 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.

### 1. Capital Investment & Funding

<b>1.1 Significant capital investment delivered across the city</b>	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.
<b>1.2 The capital budget for 23/24 to 27/28 totals £845m</b>	As at 31 <sup>st</sup> December, the <u>approved</u> capital budget, for the period from 2023/24 through to 2027/28 totals £845m (a full breakdown is shown in Appendix A). Budget for this period was just £605m, indicating material slippage in the programme to the end of 22/23 and approval of new Capital Expenditure.
<b>1.3 Housing and non-housing split of planned investment shows most approved capital expenditure is HRA related.</b>	The split of this planned investment across housing and non-housing is shown in the graph below: -
<b>1.4 27% of capital expenditure will be financed by borrowing up to the end of 27/28</b>	<p>The proportion of this investment funded by prudential borrowing over this period will be £225m. On this basis, approximately 27% of the capital expenditure planned for the next four years is being funded by Prudential Borrowing, at the budget setting this proportion was 42%. Grants and contributions have increased, reducing the borrowing ratio.</p> <p>After 2023/24 almost all borrowing will be related to HRA expenditure.</p>
<b>1.5 Graph - Prudential borrowing over next 5 years</b>	The following graph shows how this element of funding varies over the five years. HRA borrowing (£142.8m) makes up most borrowing over the period, with the General Fund requirement much lower after completion of HOTC works in the near term.





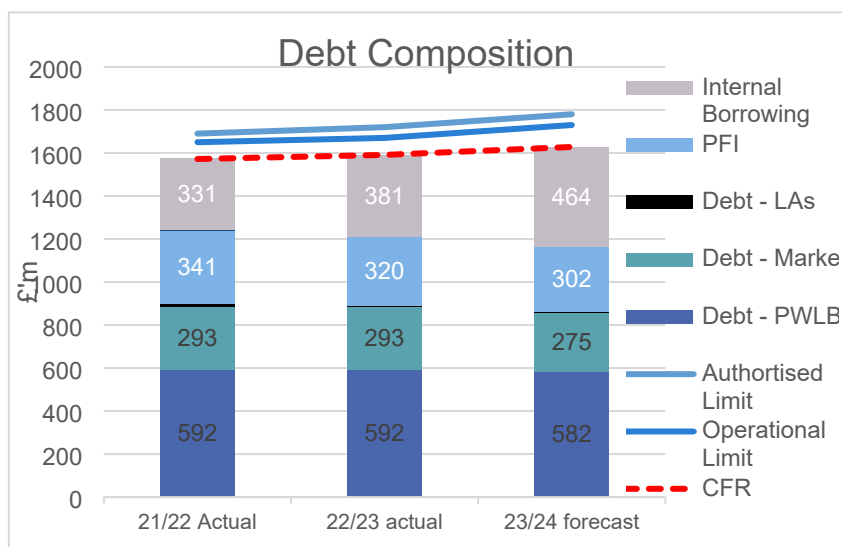
- 1.6 Disposal of HoTC II assets is expected to be delayed. Borrowing costs and MRP will continue at current levels during this period**
- Anticipated disposals of blocks in the Heart of the City development are now expected to be delayed until more favourable economic conditions help maximise the benefit of the disposal. As a result, assets will be held and financed for longer, meaning the cost of interest and the Minimum Revenue Provision (MRP) charged to revenue will be higher for longer, although these charges will be offset by the rentals received.
- 
- 1.7 No new external borrowing planned in 23/24. Borrowing rates are currently high and volatile. Internal resources can delay borrowing until more favourable conditions return.**
- Economics conditions have seen the cost of borrowing fall back somewhat in the last quarter in expectation of rate cuts mid 24/25. Rates are still marginally above where they were at the start of the financial year having seen a steady increase for the first half of the year.
- Expectations are for more uncertainty due to geopolitical instability but with cost eventually falling back by 24/25. 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 100% of 23/24 forecasts for Prudential borrowing was externalised at current interest rates of around 4.8% (5.5% Sept 23), this would see an additional (fully year cost) of around 3.5m (£5.6m at Sept 23).
- 
- 1.8 Capital Expenditure funded by new borrowing is forecast to be £17.2m lower than budgeted.**
- The latest projected capital expenditure estimates for 2023/24 compared to the original budget position shows that Prudential Borrowing is £17.2M lower than budgeted. HRA's borrowing requirement is £18.7m lower with General fund increasing by £1.5m.
- 
- 1.9 Cash balances have remained strong and so we have delayed external borrowing.**
- Cash balances have remained strong and have afforded us the luxury of delaying borrowing into next year. Irregular funding flows from government partially creates this opportunity but other sources such as working capital balances also contribute. Balances are expected to decrease but have remained higher than anticipated to December 23. This has contributed to higher than anticipated income.

## 2. 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.

Market debt has fallen as an £18m Commerzbank loan was repaid. This has not yet been replaced with new debt.



The above table shows: -

- The capital financing requirement continues to increase as the council is using new borrowing to finance capital schemes at a faster rate than it is being reduced by provisions to repay debt (MRP).
- 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 £492m by 31st March 2024.
- This approach is taken because we pay more to borrow externally than we receive on any cash we invest. This report assumes further internal borrowing, as interest rates are expected to fall in the medium term. However, the scale of internal borrowing makes the associated interest rate risk, i.e. rates could be higher in future when we need to borrow externally a material consideration.
- Budgeted borrowing costs are expected to be avoided in 23/24. The Original budget included small amounts to be taken from Sept 23 onwards. Avoiding this is expected to save in the region on £500k, no new long-term 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 any limits as we still have a satisfactory margin of safety.

### 2.2 Strategy Update – no proposed changes except delays to proposed borrowing.

There are no proposed changes to: -

- Treasury Management Strategy Statement
- Annual Investment Strategy
- 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 this borrowing and should see significant interest costs avoided for 2023/24.

So far this financial year: -

- £38m of loans will be repaid during 23/24.
- No 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.
- The HRA is forecasting to expand its capital investment programme which will lead to new borrowing being required. This borrowing is expected to be needed during 24/25 at the earliest, depending on the levels of capital expenditure.

### 2.3 No rescheduling of our borrowing has been undertaken

No rescheduling (changing or extending terms) of any of our borrowing has taken place. However, an £18m LOBO loan with Commerzbank was rapid without penalty following their decision to increase the rate on this loan. This debt was allocated to the HRA so has no General fund impact. We will keep this position under review, currently the charges to reschedule PWLB debt are higher than the benefits of doing so.

### 2.4

Investment Balances	23/24 Average balance in month (£M)	23/24 Average Return	22/23 Average Return
April	£297.6	3.85%	0.5%
May	£258.7	3.97%	0.7%
June	£278.6	4.25%	1.0%
July	£295.3	4.75%	1.0%
August	£287.2	5.00%	1.3%
September	£275.6	5.09%	1.5%
October	£291.5	5.17%	1.7%
November	£302.9	5.23%	2.1%
December	£262.7	5.31%	2.6%
YTD Ave	£283.3	4.83%	

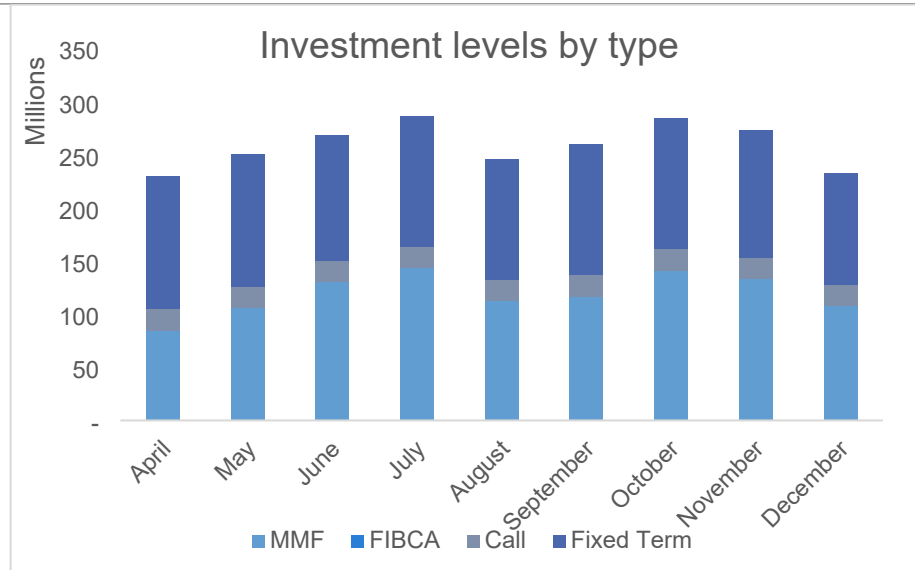
Investment balances have remained consistently higher than anticipated to Dec 23. Rates of return have also exceeded that budgeted (4%), contributing to an increase in income of around £5.6m. Rates are significantly higher than 12 month ago, but expectations are that we are now at or near the peak. Average returns will continue to increase in the final quarter as older (lower returning) investments mature.



### 3. Update on Investments

3.1

**Investment balances have decreased by £103m from March 23 due to £140m of pension prepayments in April 23. Excluding the pension prepayment balances remain close to the opening position.**



Despite in year movements investment balances are at the same as April 23 of around £230m, these tables are representative of the normal patterns for investment balances. However, they do not show a large decrease from the opening balance of £363m. The decrease from this opening position was due to significant pension prepayments made in April 23, the balance above is a month end position.

3.2

**Sufficient liquidity is being maintained. Balances are expected to reduce in Q4, but income from investments is higher than budgeted.**  
  
**There are no investments for longer than 365 days**

Liquidity in the Local Authority sector is diminishing, competition for borrowing is increasing and this demand is increasing the rates paid for Local-to-Local lending. In the short term, while balances allow, Sheffield can take advantage of lending at these rates. Bank and other investments had shown showing similar signs of recovery as the BOE increased base rates, but this appears to have peaked based on expectations that future movements of base rate will be downwards. Borrowing costs have increased during the quarter 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.

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.

#### 4. Revenue – Material Variances

<b>4.1 Treasury Management budget is underspent because of increased income. This should be considered a short-term bonus.</b>	<b>As at December 23</b>	<b>Forecast £m</b>	<b>Budget £m</b>	<b>Variance £m</b>
	Investment Income	-8.4	-4.7	-3.7
	Interest Costs (net of HRA recharge)	20.9	21.6	-0.7
	MRP Costs	13.9	15.1	-1.2
	<b>Budget Variances</b>	<b>26.4</b>	<b>32</b>	<b>-5.6</b>

The above table shows:

- Costs are forecast in line with budget because of:
  - Interest Income is the main reason for the budget underspend. It's important to note cannot be relied on to supplement services other than in the short term. Reserves and Working capital balances will be depleted and rates of return will fall in future years.
  - In the medium-term costs are expected to rise as accounting adjustments made to MRP expire in 24/25 and the significant underborrowed position and risk are unwound.

<b>4.2 Financing Costs as a proportion of Net Revenue are expected to increase.</b>  <b>Mainly due to decreasing income (netted off cost) and increase in MRP as corrections to overprovision ends.</b>	Ratio of Financing Costs to Net Revenue	2023/24	2024/25	2025/26
	Finance Costs	£31,739	£41,211	£46,190
	Net Revenue	£535,709	£560,567	£578,614
	Ratio	5.92%	7.35%	7.98%

\* [\*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:

- Financing costs generally increase over the period. However, over this period external interest costs are only expected to increase marginally from £21.1m to £23.8m.
- Financing Costs in 24/25 include an extra £7.5m in MRP. £5.7m of this is due to the ending of reversals for previous overprovisions.
- Investment income is netted of the financing cost above, this is expected to be less in future years falling from around £11m in 23/24 to £5m in 25/26 as both balances and rates decline.
- Please note that the capital programme projections become less accurate the further forward the forecast, and therefore financing costs may increase if the amount of the capital programme funded by prudential borrowing increases.

## 5. Risk Assessment

5.1 The principal risks associated with treasury management.	Risk	Mitigation
	Loss of investments as a result 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

## 6. 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 nine months of 2023/24.</p>
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## Appendix A – 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

<b>Forecast as at December 2024</b>	2023/24 Forecast £m	2023/24 Budget £m	2023/24 Variance £m
Non-Housing Expenditure	151.0	107.2	43.8
Housing Expenditure	73.4	106.9	-33.6
<b>Total</b>	<b>224.3</b>	<b>214.1</b>	<b>10.2</b>
<b>Financed by:</b>			
Capital Receipts	16.5	8.2	8.3
Capital Grants and Contributions	93.6	57.8	35.8
Revenue Contributions	40.7	57.3	-16.6
Prudential Borrowing	73.6	90.8	-17.2
<b>Total</b>	<b>224.3</b>	<b>214.1</b>	<b>10.2</b>

### Breakdown of Capital Expenditure

<b>Capital Expenditure</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
ADULT HEALTH & SOCIAL CARE	6.2	0.0	0.0	0.0	0.0
COMMUNITIES, PARKS & LEISURE	25.9	2.5	0.0	0.0	0.0
ECONOMIC DEVELOPMENT & SKILLS	1.1	1.9	0.0	0.0	0.0
EDUCATION, CHILDREN & FAMILIES	22.5	4.5	0.0	0.0	0.0
HOUSING	73.4	104.8	147.4	129.2	176.3
STRATEGY & RESOURCES	5.9	0.1	0.0	0.0	0.0
TRANSPORT, REGEN & CLIMATE	88.4	68.2	3.3	0.0	0.0
WASTE & STREET SCENE	0.9	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>224.3</b>	<b>182.0</b>	<b>150.7</b>	<b>129.2</b>	<b>176.3</b>

### Movement in Capital Financing Requirement

<b>Capital Financing Requirement (CFR)</b>	<b>Per TMSS 23/24</b>	<b>Dec Forecast £m</b>
CFR - General Fund CFR	1,282	1,267
CFR - Housing Revenue Account	400	362
<b>TOTAL</b>	<b>1,682</b>	<b>1,628</b>
Borrowing	1,020	862
Other Long-Term Liabilities	302	302
<b>Forecast - Total Debt as at 31 March 2022</b>	<b>1,322</b>	<b>1,164</b>

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	1,682	1,628
Headroom to Operational Boundary (CFR)	68	122
Headroom to Authorised Borrowing Limit (CFR)	98	152
Projected External Debt at 31 March 2024	1,322	1,164
Headroom to Operational Boundary (debt)	428	586
Headroom to Authorised Borrowing Limit (Debt)	458	616

### Interest Rate Forecast

The Council's treasury advisor, Link Asset Services, has provided the following forecast.

#### Updating of our forecasts 08 January 2024

Comparison of forecasts for Bank Rate today v. previous forecast

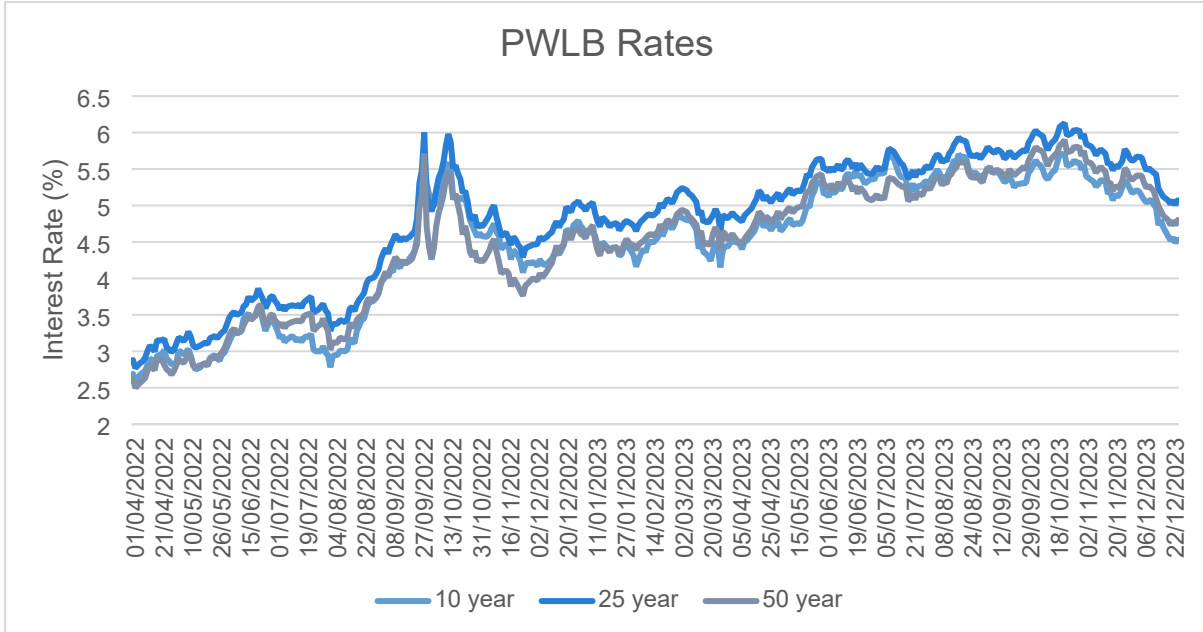
Bank Rate	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
08.01.24	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
07.11.23	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00	-
Change	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	0.00	0.00	0.00	0.00	0.00	-

The long term forecast for for borrowing rates is to reduce steadily from Sept 24 onwards. However, there remains significant uncertainty in gilt markets, strong cash balances should allow us to delay new borrowing until conditions are more favourable.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>BANK RATE</b>	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

PWLB

PWLB Rates have risen significantly over the last two years with increasing UK base rates typically seeing a corresponding increase PWLB borrowing rates. Borrowing rates have fallen recently on expectations of interest rate cuts following falling inflation. There are local and global factors that could increase gilts such as the forthcoming UK general election, stubborn wage growth inflation and heightening tensions in the middle east.



# Collection Fund Monitoring

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

### Summary

1. In 2023/24 approximately £361.2m 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 December, the local share of the Collection Fund Income Stream is forecasting a surplus of £6.3m 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	(268.4)	(271.1)	(2.7)
Business Rates ( <i>excl related grants</i> )	(92.8)	(96.4)	(3.6)
<b>Total</b>	<b>(361.2)</b>	<b>(367.5)</b>	<b>(6.3)</b>

### Council Tax

4. The forecast year end position for Council Tax is a surplus of £3.1m, of which the Council will receive £2.7m

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)	(440.4)	(0.7)
Revenue foregone due to Council Tax Support	40.8	39.8	(1.0)
Other discounts and exemptions	69.6	70.9	1.3
Prior year liability adjustments		2.2	2.2
<b>Net Collectible Council Tax</b>	<b>(329.3)</b>	<b>(327.5)</b>	<b>1.8</b>
Losses on collection and increase/(decrease) to bad debt provision	14.8	9.9	(4.9)
<b>Council Tax Income</b>	<b>(314.5)</b>	<b>(317.6)</b>	<b>(3.1)</b>
Allocation of Council Tax Income ( <i>%age share in brackets</i> )			
<b>Sheffield City Council (85.4%)</b>	<b>(268.4)</b>	<b>(271.1)</b>	<b>(2.7)</b>
South Yorkshire Police and Crime Commissioner (10.9%)	(34.2)	(34.5)	(0.3)
South Yorkshire Fire & Rescue (3.8%)	(11.9)	(12.0)	(0.1)
<b>Total Allocations</b>	<b>(314.5)</b>	<b>(317.6)</b>	<b>(3.1)</b>

5. The estimates used for the purposes of setting the 23/24 Budget appear to be accurate. The Net Collectible Council Tax (after exemptions and discounts) are in line with original estimates. The driver for the surplus position is a £4.9m 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 revised 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 cost of living crisis, 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.

## Business Rates

7. The forecast year end position for Business Rates is a £6.3m surplus, of which the Council will retain £3.6m.

Collection Fund - Business Rates (all figures £m)	Budget 23/24	Forecast Year End Position	Variance
Gross rates yield relating to 23/24	(267.1)	(267.9)	(0.8)
Estimated reliefs relating to 23/24	76.5	72.9	(3.6)
Prior year liability adjustments		9.8	9.8
Losses on collection, appeals and increase/(decrease) to bad debt provision	11.7	2.6	(9.1)
<b>Net Collectable Business Rates</b>	<b>(178.9)</b>	<b>(182.6)</b>	<b>(3.7)</b>
Transitional Protection Payments due to Authority	(9.3)	(12.1)	(2.8)
Cost of Collection allowance	0.7	0.7	-
Disregarded amounts (see breakdown below)	3.5	3.7	0.2
<b>Non Domestic Rating Income</b>	<b>(184.0)</b>	<b>(190.3)</b>	<b>(6.3)</b>
Allocation of net business rates (%age share in brackets)			
<b>(a) Sheffield City Council (49%)</b>	<b>(90.2)</b>	<b>(93.2)</b>	<b>(3.0)</b>
SY Fire Authority (1%)	(1.8)	(1.9)	(0.1)
Central Government (50%)	(92.0)	(95.2)	(3.2)
<b>Total Allocations</b>	<b>(184.0)</b>	<b>(190.3)</b>	<b>(6.3)</b>
Share of disregarded amounts			
<b>(b) Sheffield City Council</b>	<b>(2.6)</b>	<b>(3.2)</b>	<b>(0.6)</b>
South Yorkshire Mayoral Combined Authority	(0.9)	(0.5)	0.4
<b>Sheffield City Council NNDR Income, (a) + (b)</b>	<b>(92.8)</b>	<b>(96.4)</b>	<b>(3.6)</b>

8. This **£6.3m** surplus is a healthy position and can be explained by larger variances, mainly:

- (a) The net liability (gross liability less reliefs) for 23/24 is currently **£4.4m** better than assumed in Budget – this is due to some reliefs being claimed at a lower rate than assumed in the Budget.



- (b) The Council must account for **£9.8m** of liability adjustments that relate to prior years, as appeals are settled and other adjustments to bills are made. It should be borne in mind that the Council's ability to control or influence these decisions is minimal and these decisions are taken by the Valuation Office Agency.
  - (c) The **£9.1m** favourable variance against Losses in Collection relates to two main drivers. £4.6m relates to the bad debt provision – due to strong collection rates of this years, and historic debt, the Council is able to set less aside in order to provide against the risk of default. £4.5m relates to the appeals provision – as historic appeals are decided, the Council can release from the provision to cover the 'loss' due to the appeals (some of which relate to points (a) and (b), above), or because the provision is no longer needed.
  - (d) Transitional protection was introduced within 23/24 bills to smooth out increases to bills following the new ratings List in from 1/4/23. As the claims for this increase in excess of the budget estimate, the Council can recognise **£2.8m** income to compensate for the cost of the scheme.
9. 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

- 10. 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 surplus at year end does not affect the 2023/24 General Fund revenue outturn and are included within the 2024/25 General Fund revenue budget as income from the Collection Fund surplus.
- 11. 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 2% 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 for future years.

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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:** 18 March 2024  
**Subject:** Capital Approvals for Month 10 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 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 (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

### Purpose of Report:

This report provides details of proposed changes to the existing Capital Programme as brought forward in Month 10 2023/24.

**Recommendations:**

- (i) That Committee approve the proposed additions and variations to the Capital Programme listed in Appendix 1.
- (ii) That Committee approve the issuing of grant funding as identified in Appendix 2.
- (iii) That Committee approve the acceptance of grant funding as identified at Appendix 3 (noting that there are both capital and revenue elements to the Species Survival Grant).

**Background Papers:**

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

**Appendix 1, Appendix 2, Appendix 3,**

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Liz Gough
	Legal: Rahana Khalid / Gemma Beecroft / Marcia Macfarlane
	Equalities & Consultation: N/A
	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	<b>SLB member who approved submission:</b> Philip Gregory
3	<b>Committee Chair consulted:</b> Cllr Zahira Naz
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> Damian Watkinson
	<b>Job Title:</b> Finance Manager Capital and Construction Category Manager
<b>Date:</b> 26/02/2024	

## **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 Several schemes have been submitted for approval in line with the Council's capital approval process during the Month 10 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:

- 12 additions of specific projects to the capital programme creating a net increase of £8.372m
- 8 variations to specific projects and allocations in the capital programme creating a net reduction of £4.631m
- 1 reprofiles of a scheme with no overall change to budget

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

### 4.3 Legal Implications

4.3.1 Any specific legal implications are identified on a per scheme basis in appendix 1 in relation to schemes to be delivered, Appendix 2 in relation to grants to be issued and Appendix 3 in relation to grants to be received.

#### 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.

Scheme name / summary description		Value £'000
<b>A</b>	<b>Transport Regeneration &amp; Climate Change</b>	
	New additions	
Page 87	<p><b>Division Street Traffic Diversions</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>To approve survey and data collection works to establish the construction requirements on Division Street following the Experimental Traffic Regulation Order.</li> </ul> <p><b>Why do we need the project?</b></p> <p>The Division Street project links together a number of key schemes being delivered in the city centre.</p> <p>During the Covid Pandemic, Division Street was closed between Westfield Terrace and Rockingham Street via an Experimental Traffic Regulation Order [ETRO]. This assisted in the co-ordination of diverted traffic by re-routing buses around the city centre to enable the closure of Upper Pinstone Street to motor vehicles which forms part of the Transforming Cities Fund - City Centre Improvement Works.</p> <p>The ETRO on Division Street has now been made permanent and now other key city centre works have been completed, works can begin on Division Street to accommodate the new traffic movements.</p> <p><b>How are we going to achieve it?</b></p> <p>Traffic surveys and data collection works will be undertaken to develop the proposals for Division Street. This stage of the works will cost £60.4k and will be funded from historic revenue contribution to be recovered from Active Travel Fund once this is available.</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Manage traffic congestion.</li> <li>Improved environmental conditions.</li> <li>Improved conditions for sustainable travel modes</li> </ul> <p><b>When will the project be completed?</b></p> <p>2025/26</p>	+60.4

<b>Funding Source</b>	Historic revenue contribution	<b>Amount</b>	60.4k	<b>Status</b>		<b>Approved</b>		
<b>Policy Committee Area / LAC involvement</b>		Proof of concept 2020. Capital allocation approved TRC Committee 11th December 2023.						
<p><b>Upper Don Valley City Region Sustainable Transport Settlement (CRSTS)</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>To approve the budget allocation of £1,096k from CRSTS funding to conduct the feasibility works.</li> </ul> <p><b>Why do we need the project?</b></p> <p>The scheme is part of the South Yorkshire City Region Sustainable Transport Settlement (CRSTS) programme. The CRSTS programme aims to deliver transformational change through investments in public and sustainable transport infrastructure in some of England's largest city regions.</p> <p>The CRSTS Upper Don Valley scheme is a bus improvement project which will aim to deliver improvements to bus journeys along key corridors in the Upper Don Valley to Sheffield city centre in the south. Bus priority measures will include signal technology, bus lane reviews and enforcement measures. There will also be a series of bus stop enhancements and pedestrian access improvements to improve the experience of using public transport. Alongside bus priority the scheme will promote mode shift from cars to bus, walking and cycling.</p> <p><b>How are we going to achieve it?</b></p> <p>Scheme development and feasibility works including preliminary design will be undertaken to determine the scope of works required. The current objectives of the scheme are listed below: -</p> <ul style="list-style-type: none"> <li>Increasing trips by bus, walking and cycling: to remove barriers for people to access public transport in the Upper Don Valley, including improvements to the crossing facilities. This includes investment in other modes to influence a mode shift away from car usage.</li> <li>Identify key cycle desire lines that are currently blocked and explore how the corridor could be improved.</li> <li>Reducing transport network delays to provide more resilient highway infrastructure and improve consistency of public transport priority in the Upper Don Valley and deliver clarity for all users.</li> <li>Improve overall environment and local area through the provision of additional green spaces and landscaping.</li> <li>Reduce conflict between road users, to provide more vibrant areas for residents and businesses and improve highway safety for all.</li> </ul> <p>The project budget for this phase is £1,096k and will be funded from CRSTS funding.</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Improvements as per above</li> </ul> <p><b>When will the project be completed? *</b></p>								+1,096



<ul style="list-style-type: none"> <li>- Options Appraisal Complete - <b>Aug 2024</b></li> <li>- Policy Committee endorsement of outline business case - <b>Apr 2025</b></li> <li>- Final Business Case &amp; contract award - <b>Jul 2026</b></li> <li>- Works Commence - <b>Aug 2026</b></li> <li>- Works Complete - <b>Sep 2028</b></li> </ul> <p><b>*All dates are subject to change as a result of development &amp; options appraisal work</b></p>							
<b>Funding Source</b>	CRSTS	<b>Amount</b>	1,096k	<b>Status</b>		<b>Approved</b>	
<b>Policy Committee Area / LAC involvement</b>		Transport Regen & Climate Committee report 08.02.23					
<p><b>East Bank Road Active Travel Improvements</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• To approve the budget addition of £252k to commence feasibility works.</li> </ul> <p><b>Why do we need the project?</b></p> <p>The East Bank Road active travel project is part of the Sheffield City Region Active Travel Implementation Plan and will become a critical extension to the communities south of the City Centre, connecting with and beyond the Sheaf Valley Cycle Route, to the Grey-to-Green project, wider Transforming Cities Fund programme, and the City’s transformational Connecting Sheffield Programme.</p> <p>The Scheme aims to make improvements for pedestrians, access to bus stops, crossings and plans to deliver significant improvements to current design standards for active travel infrastructure along Farm Road/East Bank Road.</p> <p><b>How are we going to achieve it?</b></p> <p>Scheme assessment and feasibility works including a number of surveys will be undertaken to determine the scope of works required for the full objectives of the scheme. It will also help identify how much of the route up East Bank Road could be constructed within the current Active Travel Fund (ATF) grant.</p> <p>Sheffield City Council are currently in the process of securing ATF funds however historic capital contributions will be used until this is confirmed to enable the feasibility works to commence.</p> <p>The cost of this initial phase is £252k.</p> <p><b>What are the objectives?</b></p> <ul style="list-style-type: none"> <li>• To ascertain the scope of works</li> </ul> <p><b>When will the project be completed?</b></p>							+252

December 2025								
<b>Funding Source</b>	Revenue Contribution to Capital	<b>Amount</b>	252k	<b>Status</b>		<b>Approved</b>		
<b>Policy Committee Area / LAC involvement</b>		Transport Regen & Climate Committee report 08.02.23						
<p><b>Northern Communities City Region Sustainable Transport Settlement (CRSTS)</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>To approve the budget allocation of £3,500k from CRSTS funding to conduct the feasibility works.</li> </ul> <p><b>Why do we need the project?</b></p> <p>The scheme is part of the South Yorkshire City Region Sustainable Transport Settlement (CRSTS) programme. The CRSTS programme aims to deliver transformational change through investments in public and sustainable transport infrastructure in some of England's largest city regions.</p> <p>The Northern Communities schemes will provide active travel and public transport improvements along the A6135 corridor and surrounding northern communities in Sheffield and has been allocated funding from the UK Government City Regional Sustainable Transport Settlement (CRSTS) programme.</p> <p>The scheme will aim to improve bus and active travel routes and infrastructure along the A6135 corridor and surrounding communities. This in turn will contribute towards a modal shift away from private car towards active travel and public transport, helping Sheffield achieve its strategic goals for sustainable growth and decarbonisation.</p> <p>The bus priority element includes scalable improvements along the A6135 corridor from Sheffield city centre to the northern communities of Chapeltown, Ecclesfield and Firth Park via the Northern General Hospital (NGH). There will also be an opportunity to improve connecting infrastructure such as bus stops, waiting restrictions and other traffic management opportunities.</p> <p>The active travel element includes a series of scalable network improvements connecting Sheffield city centre with the Northern General Hospital (NGH), and onward to surrounding communities. The project will seek to integrate active travel with the bus corridor to provide a sustainable transport route to NGH and improved local access to district centres as well as strategic connections into the city and area of high employment.</p> <p><b>How are we going to achieve it?</b></p> <p>Scheme assessment and feasibility works undertaken to determine the scope of works required for the full objectives of the scheme.</p> <p>The budget allowance for this phase is £3,500k and will be funded from CRSTS income.</p> <p><b>What are the objectives?</b></p> <ul style="list-style-type: none"> <li>To ascertain the scope of works</li> </ul>								+3,500

<p><b>When will the project be completed? *</b></p> <ul style="list-style-type: none"> <li>- Options Appraisal Complete - <b>Oct 2024</b></li> <li>- Policy Committee endorsement of outline business case - <b>Aug 2025</b></li> <li>- Final Business Case &amp; contract award - <b>Sep 2025</b></li> <li>- Works Commence - <b>Sep 2025</b></li> <li>- Works Complete - <b>Sep 2028</b></li> </ul> <p><b>*All dates are subject to change as a result of development &amp; options appraisal work</b></p>							
<b>Funding Source</b>	CRSTS	<b>Amount</b>	3,500k	<b>Status</b>		<b>Approved</b>	
<b>Policy Committee Area / LAC involvement</b>		February 2023 TRC Committee scheme was given approval to move to feasibility. Further update was given at October 23 Committee knowledge briefing					
Variations and reasons for change							
<b>Page 91</b>	<p><b>Levelling Up Fund – Attercliffe Adelphi Square</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• To approve the budget increase of £1,388k for the demolition and repair works to the former Adelphi Cinema, Attercliffe.</li> </ul> <p><b>Scheme description</b></p> <p>Attercliffe has experienced structural economic decline since the 1970's reducing the attractiveness of Attercliffe as a place to live, work or visit. Sheffield City Council has successfully bid for 'Levelling Up Funding' to invest in Attercliffe to make direct improvements to the area acting as a catalyst for future investment.</p> <p>This project relates to the former Adelphi Cinema and adjacent land and has previously been approved to complete on the purchase of the building. This element of the project is now complete.</p> <p><b>What has changed?</b></p> <p>Following the purchase of the building, the project will be split into three phases. This phase relates to the demolition and repair works and will consist of the following works: -</p> <ul style="list-style-type: none"> <li>• Initial enabling works to set up a secure site compound.</li> <li>• Demolition and repair works including listed building elements of historical significance, all subject to listed building consent.</li> <li>• Investigation works to better understand the condition of the building.</li> <li>• Repairs to the buttress walls supporting the neighbouring Burtons Building</li> </ul>						+1,388

The cost of this phase is £2,200k and will be funded from Levelling up Funds resulting in a budget increase of £1,388k.		
<b>Variation type: -</b>		
<ul style="list-style-type: none"> <li>Budget increase</li> </ul>		
<b>Funding</b>	Levelling up Funds	
<b>Policy Committee Area / LAC involvement</b>	TRC Committee Report updating on progress of scheme approved 15/11/23	
<b>Levelling Up Fund – Attercliffe Aqueduct</b>		
<b>Recommendations</b>		+323
<ul style="list-style-type: none"> <li>To approve the budget increase of £323k to progress the project to delivery stage.</li> </ul>		
<b>Scheme description</b>		
Sheffield City Council has successfully bid for 'Levelling Up Funding' [LUF] to invest in Attercliffe to make direct improvements to the area acting as a catalyst for future investment.		
This project has previously been approved to conduct feasibility works to assess improvement works to the aqueduct in order to make it more attractive and encourage a greater use of the footpaths.		
<b>What has changed?</b>		
The feasibility works have now been completed and detail design works will commence. Planned works will include grouting to the aqueduct walls with the aim of reducing water dripping onto pedestrian routes and these works will be carried out by Canals and River Trust [CRT] at a cost of £125k. A grant agreement will be in place to enable the funding to be passed to CRT.		
Other works include the removal of plants growing on the structure, repointing of the aqueduct walls, improvements to the lighting within the footways and painting the handrails along the footpaths.		
The full cost of the project is 350k and is fully funded from Levelling Up Funds, the budget has been increased by £323k.		
<b>Variation type: -</b>		
<ul style="list-style-type: none"> <li>Budget increase</li> </ul>		
<b>Funding</b>	Levelling up Funds	
<b>Policy Committee Area / LAC involvement</b>	TRC Committee Report updating on progress of scheme approved 15/11/23	

## 93089 Transforming Cities Fund – South West Bus Corridors

### Recommendations

- To recommend the budget increase of £2,875k to construct the South West Bus Corridor scheme.

+2,875

### Scheme description

The South-West Bus Corridors scheme forms an important part of Connecting Sheffield's plans for supporting the shift towards sustainable transport in and around the city with the corridors connecting large residential areas to the south-west of Sheffield with employment opportunities, retail and leisure in the city centre.

It's aim is to improve public transport connectivity within the Abbeydale Road and Ecclesall Road corridors in South West Sheffield both to and from the city centre.

The scheme will give buses priority at junctions, enhanced enforcement of illegal parking, along with infrastructure improvements at junctions and bus stops which will deliver increased accessibility to the city centre as well as to local centres and other destinations along the route from large residential areas including Millhouses, Brincliffe and Parkhead.

### What has changed?

The design works have now been completed and construction of the scheme is to commence at a full cost of £3,977k. This will include the following works: -

#### Abbeydale Road: Bannerdale Road Junction

- Relocation of the outbound bus stop.
- New parking restrictions
- MOVA technology at the junction to aid traffic flow optimisation.

#### Abbeydale Road: Tesco Junction

- New outbound bus stop (moved from near the Bannerdale junction, see above)
- Bus priority (City bound) through the Tesco junction in a 24-hour bus lane which bypasses the junction.
- Improved crossing facilities for pedestrians

#### Ecclesall Road: Moore Street Roundabout

- Installation of a pre-signal bus priority system at the approach to the junction.

#### Abbeydale Road: Springfield Road Junction

- Relocation of the outbound bus stop to optimise bus detection and priority through the junction.
- Relocation of the inbound bus stop to the exit side of the junction to optimise bus detection and priority through the junction.
- Addition of parking restrictions at the inbound and outbound approach to the Springfield Road junction.
- Removal of inbound bus lane between the Knaresborough Road and Springfield Road junction to aid detection of buses on approach to the junction.
- MOVA technology at the junction to aid traffic flow optimisation.

	<p><b>Abbeydale Road: Abbey Lane Junction</b></p> <ul style="list-style-type: none"> <li>• Addition of parking restrictions inbound to optimise bus detection and priority.</li> <li>• Removal of short section (25m) of inbound bus lane between Sherwood Glen and Abbey Lane and replacement with two general traffic lanes to optimise bus detection and priority.</li> <li>• Addition of double yellow lines at the Sherwood Glen junction.</li> </ul> <p><b>Ecclesall Road: Hunters Bar Roundabout and Rustlings Road Junction</b></p> <ul style="list-style-type: none"> <li>• Removal of an outbound bus stop located just after the Hunters Bar roundabout to assist overall traffic flows including bus movements.</li> <li>• Removal of an outbound bus lane and replacement with two general traffic lanes to assist overall traffic flows including bus movements.</li> <li>• Reconfiguration of lane markings and addition of a yellow box to assist bus movements into and out of Rustlings Road.</li> <li>• A new bus stop outside the Tennis Club in a layby to assist bus movements past buses at the stop.</li> </ul> <p>Improved pedestrian connections / crossings around Rustlings Road.</p> <p><b>Abbeydale Road and Ecclesall Road: Bus Priority at Traffic Lights</b></p> <ul style="list-style-type: none"> <li>• Bus priority will be implemented at traffic lights along Abbeydale Road and Ecclesall Road</li> </ul> <p>The project is fully funded from Transforming Cities Fund and the budget is to be increased by £2,875k.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• Budget increase</li> </ul>			
	<table border="1"> <tr> <td data-bbox="152 817 329 887"><b>Funding</b></td> <td data-bbox="329 817 1995 887">Transforming City Funds</td> </tr> </table>	<b>Funding</b>	Transforming City Funds	
<b>Funding</b>	Transforming City Funds			
	<table border="1"> <tr> <td data-bbox="152 887 557 992"><b>Policy Committee Area / LAC involvement</b></td> <td data-bbox="557 887 1995 992">Scheme endorsed TRC Committee 19<sup>th</sup> July 2023</td> </tr> </table>	<b>Policy Committee Area / LAC involvement</b>	Scheme endorsed TRC Committee 19 <sup>th</sup> July 2023	
<b>Policy Committee Area / LAC involvement</b>	Scheme endorsed TRC Committee 19 <sup>th</sup> July 2023			
	<p><b>Townhall Square Animation</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Approve the allocation of £131,447 Get Building Fund to meet the final costs of the project.</li> </ul> <p><b>Scheme description</b></p> <p>This project was for the temporary siting of a cluster of shipping container-based facilities including café, retail and toilet units, and outside tables and chairs at the top of Fargate, in Sheffield City Centre. The overall aim was to provide temporary space for new businesses and events managed by Steelyard Kelham as a showcase of the longer-term operations of the surrounding buildings when complete.</p> <p><b>What has changed?</b></p> <p>The development was part of £6million allocated to the city centre from the Get Building Fund grant from central government. Following Finance Sub-Committees decision to increase the budget on 7 June 2022, Strategy &amp; Resources Policy committee agreed that the containers would be dismantled and stored to facilitate the commencement of the works to Fargate as part of the Future High Streets Development Fund and before being gifted to community</p>	<p>+131.4</p>		

	<p>groups. The variation is required to approve the final costs now all aspects of the project are complete (save for the community organisations taking possession of them).</p> <p><b>Variation type: -</b> Budget increase</p>			
	<table border="1"> <tr> <td data-bbox="152 475 331 478"><b>Funding</b></td> <td data-bbox="331 475 1995 478">Get Building Fund</td> </tr> </table>	<b>Funding</b>	Get Building Fund	
<b>Funding</b>	Get Building Fund			
	<table border="1"> <tr> <td data-bbox="152 478 557 481"><b>Policy Committee Area / LAC involvement</b></td> <td data-bbox="557 478 1995 481">Original Scheme approved Leaders Report Feb 2022</td> </tr> </table>	<b>Policy Committee Area / LAC involvement</b>	Original Scheme approved Leaders Report Feb 2022	
<b>Policy Committee Area / LAC involvement</b>	Original Scheme approved Leaders Report Feb 2022			
<p><b>Attercliffe Waterside</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>To note the reduction in units being delivered from 432 to c350 following design issues.</li> <li>To approve a reprofile of the budget for payments made to Citu in 23/24</li> </ul> <p><b>Scheme description</b></p> <p>Attercliffe Waterside is a multi-phase residential-led regeneration project comprising over 900 homes, being delivered by the Council's development partner Citu and their contractor Sirius. SCC are passporting £1,710K of SYMCA Brownfield Housing Fund grant to Citu for specific aspects of the development:</p> <ul style="list-style-type: none"> <li>Abnormal foundation costs (addressing historic contamination from former industrial uses)</li> <li>Refurbishment of existing character buildings on frontage of site</li> </ul> <p><b>What has changed?</b></p> <p>Citu submitted their planning application in July 2023, and since then prolonged design discussions around scale and massing have taken place, delaying planning approval and making the original grant conditions impossible to satisfy (the latest estimate for planning approval is April 2024).</p> <p>SCC therefore submitted a Change Request to the funder in December 2023 requesting three changes to the grant agreement to allow the scheme to proceed and grant claims be made within a realistic timescale:</p> <ol style="list-style-type: none"> <li>To amend some Delivery Milestones to reflect a delay in securing planning permission and allow slippage of grant claims into 2024/25.</li> <li>To vary Special Condition 2.3 (b) (iii) to allow grant claims to be submitted following planning permission but in advance of satisfying all pre-commencement conditions.</li> <li>To claim the first £1.71m spent by Citu on Project Costs, rather than the first £1.71m spent by Citu on Eligible Costs.</li> </ol> <p>SYMCA agreed these changes and issued a grant variation in January 2024, however, the design issues are now close to resolution by way of a significant reduction in homes within Phase 1, from 432 in the original grant agreement to c350.</p>	<p>23/24 +190</p> <p>24/25 -190</p>			

This change in outputs is a change of project scope from the original Finance Committee approval of the scheme and therefore is presented here for information.

Also, to reach this stage Citu have incurred site investigation and design costs which SCC have agreed to reimburse in advance of claiming any grant. These costs have therefore been incurred in 23/24 and the current budget is allocated 24/25. The budget therefore needs reprofiling to reflect this.

**Variation type:** Change of Scope/ Reprofile

**Change of Scope**

Reduction in outputs from 432 units to c350 to mitigate Planners' concerns around inappropriate scale and massing.

**Budget**

Current 23/24 Budget     £0.0K + £189.8K = £189.8K  
Current 24/25 Budget £1,710.0K - £189.8K = £1,520.2K  
 Total Project Budget   £1,710.0K +    £0.0K = £1,710.0K

<b>Funding</b>	SYMCA Brownfield Housing Fund approved by Finance Sub-Committee 22.03.23
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<b>Policy Committee Area / LAC involvement</b>	Scheme approved at Finance Committee 18.12.23
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**Communities Parks & Leisure**

New additions

**Hillsborough Accessible Playground FEASIBILITY**

**Recommendation**

To approve an addition of £8.0K to the Capital Programme for feasibility work into delivering an accessible playground at Hillsborough Park.

**Why do we need the project?**

Hillsborough Park in recent years has received a significant amount of investment to improve the Coach-house, footpaths and drainage, the library. The playground although popular is not fitting of a City Park and funding has been pledged to carry out a feasibility.

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

CDS have been commissioned to produce a costed outline design and provide visualisation of proposals that can be used in consultation. Parks & Countryside will use the 'Have Your Say' consultation tool to consult on the RIBA 1 design options with the public and stakeholders. Revisions to the design following the feedback from the consultation will be incorporated at RIBA 2 stage.

+8



**What are the benefits?**

- Funding has been pledged for a feasibility.
- With the Changing Places facility currently being delivered on site, and recent interest from the Ryegate Foundation it is a good time to enhance the accessibility and inclusivity of the playground, as the Park will start to attract more disabled children and their families.
- A Plan Inclusive Play Areas audit has recently been carried out with the Ryegate Foundation and they are interested in working with SCC on the design.
- Cycling4All attract a large number of disabled cyclists to the park.

**When will the project be completed?**

Feasibility April/May 2024

**Funding**

£7.5K Revenue Contribution to Capital from the Hillsborough Revenue Budget

£0.5K Revenue Contribution to Capital from the Parks Project Revenue Budget

£8.0K Total Funding

<b>Funding Source</b>	See Funding Section above	<b>Amount</b>	£8.0K	<b>Status</b>	Funding pledged by Service and confirmed as available by the Revenue Accounting Team	<b>Approved</b>	Communities, Parks & Leisure PG 19.02.24
<b>Policy Committee Area / LAC involvement</b>		CPL Committee Members briefed via email 25.01.24					

**Hillsborough Multi-Activity Hub**

**Recommendation**

To approve an addition of £183.1K to the Capital Programme to passport S106 monies to the Operator of the Hillsborough Multi-Activity Hub

**Why do we need the project?**

To deliver a high-quality multi sports activity hub at Hillsborough Park focused around:

- Development of the MUGA and Tennis Courts
- A Catering/ Kiosk Opportunity
- Wider recreational facilities
- An accessible toilet in the park

+183

This will support positive health and wellbeing opportunities for communities across Sheffield and thereby address health inequality.

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

Following approval to procure a Partner with whom SCC can work to make a step change to the sports and recreational offer at Hillsborough Park, an open competition procurement process has taken place and a Courtside CIC have been appointed as Partner.

The appointed Partner will need to seek Planning Permission for the new facility, then the provision of a new pavilion and the landscaping improvements to the Multi Activity Hub will be undertaken by them. To allow this to happen the S106 available for the project will be paid over to the Partner, who will enter into a funding agreement to ensure SCC Legal and Financial requirements are met as well as ensuring satisfactory delivery.

A lease will also be established with the Partner for the land, including some restrictions on the use of the new building in line with Planning Consent and Park Regulations.

#### What are the benefits?

- This project will draw on significant additional external funds to those provided by SCC.
- Minimise the level of SCC officer input at a time when Parks & Countryside Service has significant resource constraints.
- New facilities at Hillsborough Park
- Improved quality of Hillsborough Park
- Increased usage of the park and increased numbers of people engaging in physical activity

#### When will the project be completed?

Practical completion of the Multi Activity Hub in June 2024

#### Budget 24/25

£183.1K

<b>Funding Source</b>	S106	<b>Amount</b>	£183.1K	<b>Status</b>	S106 Available and specifically for use at Hillsborough Park	<b>Approved</b>	Communities, Parks & Leisure PG 19.02.24
<b>Policy Committee Area / LAC involvement</b>		<p>Report covering all elements of procuring a Partner and passporting funds to deliver a sport &amp; recreation offer at Hillsborough Park approved at Co-op Executive 20th April 2022.</p> <p>Approval at Charity Sub-Committee 5th June 2023</p> <p>Email to Cllr Richard Williams and Ward Councillors 19th December 2023</p>					

	Variations and reasons for change	
<b>C</b>	<b>Waste and Street Scene</b>	
	New additions	
	None	
	Variations and reasons for change	
	None	
<b>D</b>	<b>Adult Health &amp; Social Care</b>	
	New additions	
	None	
Page 99	Variations and reasons for change	
	None	
<b>E</b>	<b>Housing</b>	
	New additions	
	None	
	Variations and reasons for change	
	<b>New Build Phase 25 Corker Bottoms Sheffield Housing Company Acquisitions</b> <b>Recommendation</b> To approve an uplift in budget of £1,764.3K to cover increased project costs following rejection of SCC's offer by Sheffield Housing Company <b>Scheme description</b>	+1,764

The Council is seeking to acquire all 47 x 2, 3 and 4 new houses from Sheffield Housing Company on the Corker Bottoms site in the Manor neighbourhood within the MAG Housing Market Area. The site is currently in development and, once acquired by SCC, the units will be added to its Stock Increase Programme.

### What has changed?

In November 2021 the Council negotiated a figure to purchase the 47 new units from Sheffield Housing Company. The offer included 50% payment on exchange of contracts and further stage payments as the build progressed at a total budget of £8,337.2K.

Up until March 2022 the Council and Sheffield Housing Company engaged in further discussions to finalise the sale contract for the purchase. However, SHC was unable to agree the contract with the Council as, at the start of 2022, construction partner Keepmoat approached Sheffield Housing Company to advise that inflation was causing build costs to increase dramatically on all current schemes, and that it could not secure approval from its new investor parent company to start works on the Corker Bottoms site without revisiting the price payable to them for the build. Sheffield Housing Company is also now required to amend the Corker Bottoms scheme to incorporate permeable paving and a bio-detention basin for the SCC Lead Local Flood Authority.

In November 2022 Sheffield Housing Company formally approached the Council requesting that it reappraise its bulk purchase offer to take account of current market values. After submitting two further revised offers, both of which were unsuccessful, on 17th January 2024 the Council received confirmation that its fourth offer to acquire the 47 new units had been accepted by Sheffield Housing Company's Board of Directors. The total project cost including the purchase cost and standardised new build acquisition fees is now £10,101.5K, a total project cost increase of £1,764.3K. The new offer maintains that 50% of the total purchase price be paid on exchange of contracts albeit the remaining 50% will now be paid on completion/transfer of each individual dwelling relative to its respective purchase price.

The original expectation was that all 47 units would be purchased and made available for rent. However, following further discussions with the Council's Strategic Housing Service and Home Ownership Revenues Unit, it has been suggested that the following mix may be more appropriate.

- 35 units for rent (12 x 2 bed, 15 x 3 bed, 8 x 4 bed)
- 12 units available for shared ownership (3 x 2 bed, 5 x 3 bed, 4 x 4 bed)

This is still a draft mix and may be subject to change.

**Variation type:** Budget increase

### Cost Breakdown

Acquisition	£8,986.2K
Stamp Duty	£269.6K
Specification Changes	£305.5K
Legal fees	£22.5K
CDS Fees	£23.5K
Property Fees	£44.9K
<u>Contingency</u>	<u>£449.3K</u>
Total	£10,101.5K

<p><b>Budget</b></p> <p>Current 23/24 Budget £4,581.8K - £4,579.3K = £2.5K          Current 24/25 Budget £3,755.3K + £737.8K = £4,493.1K          Current 25/26 Budget £0.0K + £2,801.4K = £2,801.4K  <u>Current 26/27 Budget £0.0K + £2,804.4K = £2,804.4K</u>          Total Project Budget £8,337.2K + £1,764.3K = £10,101.5K</p>		
<b>Funding</b>	HRA Borrowing 60% £6,060.9K + 1-4-1 Receipts 40% £4,040.6K	
<b>Policy Committee Area / LAC involvement</b>	Allocations to be used are part of the HRA Business Plan approved at Strategy & Resources Committee 24.01.24	
<p><b>Stock Increase Programme Block Allocation</b></p> <p><b>Recommendation</b></p> <p>To approve a drawdown of £1,764.3K from the Stock Increase Programme Block Allocation to uplift the budget on Corker Bottoms SHC Acquisitions</p> <p><b>Scheme description</b></p> <p>Block allocation of funding for Stock Increase Programme schemes</p> <p><b>What has changed?</b></p> <p>A Variation has been brought forward for approval to uplift the Corker Bottoms SHC Acquisitions Budget by £1,764.3K to allow the scheme to progress following acceptance of a revised offer by SHC 17<sup>th</sup> January 2024.</p> <p>See separate entry above for details; New Build Phase 25 Corker Bottoms SHC Acquisitions</p> <p><b>Variation type:</b> Budget decrease</p> <p><b>Budget</b></p> <p>Current 24/25 Budget £4,549.7K - £1,693.7K = £2,856.0K  <u>Current 25/26 Budget £34,676.7K - £70.6K = £34,606.1K</u>          Total 23-29 Budget £184,772.9K - £1,764.3K = £183,008.6K</p> <p><b>HRA Business Plan Drawdown Lines</b></p> <p>Pipeline Funding for Corker Bottoms 24/25 £1,693.7K from a total of £1,693.7K          Pipeline Funding for Remaining SHC 25/26 £70.6K from a total of £18,618.5K</p> <p>Both are HRA Borrowing 60% + 1-4-1 Receipts 40%</p>		-1,764

	<b>Funding</b>	Mixture of HRA, HRA Borrowing, HRA Capital Receipts, Homes England Grant, S106	
	<b>Policy Committee Area / LAC involvement</b>	Allocation is part of the HRA Business Plan approved at Strategy & Resources Committee 24.01.24	
Page 102	<p><b>Gleadless Valley Master planning Block Allocation</b></p> <p><b>Recommendation</b></p> <p>To approve a drawdown of £121K from this Block Allocation into Revenue to fund security costs at Paddock Hill and Castelayn</p> <p><b>Scheme description</b></p> <p>Block allocation of HRA funding for implementing the Gleadless Valley Master Plan</p> <p><b>What has changed?</b></p> <p>The former Paddock Hill and Castelayn SheffCare Home has been moved to the responsibility of the Gleadless Valley Regeneration team in order to demolish and repurpose the site for affordable housing. All ongoing security costs from April 2023 are therefore liable to be paid from the Gleadless Valley Regeneration budget and has left the account in deficit.</p> <p>Security is required to continue until February 2024 for Paddock Hill and September 2024 for Castelayn when the demolition contractors commence on site. The decision to continue with the current level of security was made at the Gleadless Valley Board on 17th January 2024.</p> <p>Funding of £46K for Paddock Hill and £75K for Castelayn is required to cover the security costs up to start on site and is to be drawn down from this block allocation to create a Revenue budget.</p> <p><b>Variation type:</b> Budget decrease</p> <p><b>Budget</b></p> <p>Current 24/25 Budget £-694.9K + £654.9K = £0.0K  Current 25/26 Budget £7,466.2K - £775.9K = £6,690.3K  Total 23-29 Budget £37.959.2K - £121.0K = £37,838.2K</p>		-121
	<b>Funding</b>	HRA	
	<b>Policy Committee Area / LAC involvement</b>	Allocation is part of the HRA Business Plan approved at Strategy & Resources Committee 24.01.24	

New additions

**Beighton Nursery & Infants Roof Works 23-24**

+1,239

**Recommendations**

- To request permission to progress to the build stage for the roof repair and replacement works at Beighton NI School and to allocate £1.239m of DFE Condition Allocation funding to deliver it.

**Why do we need the project?**

- The roofs are beyond life expectancy with water ingress in multiple locations. Repairs will safeguard the continued usage of classrooms.
- There are exposed timber laths that have previously had plaster finish removed leaving highly flammable material in place.
- The repairs are based on recommendations in a report carried out by Rider Levett Bucknall (RLB) and follows their recommendations for both the pitched and flat roofs.

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

- Follow the RLB Stage 1 recommendations for repairs to each blocks roof. Block 1A flat roof full upgrade with pitched roof repairs and insulation. Block 2A Pitched roof repairs and insulation. Block 3A Flat roof full replacement. Remedial works to the exposed Lath & Plaster ceilings.

**What are the benefits?**

- External Works
    - Flat roofs insulated and new felt system installed.
    - Pitched roofs insulated and re-roofed using a percentage of original slates.
    - New lead flashing on pitched roofs.
    - Rainwater goods replaced where necessary.
  - Internal Works
    - Internally exposed lath and plaster ceilings removed and plasterboard replacement.
    - Minor repair and decoration works where water damage / mould has occurred.
  - The school's roof will be returned to a weathertight state.
  - Fire risk from exposed lath and plaster ceilings removed.
- Benefits
    - Improved internal environment / air quality for teaching areas.
    - Improved energy efficiency

**When will the project be completed?**

31/03/2025

	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£ 29.6k feasibility <b>+£1,238.6k works</b> £1,268.2k Total	<b>Status</b>		<b>Approved</b>			
	<b>Policy Committee Area / LAC involvement</b>		Part of School Building Condition Programme							
Page 104	<b>Halfway Nursery &amp; Infant Roof Works 23-24</b> <b>Recommendations</b> <ul style="list-style-type: none"> <li>○ To request permission to progress to the build stage for the roof repair and replacement works at Halfway NI School and to allocate £0.537m of DfE Condition Allocation funding to deliver it.</li> </ul> <b>Why do we need the project?</b> <ul style="list-style-type: none"> <li>○ A programme of condition surveys was undertaken across the schools estate by Rider Levett Bucknall (RLB) between 2017 to 2020. The purpose of the surveys was to identify building components that required attention.</li> <li>○ The report identified defects with both the school pitch roof and nursery flat roof condition and the need for works to either repair or replace them.</li> <li>○ The flat roof system on the nursery is failing and is beyond the life expectancy of the roof covering system.</li> <li>○ The pitched roof has missing and broken slates and damaged flashing in multiple locations which is allowing water ingress into teaching areas.</li> <li>○ The work identified at the school has been prioritised for repair or renewal due to the severity of defects recorded.</li> </ul> <b>How are we going to achieve it?</b> <ul style="list-style-type: none"> <li>○ Nursery flat roof - full replacement.</li> <li>○ School Pitched roof - repairs.</li> </ul> <b>What are the benefits?</b> <ul style="list-style-type: none"> <li>○ Outputs <ul style="list-style-type: none"> <li>○ Pitched Roof <ul style="list-style-type: none"> <li>▪ Replace broken / missing slates in various locations.</li> <li>▪ Repoint the mortar bedding between ridge and joints between ridge tiles.</li> <li>▪ Carry out works to chimney stacks.</li> <li>▪ Repair lead flashings.</li> <li>▪ Remove debris from gutters and downpipes.</li> </ul> </li> <li>○ Flat Roof <ul style="list-style-type: none"> <li>▪ Strip flat roof back to deck and replace with new bitumen felt system.</li> <li>▪ Installation of insulation to achieve recommended U values.</li> <li>▪ New roof lights.</li> </ul> </li> </ul> </li> </ul>								+537	



<ul style="list-style-type: none"> <li>○ Outcomes <ul style="list-style-type: none"> <li>○ The school's roofs will be returned to a weathertight state.</li> <li>○ Damp and water ingress issues resolved.</li> </ul> </li> <li>○ Benefits <ul style="list-style-type: none"> <li>○ Improved internal environment for teaching areas.</li> <li>○ Improved energy efficiency</li> </ul> </li> </ul> <p><b>When will the project be completed?</b></p> <p>31/05/2025</p>							
<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£ 29.6k feasibility <b>+£537.1k works</b> £566.7k Total	<b>Status</b>		<b>Approved</b>	
<b>Policy Committee Area / LAC involvement</b>		Part of School Building Condition Programme					
<p><b>Halfway Nursery and Infants Windows and Walls 23-24</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• To request permission to progress to the build stage for the window repair and replacement works at Halfway NI School and to allocate £106.5k of DfE Condition Allocation funding to deliver it.</li> </ul> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>○ A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) between 2017 to 2020. The purpose of the surveys was to identify building components that required attention.</li> <li>○ The survey carried out at Halfway Nursery Infant School reported that the condition of the external doors and windows are in poor condition and in need of works to either repair or replace them.</li> <li>○ The work identified at the school has been prioritised for repair or renewal due to the severity of defects recorded.</li> <li>○ A number of windows have deteriorated and cannot be closed. Water ingress as the wind blows rain through the open windows.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>○ Replace identified defective windows and doors in main school building and nursery building.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Outputs</li> </ul>							+106.5

- Main School Building
  - Replace 12 existing original single glazed steel framed windows with new double glazed uPvc windows. (2 existing steel windows replaced with uPvc windows, including new stone mullions and transoms)
  - 1 existing window boarded over with timber boarding and extract, replace with aluminium window with solid insulated panels (allow of extract)
  - Replace 1 existing original timber double doors and frame, replace with new aluminium double doors with solid panels.
  - 3 existing original single glazed timber windows, replace with new double glazed uPvc windows.
  - 1 existing original single glazed timber double doors with glazed vision panels and fanlight over and frame, replace with new aluminium double-glazed doors with glazed fanlight over.
  - 1 existing single timber louvred door, replace with new aluminium louvred single door.
- Nursery
  - 11 existing original single glazed timber windows, replace with new double glazed uPvc windows.
  - 1 existing single glazed timber screen, replace double glazed aluminium screen with solid insulated panel at low level.
  - 1 existing single glazed timber door, replace with aluminium double-glazed door.
  - 2 existing single glazed timber doors with single glazed side panel, replace with new aluminium double-glazed single doors with double glazed panels.
  - 2 existing original timber doors and frame, replace with new aluminium double doors with solid panels.
- Outcomes
  - The school building will be returned to a weathertight state.
  - Damp and water ingress issues resolved.
- Benefits
  - Improved internal environment for teaching areas.
  - Improved energy efficiency.

**When will the project be completed?**

31/08/2024

Funding Source	DfE Condition Allocation	Amount	£ 20.8k feasibility +£106.5k works £127.3k Total	Status	Approved
<b>Policy Committee Area / LAC involvement</b>		Part of School Building Condition Programme			

**Mossbrook Reconfiguration Special Educational Needs & Disabilities (SEND) Expansion Recommendations**

+246

- To request permission to progress to the build stage for expansion works at Mossbrook School and to allocate £246.4k of SEND Sufficiency capital funding to deliver it.

**Why do we need the project?**

- Mossbrook is a school providing SEND places, there is a need to better utilise the space available to provide additional places.
- The school was previously used to provide residential places, as a result four areas within the school have been identified as being not used or being underutilised, due to their layout being unsuitable for its current provision of SEND education. This project would reconfigure these areas, with service alterations and new finishes, to allow the areas to be brought into regular use. This would enable the school to expand the number of places it can deliver. In addition, minor external works are proposed to car parking and bin areas, to allow better use of the restricted space available. Minibuses utilise a significant proportion of the available space for parking, drop off and collection. The site is accessed off the busy Bochum parkway as such off-site parking is a significant walk away.
- This would support SCC’s priority to develop an additional 300 IR places across the city, over the next 5 years by better using the available space on site.
- There is a requirement for 13+ additional places. There is an opportunity to increase the capacity of Mossbrook School via reconfiguration of internal spaces.

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

- This project would reconfigure areas previously used for residential purposes, with service alterations and new finishes, to allow the areas to be brought into regular use. In addition, minor external works are proposed to car parking and bin areas, to allow better use of the restricted space available.

**What are the benefits?**

- Outputs
  - Reconfiguration of areas formerly used for residential purposes at Mossbrook school, for a minimum of 13 SEND places.
  - Create additional parking and play space.
- Outcomes/ Benefits
  - This project would allow reconfigured areas to be brought into regular use. This would enable the school to expand the number of places it can deliver. In addition, minor external works are proposed to car parking and bin areas, to allow better use of the restricted space available.

**When will the project be completed?**

31/08/2024

<b>Funding Source</b>	SEND Sufficiency capital	<b>Amount</b>	£ 33.6k feasibility <b>+£246.4k works</b> £280.0k Total	<b>Status</b>		<b>Approved</b>	
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<b>Policy Committee Area / LAC involvement</b>	Part of Capital Strategy re; SEND place expansion	
<p><b>Peaks College Special Educational Needs &amp; Disabilities (SEND) Post 16 Provision</b></p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• To request permission for an additional £1,085.0k of funding for delivery of an additional 100 (rising to 300) post 16 SEND places</li> </ul> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>○ There is growing demand for SEND placements across the city. To meet our statutory duty, we need to increase the number of post-16 SEND places.</li> <li>○ Sheffield's special schools have already been significantly expanded and are on constrained sites, so the most viable way to increase sufficiency is to develop provision in post-16 and increase the flow of pupils to these settings.</li> <li>○ Post-16 learners with Education, Health and Care Plans across mainstream and special education settings are forecast to increase by 284% by 2029, with at least half these learners expected to be in special education settings.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>○ The Sheffield College will provide 100 high needs places in September 2024, 200 places in September 2025, rising to a maximum of 300 places from September 2026.</li> <li>○ Proposal for co-location of other services, such as SEND and employment/training/volunteering services.</li> <li>○ Capital work is required to make Peaks Campus fit for purpose, including:           <ul style="list-style-type: none"> <li>▪ reconfiguration of rooms and toilets to be fully accessible.</li> <li>▪ the installation of site fencing.</li> <li>▪ increased provision of life skills suites.</li> <li>▪ the installation of a fire evacuation lift*.</li> <li>▪ other necessary works.</li> </ul> </li> </ul> <p>*Note: the fire evacuation lift (approx. £300k of the above budget) is subject to a fire risk assessment. The lift may or may not progress dependent on the outcome of this assessment.</p> <p>Sheffield College will procure and deliver the works on site with the contribution from High Needs Capital allocation being passported via a funding agreement.</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>○ Provision of up to 300 additional post-16 SEND places.</li> </ul>		+1,085

	<ul style="list-style-type: none"> <li>○ Improved provision for young people with SEND</li> <li>○ Increased post-16 SEND education sufficiency.</li> <li>○ Increased/improved access to employment/training/volunteering services.</li> <li>○ Increased Y7-Y11 capacity at special schools (as their post-16 students are based at or on-roll at Peaks Campus)</li> </ul> <p><b>When will the project be completed?</b></p> <p>30/09/2024</p>								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"><b>Funding Source</b></td> <td style="width: 20%;">High Needs Capital Allocation: £1,193.1k. Sheffield College Cont. £3.9k</td> <td style="width: 10%;"><b>Amount</b></td> <td style="width: 15%;">£112.0k feasibility <b>+£1,085.0k works</b> £1,197.0k Total</td> <td style="width: 15%;"><b>Status</b></td> <td style="width: 15%;"></td> <td style="width: 10%;"><b>Approved</b></td> </tr> </table>	<b>Funding Source</b>	High Needs Capital Allocation: £1,193.1k. Sheffield College Cont. £3.9k	<b>Amount</b>	£112.0k feasibility <b>+£1,085.0k works</b> £1,197.0k Total	<b>Status</b>		<b>Approved</b>	
<b>Funding Source</b>	High Needs Capital Allocation: £1,193.1k. Sheffield College Cont. £3.9k	<b>Amount</b>	£112.0k feasibility <b>+£1,085.0k works</b> £1,197.0k Total	<b>Status</b>		<b>Approved</b>			
<b>Page 109</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Policy Committee Area / LAC involvement</b></td> <td>Part of Capital Strategy re; SEND place expansion</td> </tr> </table>	<b>Policy Committee Area / LAC involvement</b>	Part of Capital Strategy re; SEND place expansion						
<b>Policy Committee Area / LAC involvement</b>	Part of Capital Strategy re; SEND place expansion								
Variations and reasons for change									
None									
<b>G Strategy &amp; Resources</b>									
New additions									
	<p><b>Community Hubs Energy Efficiency/Renewables Programme (ECM SPF Eco Works) – feasibility:</b></p> <ul style="list-style-type: none"> <li>● Bradway Annexe – Solar PV and LED lighting</li> <li>● Burngreave Vestry Hall – Solar PV and LED lighting</li> <li>● Norfolk Park, Centre in the Park – Solar PV and LED lighting</li> <li>● Firth Park Childrens Centre – Solar PV and LED lighting</li> <li>● Firth Park Library – Solar PV and LED lighting</li> <li>● Sharrow Lane Day Centre (Grange Cres) – Solar PV and LED lighting</li> <li>● Verdon Street Centre – Solar PV and LED lighting</li> <li>● Chapeltown Library – Solar PV and LED lighting</li> <li>● Tinsley Community Centre – Solar PV and LED lighting</li> </ul>	+60							

**Recommendations**

- To request approval for £59.6k of Local Renewable Energy Fund to be applied to this programme of feasibility work.

**Why do we need the project?**

- To establish the possibility of installing renewable energy (solar PV), and low energy LED Lighting to a range of community buildings across the council's estate. To include the 9 sites as listed above.
- Why do we need to address it now?
  - Progress towards SCC decarbonisation strategy
  - Potential for access to Sheffield Prosperity Fund for works completed by December 2024.

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

- Installation of Solar PV and energy efficient lighting across these properties – potential for reduced running costs, improvements to CO2 emissions, and contribution to SCC's Net Zero Carbon objectives.

**What are the benefits?**

- Completion of feasibility stage will inform best suggested progression pathway and identify outputs in more detail.
- Potential reduction in carbon emissions could be achieved by installation of the proposed PV Panel and Lighting improvements. Options appraisals will assess the viability of these proposed installations.

**When will the project be completed?**

Feasibility complete: 31/07/2024

<b>Funding Source</b>	Local Renewable Energy Fund	<b>Amount</b>	£59.6k	<b>Status</b>		<b>Approved</b>	
<b>Policy Committee Area / LAC involvement</b>	Principle of use of funds for Low Carbon projects on council owned building approved at TRC Committee November 2022						

Variations and reasons for change

**Closed Churchyard Boundary Walls**

**Recommendations**

- To allocate a further £34.8k of Capital Receipts funding to meet the increased costs of this project on including works on walls.

**Scheme description**

+35

- Transport and Facilities Management commissioned Capital Delivery Service to carry out walk over surveys at 19 Closed Churchyards throughout Sheffield. The purpose of the surveys was to provide information to develop a prioritised list for a repair programme. The surveys were confined to assessing the condition of the access roads, footpaths, and boundary walls / fences at each site.
- 6 sites were identified as needing urgent repairs to boundary walls. The revised Final Business Case covers the works to these sites. Sites include:
  - Attercliffe Cemetery
  - Attercliffe Garden of Rest
  - Handsworth St Mary
  - Sheffield St Mary Bramall Lane
  - Tinsley St Lawrence
  - Pitsmoor Christ Church

**What has changed?**

- Increased costs on Contract Award: Temporary works costs were underestimated as stage 2. Walls have continued to deteriorate which now requires more demolition and repair.

**Variation type: -**

- Budget increase: +£34.8k as noted above. Revised total cost to be £189.8k (i.e. +£34.8k uplift from currently authorised £155k OBC budget, to include wall element works.

<b>Funding</b>	Capital Receipts
<b>Policy Committee Area / LAC involvement</b>	Part of prioritised Corporate Estate Maintenance Programme

<b>H</b>	<b>Economic Development &amp; Skills</b>	
	New additions	
	None	
	Variations and reasons for change	
	None	

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## Appendix 2

### Grants for issue

	Scheme name / summary description of key terms	Recipient	Value £'000
<b>A</b>	<b>Transport Regeneration &amp; Climate Change</b>		
Page 113	<p><b>94140 Levelling up Fund – Attercliffe Aqueduct</b></p> <p>See section 2 for full scheme details.</p> <p><b>Background</b></p> <p>This project has previously been approved to conduct feasibility works to assess improvement works to the aqueduct in order to make it more attractive and encourage a greater use of the footpaths. Planned works will include grouting to the aqueduct walls with the aim of reducing water dripping onto pedestrian routes and these works will be carried out by Canals and River Trust [CRT] at a cost of £125k.</p> <p><b>Legal Implications</b></p> <p>The Council has a general power of competence 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. This enables the Council to award the grant funding and enter into a grant agreement with the Canal &amp; River Trust.</p> <p>The capital grant of £125,000 to the Canal &amp; River Trust, is to be used towards procuring a contractor to carry out works to control the water ingress to the Attercliffe Viaduct.</p> <p>If a decision is made to award this grant funding to the Canal &amp; River Trust, then a grant agreement will be put in place between the Council and the Canal &amp; River Trust. The key terms of the grant agreement are:</p> <ul style="list-style-type: none"> <li>• Payment of the grant will be in arrears, following completion of the funded activity. Payment will be subject to copies of invoices being received and evidence of the works being completed being received.</li> <li>• The grant must only be spent on the funded activity, to achieve the purpose outlined in the grant agreement.</li> <li>• The Council are able to terminate the grant agreement giving 2 weeks' notice.</li> <li>• The grant must be spent by the end of the grant period.</li> </ul>	Canals & Rivers Trust	125

	<ul style="list-style-type: none"> <li>Monitoring obligations must be complied with, this will include but not be limited to keeping the Council regularly informed and allowing the Council to observe the funded activity being undertaken as appropriate, written updates on the progress of the funded activity, and copies of invoices provided.</li> </ul> <p>The grant to the Canal &amp; River Trust is not deemed to be a subsidy.</p> <p>The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and the Subsidy Control Act 2022.</p>		
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<b>B</b>	<b>Communities Parks &amp; Leisure</b>		
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Page 114	<p><b>94498 Hillsborough Multi-Activity Hub</b></p> <p>See section 2 for full scheme details.</p> <p><b>Background</b></p> <p>Following approval to procure a Partner with whom SCC can work to make a step change to the sports and recreational offer at Hillsborough Park and other tennis courts within Sheffield, an open competition procurement process has taken place and Courtside CIC have been appointed as Partner.</p> <p>This will deliver a high-quality multi sports activity hub focused around:</p> <ul style="list-style-type: none"> <li>Development of the MUGA and Tennis Courts</li> <li>A Catering/ Kiosk Opportunity</li> <li>Wider recreational facilities</li> <li>An accessible toilet in the park</li> </ul> <p>This will support positive health and wellbeing opportunities for communities across Sheffield and thereby address health inequality.</p> <p>To enable this we wish to passport S106 funds to Courtside CIC as outlined in the approved Co-Executive Report 20th April 2022 in order to support them to deliver this development.</p> <p><b>Legal Implications (Review prepared by external support – Browne Jacobson)</b></p> <p><b>The key aspects of the grant are:</b></p>	Courtside CIC	183
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- appointment of competent & qualified contractors and works maintained to appropriate sports BS EN 15312:2007
- it submits to the Council prior to tendering of the Works the final design details and specifications and any further documents requested by the Council for approval.
- it submits final plans to the Council and get European Design Standards certification on completion.
- it procures the design and construction of the Works and assume the full duties and responsibilities of 'client' for the Works including those duties imposed by the Construction (Design and Management) Regulations 2007 (CDM Regulations).
- it shall be responsible for the ongoing maintenance of the Premises and the associated costs of this.

#### **Purpose**

- The Grant is only to be used for the delivery of the Project and restrictions are imposed on making significant change to the Project.
- There are restrictions on the Recipient to apply for duplicate funding but the Recipient is able to apply for third party funding (with information in relation to any third-party funding needing to be provided to the Council)

#### **Payment**

- Payment is conditional upon the Grant Recipient complying with its obligations under the Agreement.

#### **Use**

- The Recipient must only use the Grant for Allowable Expenditure and the delivery of the Project. It must not use the grant to pay members of its Governing Body, purchase buildings or land or pay for any expenditure commitments from prior to the Commencement Date.
- If there are any unspent monies at the expiry of the Term, these must be returned to the Council unless agreed otherwise in writing.
- Any liabilities that arise at the end of the Project (including staff redundancy) must be managed and paid for by the Grant Recipient and there are no obligations on the Council to provide additional funding for this purpose.

#### **Grant Recipient Obligations**

- These are dealt with at clause 5 and are reasonable and include the fundamentals we would expect to see including, amongst other things, timeliness, insurance, accounting and procurement obligations. There is scope for additional drafting based upon the specific Grant Recipients circumstances and the basis for making the grant.
- Some highlight obligations include, but are not limited to:

- The Grant Recipient has to procure the successful delivery of the project following appointment of contractors under Council procurement procedures.
- Recipient must maintain appropriate records.
- Maintain a register of and not dispose of capital assets purchased with grant funding.
- The Grant Recipient provides a full indemnity against all losses, claims, expenses, demands and/or liabilities whatsoever which the Council may incur as a result of any act or omission by the Grant Recipient or its associates or any breach of the Agreement by the Grant Recipient.
- There are the usual obligations to return funding if it's found to be an illegal subsidy. Additional subsidy control drafting is being included.

#### **Warranties**

- These are given at clause 6 and the Grant Recipient warrants that, amongst other things, it is able to enter into the agreement, it is not currently embroiled in litigation and that is not subject to any other obligation which may have a material adverse effect on its obligations under the Agreement.

#### **Monitoring and Reporting**

- The Grant Recipient must abide by the on-going project monitoring and reporting requirements at clause 7 and upon request must provide reasonably requested documents to the Council and provide reasonably requested access to the Council.

#### **Termination, withholding, suspending and repayment of the Grant**

- The Council has absolute discretion to terminate, reduce, withhold or suspend the whole of or part of the Grant and has a right to Clawback (under clause 16) in part or in full where the Grant Recipient does not, amongst other things, achieve the Project outputs at the reasonable satisfaction of the Council, deliver the Project in accordance with the Agreement, use the Grant for purposes other than those for which it has been awarded or where obligations from a third party funder to the Grant Recipient would bring the Council's reputation into disrepute.
- The Council has the right to terminate upon convenience by giving 1 month's written notice under clause 9. Upon which the Grant Recipient will have to return any unspent monies.
- Clause 11 allows the Council to require an exit plan from the Grant Recipient upon termination.
- Certain clauses will survive termination including, but not limited to, the limitation of the Council's liability for any delays in payment of the Grant, certain of the Grant Recipient's obligations under clause 5, certain of the monitoring requirements on the Grant Recipient under clause 7 and Clawback under clause 16.
- The Clawback right under clause 16 protects the Council in the event of breach / default of delivery.

	<b>Change to Project and Reprofiting</b>		
	<ul style="list-style-type: none"> <li>Under clause 15 the Grant Recipient must notify of any change to any aspect of the Project and this shall help eliminate project drift.</li> </ul>		
<b>C</b>	<b>Waste and Street Scene</b>		
	None		
<b>D</b>	<b>Adult Health &amp; Social Care</b>		
	None		
<b>E</b>	<b>Housing</b>		
	None		
<b>F</b>	<b>Education Children &amp; Families</b>		
	<p><b>91028 Peaks Post-16 SEND Provision</b></p> <p>See Section 2 for full details.</p> <p><b>Background</b></p> <p>The capital grant of £1,146,417 to Sheffield College, which is to be used towards the proposed Special Educational Needs and Disabilities Provision at Sheffield Colleges Peaks Campus will ensure that the Peaks Campus is fit for purpose in delivering places for young people in key stage 5 with high needs.</p> <p><b>Legal Implications</b></p> <p>Under Section 13 of the Education Act 1996, the Council has a statutory duty to secure efficient primary education, secondary education and further education to meet the needs of the population in their area, the Council must also under Section 13a of the Education Act ensure fair access to opportunity for education and training.</p> <p>A grant agreement will be put in place with Sheffield College. The grant agreement is not yet finalised; however, the key terms of the grant agreement are:</p> <ul style="list-style-type: none"> <li>The grant must only be spent on the funded activity, to achieve the purpose outlined in the grant agreement.</li> </ul> <p>The Council are able to terminate the grant agreement giving 6 months' notice.</p>	The Sheffield College	1,416.4

	<p>Payment of the grant shall be made in arrears to reimburse expenditure incurred by Sheffield College. Payment of the grant shall be subject to copies of invoices to evidence expenditure being received and checked.</p> <p>The grant must be spent by the end of the grant period.</p> <p>All funded activity will comply with statutory regulations and result in the appropriate approvals.</p> <p>The grant recipient must also ensure that value for money and best value are achieved at all times.</p> <p>Monitoring obligations must be complied with, this will include but not be limited to quarterly monitoring visits, written narratives and updates on the progress of the funded activity and update meetings once a month.</p> <p>The grant to Sheffield College is not deemed to be a subsidy.</p> <p>The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and the Subsidy Control Act 2022.</p>		
<b>G</b>	<b>Strategy &amp; Resources</b>		
<b>Page 118</b>	None		
	<b>Economic Development &amp; Skills</b>		
	None		

## Appendix 3

### Grants for Acceptance

	Scheme name / summary description of key terms	Funder	Value £'000
<b>A</b>	<b>Transport Regeneration &amp; Climate Change</b>		
	<p><b>Clean Air Zone – Stretch Funding Grant (Up to £2m)</b></p> <p><b>Background</b></p> <p>In April 2023 the Department of Transport (DfT) advised Local Authorities and major bus operators that initial research showed that there was variance in the performance of retrofitted buses and that in some circumstance these were not operating at the accredited Euro VI standard.</p> <p>The Council were advised by DfT and the Joint Air Quality Unit (JAQU) to pause CAF financial support for retrofits until outcomes of their research were known. Funding locally and nationally for bus retrofits remains paused until DfT share their research outcome report.</p> <p>On the 19th January 2024 DfT / JAQU invited Sheffield City Council to bid for £2m of the £7.9m stretch fund allocated as part of the Clean Air Plan financial support grant award in February 2020. A conditional bid was submitted and on the 19th February the Joint Head of JAQU wrote confirming their intention to award the £2m requested. Details of expenditure use are to be confirmed alongside further ongoing discussions with Government in respect to funding to support bus fleet improvement.</p> <p><b>Financial Implications</b></p> <p>Key features of the Grant terms and conditions are summarised below. The Service Grant Manager will need to read, understand, and comply with all of the grant terms and conditions and develop an exit strategy to ensure that there are no ongoing unfunded costs when the Grant ends.</p> <ol style="list-style-type: none"> <li>Grant (up to £2m) can only be used for purposes that a capital receipt may be used for (S11-LG Act 2003).</li> <li>Chief Executive and Chief Internal Auditor to sign/return an audit declaration (by 31/3/25)</li> <li>If SCC fails to comply with the grant conditions then the grant may be subject to clawback.</li> </ol>	Joint Air Quality Unit	2,000

4. Reporting, monitoring and evaluation of measures in the local plan to be done by SCC/RMBC as per JAQU guidance
5. Submit quarterly monitoring reports detailing progress with local plan implementation until a year after compliance is demonstrated (next report- 30/6/24)
6. Evidence may be required for use of funding, e.g. contracts, contractor reports, invoices and timesheets (and so SCC should maintain these)
7. Any project changes must be discussed with JAQU as soon as possible and any substantial change may require a variation.
8. SCC must inform JAQU of any external circumstances that would prevent you from delivering this project in the way intended.

#### **Commercial Implications**

All public sector procurement is governed by and must be compliant with the Grant Agreement and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

CSO requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase / acquire services, goods or works must go via a competitive process. The Service Grant Manager will need to contact the Commercial Services Team for detailed guidance on adherence to these rules when spending the Grant.

#### **Legal Implications**

According to Part IV of the Environment Act 1995, there is a legal requirement on the Council to have regard to any national strategy on clean air published by the Secretary of State. On 24 February 2020, the Secretary of State in exercise of powers conferred under Section 85(5) of the Environment Act 1995, directed this Council to take steps towards implementing the local plan for nitrogen dioxide compliance for Sheffield, and ensure the local nitrogen dioxide compliance is implemented so that exposure to levels above the legal limit for nitrogen dioxide, are reduced as quickly as possible, and by 2023 the latest. Section 85(7) of the Environment Act 1995, places a duty on the Council to comply with that direction from the Secretary of State.



This £2 million grant from DEFRA could financially assist the Council with meeting its legal obligations set out in this report. To accept the grant, the council will have to enter a grant agreement with DEFRA that sets out terms and conditions on which they will give the funding. The grant agreement allows DEFRA to reduce, suspend, withhold (and in cases where notification is given, claw back) payment, if the grant is not used for purposes of capital receipt, or if the council's Chief Executive and Chief Internal Auditor do not provide a signed declaration on 31 March 2025 confirming that in their respective opinions, the conditions of funding have been complied with in all significant aspects. The grant agreement also sets out requirements for reporting, monitoring and evaluation of measures in the local plan, with the first report submission being expected by 30 June 2024.

Decisions relating to spend will require further careful consideration and further approval; however the council may use its general powers under Section 1 Localism Act 2011 to accept the grant, enter the grant agreement and become the Accountable Body. Section 1 of the Localism Act 2011 allows the council to do anything that an individual may do, provided the council is not prohibited by other legislation; this power must be exercised within the limits specified in this Act.

## Communities Parks & Leisure

### Shirebrook Species Survival Fund

#### Background

The Species Survival Fund developed by Defra in partnership with the National Heritage Memorial Fund (NHMF), has awarded a grant of £1,112,155.00 to Sheffield City Council who will be leading a partnership with other organisations to encourage species abundance across a 182ha project area in the South- East of the City. The project aims to support habitat creation and restoration/enhancement. The 'Species Stacking the Shire Brook Valley' project will help to tackle nature and climate emergencies through improvement and creation of species-rich grasslands, wetland habitats, management of invasive non-native species (INNS), installation of wildlife and access infrastructure. It will create new job posts and deliver an activity programme to engage communities of Sheffield in nature for wellbeing.

The Grant Agreement provides a detailed operational breakdown of activities and costs that are eligible to be funded by the Grant (see details).

National Heritage Memorial Fund

1,112.1

This portion of the overall grant is worth circa 74% of the overall approved project's costs (£1,503,175). The remaining 26% will be provided by match funding (£390,757) derived from several additional stakeholders including SCC, detailed in the grant agreement

### Financial Implications

- There is a mixture of capital and revenue grant totalling £1,112,155 paid to Sheffield City Council ("SCC") from National Heritage Memorial Fund (administered on behalf of the Department for Environment, Food & Rural Affairs 'DEFRA') (the "Funder").
- The approx. Revenue/Capital split is as follows\*:

Capital	Approx £573,881 (74% of £775,515)
Revenue	Approx £536,944 (74% of £725,660)
Total	£1,112,155 (74% of the total project cost of £1,503,175)

\*Provisional figures subject to change due to contingency elements such as inflationary pressures not being split between Capital and Revenue funding at the application stage.

- The Grant will be treated as Conditional and will be subject to clawback if the Grant terms and conditions are not complied with (see details).
- Grant Commencement Date: Upon obtaining permission to start project by funder (see details)
- Grant End Date: Project completion report to be submitted by 28th Feb 2026 – terms of the grant contract valid for 10 years from the completion date.
- SCC will be making grant payments to third parties, and therefore SCC must ensure any third parties comply with the terms of the Grant Agreement.
- SCC and the Funder agree that payment of Grant is not consideration for a supply for VAT purposes. If the payment of the Grant is deemed at a later stage to be a supply, then the Grant is inclusive of VAT.
- Eligible expenditure is net of VAT recoverable, and the Grant is out of scope for VAT.
- Payment is made on the following terms:
- SCC is to comply with the following requirements specified in the Grant Agreement:
  - the accounting audit, monitoring and reporting requirements (see details);
  - the documentation, records and evidentiary requirements (see details);
  - the data protection, information and publicity requirements (see details);
  - the detailed performance management and key performance indicator requirements (see details); and
  - the insurance requirements (see details).
  - Co-operate with the funders appointed external auditor.

- If SCC underspends against the Approved Project Costs, the funder will reduce the final Grant payment. The amount will be in proportion to their Grant contribution. Additionally, if SCC has received monies totalling more than the expenditure upon completion, it commits returning the difference to the funder.
  - Any overspend will not be covered by the funder and will be SCC's responsibility to cover any shortfall in both Capital and Revenue expenditure.
  - SCC commits to repay the grant in the event of default (See details)
- Risks:
- There is a risk that a portion of the projects overall funding will not be secured, this equates to: £5k from income generated through fundraising activities and £40.3k that is dependent on volunteers offering up their time to work on the project.
  - The funder commits to payment of the grant for as long as the National Heritage Memorial Fund has 'enough' funds made available by DEFRA.

#### **General Terms and Conditions**

- SCC must only use the Grant for the Project and associated eligible expenditure, as specified in the Grant Agreement.
- SCC must not use the Grant for a range of purposes (see details).
- SCC must comply with the risk management obligations contained in the Grant Agreement and maintain an appropriate risk register (see details).
- SCC must evidence due diligence to manage fraud risk and data on key performance indicator progress.
- SCC may use grant with third party finance or SCC revenue budget to deliver additionality.
- Either party, may terminate the agreement with at least 3 months written notice.

SCC will ensure the use of the Grant does not breach any subsidy controls, legislation or international regulation.

#### **End of Project Requirements**

- Final reports: closure letter, signed declaration, final report by 28th Feb 2026
- The Grant maybe subject to External Audit and where requested an audit by an independent reporting accountant.
- Chief Executive and Chief Internal Auditor maybe required to sign a declaration at the end of the Project.
- The Grant Agreement does not explicitly refer to any prescribed retention period, however the grant terms are imposed for 10 years from the completion date. This will be assumed as the retention date as it supersedes SCC's standard of 7.
- The Grant Agreement is not intended to establish any partnership, joint venture or relationship of employment between SCC and the Funder, constitute either party as

the agent of the other party, nor authorise either SCC or the Funder to make or enter any commitments for or on behalf of the other party.

**Legal Implications**

The council has a range of statutory powers and duties that affect habitat and wildlife protection and maintenance in its region, some are set out in Wildlife and Countryside Act 1981 (as amended by the Countryside and Rights of Way Act 2000) and the Environment Act 1995. Accepting this grant from the Species Survival Fund will allow the council to further develop this work.

The council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may do, provided it is not prohibited by other legislation and this power must be exercised within the limits specified in this Act. The Council may use this power to accept the grant of £1,112,155.00 and become the Accountable Body upon receipt of the grant.

The Council will have to enter a legally binding grant agreement with the National Heritage Memorial Fund that will be reviewed in advance of signing. The grant agreement's terms obligate the council to use the grant appropriately, lawfully and in proper delivery of the project with the consequence of claw back, suspension or termination of funding depending on the severity of any non-compliance. Financial implications (above) give more specific details of contents in the grant agreement.

<b>C</b>	<b>Waste and Street Scene</b>	
	None	
<b>D</b>	<b>Adult Health &amp; Social Care</b>	
	None	
<b>E</b>	<b>Housing</b>	

	None		
<b>F</b>	<b>Education Children &amp; Families</b>		
	None		
<b>G</b>	<b>Strategy &amp; Resources</b>		
	None		
<b>H</b>	<b>Economic Development &amp; Skills</b>		
	None		

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## Report to Policy Committee

**Author/Lead Officer of Report:** Nicola Allen,  
Advertising & Sponsorship Officer

**Tel:**

**Report of:** *Director of Policy and Democratic Engagement*

**Report to:** *Finance Committee*

**Date of Decision:** *18 March 2024*

**Subject:** *Advertising and Sponsorship Policy*

Type of Equality Impact Assessment (EIA) undertaken	Initial <input type="checkbox"/>	Full <input checked="" type="checkbox"/>
Insert EIA reference number and attach EIA: 2488		
Has appropriate consultation/engagement taken place?	Yes <input type="checkbox"/>	No <input type="checkbox"/> n/a
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 (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>		

### Purpose of Report:

The report presents a draft Advertising and Sponsorship Policy for approval. If adopted the policy will govern how all advertising and sponsorship matters are managed across the Council.

### Recommendations:

It is recommended that the Finance Committee approves the Advertising and Sponsorship Policy attached to this report at Appendix 1 for Council-wide implementation regarding all advertising and sponsorship matters with effect from 1<sup>st</sup> April 2024.

**Background Papers:***Appendix 1 - Advertising and Sponsorship Policy 2024-2026*

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: <i>Matt Ardern</i>
		Legal: <i>Andrea Simpson</i>
		Equalities & Consultation: <i>Ed Sexton</i>
		Climate: <i>Victoria Penman</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	<i>James Henderson, Director of Policy and Democratic Engagement</i>
3	<b>Committee Chair consulted:</b>	<i>Councillor 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.	
	<b>Lead Officer Name:</b> <i>Nicola Allen</i>	<b>Job Title:</b> <i>Advertising and Sponsorship Officer</i>
	<b>Date:</b> <i>26 February 2024</i>	



## 1. BACKGROUND

- 1.1 Opportunities to advertise and/or go into sponsorship with the Council are available to businesses and organisations to promote their brand, products and services.

Currently advertising and sponsorship agreements take place across various services, assets and contracts but the authority does not have a consistent model to manage these or set criterion to enable clear and fair decision making.

Advertising and sponsorship across the Authority is now being managed under a single service allowing for development of a wider plan to maximise the Council's assets and broaden the scope for opportunities in this area.

### 1.2 What is advertising and sponsorship?

- 1.2.1 While advertising and sponsorship are both used to promote and increase brand exposure the two are different and should be managed in a way that reflects those differences.

- 1.2.2 *Advertising* directly promotes a brand through messaging to chosen targets, they are paid, one-way marketing messages. To advertise with the Council means to pay for promotion of a business, product or service using the Council's assets or channels.

- 1.2.3 *Sponsorship* provides an implicit endorsement through ongoing affiliation with an external organisation, they are collaborations where brands fund events or activities in exchange for recognition. To go into sponsorship with the Council means to support (financially or by provision of service) a Council owned event, building, project or other activity in exchange for exposure/association of a brand or organisation. Packages are custom negotiated and individual contracts set out the agreed terms for both parties.

### 1.3 Legislation and policy

- 1.3.1 *National legislation* - There are national advertising laws and legislation that must be adhered to by advertisers and providers. These are governed by the Advertising Standards Authority (ASA) and the Committee of Advertising Practice (CAP).

The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code) is the rule book for non-broadcast advertisements, sales promotions and direct marketing communications.

The Code covers a range of standards including misleading information, protection from harm, ads aimed at children, political ads, use of data, environmental claims, and more.

1.3.2 *SCC Policy* - Council advertising and sponsorship transactions and agreements are managed in-line with the CAP Code. However, the Council does not currently have an Authority-wide policy that sets out the standards and terms that must be followed. Nor does the Council have a policy that reflects its values and priorities beyond national requirements.

#### 1.4 Plans and considerations

1.4.1 As the Council develops its wider plan to maximise assets for advertising and sponsorship opportunities, it is important that these opportunities are managed consistently and that they align with Council priorities, values and the commitments agreed in the Council Plan.

1.4.2 A broad range of assets are/will be available for advertising and sponsorship opportunities – these include as an example; online websites and email newsletter adverts, highway sponsorship, event sponsorship, naming rights for key facilities, vehicle fleet sponsorship, banner adverts, playground sponsorship and more.

1.4.3 With such a large range of opportunities available it is essential that a Council-wide Advertising and Sponsorship Policy is introduced, to ensure that all opportunities are handled in a fair and equitable way and that the values the Council has committed to are being upheld. A Policy also allows the Council to go further than national regulations which do not address or contribute to tackling some of the issues and challenges faced locally in terms of health and our environment.

1.4.4 An advertising and sponsorship policy for the Council must take in to account potentially conflicting aims of supporting a wider plan to generate income and maximise potential revenue, against priorities around health and the environment. A balance is required to allow a progressive approach to improving lives while embracing opportunities for the city to attract the best and most commercially viable prospects.

1.4.5 The absence of a Council-wide Advertising and Sponsorship Policy leaves the Council in a position with no clear guidance for managing bookings and relationships, open to challenge in decision making, at risk of contradicting Council campaigns and leaving the Council at reputational risk through association.

## 2. **PROPOSAL**

2.1 It is proposed that the Council adopts a new Advertising and Sponsorship Policy, as shown at Appendix 1, to govern advertising and

sponsorship opportunities/outputs across the City Council's assets and land.

The policy will support the values and priorities of the Council, with restrictions included to support commitments and priorities on health and the environment, while allowing for increases in income generation within the set criteria.

The policy states that it is subject to review in 2026. This will allow for assessment of city, industry and national developments.

## 2.2 Development

2.2.1 The policy has been developed over a two-year period taking in to consideration what the Council aims to achieve, best practice and learnings from other organisations, stakeholder experience, commercial viability and maximum opportunity.

2.2.2 Advertising and sponsorship influence the way we think, and how and what we consume. The overall aims of this policy are to support residents in making better choices that will support improvement of health and our environment and create long-term benefits and savings for the Council. In addition the policy also supports the wider plan to maximise income opportunities while maintaining the standards that contribute to better outcomes for people and planet.

2.2.3 The advertising and sponsorship industry is dominated by products, services and brands that are harmful to health and environment such as high fat, salt, sugar (HFSS) food and drinks, and fossil fuels. This policy aims to reduce the promotion of these types of products in the city, contributing to strategic plans around improving health and environment.

## 2.3 Best practice and considerations

A best practice approach and inter-departmental liaison has taken place to establish a progressive yet balanced position.

2.3.1 This has included looking at other Local Authorities and Governing Bodies to compare terms and scope, and measure outcomes; several other authorities have already introduced restrictions against HFSS products and many more are in the process of developing policies.

2.3.2 As the introduction of a policy will impact many services engagement with internal departments across the Authority, including Public Health, Climate, Transport, Legal, Business Sheffield and Events has also taken place, to address requirements and concerns.

Concerns have included:

- attracting major events that might have sponsors we are restricting – in this case we have considered the risk of missing out and the

benefits of being a city host both economically and for resident experience;

- securing commercially viable terms for third-party operators – in this case we have considered the importance of being able to attract operators that can deliver the best for the city, supporting our leisure, health and inclusivity aims;
- supporting local businesses and industries that fall within restricted categories – in this case we have acknowledged the difference between small businesses providing services, and large corporation mass influential marketing, specific terms have been included to assess where it might be appropriate to allow restricted small businesses to advertise.
- decreasing the Council's potential to generate income – we have considered that while policy restrictions will result in saying no to some income opportunities, to address this a supporting marketing plan will be developed.

2.3.3 External stakeholders with expertise and vested interest in this sector, such as Sustain (a charity alliance advocating for better food) and Adfree Cities (a network of groups concerned about corporate advertising), have also been consulted with support the development of the most progressive position possible for the Council, while recognising and addressing commercial impacts. Sustain has worked with numerous Local Authorities on policy development and provided relevant data from those who have implemented policies, outlining the benefits in improving health, and reassuring that revenue has not been affected.

#### 2.4 Key points of the policy

The proposed policy covers all Council assets, including digital (online) and out of home adverts, as well as sponsorship opportunities.

While it includes advertising and sponsorship on Council land, it does not regulate decision making around applications for new advertising structures – these continue to be governed by national planning regulations.

The policy outlines who and what can be promoted across Council owned assets and land.

Where existing contracts are in place, adopting the policy restrictions would be encouraged where possible.

The policy terms and restrictions would relate to all new agreements.

Restrictions that go beyond national legislation have been voluntarily included in line with key Council priorities and commitments.

#### 2.5 What's in scope and why

Restrictions included in the policy that go beyond national legislation include:

- High Fat, Salt & Sugar (HFSS) food and drinks
- Alcohol
- Gambling
- Vaping
- High Carbon/fossil fuels

2.5.1 HFSS food and drinks and alcohol have been included on the restricted list due to the harmful influence such advertisements and endorsements can have on people's lives, particularly those who are already in a more disadvantaged position. Advertising is successful in increasing consumption so the removal of adverts and promotion of unhealthy brands decreases consumption of unhealthy products, leading to healthier lifestyles.

2.5.2 Gambling has been included because advertising encourages action. Gambling ads contribute to more people taking up gambling and more people being unable to control gambling habits – the removal of ads encouraging people to gamble will contribute to a reduction in gambling habits and related issues.

2.5.3 Vaping has been included because, while a switch from smoking to vaping is a useful step in helping people quit, vaping ads encourage non-smokers and non-vapers to start vaping, especially in young people. Vaping ads will only be permitted where they are directly linked to a stop-smoking alternative.

2.5.4 High carbon/fossil fuel organisations and products have been included because ads not only encourage consumption, but they also influence opinion. Many fossil fuel organisations use greenwashing in adverts to impress misleading values about business operations. In addition as a city working towards NetZero targets it is important that we do not promote increased use of high carbon products and services such as petrol and diesel cars and flights.

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

3.1 The proposed policy contributes to the Council's values, priorities and commitments, as outlined in the Council Plan, including:

3.1.1 **People** – the restrictions that we have chosen to adopt support healthier lives and communities by restricting the advertising/sponsorship of products and services that are harmful to health and our environment.  
Careful consideration has been given to ensure we are still able to support 'fulfilling lives', by including specific clauses to manage leisure, events and third-party contracts, thus ensuring that Sheffield can compete for the best opportunities.

- 3.1.2 **Prosperity** – establishing an authority wide policy allows us to explore potential opportunities that we may not have been able to or hadn't considered before. Specific criteria has also been included that differentiates the impact of small local businesses against large corporations and allows us to work with our local SMEs where it is appropriate to do so – helping them to thrive and supporting our economy. The specific clauses for leisure and events contracts also support the prosperity of the city in attracting the best operators and high-profile events.
- 3.1.3 **Planet** – the policy outlines restrictions that directly relate to the impact of climate change, with fossil fuel companies/products, non-electric cars, and flights all being listed as not-permitted. Thus, contributing to a reduction in the promotion of polluting products/services and preventing greenwashing adverts from appearing across the Council's estate.
- 3.1.4 The clear terms of the policy ensure that fair, inclusive and transparent decision making happens across the Council when dealing with advertising and sponsorship agreements.

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

- 4.1 Public consultation is not required.
- 4.2 Consultation and engagement have taken place with other local authorities to understand what policies they have in place and the impact of these. We have also met quarterly with a Yorkshire and Humber group of Local Authorities to discuss developments in advertising policy specifically in relation to unhealthy food and drink products.
- 4.3 Throughout policy development we have engaged with external stakeholders including Sustain (an alliance for building healthier food systems) and Ad Free Cities (a network that challenge corporate advertising) to establish terms that will best support health and climate improvements for the city.
- 4.4 At every stage of policy development internal stakeholders across many Council services have helped to shape the terms and restrictions included in the policy to enable the best outcomes, and for concerns to be managed.

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

- 5.1 Equality Implications
  - 5.1.1 An EIA has been completed to assess the impact of introducing an authority wide Advertising and Sponsorship Policy.

- 5.1.2 Many of the restricted products and services are often targeted at the most vulnerable groups, who are generally more at risk from harmful adverts.

The restrictions have been included to support the council's efforts in protecting from harm, improving lives/environment and contributing to essential long-term health care savings.

- 5.1.3 The assessment has highlighted that the impact for local people is positive and that the risk to health of our population and environment is greater if we do not introduce the policy.

- 5.1.4 A separate clause has been included in the policy relating specifically to businesses that fall in to the restricted categories, to enable, where possible, working with local SMEs.

Fair, clear and transparent processes have and will continue to be developed to allow equal opportunity across the Council's offer.

Alongside the policy a marketing and communications plan will support this work in ensuring people and businesses from a diverse range of sectors, backgrounds, abilities and so on are able to access these opportunities to work with the Council.

## 5.2 Financial and Commercial Implications

- 5.2.1 The terms of the policy will impact on the existing contracts with external advertising providers. However, because we are part way through legal contract periods, providers would be encouraged, but not forced to adopt the terms/restrictions until current contracts expire/are due for renewal.

- 5.2.2 External advert providers have indicated that they expect HFSS advertising restrictions to result in a 20-30% reduction in revenue. However, the income from contracts in place is predominantly fixed rental based for land use. The Council does receive some revenues-based income, but this income would not be affected in the medium to long term due to contract dates, unless the terms of the new policy are adopted sooner. If the prediction is accurate, a 20-30% reduction would result in approx. £14,000-£21,000 per quarter revenue loss. However see 5.2.3.

- 5.2.3 Data from other authorities that have adopted similar policies has shown no loss in revenue. Ads have instead been repurposed by brands, and/or ad space been bought by alternative organisations. As more authorities adopt similar policies, brands are becoming more used to having to adapt to restrictions and the industry landscape indicates that it will continue in this direction.

5.2.4 A new Council-wide policy will support wider plans to maximise the Council's assets in developing new advertising/sponsorship opportunities. The policy will work alongside a communications and marketing strategy to increase income generation.

### 5.3 Legal Implications

5.3.1 There is no legal requirement to have an Advertising and Sponsorship Policy but to do so sets out the Council's conditions for permitting advertising on its land and assets, and for entering into sponsorship arrangements, clearly. The terms outlined within the policy will ensure that the Council is acting within legislation and is operating fairly.

5.3.2 Clear and specific contracts/agreements will be completed for individual transactions to ensure all parties concerned have a clear understanding of their obligations.

### 5.4 Climate Implications

5.4.1 Policy terms include restrictions on fossil fuel companies/products, and non-electric cars and flights/flight companies. The aim is to restrict promotion of these types of products and services to contribute to a reduction in polluting vehicles, supporting the Council's plans to reduce the impact of climate change and aligning to the steps being taken to achieve NetZero. As per the Climate Impact Assessment, the policy will have either positive or neutral climate implications.

### 5.5 Other Implications

5.5.1 One of the main implications of the policy is on public health. High Fat Salt & Sugar, alcohol, gambling, vaping and fossil fuel restrictions have all been included to protect residents from harmful adverts that have a negative impact on health and wellbeing, and life circumstances.

5.5.2 Reducing exposure to these types of adverts or brand association helps to reduce consumption of products/services that are bad for our health. As the health of our population worsens, this puts added pressure on NHS and Council services, having a direct impact on resources and funding.

5.5.3 Reducing this type of consumption supports a preventative approach to health and wellbeing improvement, resulting in less support and intervention being needed, and ultimately reducing pressure on health & social care services.

## 6. **ALTERNATIVE OPTIONS CONSIDERED**

6.1 **Bring in a policy with fewer restrictions** – the Council could adopt a policy that provides the framework for all advertising and sponsorship outputs but does not voluntarily adopt restrictions that go any further



than national legislation. This could however leave the Council in a position of entering into agreements with organisations that do not align to our values, and promoting products and services that are counter-productive to Council priorities, having a negative impact on people's health, lives and our environment.

- 6.2 **Do nothing** – the Council could continue to manage advertising and sponsorship outputs and relationships on an adhoc basis. This could however leave the Council in a position of entering into agreements with organisations that do not align to our values, and promoting products and services that are counter-productive to Council priorities, having a negative impact on people's health, lives and our environment. It could also result in an inconsistent and unfair approach to decision making.

## 7. REASONS FOR RECOMMENDATIONS

- 7.1 The draft Advertising and Sponsorship Policy will ensure that the Council acts consistently and fairly in managing Advertising and Sponsorship outputs/relationships, with restrictions as proposed.
- 7.2 Mitigations have been considered in terms of financial and commercial impact and to allow a managed transition across sectors that will be affected by the terms of the policy, including support for local businesses, and managing third-party agreements.
- 7.3 The long-term predicted savings and impact present benefits across health and environmental related issues.
- 7.4 The restrictions included in the policy reflect the commitments in the Council Plan, the values of the authority and the priorities that the Council is working towards.

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Advertising and Sponsorship 2024-2026

## **Sheffield City Council Advertising and Sponsorship Policy**

### Contents

1. Purpose of the policy
2. Definitions
3. Scope
4. Rules
5. Principles
6. Conflict of interest
7. Agreements
8. Public accountability
9. Responsibilities and decision making
10. Disclaimer
11. Implementation and review

## 1. Purpose of the Policy

- 1.1 The purpose of this policy is to set out the terms upon which advertising and sponsorship may be sought and accepted by Sheffield City Council (the Council).
- 1.2 It provides guidance on the principles and procedures relating to any advertising or sponsorship agreement.
- 1.3 The Policy: a) outlines the rules and guidelines that the Council and its potential sponsors and advertisers must follow; b) assesses risk and managing potential conflicts of interest; c) clarifies public accountability and transparency of decision making.
- 1.4 By applying this policy the Council will:
- a) be consistent;
  - b) establish a set of standards;
  - c) provide a framework of controls;
  - d) ensure compliance with legislation, advertising industry codes and other council policies, including our brand guidelines;
  - e) safeguard and steward the image, environment and health of the city;
  - f) uphold and protect the council's reputation and corporate identity;
  - g) further our strategic vision and support our priorities by facilitating communication;
  - h) maximise the use of our assets to generate revenue;
  - i) build positive relationships with businesses through advertising and sponsorship

## 2. Definitions

2.1. **Advertising**, for the purposes of this policy, is defined as a transaction between the Council and an external organisation in which the organisation can display informative and/or persuasive content about its products, services, causes or ideas in/on Council assets in exchange for a previously agreed financial sum.

2.1.1 Advertising opportunities fall into two categories,

- a) those channels which are most clearly associated with the Council, including, but not exhaustively, its main and associated websites; intranet, social media accounts; corporate and service publications; buildings and vehicles.
- b) those channels where the Council acts as landlord or operator, but which may be managed for the Council under transparent and tendered agreements.

2.2. **Sponsorship**, for the purposes of this policy, is defined as a relationship between the Council and an external organisation in which the organisation supplies funding, resources or other services in exchange for recognition from the Council, either through the offer of association with a project or event that may be used for commercial advantage, naming rights or another mutually beneficial agreement.

2.3. Sponsorship may also refer to the Council, or one of its traded services, acting in the sponsor role by providing resources to an external organisation in exchange for recognition.

2.4 Recognition can include, but is not limited to, appropriate signage, inclusion of the sponsor’s name and logo on Council publications/assets and other external publications and naming rights for an event or building for the term of the sponsorship.

### 3. Policy scope

3.1 This policy is three-fold, covering:

- The Council as an advertiser or sponsor;
- The Council as an owner of an advertising platform or sponsorship opportunity which an external individual, group or organisation may wish to take up
- The Council’s sub-contracted and commissioned services (where council funds are the predominant income) and council leases where the council is a majority owner or shareholder.

3.2. Any existing advertising or sponsorship agreements must be reviewed against this policy at the end of any contractual term.

3.3. Advertising or sponsorship agreements concerning Council assets that are managed by a third party should adhere to this policy, or in the case of 3.2, adopt the policy terms at the earliest opportunity.

3.4 Advertising or sponsorship that forms part of a wider agreement for a) third-party organised events b) third-party long term commercial leases should adhere to the terms of this policy, unless specific terms are/have been negotiated as part of a separate formal contract agreement between a third-party and the Council. See 4.7.

3.5 When working in formal partnership or collaboration with another body, the Council will adhere to this policy. Contributing partner organisations not governed by the terms of this policy are encouraged to adopt these terms as best practice.

### 4. Rules

4.1. All advertising and sponsorship agreements must fall within the guidelines and rules laid out by:

- [Recommended code of practice for local authority publicity - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Marketing and advertising: the law: Regulations that affect advertising - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

4.2. Without any limitation on the Council’s ability to exercise its discretion, the Council does not consider the following companies, partnerships, organisations or individuals as suitable for entering into advertising or sponsorship agreements with:

Category	Advertising	Sponsorship
Discrimination against any individual or group on the basis of any protected characteristic detailed in the Equality Act 2010	Not permitted	Not permitted
Weapons or illegal drugs or products	Not permitted	Not permitted

Category	Advertising	Sponsorship
Sexual or pornography orientated entertainment materials or products	Not permitted	Not permitted
Tobacco and related products	Not permitted	Not permitted
E-cigarettes / vaping	Permitted only if advert is part of a stop smoking campaign, featuring a product that is not owned or part-owned by the Tobacco Industry	Not permitted
Gambling or betting products <sup>1</sup> , services or organisations	Not permitted	Not permitted
Fossil fuels All firms and associated sub-brands or lobbying organisations that extract, refine, produce, supply, distribute or sell any fossil fuels	Not permitted	Not permitted
Airlines & airports Content which might reasonably be deemed to promote more flying	Not permitted	Not permitted
Cars – content promoting petrol, diesel and hybrid electric plug-in vehicles	Not permitted	Not permitted
Foods and drinks that are high in fat, salt and/or sugar (HFSS) as defined by the <a href="#">Department of Health and Social Care’s nutrient profiling model</a> <sup>2</sup> .	Not permitted	Not permitted
HFSS food and drink brands or those synonymous with, including food ordering services, where no food or drink product is featured directly <sup>3</sup>	Not permitted	Brands/companies synonymous with HFSS foods and drinks not permitted
Breast or infant milk formulas not in accordance with the International Code of Marketing of Breast-milk Substitutes, or involves companies who produce or promote infant formula, other infant milks, bottles and teats, and foods marketed as suitable before 6 months of age	Not permitted	Not permitted

<sup>1</sup> Including “in-game currencies” used for gambling-like activity

<sup>2</sup> Sheffield City Council or its representatives may request evidence of nutrition information of food and drink products advertised, and in line with the Food Standards Agency recommendations, Sheffield City Council expects any laboratory used for nutrition analysis to have ISO 17025 accreditation and this should be by the United Kingdom Accreditation Service (UKAS).

<sup>3</sup> Examples may include: advertisements where the brand’s logo is included but no products, such as a brand values campaign, directional signage to a store, app or website, promotional advertising which is price-led but features no products such as ‘50% off everything’ or similar, advertising about a business or its performance.

<b>Category</b>	<b>Advertising</b>	<b>Sponsorship</b>
Alcoholic drinks and low/zero alcohol drinks from brands synonymous with alcohol	Not permitted. Includes advertisements where a range of drinks are featured, some of which are alcoholic or low/zero alcohol by a brand synonymous with alcohol.	Not permitted
Loan advancers which meet the Financial Standards Authority's definition of 'High Cost Short Term (HCST)'	Not permitted	Not permitted

#### 4.2.1 The Council will not accept advertising or sponsorship

- a) that infringes on any trademark, copyright or patent rights of another company
- b) in all scenarios where it is legally permissible, from companies who are in dispute with the Council or where there is pending/active legal action.
- c) when companies are in contract negotiation with the Council and the arrangements may be viewed as an endorsement of a bid.
- d) That supports advocacy of, or opposition to, any political party or any socially inflammatory or controversial subjects or issues
- e) where there are claims or representations in violation of advertising or consumer protection laws; those that have been found, or are suspected, to have failed to comply with the guidelines laid out by the Advertising Standards Authority
- f) from those whose advertising may result in the Council being subject to prosecution or bring the Council into disrepute.

#### 4.3. The Council reserves the right to decline or remove advertising deemed to be objectionable on the grounds that it:

- a) does not comply with current advertising law or incites, provokes or condones someone to break the law (particularly crime, violence and antisocial behaviour)
- b) could reasonably be seen as likely to cause pressure to conform to an unhealthy body shape, or as likely to create body confidence issues, particularly among young people.
- c) will or is likely to leave the Council in breach of the Equality Act or its Public Sector Equality Duty
- d) does not meet the minimum requirements of WCAG 2.1 accessibility standards
- e) poses a health and safety risk. For example, as a result of flickering or other visual imagery in the case of digital media
- f) is inappropriate or out of line with organisational values, policies or strategic goals as set out in the Council's Corporate Plan
- g) conflicts with services already provided by the organisation.

#### 4.4 The Council reserves the right to remove non-compliant advertising at any time without reference to the advertiser.

#### 4.5 The restrictions above apply both to the explicit promotion of goods and services, and implicit promotion as part of advertising or sponsorship of other types of goods, products, or services.

4.6 Advertising and sponsorship required during an event, including the Council's owned venues, should be within the boundaries of the event space and form part of the hire agreement. Any potential deviation from the food, drink and alcohol restrictions listed above for a specific event should be considered separately and made explicit in the hire agreement.

4.7 As mentioned in 3.4 specific terms outside of the rules of this policy may be applied in certain circumstances. Subject to agreed terms a third-party may be able to advertise or accept sponsorship of a product or organisation that the Council will not. Any terms outside of this policy must always be agreed in accordance with advice from the Advertising and Sponsorship Officer, and with approval from the Director of Policy & Engagement, as per 9.3.

4.7.1 In the case of Council assets that are managed by a third party, specific terms may be negotiated as part of a separate commercial contract agreement or contract renewal.

4.7.2 In the case of third-party major, national or international events, specific terms may be negotiated as part of a separate contractual hire agreement.

4.7.3 In the case of third-party long term leases specific terms may be negotiated as part of a separate contractual lease agreement.

4.8 In the case of small local businesses and their related events, exemptions to this policy may apply. The Council may accept advertising and sponsorship, if deemed appropriate, from the list of unsuitable partners or content (at 4.2) if it meets specific 'small local business' criteria as set out in appendix 1. Any terms outside of this policy must always be agreed in accordance with advice from the Advertising and Sponsorship Officer.

4.9. There may be times when the Council want to sponsor local events or services. The list of unsuitable partners or content for sponsorship (at 4.2) applies.

## 5. Principles

5.1. Any consideration given to advertising or sponsorship agreements shall have regard to the following principles:

- a. must be compatible with the values and priorities in the Council's Corporate Plan and its wider strategy and policy frameworks;
- b. the commercial and/or social value of any arrangement must be clear for both parties;
- c. an arrangement cannot be perceived to influence or hinder how the Council operates or makes decisions;
- d. arrangements must not impose or imply conditions that would limit or appear to limit the Council's ability to carry out its functions fully or impartially;
- e. the reputation and credibility of the Council is not damaged;
- f. the form of sponsorship is consistent with the stated objectives of the Council which includes the Council's image;
- g. agreements are formed with regard to public accountability and transparency with clear statements of objectives and benefits achieved;
- h. the extent of recognition is to be determined in relation to the level and nature of the sponsorship; and is subject to written agreement specifying the benefits and costs.

5.3 In addition the council will uphold the national Code of Recommended Practice on Local Authority Publicity. This means that the Council is not able to enter into an advertising or



sponsorship agreement which connects the Council with, or could be perceived as, lending support to any political party.

5.4 The Council may advertise its own services as appropriate using its own platforms. This may include adverts relating to traded services which generate an income.

5.5 The Council must ensure a return on investment when it is a sponsor. This return extends beyond financial return, and may include other benefits such as but not limited to reputational or supporting Council objectives and policy.

5.6 The use of branding and logos of any sponsoring company must be compatible with the Council's corporate brand guidelines and the Sheffield city brand guidelines and all artwork is subject to approval by the Council.

5.7 The size and positioning of sponsors' logos on any promotional material, goods or signage must be considered by the appropriate lead officer in conjunction with the Council's Communications team and should not be disproportionate to the sponsorship provided.

5.8 Promotional materials and designs should adhere to WCAG 2.1 standards for accessibility. The Council's Communications Service encourage best practice in accessibility to ensure all barriers to engagement are removed and can provide support to ensure that minimum requirements have been met.

5.9 Where advertising is generated by the Council, the content will be commissioned via the Council's Communications team.

5.10 Media relations or publicity for all agreements are undertaken by the Council's Communications team. All media or publicity information produced by the sponsor must be approved by the Council's Communications team before circulation.

## **6. Conflict of Interest**

6.1. Council Officers and Members are required to declare in advance if they have any personal interests, involvement, or potential conflict of interest with any potential sponsor. In the event of a potential conflict of interest, that Officer or Member will take no part in the consideration of advertising or sponsorship with that organisation.

6.2. Every advertising or sponsorship proposal will be assessed against the possibility of a conflict of interest and will be refused or terminated where during the life of the advertising or sponsorship the sponsor: a) has a current development application or planning matter before the Council, or the Council is aware of the possibility of an application or matter coming before the Council in the near future; b) is, or is likely to be, subject to regulation or inspection by the Council which may impose or imply conditions; and where the sponsorship may limit the Council's ability to carry out its functions fully and impartially.

6.3. It is required that any individual or organisation with an advertising or sponsorship agreement with the Council will disclose the agreement if there is a current development application or planning matter relating to them, or if the individual or organisation is subject to regulation or inspection by the Council. If such a conflict is not declared, this is grounds for termination of the contract.

## **7. Agreements**

7.1. There should be a Council approved written form of agreement which clearly sets out:

- a) the benefits, including economic benefits, available to the Council and the sponsor and the nature of the benefits e.g., naming rights;
- b) any personal benefits available to the sponsor's employees and relatives;
- c) the form or forms of sponsorship which will be available;
- d) the scope of uses which the sponsor can make of the advertising sponsorship arrangement;
- e) the term of the advertising conditions regarding renewal; or sponsorship agreement and any;
- f) consequences of change which may occur over time e.g. a shift in the relationship, new policies, new corporate missions or objectives;
- g) financial accountability requirements;
- h) provision for termination or suspension of the agreement.

7.2. The agreement must include a statement that "the Council's function will continue to be carried out fully and impartially, notwithstanding the existence of an advertising or sponsorship arrangement."

7.3. The agreement must include a statement to the effect that any attempted influence of the Council's regulatory functions will result in an automatic review and/or termination of the agreement.

7.4. Advice should be taken from Legal Services before entering into any agreement.

## **8. Public Accountability / Reporting**

8.1. The Council is committed to principles of open governance and of public accountability, transparency and accessibility. To meet these objectives, the Council agrees that:

- a) advertising and sponsorship agreements must be in the form of written agreements;
- b) the Council's Advertising and Sponsorship Policy is publicly available on the Council's website.

## **9. Responsibilities and decision making**

9.1 All Council services, employees and elected members (when acting in an official capacity for or on behalf of the council) must comply with this policy.

9.2 The Council holds personal data of service users and compliance with UK GDPR will be adhered to in all cases.

9.3 All decisions are made in accordance with the Council's Constitution. The Director of Policy & Democratic Engagement has delegated authority to make binding final decisions.

9.4 The Director of Policy & Democratic Engagement authorises the Advertising and Sponsorship Officer to make day to day decisions in line with the terms of this Policy.

9.5 The Advertising and Sponsorship Officer is responsible for the implementation of the Advertising and Sponsorship Policy as well as the Council's terms and conditions for advertisers and sponsors. They can provide expertise on advertising and sponsorship matters and advise on all enquiries. The Advertising and Sponsorship Officer may refer to the Advertising and Sponsorship Advisory Group for guidance.

9.6 The Advertising and Sponsorship Advisory Group will advise as required, on a case-by-case basis to support decision making on Advertising and Sponsorship agreements. The Group includes representatives from across the Council's services to provide expertise and guidance where an advertising or sponsorship request requires further consideration.

9.7 Where advertising or sponsorship is discharged by a third party under a formally procured contract or concession arrangement, the third party must apply this policy and this should be reflected in contractual arrangements. Existing third-party agreements must adopt this policy on renewal, unless specific exemptions have been negotiated, as per 4.7. Terms must be negotiated with referral to The Advertising and Sponsorship Officer and Advisory Group.

9.8 The Council's Legal Service will approve the terms and wording of contractual agreements in relation to advertising and sponsorship.

## **10. Disclaimer**

10.1 All agreements for advertising and sponsorship should operate under the provision that the Council is not explicitly endorsing the product.

10.2. Advertising on Council assets should be clearly labelled as such.

10.3. Recognition of sponsorship should include phrases such as "sponsored by/ funded by/ in partnership with" to reflect that the Council's contribution is distinct from that of the business partner.

10.4. Acceptance of advertising or sponsorship does not imply endorsement of products and services by Sheffield City Council and the Council is not responsible for errors, omissions, information or claims made by the advertisement or by the advertiser or sponsor.

## **11. Policy Implementation & Review**

11.1. This version of the policy will come into effect from April 2024 and will be applied to all new Advertising and Sponsorship agreements, plus current Advertising and Sponsorship agreements as and when they are due for renewal.

11.2. Voluntary adoption of this policy in the middle of a contractual arrangement will be encouraged unless it would result in claims against the Council or additional costs.

11.3. This policy is subject to review in 2026.

## Appendix 1 - Advertising and Sponsorship – supporting local business

It is acknowledged that small local businesses do not present the same level of buying power, brand manipulation and potential harm than large corporations.

Advertising and sponsorship with local businesses can be very beneficial to both parties – building strong relationships, supporting the local economy, helping independent businesses to thrive and creating a vast range of commercial opportunities.

To support a business-friendly approach to the introduction of the council's advertising and sponsorship policy, and the city's vibrant leisure, events and hospitality scene the following criteria can be applied when assessing whether we can go into agreements with certain business types that would be listed as 'not permitted'.

Sheffield City Council's communications campaigns reflect the key priorities of the Authority. In all cases, the business or product type must not be in direct contradiction to a Sheffield City Council communications campaign.

Before assessing the below criteria, the product or business type should be checked against all live communications campaigns to determine whether it is suitable.

### Local independent business – acceptable criteria

Local food and drink, events and leisure businesses that sit within the 'not permitted' list would be considered for advertising and sponsorship only if they are:

- Categorized as an SME (small to medium enterprise)
- Registered as a Sheffield based business
- An independent business

On meeting these criteria, the business/product type will be assessed by the Advertising and Sponsorship officer to ensure it is appropriate. For example:

- a small local brewery may be accepted as a sponsor for a food festival but would not be accepted for a Fostering recruitment event or an Active Travel initiative.
- a local takeaway or pizza restaurant might sponsor a roundabout but would not be accepted for an advertising banner featuring HFSS foods on a local park railing or to sponsor a children's playground.

Assessment of suitability will be carried out by the Advertising and Sponsorship Officer, with support from the Advisory Group if required.

Where it is deemed inappropriate the Advertising and Sponsorship Officer can support the business to look for alternative options across the council's advertising and sponsorship asset suite.

### Promoting local businesses

The same rationale can be applied to the council in relation to promoting events and venues in the city. For example:

- Welcome to Sheffield could promote the opening of new independent food & drink venues, but could not promote a new fast food chain opening.
- The Moor Market could promote a new café or stall opening, but could not promote the sale of its fish and chips, or a 2-4-1 offer on frozen pizzas

Advice should be sought from the Advertising and Sponsorship Officer before promoting a business or product that falls within the not permitted list.

## PART A - Initial Impact Assessment

**Proposal Name:** Advertising and Sponsorship Policy

**EIA ID:** 2488

**EIA Author:** Nicola Allen (CEX)

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**Proposal Outline:** Introduce a modern policy that will govern how all advertising and sponsorship is managed across the authority - including all Council assets, land and relationships. The policy will include restrictions that support the Council's commitment to improving health & the climate, and contribute to long-term savings.

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**Proposal Type:** Non-Budget

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**Year Of Proposal:** 23/24

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**Lead Director for proposal:** James Henderson (CEX)

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**Service Area:** Policy & Democratic Engagement

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**EIA Start Date:** 14/12/2023

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**Lead Equality Objective:** Break the cycle and improve life chances

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**Equality Lead Officer:** Ed Sexton

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### Decision Type

**Committees:**

Sub-Committees  
**Page 149**

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## Portfolio

Primary Portfolio: Strategic Support Services

EIA is cross portfolio: No

EIA is joint with another organisation: No

## Overview of Impact

### Overview Summary:

The policy will provide consistent, clear, transparent and fair criteria in managing advertising and sponsorship relationships, ensuring that all businesses/organisations/individuals are assessed using the same set of terms. Introducing a policy that restricts high fat, salt & sugar foods, alcohol, gambling and fossil fuels will impact businesses and organisations that want to promote those products. A ban on advertising of those products is expected to positively impact those with lower life expectancy, those more at risk of health issues, lower income households and those who are more likely to be influenced by these types of ads (such as young people with junk food ads). Exemptions have been written to manage relationships with local SMEs ensuring they are able to promote appropriate services, as it is understood that their influence is different to large corporations. Consideration has been given as to whether the policy could inadvertently impact small businesses of ethnic minority communities due to the nature of the businesses - such as fast food take away. Fair processes and justification will be used in assessing where it is appropriate for the council to enter in to agreements. In terms of race, consideration will be made to ensure accessibility - can all business types access information about how to advertise?

## Consultation and other engagement

## Cumulative Impact

Does the proposal have a cumulative impact: No

Impact areas:

## Initial Sign-Off

Full impact assessment required: Yes

Review Date: 16/09/2024

## PART B - Full Impact Assessment

### Health

Staff Impacted: No

Customers Impacted: Yes

Description of Impact: The policy will support work to improve health outcomes in the city by restricting adverts for HFSS products, polluting fuels and services targeted at vulnerable people such as gambling.

Name of Lead Health Officer:

Comprehensive Assessment Being Completed: No

Public Health Lead signed off health impact(s):

## Age

Staff Impacted: No

Customers Impacted: Yes

Description of Impact: Young people are more susceptible and targeted for junk food ads - by restricting this across council assets we can prevent young people being targeted where possible. In terms of life expectancy, the restrictions should also help to improve this for those in areas of deprivation by improving health outcomes.

## Poverty & Financial Inclusion

Staff Impacted: No

Customers Impacted: Yes

Description of Impact: Policy supports wellbeing of low income households, which are often targeted with ads for products that have further detrimental impact on their lives. The restrictions will prevent promotion of such products, and should make space for ads to be featured promoting helpful information and less/unharmful products/services instead.

## Race

Staff Impacted: No



**Customers Impacted:**

Yes

**Description of Impact:**

Policy restrictions could be deemed as indirectly impacting business owners in some ethnic minority communities where the business types are predominantly falling in to restricted terms - such as fast food take away. Evidence from REC has also highlighted potential issues around accessibility of opportunities - if policy is introduced consideration should be given to ensure opportunities are promoted in a way that is accessible for all.

## Action Plan & Supporting Evidence

**Outline of action plan:**

Approval at Finance Committee for the policy to be adopted roadshow across services to advise about the changes and processes & criteria. The policy is part of our wider income maximise the council's assets, and alongside the policy the plan that addresses how we can reach a broad audience to advertise or sponsor with us have the opportunity to do so.

**Action plan evidence:**

Looking at other authorities that have adopted similar policy evidence from studies about food/drink/gambling on people studies on the ad industry and impact  
<https://www.sciencedirect.com/science/article/pii/S0195666>  
<https://www.sustainweb.org/news/jan24-knowsley-advertising/>  
<https://evidence.nihr.ac.uk/alert/advertising-ban-was-linked-unhealthy-food-and-drink/>  
<https://www.sciencedirect.com/science/article/pii/S0033350>

**Changes made as a result of action plan:**

## Mitigation

**Significant risk after mitigation measures:**

No

**Outline of impact and risks:**

## Review Date

**Review Date:**



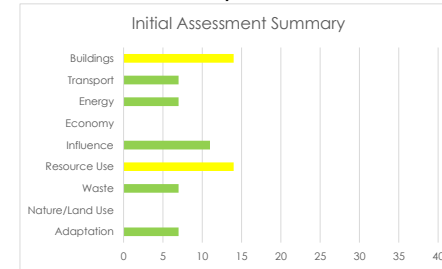
### Climate Change Impact Assessment Summary

<b>Project/Proposal Name</b>	Advertising and Sponsorship Policy	<b>Portfolio</b>	Policy, Performance and Communications
<b>Committee</b>	Strategy and Resources	<b>Lead Member</b>	
<b>Strategic Priority</b>	Healthy Lives and Wellbeing for All	<b>Lead Officer</b>	Nicola Allen
<b>Date CIA Completed</b>	14/12/23	<b>CIA Author</b>	Nicola Allen
		<b>Sign Off/Date</b>	

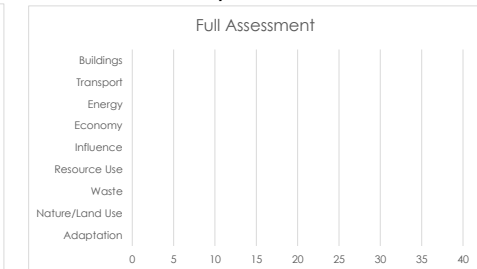
<b>Project Description and CIA Assessment Summary</b>	<p>Introduce a modern policy to govern how all advertising and sponsorship is managed across the authority - including all Council assets, land and relationships.</p> <p>The policy will include restrictions that support the Council's commitment to improving health &amp; the climate, and contribute to long-term savings.</p> <p>The policy will provide consistent, clear, transparent and fair criteria in managing advertising and sponsorship relationships, ensuring that all businesses/organisations/individuals are assessed using the same set of terms.</p>
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<b>Rapid Assessment</b>	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.		
<b>Buildings and Infrastructure</b>	Yes	<b>Influence</b>	Yes
<b>Transport</b>	Yes	<b>Resource Use</b>	Yes
<b>Energy</b>	No	<b>Waste</b>	Yes
<b>Economy</b>	No	<b>Nature/Land Use</b>	No
		<b>Adaptation</b>	Yes

### Initial Assessment Summary



### Full Assessment Summary



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

Initial Assessment

Category	Impact	Description of Project Impact	Score
Buildings and Infrastructure	Construction	N/A	NA
	Use	Our buildings and facilities are also available for advertising - such as the Winter Garden - the policy would limit the promotion of fossil fuel products	7
	Land use in development	Any new external advertising contract developments approved by Planning on SCC land would be limited by the policy terms, again restricting the promotion of fossil fuel products and services. This policy does not address circumstances in which additional digital out of home advertising would be authorised by planning.	7

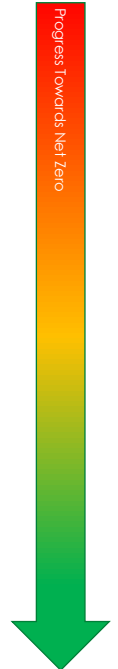
Transport	Demand Reduction	N/A	NA
	Decarbonisation of Transport	By limiting ads for fossil fuel and polluting vehicles there will be a reduction in the exposure of the population to these categories of subject, and some reduction in the normalisation of fossil fuels and polluting vehicles. It is difficult to quantify the extent to which this will have an impact on emissions.	7
	Public Transport	N/A	NA
	Increasing Active Travel	N/A	NA

Energy	Decarbonisation of Fuel	Whilst it is difficult to quantify, it is possible that banning advertisements for fossil fuels may have some impact on demand for them and products fuelled by them.	NA
	Demand Reduction/Efficiency Improvements	The introduction of an authority wide policy opens up potential opportunities for more businesses to advertise in more places. It is anticipated that most advertising will be online. The policy is not linked to further expansion of digital out of home advertising, which would be assessed by planning regulations.	7
	Increasing infrastructure for renewables generation	NA	NA

Economy	Development of low carbon businesses	NA	NA
	Increase in low carbon skills/training	NA	NA
	Improved business sustainability	NA	NA

Influence	Awareness Raising	Promotion of the new policy, the restrictions and the reasons for implementing, will increase awareness of climate change and actions to address climate change issues. Media, online digital media, stakeholder sharing will support this activity. Fossil Fuel companies use advertising to promote false solutions. Greenwashing is often used by fossil fuel companies to influence people's thoughts about the companies operations. The introduction of the policy and restrictions challenges this misleading activity and prevents such ads from being promoted. Whilst the policy does not significantly reduce emissions in and of itself, the leadership it shows in terms of the content of advertising permitted is significant and so the score reflects the potential wider impact.	3
	Climate Leadership	This could be a strong example of leading the way on banning fossil fuel ads. Some other UK local authorities have passed motions, approved a policy, but we are not aware of any in the UK that have actually implemented restrictions (cities and countries in some other countries are further ahead on this issue). In terms of covering both climate issues and public health (HFSS foods/drinks) it is likely to attract more attention, as other authorities have generally focussed on one or the other. Existing contracts would however be unaffected until the point of renewal/retender - unless national legislation was to change	3

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.



<b>Working with Stakeholders</b>	Development of the policy terms has been done with advice and liaison from industry stakeholders such as AdFreeCities and Sustain. These organisations will amplify promotion of the adopted policy. Other authorities meet frequently to discuss policy terms across climate and health and share knowledge and experience. In addition the policy creates more space in the ad market for business stakeholders who share similar values or promote non-harmful products. We've seen interest from local media around banning ads so expect this will gain media coverage.	5
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<b>Resource Use</b>	<b>Water Use</b>	N/A	NA
	<b>Food and Drink</b>	N/A	NA
	<b>Products</b>	Advertising in general promotes consumption, but the policy will restrict adverts of some types of products which have negative impacts for climate and sustainability, contributing to a reduction in consumption of these products. Evidence from studies and reports shows that adverts do influence consumption levels.	7
	<b>Services</b>	Advertising in general promotes consumption, but the policy will restrict adverts for some services which have negative impacts for climate and sustainability, contributing to a reduction in consumption of these services. Evidence from studies and reports shows that ads do influence consumption levels.	7

<b>Waste</b>	<b>Waste Reduction</b>	The introduction of an authority wide policy opens up potential opportunities for more businesses to advertise in more places. While most forms of advertising will be online, this could lead to an increase in the production of materials, such as banners.	7
	<b>Waste Hierarchy</b>	NA	NA
	<b>Circular Economy</b>	NA	NA

<b>Nature/Land Use</b>	<b>Biodiversity</b>	NA	NA
	<b>Carbon Storage</b>	NA	NA
	<b>Flood Management</b>	NA	NA

<b>Adaptation</b>	<b>Exposure to climate change impacts</b>	NA	NA
	<b>Vulnerable Groups</b>	NA	NA
	<b>Just Transition</b>	This policy will only apply to existing external providers at point of contract renewal.	7

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## Report to Policy Committee

**Author/Lead Officer of Report:** *Liam Darling – Assistant Finance Manager*

**Tel:** 0114 474 1147

**Report of:** *Director of Finance & Commercial Services (CFO)*

**Report to:** *Finance Committee*

**Date of Decision:** *18<sup>th</sup> March 2024*

**Subject:** *Changes to the Constitution: Part 4 – Financial Procedure Rules (Financial Regulations)*

Type of Equality Impact Assessment (EIA) undertaken <b>N/A</b>	Initial <input type="checkbox"/>	Full <input type="checkbox"/>
Insert EIA reference number and attach EIA		
Has appropriate consultation/engagement taken place? <b>N/A</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/> n/a
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:-		
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

### Purpose of Report:

This report is to present the proposed changes to the Council’s Constitution: Part 4 – Financial Procedure Rules (Financial Regulations) arising from an annual refresh of the Regulations following consultation with Finance colleagues.

**Recommendations:**

That the Finance Committee:-

- (a) endorses the proposed changes to the Constitution: Part 4 – Financial Procedure Rules (Financial Regulations), as outlined in the report and Appendix 1 and shown in full at Appendix 2; and
- (b) notes that the revised Financial Procedure Rules (Financial Regulations), together with other proposed changes to the Constitution, will be presented to Full Council for approval at the Annual Meeting on 15<sup>th</sup> May 2024.

**Background Papers:**

Appendix 1: 2024 Financial Regulations – Summary of Changes from 2023

Appendix 2: 2024 Financial Regulations

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed.
	Finance: <i>Liam Darling</i>
	Legal: <i>Andrea Simpson</i>
	Equalities & Consultation: <i>N/A</i>
	Climate: <i>N/A</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	<b>SLB member who approved submission:</b> <i>Philip Gregory - Director of Finance &amp; Commercial Services (CFO)</i>
3	<b>Committee Chair consulted:</b> <i>Councillor 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.
	<b>Lead Officer Name:</b> <i>Liam Darling</i>
	<b>Job Title:</b> <i>Assistant Finance Manager</i>
	<b>Date:</b> <i>7<sup>th</sup> March 2024</i>



## **1. PROPOSAL**

- 1.1 This report provides details of proposed changes to Part 4 - Financial Procedure Rules (Financial Regulations) of the Council's Constitution.
- 1.2 Details of the proposed changes are set out in the Summary of Changes attached to this report as Appendix 1. The draft revised version of the Financial Procedure Rules (Financial Regulations) is attached as Appendix 2.
- 1.3 The revised Financial Procedure Rules (Financial Regulations), together with other proposed changes to the Constitution, will be presented to Full Council for approval at the Annual Meeting in May.

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

- 2.1 The Financial Procedure Rules (Financial Regulations) are an important part of the Council's financial governance arrangements and are part of the Council's Constitution. They provide the rules for the Council to follow to protect public money and give clarity for both Members and Officers regarding responsibilities for financial management. The Council's financial governance arrangements support the delivery of the ambitions within the Council Plan.

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

- 3.1 There is no requirement to consult the public on the Financial Procedure Rules (Financial Regulations).

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

### **4.1 Equality Implications**

- 4.1.1 There are no equality implications.

### **4.2 Financial and Commercial Implications**

- 4.2.1 There are no financial or commercial implications.

### **4.3 Legal Implications**

- 4.3.1 Under Section 9P of the Local Government Act 2000, the Council must prepare a constitution and keep it up to date. The proposed changes in this report, when formally approved, will bring a part of the Constitution up to date to comply with the legislation.

4.3.2 Except where delegated by Council, variations to the Constitution may only be made by Full Council. The General Counsel, in consultation with the Lord Mayor, has delegated authority to make any minor and consequential drafting changes to the Constitution. The changes proposed in this report are more than minor or consequential and thus require Full Council approval.

#### 4.4 Climate Implications

4.4.1 There are no climate implications.

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

5.1 Do nothing – this option was rejected because it would result in the Financial Procedure Rules (Financial Regulations), and therefore the Constitution being out of date with respect to current practices, policies and procedures.

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

6.1 The reasons for the recommended changes are set out in the Summary of Changes document at Appendix 1.



# **Sheffield City Council**

## **Financial Regulations 2024**

**Summary of changes from the 2023 Regulations**

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**Table of Contents**

Foreword.....	3
1. General Review / Update – links, format, etc.....	4
2. Key Terms and Definitions (page 7).....	4
3. Detailed Officer Roles and Responsibilities (Section 1, pages 22 and 25).....	5
4. Clarification of responsibilities in relation to the MTFS.....	6
5. Debt Recovery (Section 7, page 47).....	7
6. Changes to various other sections.....	7
Appendices.....	13
A. Key Terms and Definitions (Change #2).....	13
B. Detailed Officer Roles and Responsibilities (Section 1) (Change #3).....	13
C. Financial Planning (Section 3) (Change #4).....	14
D. Changes to various other sections (Change #6).....	14

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## **Foreword**

This document summarises the main amendments (additions and/or deletions) from the 2023 to the 2024 Financial Regulations. It is not intended to replace due consideration of the current Regulations.

If you have any queries on the content of the Financial Regulations, please contact your Service Accounting and/or Business Partner (BP) team.

The Appendices are the specific sections of the 2023 Financial Regulations, prior to any amendments made because of the 2024/25 update.

## 1. General Review / Update – links, format, etc....

The Financial Regulations have been reviewed and updated with the following general changes:

- Specific references to CCAB in relation to qualified accountants have been removed to reflect that CIMA qualified accountants may carry out the same duties as CCAB qualified accountants. The definition of a Qualified Accountant has been inserted in the 'Key Terms and Definitions' section – see below.
- The section on 'Payroll, Expenses and Petty Cash Floats' (was section 10) has been split into two sections, 'Payroll and Expenses' (now section 10) and 'Petty Cash Floats and Credit / Procurement Cards' (now section 11). The section on 'Bank Accounts and Credit Cards' (was section 11) is now titled 'Bank Accounts' (now section 12). Where relevant, the Detailed Officer Roles and Responsibilities have also been amended in a similar fashion.
- The headings in the Detailed Officer Roles and Responsibilities tables have been amended to ensure that they are consistent with the headings and order of the relevant sections in the Financial Regulations, and links have been added to facilitate easier navigation.
- References to the Director of HR and Employee Engagement have been changed to the Director of People and Culture to reflect the change of job title.
- All references to 'members of the Senior Management Team' have been amended to refer instead to Strategic Directors, as they are now collectively known.

## 2. Key Terms and Definitions (page 7)

<b>Qualified Accountant</b>	<p>An officer who has achieved a professional accountancy qualification provided by one of the bodies listed below:</p> <ul style="list-style-type: none"><li>• the Institute of Chartered Accountants in England and Wales (ICAEW),</li><li>• the Institute of Chartered Accountants of Scotland (ICAS),</li><li>• the Association of Chartered Certified Accountants (ACCA),</li><li>• the Chartered Institute of Public Finance and Accountancy (CIPFA),</li><li>• Chartered Accountants Ireland, or</li><li>• the Chartered Institute of Management Accountants (CIMA).</li></ul>
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*This amendment was requested by Finance Business Partnering, to reflect the equivalence of the CIMA qualification to CCAB qualifications, following CIMA's withdrawal from CCAB in 2011. The list of professional accountancy bodies is also consistent with section 113 of the Local Government Finance Act 1988 which sets out the requirements of a person having responsibility for the administration of the financial affairs of a relevant authority under section 151 of the 1972 Act (i.e. section 151 officer).*

### 3. Detailed Officer Roles and Responsibilities (Section 1, pages 22 and 25)

#### Strategic Directors

<p><b>External Funding / Grants</b></p>	<p>Ensuring all applications for external funding are made in line with the Funder requirements and EFT are consulted.</p> <p>Ensuring all offers of external funding are only accepted in accordance with the Constitution.</p> <p>Ensuring that where the conditions of a grant require sign-off by Internal Audit, that the Internal Audit team are notified as soon as possible, so that this can be incorporated into the Internal Audit plan.</p> <p>Ensuring all the terms and conditions attached to a grant are met and evidence to confirm this is collected and retained.</p> <p>Ensuring grant claims are prepared, checked by the Accounting Team and EFT, and submitted as per the Funder's requirements.</p> <p>Managing all external funding within their area of responsibility using the Council's systems and processes.</p>
<p><b>Financial Systems</b></p>	<p>Reconciling Directorate feeder systems to the information reported in the Council's financial system.</p> <p>Ensuring that Directorate systems, e.g. Controcc, promptly produce financial returns in a format required by the Head of Accounting.</p> <p>Controlling the access to Directorate systems and information and ensuring both the accuracy and security of the data.</p> <p>Ensuring that the data on their systems (whether this is hard copy or in electronic format) is held in accordance with domestic data protection legislation.</p> <p>Ensuring that the CFO and the ICT and Digital Innovation Team are consulted prior to the purchase and implementation of new computerised financial systems.</p> <p>Ensuring that all financial transactions are properly recorded in the Council's financial system, and that no transactions are recorded solely on any other system, spreadsheet, or record.</p>
<p><b>Internal Audit</b></p>	<p>Engaging with Internal Audit to produce an annual Internal Audit plan for the following financial year.</p> <p>Agreeing and overseeing the implementation of audit recommendations e.g. via a recommendation tracker.</p> <p>Co-operating with internal audits in a timely and appropriate fashion.</p> <p>Ensuring all allegations of theft, misconduct etc are notified to Internal Audit as soon as they become known.</p>

*These amendments were requested by Internal Audit, to strengthen the Financial Regulations in respect of various issues noted through common experience of the team.*

#### 4. Clarification of responsibilities in relation to the MTFS

##### Who Has Responsibility for Finance? (Section 1, page 11)

The following responsibility has been moved from the Finance Committee row to the Strategy & Resources Policy Committee row:

- The Strategy & Resources Policy Committee has responsibility for decisions on commitments to funding in future years not covered by the MTFS.

*This amendment was requested by Legal Services, to bring the Financial Regulations in line with the responsibilities in Part 3.3.1 of the Constitution.*

*To be clear, the above has always been the responsibility of the Strategy & Resources Policy Committee (S&R), since it was established. While the Finance Committee was a sub-committee of S&R, it could take decisions on such matters, as per the delegations in the Constitution that was in force at that time. Since the 2023 Council AGM, the Finance Committee has been established as a committee in its own right, but it is not a Policy Committee and as the above is considered to be a policy matter, the Finance Committee cannot take decisions on such matters.*

##### Financial Planning (Section 3, page 30)

<b>The MTFS is an integrated financial plan</b>	<p>The MTFS is a key part of good governance and is a tool to help the Council deliver its priorities.</p> <p>The MTFS sets an integrated financial plan, usually for a three to five year period.</p> <p>The MTFS links closely to the Corporate Plan. The Corporate Plan in turn, informs the spending priorities included in the MTFS.</p> <p>The CFO will be responsible for producing the MTFS along with Strategic Directors. This will be supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.</p> <p><b>The MTFS is presented to the Strategy &amp; Resources Policy Committee and will form the basis for the following years Annual Revenue Budget and Capital Programme that the Committee will subsequently recommend to Council for final approval, with projections for future years.</b></p> <p>This includes details of the amount of money available or financial targets for Strategic Directors for the forthcoming financial year and guideline allocations / targets for the following years.</p> <p>The MTFS will also include projections of the Council's reserves and balances.</p>
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*This amendment was made to clarify the responsibilities in relation to the MTFS based on a query from the lead members of the Finance Committee.*



## 5. Debt Recovery (Section 7, page 47)

The below reference has been added:

- **Acting in accordance with its Corporate Debt Policy**, the Council will do everything in its power to recover money owed to it.

*This amendment was requested by the PACE team, to make a clearer link between the Financial Regulations and the new Corporate Debt Policy.*

## 6. Changes to various other sections

Throughout the Financial Regulations, references to the Financial Protocol and the Frameworks of Financial Accountability (FoFAs) have been removed.

Wording from the former Financial Protocol has been incorporated in to the Financial Regulations as follows.

### Key Terms and Definitions (pages 5-6 and 9)

<b>Business Unit</b>	The lowest level in the hierarchy of the Council's finance system. Each business unit has a named responsible officer, known as the Business Unit Manager, who is responsible for signing off the budget for their Business Unit and completing monthly budget monitoring and forecasting.
<b>Chief Finance Officer (CFO)</b>	The officer who, under section 151 of the Local Government Act 1972, has responsibility for the proper administration of the Council's financial affairs. The Council's CFO is the Director of Finance & Commercial Services. <b>The CFO may also be referred to as the Section 151 Officer.</b>
<b>Utilities / Utility Bill</b>	Payments for the following services: Gas, Electricity, Water, Telecoms, Mail Services and Photocopiers.
<b>Value for Money (VfM)</b>	<b>Making the best use of resources through:</b> <ul style="list-style-type: none"><li>• <b>economy – careful management of resources, keeping costs as low as possible, but consistent with achieving objectives;</b></li><li>• <b>efficiency – obtaining an optimal relationship between the resources used and the outputs/impacts achieved; and</b></li><li>• <b>effectiveness – achieving alignment between intended and actual outcomes.</b></li></ul>

### Detailed Officer Roles and Responsibilities (Section 1, pages 14-16 and 20-22)

#### Director of Finance & Commercial Services

<b>Financial Management</b>	<b>In accordance with section 151 of the Local Government Act 1972, responsibility for the proper administration of the Council's financial affairs.</b> <b>Under section 114 of the Local Government Finance Act 1988, making a report to Full Council and to the Council's External Auditors, if it appears that the Council, a committee, a person holding any office or</b>
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employment under the Council, or a joint committee on which the Council is represented:

- has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful,
- has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council, or
- is about to enter an item of account the entry of which is unlawful.

Under section 114 of the Local Government Finance Act 1988, making a report to Full Council and to the Council's External Auditors if it appears that the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In other words, if the Council is unable to set a balanced budget for the forthcoming financial year.

Ensuring that the s151 role is fulfilled at a strategic level.

On a day-to-day basis, all s151 responsibilities may be discharged by the Head of Accounting and the Head of Finance & Commercial Business Partnering. They will act on behalf of the CFO in ensuring proper discharge of these statutory responsibilities.

Nothing in the above paragraph diminishes the ultimate financial responsibilities of the CFO.

Ensuring the production and monitoring of these Financial Regulations.

Signing statutory returns or other documents that require the authority of the CFO, although this is usually discharged by the Head of Accounting or the Head of Finance & Commercial Business Partnering.

Reporting significant risks to the Council's Leadership Boards and to the Policy Committees in quarterly budget monitoring reports.

Maintaining a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.

Ensuring that appropriate training is made available to support the Financial Regulations and operational procedures.

Writing financial standards, policies, procedures, forms, etc. which support the Financial Regulations.

Overall responsibility for the financial elements of Council's Asset Register and for making sure all necessary accounting requirements are followed.

Arranging the insurances considered necessary to cover risks to which the Council is exposed.

Determining the premiums to be charged to Directorates for Insurance as part of the Annual Budget process.

**Financial Planning**

Producing the MTFS with Strategic Directors.

	<p>Preparing Directorate spending proposals with the Finance &amp; Commercial Business Partnering Team and Strategic Directors.</p> <p>Advising on any contingency budgets required to cover exceptional in-year costs, such as price increases and commitments which are uncertain in terms of their timing and cost.</p> <p>Approving requests by Strategic Directors to set up earmarked reserves.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves.</p> <p>Ensuring the Budget meets relevant statutory requirements.</p> <p>Agreeing borrowing and investment transactions, although this is usually discharged by the Head of Accounting or nominated deputies.</p>
<b>External Funding / Grants</b>	<p>Signing grant Funder offer letters, or documentation, to accept a grant of £1m or more, although this is usually discharged by the Head of Accounting or the Head of Finance &amp; Commercial Business Partnering.</p>
<b>Companies, Joint Ventures, Partnerships, Joint Committees etc.</b>	<p>Agreeing the arrangements for robust financial governance and control where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems.</p> <p>Reporting at least annually to the appropriate Policy Committee, in conjunction with the relevant Strategic Director, on the financial affairs of any partnership body.</p>

### Strategic Directors

<b>Financial Management</b>	<p>Ensuring the proper financial management of their Directorate, with a view to protecting and safeguarding the Council's overall financial interest and strengthening financial control.</p> <p>Ensuring the resources of their Directorate are deployed in accordance with the Council's priorities and in a manner that demonstrates value for money.</p> <p>Providing assurance, at least annually, to the CFO that there are proper arrangements for ensuring managers are accountable for the use of financial resources and for reviewing financial management performance, and that those arrangements are working effectively.</p> <p>Ensuring all their Directorate staff comply with the Financial Regulations and that they seek advice on statutory requirements relating to financial management where these are not clear.</p> <p>Ensuring the training available on the Financial Regulations is accessed by their staff.</p> <p>Ensuring that the CFO has access to all Directorate resources (including information and officers) necessary for the CFO's roles and responsibilities to be fulfilled.</p> <p>Ensuring that financial services and advice are provided to the Directorate only by Finance.</p> <p>Ensuring adequate arrangements are in place for maintaining and protecting the Council's property assets.</p>
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	<p>Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the Constitution and the Council's Disposal Framework policy and that Finance are informed.</p> <p>Informing the CFO of any vehicle purchases (or leases) or disposals, premises purchases (or leases) or disposals and of any occupations or vacations of premises.</p> <p>Ensuring that risk management and business continuity are embedded at all levels within their Directorates in line with the Risk Management Framework.</p> <p>Identifying and controlling risks in their area.</p> <p>Notifying the CFO of any circumstances which could result in the Council incurring a substantial liability.</p> <p>Ensuring adherence to the Anti-Money Laundering Policy.</p> <p>Notifying the CFO where there is any actual or suspected irregularity affecting the Council's assets.</p> <p>Ensuring that the insurance cover chargeable to their Directorate budgets is accurate and up to date.</p> <p>Providing renewal information annually to the Insurance Team.</p> <p>Notifying the Insurance Team of any loss, liability or damage or any event likely to lead to a claim and taking any action that may be necessary to satisfy any policy conditions.</p>
<p><b>Financial Implications</b></p>	<p>Ensuring all reports that go to <b>officers</b>, Policy Committees or Council for decision contain a 'Financial Implications' section.</p> <p><b>Ensuring Financial Implications of decisions are brought to the attention of their Directorate Leadership Team, and other officers within the Directorate responsible for implementing the decision.</b></p>

**Financial Implications (Section 4, page 35)**

<p><b>Arrangements for the sign-off of Financial Implications</b></p>	<p>All Financial Implications summaries must be signed off by the CFO, or an authorised officer on their behalf.</p> <p><b>Officers developing proposals and preparing reports cannot assume that they know the financial implications; an authorised officer from Finance must be involved and provide input.</b></p> <p>Only the Head of Finance &amp; Commercial Business Partnering, as the budget holder for the Council's Capital Financing costs, (or officers specifically authorised to do this on their behalf) may approve Financial Implications which impacts on cash-flow.</p> <p>Before signing off Financial Implications, the officer who has prepared the report has taken all relevant advice, e.g. specialist financial, commercial or taxation advice.</p> <p>The name of the Officer who has signed-off the Financial Implications must appear on the Financial Implications section of the covering checklist.</p>
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## Capital Programme (Section 5, pages 37-38)

<b>Emergency Approvals</b>	<p>Where an emergency approval is required, this must be obtained in line with urgency procedures in the Constitution.</p> <p>Emergency approvals can be granted by the relevant Strategic Director in consultation with the Head of Finance &amp; Commercial Business Partnering acting on behalf of the CFO.</p> <p>The CFO, or an officer authorised to act on their behalf, must be informed of the need for any emergency approvals at the earliest possible opportunity.</p> <p>All emergency approvals within a month should be reported to the Finance Committee in the next monitoring report. If, by the time the decision has been reported, and no action has been taken, the emergency approval may be cancelled.</p>
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## Income Management (Section 7, pages 48-49)

<b>Bad and doubtful debt provision</b>	<p>Unless agreed otherwise by the Head of Revenues &amp; Benefits, if a debt is not paid by day 60 after the invoice date, the Business Unit will be debited to make full provision for the debt not being paid.</p> <p>This means that money is set aside in the Council's accounts to cover the possibility of the debt not being paid.</p> <p>Exceptions to this can only be approved by the Head of Revenues &amp; Benefits. A list of the agreed exceptions is kept by the PACE Team.</p> <p>At the year-end, a bad debt provision will be estimated based on historic trends in debts not being recovered.</p> <p>Creating a provision for bad or doubtful debt does not mean that recovery action will stop. The Council will continue to take recovery action after the provision is made.</p>
<b>Payments received after 60 days</b>	<p>Unless agreed otherwise by the Head of Revenues &amp; Benefits, if an outstanding debt is paid after day 60 and before day 91 the Business Unit will be credited with 50% of the income. The remaining 50% will be diverted to help balance the Council's overall budget.</p> <p>If the debt is paid after day 90, 100% of the income will be diverted to help balance the Council's overall budget and the Business Unit will not receive any income.</p>

## Bank Accounts (Section 12, page 58)

<b>Banking transactions</b>	<p>The authorised signatories list for banking transactions is developed and approved by the Head of Accounting.</p> <p>Authorised signatories will normally be senior Finance officers. A list of the current authorised signatories can be obtained from the Treasury team.</p>
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*These amendments were requested by the Standards & Policies Group, to incorporate wording from the former Financial Protocol into the Financial Regulations, as part of the proposal to retire the Protocol and the Frameworks of Financial Accountability (FoFAs)*

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*and introduce a new sign-off process via Microsoft Forms. The Financial Regulations have also been checked to ensure that all responsibilities of the CFO are accurately reflected in the Detailed Officer Roles and Responsibilities section and amendments have been made as necessary.*

## Appendices

Appendices A to D are extracts from the specific sections in the 2023 Financial Regulations prior to any amendments made because of the 2024/25 update.

### A. Key Terms and Definitions (Change #2)

<b>Consultative Committee of Accountancy Bodies (CCAB)</b>	<p>A forum of chartered accountancy bodies which individually provide professional accountancy qualifications. The member bodies are:</p> <ul style="list-style-type: none"><li>• The Institute of Chartered Accountants in England and Wales (ICAEW)</li><li>• Association of Chartered Certified Accountants (ACCA)</li><li>• Chartered Institute of Public Finance and Accountancy (CIPFA)</li><li>• The Institute of Chartered Accountants of Scotland (ICAS)</li><li>• Chartered Accountants Ireland</li></ul>
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### B. Detailed Officer Roles and Responsibilities (Section 1) (Change #3)

#### Members of the Senior Management Team

<b>External Funding</b>	<p>Ensuring all applications for external funding are made in line with the Funder requirements and EFT are consulted.</p> <p>Ensuring all offers of external funding are only accepted in accordance with the Constitution.</p> <p>Ensuring all the terms and conditions attached to a grant are met and evidence to confirm this is collected and retained.</p> <p>Ensuring grant claims are prepared, checked by the Accounting Team and EFT, and submitted as per the Funder's requirements.</p> <p>Managing all external funding within their area of responsibility using the Council's systems and processes.</p>
<b>Financial Systems</b>	<p>Reconciling Directorate feeder systems to the information reported in the Council's financial system.</p> <p>Ensuring that Directorate systems, e.g. Controcc, promptly produce financial returns in a format required by the Head of Accounting.</p> <p>Controlling the access to Directorate systems and information and ensuring both the accuracy and security of the data.</p> <p>Ensuring that the data on their systems (whether this is hard copy or in electronic format) is held in accordance with domestic data protection legislation.</p> <p>Ensuring that the CFO and the ICT and Digital Innovation Team are consulted prior to the purchase and implementation of new computerised financial systems.</p>

<b>Internal Audit</b>	<p>Engaging with Internal Audit to produce an annual Internal Audit plan for the following financial year.</p> <p>Agreeing and implementing relevant Audit recommendations.</p>
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### C. Financial Planning (Section 3) (Change #4)

<b>The MTFS is an integrated financial plan</b>	<p>The MTFS is a key part of good governance and is a tool to help the Council deliver its priorities.</p> <p>The MTFS links closely to the Corporate Plan. The Corporate Plan in turn, informs the spending priorities included in the MTFS.</p> <p>The CFO will be responsible for producing the MTFS along with Strategic Directors. This will be supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.</p> <p>The MTFS sets an integrated financial plan, usually for a three to five year period, and will form the basis for the following years Annual Revenue Budget and Capital Programme, with projections for future years.</p> <p>This includes details of the amount of money available or financial targets for Strategic Directors for the forthcoming financial year and guideline allocations / targets for the following years.</p> <p>The MTFS will also include projections of the Council's reserves and balances.</p>
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### D. Changes to various other sections (Change #6)

#### Key Terms and Definitions

<b>Chief Finance Officer (CFO)</b>	<p>The Chief Finance Officer (CFO) has a statutory responsibility under section 151 of the Local Government Act 1972 and s114 of the Local Government Finance Act 1988 to ensure that the Council makes arrangements for the proper administration of its financial affairs. These laws govern the way in which the Authority's financial affairs are managed. The CFO is the Director of Finance &amp; Commercial Services.</p>
<b>Utilities/ Utility Bill</b>	<p>As approved by the CFO, payments for the following services are Utilities (Gas, Electricity, Water, Telecoms, Mail Services and Photocopiers).</p>



## Detailed Officer Roles and Responsibilities (Section 1)

### The Director of Finance & Commercial Services

<b>S151 and deputy s151 officers</b>	<p>Fulfilling the statutory role of the Chief Finance Officer (CFO) for the purposes of s151 of the Local Government Act 1972 and s114 of the Local Government Finance Act 1988.</p> <p>A statutory responsibility to ensure that the Council plans for the proper administration of the Council's financial affairs.</p> <p>Ensuring the production and monitoring of these Financial Regulations.</p> <p>Ensuring that the s151 role is fulfilled at a strategic level.</p> <p>On a day-to-day basis, all s151 responsibilities may be discharged by the Head of Accounting and the Head of Finance &amp; Commercial Business Partnering. They will act on behalf of the CFO in ensuring proper discharge of these statutory responsibilities.</p> <p>Nothing in the above paragraph diminishes the ultimate financial responsibilities of the CFO.</p>
<b>Financial Management</b>	<p>Signing grant Funder offer letters, or documentation, to accept a grant of £1m or more, although this is usually discharged by the Head of Accounting or the Head of Finance &amp; Commercial Business Partnering.</p> <p>Signing statutory returns or other documents that require the authority of the CFO, although this is usually discharged by the Head of Accounting or the Head of Finance &amp; Commercial Business Partnering.</p> <p>Reporting significant risks to the Council's Leadership Boards and to the Policy Committees in quarterly budget monitoring reports.</p> <p>Agreeing borrowing and investment transactions, although this is usually discharged by the Head of Accounting or nominated deputies.</p> <p>Maintaining a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.</p> <p>Ensuring that appropriate training is made available to support the Financial Regulations and operational procedures.</p> <p>Writing financial standards, policies, procedures, forms, etc. which support the Financial Regulations.</p> <p>Overall responsibility for the financial elements of Council's Asset Register and for making sure all necessary accounting requirements are followed.</p> <p>Arranging the insurances considered necessary to cover risks to which the Council is exposed.</p> <p>Determining the premiums to be charged to Directorates for Insurance as part of the Annual Budget process.</p>
<b>Financial Planning</b>	<p>Producing the MTFS with members of the Senior Management Team.</p>

	<p>Preparing Directorate spending proposals with the Finance &amp; Commercial Business Partnering Team and members of the Senior Management Team.</p> <p>Advising on any contingency budgets required to cover exceptional in-year costs, such as price increases and commitments which are uncertain in terms of their timing and cost.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves.</p> <p>Ensuring the Budget meets relevant statutory requirements.</p> <p>Issuing guidance regarding decisions referred.</p> <p>Signing off all Financial Implications summaries, directly or by an authorised officer on their behalf.</p>
<b>Companies, Joint Ventures, Partnerships, Joint Committees</b>	<p>Agreeing the arrangements for robust financial governance and control where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems.</p>

#### Members of the Senior Management Team

<b>Financial Management</b>	<p>Ensuring the proper financial management of their Directorate.</p>
<b>Accountability Framework</b>	<p>Producing and maintaining an up-to-date Accountability Framework for the Directors and Heads of Service in each Directorate.</p> <p>All their Directorate staff comply with the Financial Regulations.</p> <p>Ensuring the training available on the Financial Regulations is accessed by their staff.</p>
<b>Asset management</b>	<p>Ensuring adequate arrangements are in place for maintaining and protecting the Council's property assets.</p> <p>Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the Constitution and the Council's Disposal Framework policy and that Finance are informed.</p>
<b>Financial risk management and Money Laundering</b>	<p>Ensuring that risk management and business continuity are embedded at all levels within their Directorates in line with the Risk Management Framework.</p> <p>Identifying and controlling risks in their area.</p> <p>Notifying the CFO of any circumstances which could result in the Council incurring a substantial liability.</p> <p>Ensuring adherence to the Anti-Money Laundering Policy.</p> <p>Notifying the CFO where there is any actual or suspected irregularity affecting the Council's assets.</p>
<b>Insurance</b>	<p>Ensuring that the insurance cover chargeable to their Directorate budgets is accurate and up to date.</p>

	<p>Providing renewal information annually to the Insurance Team.</p> <p>Notifying the Insurance Team of any loss, liability or damage or any event likely to lead to a claim and taking any action that may be necessary to satisfy any policy conditions.</p> <p>Informing the CFO of any vehicle purchases (or leases) or disposals, premises purchases (or leases) or disposals and of any occupations or vacations of premises.</p>
<p><b>Financial Planning covers</b></p> <p><b>MTFS</b></p> <p><b>Annual revenue budget setting and approval</b></p> <p><b>Budget Monitoring</b></p> <p><b>Virements and variations including approvals</b></p> <p><b>Financial Implications and sign-off</b></p>	<p>Preparing detailed spending proposals for their Directorate in conjunction with Finance &amp; Commercial Business Partnering and the CFO.</p> <p>Informing the CFO of any exceptional expenditure items so that an appropriate level of contingency can be agreed.</p> <p>Ensuring their approved Directorate Revenue Budget is not overspent.</p> <p>Managing their approved Revenue Budgets within the cash allocations and financial targets approved by the Council, unless specific and approved additional resources are provided in year.</p> <p>Reviewing requests to carry forward underspends. This should be linked to the annual revenue budget and, where possible, identified in the business planning process.</p> <p>Not making commitments to spend in future years without consultation with the CFO and the Finance Committee.</p> <p>Ensuring that all managers in their Directorates adhere to the budget monitoring and reporting timescales set by the CFO.</p> <p>Proposing budget variations – please see the Virements and Variations to the Annual Revenue Budget section below.</p> <p>Ensure all reports supporting decisions that go to the Policy Committees or Council, contain a section, ‘Financial Implications’.</p>

#### Financial Implications (Section 4)

<p><b>Arrangements for the sign-off of Financial Implications</b></p>	<p>All Financial Implications summaries must be signed off by the CFO, or an authorised officer on their behalf.</p> <p>Only the Head of Finance &amp; Commercial Business Partnering, as the budget holder for the Council’s Capital Financing costs, (or officers specifically authorised to do this on their behalf) may approve Financial Implications which impacts on cash-flow.</p> <p>Before signing off Financial Implications, the officer who has prepared the report has taken all relevant advice, e.g. specialist financial, commercial or taxation advice.</p> <p>The name of the Officer who has signed-off the Financial Implications must appear on the Financial Implications section of the covering checklist.</p>
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## Capital Programme (Section 5)

<b>Emergency Approvals</b>	<p>Where an emergency approval is required, this must be obtained in line with urgency procedures in the Constitution.</p> <p>Emergency approvals must also be referred to the CFO, the Head of Finance &amp; Commercial Business Partnering, or an officer authorised to act on their behalf.</p> <p>All emergency approvals within a month should be reported to the Finance Committee in the next monitoring report. If, by the time the decision has been reported, and no action has been taken, the emergency approval may be cancelled.</p>
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## Income Management (Section 7)

<b>Bad and doubtful debt provision</b>	<p>Unless agreed otherwise by the CFO, if a debt is not paid by day 60 after the invoice date, the Business Unit will be debited to make full provision for the debt not being paid.</p> <p>This means that money is set aside in the Council's accounts to cover the possibility of the debt not being paid.</p> <p>Exceptions to this can only be approved by the Head of Revenues &amp; Benefits. A list of the agreed exceptions is kept by the PACE Team.</p> <p>At the year-end, a bad debt provision will be estimated based on historic trends in debts not being recovered.</p> <p>Creating a provision for bad or doubtful debt does not mean that recovery action will stop. The Council will continue to take recovery action after the provision is made.</p>
<b>Payments received after 60 days</b>	<p>Unless agreed otherwise by the CFO, if an outstanding debt is paid after day 60 and before day 91 the Business Unit will be credited with 50% of the income. The remaining 50% will be diverted to help balance the Council's overall budget.</p> <p>If the debt is paid after day 90, 100% of the income will be diverted to help balance the Council's overall budget and the Business Unit will not receive any income.</p>

## Bank Accounts (Section 11)

<b>Banking transactions</b>	<p>The authorised signatories list for banking transactions is developed and approved by the Head of Accounting.</p> <p>Authorised signatories will normally be senior Finance officers, as per the Financial Protocol.</p>
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# **Sheffield City Council Financial Regulations 2024**

**VERSION: 0.11**

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**AUTHOR: Philip Gregory - Director of Finance & Commercial Services (CFO)**

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## Contents

<b>Key Terms and Definitions .....</b>	<b>4</b>
<b>1. Background .....</b>	<b>10</b>
Who Has Responsibility for Finance? .....	11
Detailed Officer Roles and Responsibilities .....	13
Director of Finance & Commercial Services.....	14
Head of Accounting .....	16
Head of Finance & Commercial Business Partnering .....	18
Head of Revenues & Benefits .....	20
Strategic Directors .....	20
<b>2. Financial Management.....</b>	<b>27</b>
The Cycle .....	27
Asset Management .....	27
Risk Management .....	28
<b>3. Financial Planning.....</b>	<b>30</b>
Virements and Variations to the Annual Revenue Budget .....	31
Borrowing and Investment (Treasury Management).....	34
<b>4. Financial Implications .....</b>	<b>36</b>
<b>5. Capital Programme .....</b>	<b>37</b>
Roles and Responsibilities .....	39
Capital Projects Approval Route .....	41
Financial Management and Reporting for Capital Accounts .....	41
<b>6. External Funding / Grants .....</b>	<b>42</b>
<b>7. Income Management.....</b>	<b>43</b>
Roles and Responsibilities .....	43
Separation of Duties.....	43
Paying Fees and Charges.....	44
Standard Payment Methods.....	45
Payment Channels .....	46
Credit Notes and Refunds.....	47
Banking of Collected Income .....	47
Debt Recovery .....	48
Bad and Doubtful Debt Provisions .....	49
Bad Debt Write-offs.....	50
<b>8. Purchasing.....</b>	<b>52</b>
Roles and Responsibilities .....	52
Ordering and Authorisation of Expenditure.....	52

Authorisation Matrix.....	54
Delivery of Goods and Services.....	54
Payments to Suppliers .....	54
<b>9. Internal Charges .....</b>	<b>56</b>
<b>10. Payroll and Expenses .....</b>	<b>57</b>
<b>11. Petty Cash Floats and Credit / Procurement Cards .....</b>	<b>58</b>
<b>12. Bank Accounts .....</b>	<b>59</b>
<b>13. Taxation.....</b>	<b>60</b>
<b>14. Stores, Stock, Assets and Security .....</b>	<b>61</b>
<b>15. Retention of Records .....</b>	<b>62</b>
<b>16. Financial Systems .....</b>	<b>63</b>
<b>17. Accounting.....</b>	<b>64</b>
<b>18. Internal Audit .....</b>	<b>65</b>
<b>19. Companies, Joint Ventures, Partnerships, Joint Committees etc.....</b>	<b>66</b>
<b>20. Grant (Gift) Arrangements .....</b>	<b>67</b>
<b>21. Council Supply Agreements .....</b>	<b>68</b>
<b>Appendices: .....</b>	<b>69</b>
<b>A. Financial Records: Recommended Retention Schedule .....</b>	<b>69</b>

**Key Terms and Definitions**

<b>Accountable Body (for external funding)</b>	A body receiving funding who becomes legally responsible for ensuring that requirements of the funder are met. This usually includes, for example, putting in place audit trails, overseeing contract management with suppliers, ensuring the project has sufficient cash flow and generally meeting the liabilities (e.g. clawback) that flow from the conditions of the funding.
<b>Accounting Team and Finance &amp; Commercial Business Partnering Team</b>	Members of Finance & Commercial Services with specific responsibility for supporting Strategic Directors and their teams. They will: <ul style="list-style-type: none"> <li>• support commercial and operational decision making,</li> <li>• provide high quality financial information to the Council (Members, Leadership Teams, Directorates, and all other users of financial information) in a timely and cost-effective way, and</li> <li>• provide analysis, insight, challenge, and support in the delivery of the current year budget or other financial targets.</li> </ul>
<b>Accounting Policies</b>	Accounting policies are the <b>rules</b> used by an organisation to ensure that transactions are lawful, recorded properly and that the financial statements are produced correctly. The Chief Finance Officer (CFO) selects the Council's accounting policies and ensures they are properly followed.  The Accounting Policies are included in the Statement of Accounts produced each year.
<b>Acquisition</b>	The process of getting something – this may be bought, leased or donated.
<b>Annual Revenue Budget</b>	This is the Council's total Revenue spending plans for the year including the level of Council Tax for the coming year. It is set by Council following receipt of the Annual Budget Report.
<b>Asset(s)</b>	The CIPFA Code of Practice on Local Authority Accounting in the UK defines an asset as 'a resource controlled by the authority as a result of past events and from which future economic benefits or service potential is expected to flow to the authority'.
<b>Bad and Doubtful Debt</b>	A bad debt is a debt which the Council thinks will never be paid by the customer. A doubtful debt is a debt which is likely to become a bad debt, but there is still a chance that the customer will pay.
<b>Budget</b>	As per the Council's Constitution (Part 2, Article 4), only Full Council can approve and adopt the annual budget. It includes the allocation of financial resources to different service and projects, including: <ul style="list-style-type: none"> <li>• Revenue expenditure</li> <li>• Proposed contingency funds including reserves and balances</li> <li>• Setting the Council Tax (and any other local tax which may be within the control of the Council)</li> <li>• Decisions relating to the control of the Council's borrowing requirement</li> <li>• Capital expenditure</li> <li>• The Treasury Management Strategy</li> </ul>



	<ul style="list-style-type: none"> <li>• The Housing Revenue Account.</li> </ul>
<b>Budget carry forward</b>	A budget carry forward is an underspend of an amount of budget, which is planned for, and then transferred to an earmarked reserve to be spent in a future year(s), for a specified purpose. For the purposes of these Financial Regulations this is treated as a Virement (See below).
<b>Budget Implementation Plan (BIP)</b>	Business planning is an ongoing process which ensures that we understand needs, agree priorities and strategic outcomes, for the medium to long-term, and allocate and develop resources needed to deliver them. The decisions from the process – both quantitative and qualitative - allow the production of the Budget Implementation Plans (BIPs) in the Budget Book.
<b>Business Rates</b>	<p>Also referred to as National Non-Domestic Rates (NNDR) and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property.</p> <p>The Government determines the national rate multiplier and the Valuation Office Agency determine the rateable value of each business property.</p> <p>Business Rates are collected by the Local Authority and paid into their collection fund, this amount is then distributed 49% to the Local Authorities general fund, 1% to the South Yorkshire Fire and Rescue Authority and 50% to Central Government.</p> <p>The Central Government share is then redistributed nationally, partly back to Local Authorities through Revenue Support Grant.</p>
<b>Business Unit</b>	The lowest level in the hierarchy of the Council's finance system. Each business unit has a named responsible officer, known as the Business Unit Manager, who is responsible for signing off the budget for their Business Unit and completing monthly budget monitoring and forecasting.
<b>Capital Expenditure</b>	Expenditure that is incurred to acquire, create or add value to a non-current asset.
<b>Capital Programme</b>	<p>The sum of all the Council's individual capital projects and programmes that the Council is planning to undertake, together with the funding to support the Programme.</p> <p>The Capital Programme is made up of several different projects, ranging from large scale projects, such as Building Schools for the Future, to smaller projects, such as children's play equipment.</p> <p>The number and size of the projects may change, which means that Capital Programmes may not be comparable in terms of size and scope over time.</p>
<b>Capital Project</b>	A project which spends capital resources to acquire assets, and/or build, improve, increase the market value of, or substantially lengthen the useful life of an asset.
<b>Capital Reporting and Approval Timetable</b>	This sets out the submission deadlines of Capital Approval Forms, dates of review meetings, monitoring and forecasting cycles, reporting dates and finance system schedules.

<b>Chief Finance Officer (CFO)</b>	The officer who, under section 151 of the Local Government Act 1972, has responsibility for the proper administration of the Council's financial affairs. The Council's CFO is the Director of Finance & Commercial Services. The CFO may also be referred to as the Section 151 Officer.
<b>Chief Property Officer</b>	<p>Authorised to make any decision in respect of property matters not reserved to a Committee or Full Council, except the decision to make a declaration that operational property is surplus to the requirements of a Directorate, which can only be made by the relevant Strategic Director.</p> <p>The Chief Property Officer is responsible for Property Asset Management across the Council.</p>
<b>Constitution</b>	<p>It describes the arrangements made by the Council for the discharge of its functions, the appointment of its Committees and the way that it meets other statutory requirements concerning governance arrangements.</p> <p>The ways in which the Council's functions will be discharged are set out in (Part 3) of the Constitution and include functions to be exercised by a Committee of the Council and functions delegated to officers.</p> <p><b>If any lawfully made provision of the Constitution contradicts any provision of these Financial Regulations, the Constitution shall prevail.</b></p>
<b>Corporate Plan</b>	Any plan approved in line with the Constitution which sets out the vision for the Council and Sheffield. It includes what the Council will do to deliver the vision.
<b>Council Supply Agreements</b>	A Council Supply Agreement is a contractually binding agreement under which the Council agrees to provide works, services or supplies to a third party in return for payment, in money or in-kind, otherwise than in fulfilment of a statutory duty, but does not include an agreement under which the Council receives grant aid.
<b>Council Tax</b>	A banded property tax that is levied on domestic properties. The banding is based on assessed property values as at 1st April 1991, and ranges from Band A to H.
<b>Debtor Account (Account Receivable)</b>	Records which show who owes the Council money, what they owe the money for and the amount.
<b>Director</b>	An officer who is a direct report of a Strategic Director (see definition below)
<b>Directorate</b>	A group of sections and services managed by a Strategic Director.
<b>External Funding</b>	External Funding is discretionary money not accounted for within the normal funding from central government or equivalent, distributed by various Funders on a business case and/or competitive basis requiring an application.
<b>Financial Policies</b>	The Council has a detailed set of financial policies which support these Financial Regulations.
<b>Forward Capital Programme</b>	This is the term used to describe the projects that are planned to be in the Council's Capital Programme for the following financial year. Information is usually prepared and collated in the autumn / winter for presentation to Council in March.

<b>Internal Control</b>	An internal control is a procedure or policy put in place by the Council to: <ul style="list-style-type: none"> <li>• protect assets and resources,</li> <li>• deter and detect errors, fraud or theft,</li> <li>• ensure accurate and complete accounting records, and</li> <li>• produce reliable and timely financial information.</li> </ul>
<b>Irregularity</b>	Something that is irregular, such as improper or dishonest conduct.
<b>Liability</b>	Obligations that the Council may need to fulfil.
<b>Match Funding</b>	Funds that are set to be paid in equal amount to funds available from other sources. Match funding requirements can be met by in-kind contributions of staff time / resource as well as actual cash / budget.
<b>Medium Term Financial Strategy (MTFS)</b>	The Council's MTFS presents an overview of the Council's Financial position over the next three to five year period, including revenue and capital spending plans linked to priorities.
<b>Overhead</b>	Overheads are the expenses of a business which cannot be directly linked to the delivery of a service; but are necessary for the running of the organisation, e.g. building rent or light & heating costs.
<b>Overhead Apportionment</b>	The distribution of various overhead items, in proportion, to the department on a logical basis for example, building rents apportioned to services based on the floor space used by departments.
<b>Project Manager</b>	The officer who is responsible for the day to day running of the project on behalf of the Project Sponsor / Board. They are also responsible for delivery of the projects to budget, time and specification. Project Managers are also known as Budget Managers.
<b>Property Asset Management</b>	A mechanism to ensure that property assets are managed and used efficiently and effectively to support the main objectives of an organisation.
<b>Provision</b>	Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.
<b>Qualified Accountant</b>	An officer who has achieved a professional accountancy qualification provided by one of the bodies listed below: <ul style="list-style-type: none"> <li>• the Institute of Chartered Accountants in England and Wales (ICAEW),</li> <li>• the Institute of Chartered Accountants of Scotland (ICAS),</li> <li>• the Association of Chartered Certified Accountants (ACCA),</li> <li>• the Chartered Institute of Public Finance and Accountancy (CIPFA),</li> <li>• Chartered Accountants Ireland, or</li> <li>• the Chartered Institute of Management Accountants (CIMA).</li> </ul>
<b>Reconciliation</b>	An accounting process that compares two sets of records to check that figures are correct and in agreement.

<b>Revenue Spending</b>	Any expenditure by the Council that falls outside the definition of Capital Spending. Typically, the day-to-day running costs of the Council, such as, salaries, rent, utility bills and payments to service providers.
<b>Reserves</b>	Money set aside from anticipated expenditure postponed or cancelled, or by capital accounting arrangements.
<b>Risk Management</b>	<p>Risk management refers to the practice of identifying potential risks in advance, analysing them, and taking steps to reduce / curb the risk. Risks could include financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters.</p> <p>The Risk Management Framework has been produced by the Corporate Risk Management Group (CRMG).</p> <p>Financial Risk Management is built into the Financial Regulations and the processes that staff are expected to follow daily. Key processes that promote good financial risk management include:</p> <ul style="list-style-type: none"> <li>• monitoring budgets,</li> <li>• complying with processes in the Financial Regulations,</li> <li>• following the decision-making framework,</li> <li>• maintaining and monitoring key financial risk registers.</li> </ul>
<b>Strategic Director</b>	<p>A senior manager who reports directly to the Chief Executive. At the date of issue of these Regulations, the Strategic Directors are:</p> <ul style="list-style-type: none"> <li>• Executive Director – City Futures</li> <li>• Executive Director – Neighbourhood Services</li> <li>• Strategic Director - Public Health and Commissioning</li> <li>• Strategic Director - Adults Care and Wellbeing Service</li> <li>• Strategic Director - Children’s Services</li> <li>• Chief Operating Officer</li> </ul>
<b>Sundry Debt</b>	<p>Miscellaneous income that is due to the Council that can be collected by payment up front or raising a sundry debt invoice.</p> <p>Local taxation, housing benefit overpayments and rental income are not included in this definition.</p>
<b>Transfer to a specific reserve</b>	<p>This is funding that is being put to one side (in a reserve) as part of the service’s budget strategy. The funding will be used in future years for reinvestment back into the service area.</p> <p>For the purposes of these Financial Regulations this is treated as a Virement (See below).</p>
<b>Treasury Management</b>	The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

<b>Utilities / Utility Bill</b>	Payments for the following services: Gas, Electricity, Water, Telecoms, Mail Services and Photocopiers.
<b>Value for Money (VfM)</b>	<p>Making the best use of resources through:</p> <ul style="list-style-type: none"> <li>• <b>economy</b> – careful management of resources, keeping costs as low as possible, but consistent with achieving objectives;</li> <li>• <b>efficiency</b> – obtaining an optimal relationship between the resources used and the outputs/impacts achieved; and</li> <li>• <b>effectiveness</b> – achieving alignment between intended and actual outcomes.<sup>1</sup></li> </ul>
<b>Variation / Change in Scope (Capital)</b>	This is where there are changes in the agreed capital project cost or outputs. This could be an increase in the cost of the project, a change in available funding, or what will be delivered (the outputs). For example, funding to refurbish six schools is reduced to three schools. This would create a financial variation and change of scope, requiring approval in accordance with the Constitution.
<b>Variations (Revenue)</b>	Variations are changes to the total amount of expenditure across either a Service, Directorate or the Council resulting in a change to the Council's overall Budget.
<b>Virement</b>	<p>The transfer of underspending on one budget head to finance additional spending on another budget head. Virements are also used to move budgets where a function is moved from one Directorate or Service to another.</p> <p>Where cash limit is moved to be spent on achieving a different purpose to that approved in the annual budget, this is a policy choice and is classed as a virement.</p>
<b>Write-Off</b>	Removing a debt from the Council's accounts using money that has been set aside as part of the bad and doubtful debt provision. It relates to debts that are correctly due to the Council but are no longer collectable.

[Back to Contents page](#)

## 1. Background

This section explains what the Financial Regulations are, who must follow them and how the Council knows they are being followed.

It also outlines what training is available to help understand the Financial Regulations.

<p><b>The Financial Regulations are rules and instructions to help officers and Members to manage the Council’s finances properly</b></p>	<p>These Financial Regulations are part of the Council’s Constitution (Part 4). The Financial Regulations set out the policies that are in place to help officers and Members of the Committees to manage the Council’s finances. They are a key part of the Council’s financial governance arrangements.</p> <p>They are very technical in places as they describe accounting practices and standards that have been set by law and/or professional accountancy bodies. They are used by officers who have an accepted level of understanding of the subject matter. As such there is likely to be content that will not be easy for the public to understand.</p> <p>The CFO must make sure that standards, procedures, and processes are in place across the Council to support the implementation of these Financial Regulations.</p> <p>These Financial Regulations are regularly checked to ensure they reflect accounting best practice, legislation and changing needs of services.</p> <p>Officers should initially contact the Accounting Team if they wish to query the content of these Financial Regulations. Any changes to the Financial Regulations must be approved by Full Council.</p> <p>If any part of these Financial Regulations contradicts another part of the Constitution that other part shall take precedence.</p>
<p><b>All officers, including voluntary staff must follow the rules in the Financial Regulations</b></p>	<p>All officers, including those working for the Council on a voluntary basis, must follow the rules set out in these Financial Regulations. It is important that all managers and staff are familiar with these Financial Regulations and the rules they contain. Using the Council’s financial system (Integra) properly is also essential to ensure the Financial Regulations are followed.</p> <p>If managers and staff do not follow the rules this may result in the withdrawal of delegated financial authority and/or the application of disciplinary procedures.</p>
<p><b>Strategic Directors and Directors must confirm they follow the Financial Regulations as part of their Annual Governance statement</b></p>	<p>As part of the Annual Governance process, all Strategic Directors and Directors must sign a statement to say that they comply with the governance arrangements of the Council including the Financial Regulations and Risk Management Framework.</p> <p>They also must confirm that they have appropriate internal controls in place in their Directorate to protect the Council’s assets.</p> <p>Any occasions where the internal controls have not worked properly must be declared.</p> <p>The Annual Governance Statement is a statutory document which describes the governance framework and highlights any significant issues which have occurred in a financial year.</p> <p>The Annual Governance Statement is approved by the Audit &amp; Standards Committee and is published with the Annual Accounts.</p>

<p><b>To support understanding, procedures and processes are available</b></p>	<p>Guidance is available which supports these Financial Regulations. The guidance sets out in more detail the Council’s procedures and processes related to financial management and administration.</p>
<p><b>E-Learning about the finance System (Integra) and Qtier is also available</b></p>	<p>Training is made available by Finance and Commercial Services to support the Financial Regulations. This includes e-training and guidance for the finance system (Integra) and Qtier reporting tool.</p> <p>All staff should follow the guidance and other documentation to ensure full compliance with the Financial Regulations.</p>

**Who Has Responsibility for Finance?**

Many of the Council’s responsibilities for finances are delegated from Council to its Committees.

The table below summarises the key financial responsibilities:

<p><b>Full Council</b></p>	<p>The Council has overall responsibility for ensuring that expenditure remains within the resources available to it.</p> <p>Functions that can only be carried out by Full Council include:</p> <ul style="list-style-type: none"> <li>• Approving or adopting the Policy Framework.</li> <li>• Approving or adopting the Budget, including approval of variations.</li> <li>• Agreeing the capital strategy and programme.</li> </ul> <p>All the functions carried out by Full Council are set out in Part 2, Article 4 of the Council’s Constitution and/or prescribed by law.</p>
<p><b>Strategy &amp; Resources Policy Committee</b></p>	<p>The Strategy &amp; Resources Policy Committee has a co-ordinating role across all other Policy Committees and exercises a corporate view of outcomes, performance, budget monitoring and risk management.</p> <p>The Strategy &amp; Resources Policy Committee has overarching responsibility for the development and submission to Full Council for adoption of the Budget and Policy Framework.</p> <p>The Strategy &amp; Resources Policy Committee has responsibility for decisions on commitments to funding in future years not covered by the MTFs.</p> <p>The Strategy &amp; Resources Policy Committee may take any decision otherwise reserved to the Finance Committee and will ensure revenue and capital budget monitoring takes place with sufficient regularity.</p> <p>Either the Strategy &amp; Resources Policy Committee or the Finance Committee will receive:</p> <ul style="list-style-type: none"> <li>• At least a quarterly budget monitoring report outlining the financial position for the whole Council.</li> <li>• The out-turn report following the end of the financial year to approve decisions on the carry-forward / carry-back of resources from one year to the next.</li> </ul>

	<ul style="list-style-type: none"> <li>• Financial information during the year if support is needed for an in-year decision on the Council’s budget (variation).</li> </ul>
<p><b>Finance Committee</b></p>	<p>The Finance Committee may take decisions in respect of specific Finance, Capital Programme and Property matters, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Corporate Revenue and Capital monitoring and capital allocations.</li> <li>• Agreement upon the annual budget for Services within Directorates including the application of the overall capital programme (within the Budget and Policy Framework).</li> <li>• Agreement of Council policies in respect of fees and charges.</li> <li>• Agreement upon virements of £500,000 and over <b>or</b> representing a major change of policy (any value) from one division of a Service to another or between Services within Directorates or between Directorates, and within the approved budget.</li> <li>• Approval of all new capital schemes, except expenditure relating to feasibility works up to the value of £100,000.</li> <li>• Approval of a variation to an existing capital scheme which increases the value of the scheme by more than £100,000</li> </ul> <p>Any reference in these Financial Regulations to the Finance Committee shall mean the Finance Committee or the Strategy &amp; Resources Policy Committee taking decisions on matters otherwise reserved to the Finance Committee.</p>
<p><b>Policy Committees</b></p>	<p>Once the Budget and Policy Framework (or any constituent part of this) is in place, it will be the responsibility of the Policy Committees to implement it to the extent that this involves the discharging of any functions delegated to a Committee in Part 3 of the Constitution.</p> <p>No changes to any policy or strategy which make up the Budget (revenue or capital) and the Policy Framework may be made by a Policy Committee, as they are reserved to the Council. Changes which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint may be made by a Policy Committee, provided they remain within the constraints of the Budget and Policy Framework.</p> <p>Agreeing fees and charges (other than any set by Full Council as part of the budget process) in line with the MTFs and any policies in respect of fees and charges.</p> <p>All Policy Committees will receive at least a quarterly budget monitoring reports for their areas of responsibility, via their Accounting Team contact.</p>



<p><b>Local Area Committees (LACs)</b></p>	<p>LACs have powers to approve expenditure of any amounts delegated to them by the Council. LACs cannot spend money other than that allocated by Council.</p> <p>Whenever LACs spend money, they must comply with these Financial Regulations, Contracts Standing Orders, Procurement Guidelines and any other relevant policies or procedures.</p> <p>LACS are constituted and operate in accordance with Part 2, Article 11 of the Constitution, and the Procedure Rules in Part 4.</p>
<p><b>Audit &amp; Standards Committee</b></p>	<p>The Audit &amp; Standards Committee is a key part of the governance of the Council. The terms of reference for the Audit &amp; Standards Committee are set out in the Council’s Constitution (Part 3.3).</p>
<p><b>Finance Design Assurance Group (FDA)</b></p>	<p>The FDA ensures changes to the Council’s financial systems and processes are effectively managed.</p> <p>It aids compliance with relevant legal, regulatory and policy requirements and ensures changes integrate effectively with existing financial systems and processes.</p> <p>Assessing and reviewing proposals that have a material impact on the Council’s financial systems and processes.</p> <p>Provides assurance to the CFO on relevant project and programme deliverables and outcomes and compliance with the Council’s financial strategies.</p> <p>Either of the co-chairs of the FDA may approve exceptions to the standard Purchase-to-Pay (P2P) process, in line with the Non-Standard Purchase-to-Pay Policy developed and maintained by the Standards and Policy Group.</p>
<p><b>Standards and Policy Group</b></p>	<p>The Group develops, maintains, and communicates the principles and standards applied to all financial activities (policies, procedures, and systems).</p> <p>Developing, maintaining and communicating the standard for documents, setting out the format, the ownership and the review frequency.</p> <p>Ensuring that there is clear line of sight to the Financial Regulations and Contracts Standing Orders.</p> <p>The Group reviews operating policies and procedures from other services, making suitable recommendations on their content and application, which may be presented to the appropriate decision-making body.</p> <p>The Group works in conjunction with the FDA to participate in high-level project design activities to ensure alignment with key financial principles and accounting standards.</p>

**Detailed Officer Roles and Responsibilities**

The following tables provide details about the financial management roles and responsibilities of key officers within the Council.

The responsibilities have been broken down into the main areas of financial management and should be read alongside these sections of the Financial Regulations.

Director of Finance & Commercial Services

**Financial Management**  
([section 2](#))

In accordance with section 151 of the Local Government Act 1972, responsibility for the proper administration of the Council’s financial affairs.

Under section 114 of the Local Government Finance Act 1988, making a report to Full Council and to the Council’s External Auditors, if it appears that the Council, a committee, a person holding any office or employment under the Council, or a joint committee on which the Council is represented:

- has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful,
- has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council, or
- is about to enter an item of account the entry of which is unlawful.

Under section 114 of the Local Government Finance Act 1988, making a report to Full Council and to the Council’s External Auditors if it appears that the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In other words, if the Council is unable to set a balanced budget for the forthcoming financial year.

Ensuring that the s151 role is fulfilled at a strategic level.

On a day-to-day basis, all s151 responsibilities may be discharged by the Head of Accounting and the Head of Finance & Commercial Business Partnering. They will act on behalf of the CFO in ensuring proper discharge of these statutory responsibilities.

Nothing in the above paragraph diminishes the ultimate financial responsibilities of the CFO.

Ensuring the production and monitoring of these Financial Regulations.

Signing statutory returns or other documents that require the authority of the CFO, although this is usually discharged by the Head of Accounting or the Head of Finance & Commercial Business Partnering.

Reporting significant risks to the Council’s Leadership Boards and to the Policy Committees in quarterly budget monitoring reports.

Maintaining a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.

Ensuring that appropriate training is made available to support the Financial Regulations and operational procedures.

Writing financial standards, policies, procedures, forms, etc. which support the Financial Regulations.

Overall responsibility for the financial elements of Council’s Asset Register and for making sure all necessary accounting requirements are followed.

Arranging the insurances considered necessary to cover risks to which the Council is exposed.

	Determining the premiums to be charged to Directorates for Insurance as part of the Annual Budget process.
<b>Financial Planning</b> ( <a href="#">section 3</a> )	<p>Producing the MTFs with Strategic Directors.</p> <p>Preparing Directorate spending proposals with the Finance &amp; Commercial Business Partnering Team and Strategic Directors.</p> <p>Advising on any contingency budgets required to cover exceptional in-year costs, such as price increases and commitments which are uncertain in terms of their timing and cost.</p> <p>Approving requests by Strategic Directors to set up earmarked reserves.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves.</p> <p>Ensuring the Budget meets relevant statutory requirements.</p> <p>Agreeing borrowing and investment transactions, although this is usually discharged by the Head of Accounting or nominated deputies.</p>
<b>Financial Implications</b> ( <a href="#">section 4</a> )	<p>Issuing guidance regarding decisions referred.</p> <p>Signing off all Financial Implications summaries, directly or by an authorised officer on their behalf.</p>
<b>External Funding / Grants</b> ( <a href="#">section 6</a> )	Signing grant Funder offer letters, or documentation, to accept a grant of £1m or more, although this is usually discharged by the Head of Accounting or the Head of Finance & Commercial Business Partnering.
<b>Purchasing</b> ( <a href="#">section 8</a> )	<p>Ensuring Contracts Standing Orders are correct, up to date and fit for purpose and adhered to.</p> <p>Reporting all unauthorised breaches of the Contracts Standing Orders to the Audit &amp; Standards Committee in the form of a report.</p> <p>Consider requests for waivers of the Contracts Standing Orders and allowing them where appropriate.</p> <p>Ensuring procedures are in place for the ordering and procurement of goods and/or services.</p> <p>Providing advice and guidance on the procurement process.</p> <p>Ensuring training and guidance is available for all officers involved in the Purchase-to-Pay (P2P) process.</p> <p>Approving suppliers of goods and/or services.</p> <p>Setting and revising the values in the Authorisation Matrix for the authorisation of Purchase Orders.</p> <p>On a day-to-day basis these responsibilities are discharged by the Head of Procurement &amp; Supply Chain or authorised officers.</p>
<b>Internal Charges</b> ( <a href="#">section 9</a> )	Making sure that there are proper processes and procedures in place to support the internal charging system.
<b>Internal Audit</b> ( <a href="#">section 18</a> )	<p>Maintaining a continuous internal audit of all the Council's financial systems, records and operations.</p> <p>On a day-to-day basis these responsibilities are carried out by Internal Audit.</p>

<b>Companies, Joint Ventures, Partnerships, Joint Committees etc.</b> <a href="#">(section 19)</a>	<p>Agreeing the arrangements for robust financial governance and control where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems.</p> <p>Reporting at least annually to the appropriate Policy Committee, in conjunction with the relevant Strategic Director, on the financial affairs of any partnership body.</p>
<b>Grant (Gift) Arrangements</b> <a href="#">(section 20)</a>	<p>Ensuring there are proper processes and procedures in place for the making of grant aid.</p>
<b>Council Supply Agreements</b> <a href="#">(section 21)</a>	<p>Providing an opinion to relevant Strategic Directors on the financial aspects of Council Supply Agreements.</p>

#### Head of Accounting

<b>Financial Management</b> <a href="#">(section 2)</a>	<p>Undertaking day-to-day s151 responsibilities on behalf of the CFO.</p> <p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p> <p>Fulfilling the role of the Money Laundering Reporting Officer (MLRO).</p> <p>Co-Chair of the FDA and the Standards and Policy Group.</p>
<b>Financial Planning</b> <a href="#">(section 3)</a>	<p>Annually producing the budget monitoring reporting timetable.</p> <p>Reporting to the Finance Committee on the overall revenue out-turn position including details of reserves, balances and provisions held by Directorates.</p> <p>Producing an annual Borrowing and Treasury Management Strategy for approval by Council.</p> <p>Agreeing any borrowing or investment on behalf of the Council ensuring compliance with the Borrowing Strategy and the Treasury Management Strategy.</p> <p>Producing an annual report to Council on treasury management activities, transactions and decisions.</p> <p>Reviewing requests by Directors to carry forward underspends into the following financial year.</p> <p>Approving virements under £500,000.</p> <p>Reviewing Budget variations and ensuring correct approval as per these Financial Regulations and the Constitution.</p>
<b>Income Management</b> <a href="#">(section 7)</a>	<p>Approving procedures for the receipting and banking of income.</p> <p>Providing advice on best practice for cash storage and banking.</p> <p>On a day-to-day basis these responsibilities are discharged by the Treasury Team.</p> <p>Having procedures and policies in place for the administration of Direct Debits for the collection of Sundry Debts.</p>

	<p>On a day-to-day basis this responsibility is discharged by the Systems and Training Team.</p> <p>Reporting on levels of debts, and the changes in the bad debts provision, to the Audit &amp; Standards Committee as part of the annual accounts process.</p>
<p><b>Purchasing</b> (<a href="#">section 8</a>)</p>	<p>Ensuring verbal orders have appropriate supporting documentation.</p> <p>Approving any exceptions to the standard Purchase-to-Pay (P2P) process, in line with the Non-Standard Purchase-to-Pay Policy developed and maintained by the Standards and Policy Group. Keeping the arrangements under regular review and maintaining a list of these payments and exemptions.</p> <p>Authorising urgent payments that do not require a Purchase Order and do not comply with the Authorisation Matrix. Additional assurance is provided by the FDA.</p>
<p><b>Payroll and Expenses</b> (<a href="#">section 10</a>)</p>	<p>Approving the arrangements made by the Director of People and Culture for approving and controlling payments to all current and former employees.</p> <p>Developing and approving procedures related to payments to individuals.</p> <p>Approving changes to the accounting and taxation elements of the payroll system.</p>
<p><b>Petty Cash Floats and Credit / Procurement Cards</b> (<a href="#">section 11</a>)</p>	<p>Developing and approving procedures related to the management of petty cash floats.</p> <p>Approving officer applications for credit / procurement cards.</p> <p>Opening, closing and managing all credit cards, charge cards and other payment cards held in the Council's name.</p> <p>Determining monthly credit and individual transaction limits for each card. Reviewing requests for alterations to these limits.</p> <p>Ensuring that reconciliations of credit cards are supported by evidence / documentation, reviewed and certified.</p> <p>Ensuring that a register of all procurement cards is kept, containing employee details, credit and transaction limits and the date of issue.</p> <p>On a day-to-day basis these responsibilities are discharged by the Treasury Team.</p>
<p><b>Bank Accounts</b> (<a href="#">section 12</a>)</p>	<p>Opening or closing bank accounts in the name of Sheffield City Council; this includes associated bank accounts which the Council does not directly control such as joint arrangements.</p> <p>Responsibility for all negotiations of banking terms with the Council's Bankers.</p> <p>Maintaining an authorised signature list for banking transactions.</p> <p>Authorise the execution of Amendment Agreements.</p> <p>Ensuring that reconciliations of bank accounts are supported by evidence / documentation, reviewed and certified.</p> <p>On a day-to-day basis these responsibilities are discharged by the Treasury Team.</p>
<p><b>Retention of Records</b> (<a href="#">section 15</a>)</p>	<p>Producing and maintaining a schedule on the retention periods of financial records in accordance with current best practice.</p>

<b>Financial Systems</b> <a href="#">(section 16)</a>	<p>Maintaining the Council's accounting system, which the Council's Accounts are produced from.</p> <p>Controlling access to the Council's systems and information.</p> <p>Ensuring both the accuracy and security of the data held in the Council's accounting system.</p> <p>Ensuring the financial controls of feeder systems to Integra are robust and in line with information governance regulations.</p> <p>On a day-to-day basis these responsibilities are carried out by the Finance Systems / Training Team.</p>
<b>Accounting</b> <a href="#">(section 17)</a>	<p>Producing the Council's Accounts in line with Accounting Standards, for approval by the Audit &amp; Standards Committee.</p> <p>Producing a timetable and guidance to produce the Final Accounts.</p> <p>Reviewing the evidence supporting material year-end accruals.</p> <p>On a day-to-day basis these responsibilities are carried out by the Financial Accounting Team.</p>

#### Head of Finance & Commercial Business Partnering

<b>Financial Management</b> <a href="#">(section 2)</a>	<p>Undertaking day-to-day s151 responsibilities on behalf of the CFO.</p> <p>Act on behalf of the Head of Accounting, as and when required, if the authorisations in these Financial Regulations are not clear.</p> <p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p>
<b>Financial Planning</b> <a href="#">(section 3)</a>	<p>Produce an annual Reserves Strategy for approval by Council.</p> <p>Approving the transfer of restricted grants to reserves.</p>
<b>Capital Programme</b> <a href="#">(section 5)</a>	<p>Propose the Capital Programme for the next financial year and then present this to the Capital Programme Group, Strategy &amp; Resources Policy Committee and then Council.</p> <p>Ensuring that Capital projects have financial approval.</p> <p>Report on the overall Capital outturn position to the Finance Committee.</p> <p>Producing a timetable for reviewing, approving, managing and reporting Capital spending.</p> <p>Approving projects with expenditure of up to £100,000, for feasibility works on potential projects to be carried out, provided that:</p> <ul style="list-style-type: none"> <li>• Evidence confirms that the project is viable. Any recommendations from the feasibility works should be able to be implemented so that the cost of the works is not wasted.</li> <li>• There is sufficient funding in place to cover the entire project, including the feasibility works.</li> <li>• The project is classified as Capital expenditure, in line with the capital accounting rules.</li> </ul>

	<p>Approving capital expenditure in line with the emergency approvals procedure together with Strategic Directors.</p> <p>As budget holder for the Council’s Capital Financing costs, approving Financial Implications.</p> <p>On a day-to-day basis these responsibilities are carried out by the Capital Team.</p>
<p><b>External Funding / Grants</b> (<a href="#">section 6</a>)</p>	<p>Ensuring grant applications are correctly completed and submitted by the required date.</p> <p>Ensuring all grant offers of External Funding made to the Council are appropriately accepted and approved.</p> <p>Ensuring all completed grant claims and certifications are approved.</p> <p>Providing advice and guidance on funder requirements regarding match funding sources and approving documentation.</p> <p>Ensuring all statutory financial returns related to external funding are completed and submitted in line with relevant guidelines.</p> <p>Confirming the income due from grant claims is received.</p> <p>Ensuring the required financial records are kept for the reconciliation of grant income to meet External Audit requirements.</p> <p>On a day-to-day basis these responsibilities are carried out by the External Funding Team (EFT).</p>
<p><b>Credit / Procurement Cards</b> (<a href="#">section 11</a>)</p>	<p>If the Head of Accounting is unavailable, approve officer applications for credit / procurement cards.</p>
<p><b>Taxation</b> (<a href="#">section 13</a>)</p>	<p>Ensuring compliance with relevant legislation by ensuring appropriate taxation advice is available to Strategic Directors.</p> <p>Seeking appropriate external advice where the tax implications of a project are sufficiently complex.</p> <p>Ensuring the employment status of individuals, limited companies and partnerships are valid, and records are stored in line with HMRC requirements.</p> <p>Complying with the requirements of the Construction Industry Scheme (CIS) in relation to tax deductions on the payment of invoices for construction work, repairs and renovation.</p> <p>Establishing an appropriately skilled team to manage the Council’s VAT responsibilities.</p> <p>Preparing and submitting VAT Returns to HMRC which maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>Ensuring Value Added Tax (VAT) related records (e.g. invoices or credit notes) are stored and in line with HM Revenue and Customs (HMRC) requirements.</p> <p>On a day-to-day basis these responsibilities are carried out by the Tax Team.</p>

Head of Revenues & Benefits

<p><b>Financial Management</b> (<a href="#">section 2</a>)</p>	<p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p> <p>Co-Chair of the FDA and the Deputy Chair of the Standards and Policy Group.</p>
<p><b>Income Management</b> (<a href="#">section 7</a>)</p>	<p>Determining the standard payments methods that may be used to collect income, as outlined in section 7.</p> <p>Providing training and advice on these payment methods.</p> <p>Managing all debt recovery actions except Housing Rents.</p> <p>Approving exceptions to the 60-day debt rule.</p> <p>Agreeing payment arrangements that last longer than 12 months.</p> <p>Review debts covered by a Land Charge that remain outstanding after 6 years, to determine whether the debt should be written off in the Finance system.</p> <p>Recording proposed write offs on the Council’s financial system, to allow for approval by Business Unit Managers.</p> <p>Receiving information about suspected Money Laundering activities within the Council.</p> <p>On a day-to-day basis these responsibilities are carried out by the Payments, Accounts, Collection and Enforcement (PACE) Team.</p> <p>Administration, billing and collection of Council Tax.</p> <p>Administration, billing and collection of Business Rates.</p> <p>Administration and payment of Housing Benefit, Discretionary Housing Payment &amp; Council Tax Hardship Schemes as well as the recovery of any overpayments.</p> <p>On a day-to-day basis these responsibilities are carried out by the Revenues &amp; Benefits Team.</p> <p>Ensuring arrangements are in place for paying supplier invoices.</p> <p>On a day-to-day basis these responsibilities are carried out by the Accounts Payable Team.</p>
<p><b>Purchasing</b> (<a href="#">section 8</a>)</p>	<p>Approving any exceptions to the standard Purchase-to-Pay (P2P) process, in line with the Non-Standard Purchase-to-Pay Policy developed and maintained by the Standards and Policy Group. Keeping the arrangements under regular review and maintaining a list of these payments and exemptions.</p>

Strategic Directors

<p><b>Financial Management</b> (<a href="#">section 2</a>)</p>	<p>Ensuring the proper financial management of their Directorate, with a view to protecting and safeguarding the Council’s overall financial interest and strengthening financial control.</p> <p>Ensuring the resources of their Directorate are deployed in accordance with the Council’s priorities and in a manner that demonstrates value for money.</p> <p>Providing assurance, at least annually, to the CFO that there are proper arrangements for ensuring managers are accountable for the use of financial</p>
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	<p>resources and for reviewing financial management performance, and that those arrangements are working effectively.</p> <p>Ensuring all their Directorate staff comply with the Financial Regulations and that they seek advice on statutory requirements relating to financial management where these are not clear.</p> <p>Ensuring the training available on the Financial Regulations is accessed by their staff.</p> <p>Ensuring that the CFO has access to all Directorate resources (including information and officers) necessary for the CFO’s roles and responsibilities to be fulfilled.</p> <p>Ensuring that financial services and advice are provided to the Directorate only by Finance.</p> <p>Ensuring adequate arrangements are in place for maintaining and protecting the Council’s property assets.</p> <p>Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the Constitution and the Council’s Disposal Framework policy and that Finance are informed.</p> <p>Informing the CFO of any vehicle purchases (or leases) or disposals, premises purchases (or leases) or disposals and of any occupations or vacations of premises.</p> <p>Ensuring that risk management and business continuity are embedded at all levels within their Directorates in line with the Risk Management Framework.</p> <p>Identifying and controlling risks in their area.</p> <p>Notifying the CFO of any circumstances which could result in the Council incurring a substantial liability.</p> <p>Ensuring adherence to the Anti-Money Laundering Policy.</p> <p>Notifying the CFO where there is any actual or suspected irregularity affecting the Council’s assets.</p> <p>Ensuring that the insurance cover chargeable to their Directorate budgets is accurate and up to date.</p> <p>Providing renewal information annually to the Insurance Team.</p> <p>Notifying the Insurance Team of any loss, liability or damage or any event likely to lead to a claim and taking any action that may be necessary to satisfy any policy conditions.</p>
<p><b>Financial Planning</b> (<a href="#">section 3</a>)</p>	<p>Preparing detailed spending proposals for their Directorate in conjunction with Finance &amp; Commercial Business Partnering and the CFO.</p> <p>Informing the CFO of any exceptional expenditure items so that an appropriate level of contingency can be agreed.</p> <p>Ensuring their approved Directorate Revenue Budget is not overspent.</p> <p>Managing their approved Revenue Budgets within the cash allocations and financial targets approved by the Council, unless specific and approved additional resources are provided in year.</p>

	<p>Reviewing requests to carry forward underspends. This should be linked to the annual revenue budget and, where possible, identified in the business planning process.</p> <p>Not making commitments to spend in future years without consultation with the CFO and the Finance Committee.</p> <p>Ensuring that all managers in their Directorates adhere to the budget monitoring and reporting timescales set by the CFO.</p> <p>Proposing budget variations – please see the Virements and Variations to the Annual Revenue Budget section below.</p>
<p><b>Financial Implications</b> (<a href="#">section 4</a>)</p>	<p>Ensuring all reports that go to officers, Policy Committees or Council for decision contain a ‘Financial Implications’ section.</p> <p>Ensuring Financial Implications of decisions are brought to the attention of their Directorate Leadership Team, and other officers within the Directorate responsible for implementing the decision.</p>
<p><b>Capital Programme</b> (<a href="#">section 5</a>)</p>	<p>Ensuring that managers within their Service Area comply with the procedures and timescales related to capital project management.</p> <p>Approving capital expenditure in line with the emergency approvals procedure, together with the Head of Finance &amp; Commercial Business Partnering.</p> <p>Ensure adherence to the Council’s Project Management Guidelines.</p> <p>Ensuring that the relevant procurement procedures have been followed in relation to Capital projects.</p>
<p><b>External Funding / Grants</b> (<a href="#">section 6</a>)</p>	<p>Ensuring all applications for external funding are made in line with the Funder requirements and EFT are consulted.</p> <p>Ensuring all offers of external funding are only accepted in accordance with the Constitution.</p> <p>Ensuring that where the conditions of a grant require sign-off by Internal Audit, that the Internal Audit team are notified as soon as possible, so that this can be incorporated into the Internal Audit plan.</p> <p>Ensuring all the terms and conditions attached to a grant are met and evidence to confirm this is collected and retained.</p> <p>Ensuring grant claims are prepared, checked by the Accounting Team and EFT, and submitted as per the Funder’s requirements.</p> <p>Managing all external funding within their area of responsibility using the Council’s systems and processes.</p>
<p><b>Income Management</b> (<a href="#">section 7</a>)</p>	<p>Setting fair fees and charges to cover the cost of the spending in their services.</p> <p>Allowing customers to make payment up front wherever possible and ensuring that their services can safely store and bank cash.</p> <p>Ensuring that cash can be transported securely and that their services have insurance to cover the storage and transport of cash.</p> <p>Immediately informing the Police, Internal Audit and the Insurance Team where any theft of cash (or its equivalent e.g. debit or credit cards) is discovered or suspected.</p>

	<p>Ensuring that where customers do not pay up front, that account receivable accounts are created, and the customer(s) are informed within the required timescales.</p> <p>Ensuring that staff use only approved payment methods to collect payments from customers and that more than one option is offered so that customers have a choice.</p> <p>Determining how their Directorate and, where applicable, their partner organisations, manage each payment option.</p> <p>Ensuring partner organisations only use the standard payment methods which are approved by the Head of Revenues &amp; Benefits.</p> <p>Ensuring that all systems and processes related to customer payments comply with all relevant legal and security requirements e.g. the Payment Card Industry Data Security Standard (PCI DSS).</p> <p>Effectively managing the level of debt within their Directorate, in conjunction with the PACE Team:</p> <ul style="list-style-type: none"> <li>• Reduce the level of payments which are not automatically linked to a specific debt.</li> <li>• Resolve customer disputes within the required timescales.</li> <li>• Identify debts that will never realistically be paid by the customer and recommend for write off (joint authorisation with the Head of Revenues &amp; Benefits).</li> </ul> <p>Ensuring that all relevant documentation is kept and is accessible in case it is required for debt recovery procedures, up to and including court action.</p> <p>Ensuring that their staff are aware of the possibility of money laundering activities and that they comply with the Council's Anti-Money Laundering Policy.</p>
<p><b>Purchasing</b> (<a href="#">section 8</a>)</p>	<p>Ensuring expenditure is not incurred if it represents a departure from Council policy or not in line with the approved budget.</p> <p>Ensuring expenditure incurred in the name of the Council is appropriate and legal.</p> <p>Ensuring suppliers of the Council have the necessary HMRC certification enabling them to be paid through the Council's payments system.</p> <p>Ensuring that P2P arrangements comply with The Council's Constitution and Contracts Standing Orders, HMRC requirements, Health and Safety Regulations, Environmental Policy and Domestic Law.</p> <p>Informing the Head of Accounting, if action must be taken to cancel stolen or lost credit / procurement cards, or those issued to employees who have resigned from the Council.</p>
<p><b>Internal Charges</b> (<a href="#">section 9</a>)</p>	<p>Ensuring that their managers and staff follow the procedures for internal charges, including the requirement for an internal order and the use of specified financial codes.</p>
<p><b>Payroll and Expenses</b> (<a href="#">section 10</a>)</p>	<p>Providing correct payroll information, as per the agreed timetables.</p>

	<p>Ensuring any changes to the payroll, (e.g. post, establishment and contract of employment changes, etc.) are communicated in line with the procedures approved by the Director of People and Culture.</p> <p>Ensuring all payments to employees are:</p> <ul style="list-style-type: none"> <li>• Made through the payroll.</li> <li>• Made only to official employees.</li> <li>• In accordance with individual contracts of employment.</li> </ul> <p>Ensuring all necessary information is supplied so that deductions such as PAYE and superannuation are correctly applied.</p>
<p><b>Petty Cash Floats</b> (<a href="#">section 11</a>)</p>	<p>Determining petty cash requirements for their Directorate.</p>
<p><b>Taxation</b> (<a href="#">section 13</a>)</p>	<p>Ensuring that the VAT element of any transaction is considered with the objective of maximising VAT recovery and minimising the level of irrecoverable VAT being incurred by the Council.</p> <p>Ensuring that VAT is properly accounted for on all transactions entered by the Council.</p> <p>Keeping VAT records within their area of activity.</p> <p>Complying with all VAT legislation and regulations applicable to the delivery of their service.</p> <p>Monitoring and planning for any changes in VAT legislation or regulations which affect their areas of activity.</p> <p>Advising the Head of Finance &amp; Commercial Business Partnering of any capital projects that are under consideration which contain the risk of irrecoverable VAT being incurred by the Council, whether by way of exempt input tax or otherwise.</p> <p>In circumstances where an individual, rather than a company, is engaged to provide a service to the Council; ensuring that all HMRC regulations relating to that engagement are adhered to.</p>
<p><b>Stores, Stocks, Assets and Security</b> (<a href="#">section 14</a>)</p>	<p>Controlling access to stores, etc. and making sure that stocks and assets are only used on Council business.</p> <p>Ensuring the control arrangements are robust for additional stock to stores and items issued. Appropriate records must be maintained.</p> <p>Maintaining a record of stock levels for each item which should be physically checked at a frequency agreed by Strategic Directors which reflects factors such as stock values, usage etc.</p> <p>Maintaining an inventory of all assets over £100 in value, together with all attractive and portable items below this figure.</p> <p>Ensuring an annual physical check of assets is undertaken.</p> <p>Reporting obsolete or missing items for write-off. Documenting approval and amending Inventory Records accordingly.</p> <p>Maintaining a register of assets removed from Council premises for use on official Council business.</p>

	Providing the Head of Accounting with a certificate of the stock value held by their Directorates at the end of the financial year.
<b>Retention of Records</b> ( <a href="#">section 15</a> )	Ensuring that all records, are managed in line with the Council’s Document and Records Management Policy.  Ensuring records are retained for a period that meets the requirements of HMRC, the Council’s External Auditors and any other appropriate Body.
<b>Financial Systems</b> ( <a href="#">section 16</a> )	Reconciling Directorate feeder systems to the information reported in the Council’s financial system.  Ensuring that Directorate systems, e.g. Controcc, promptly produce financial returns in a format required by the Head of Accounting.  Controlling the access to Directorate systems and information and ensuring both the accuracy and security of the data.  Ensuring that the data on their systems (whether this is hard copy or in electronic format) is held in accordance with domestic data protection legislation.  Ensuring that the CFO and the ICT and Digital Innovation Team are consulted prior to the purchase and implementation of new computerised financial systems.  Ensuring that all financial transactions are properly recorded in the Council’s financial system, and that no transactions are recorded solely on any other system, spreadsheet, or record.
<b>Internal Audit</b> ( <a href="#">section 18</a> )	Engaging with Internal Audit to produce an annual Internal Audit plan for the following financial year.  Agreeing and overseeing the implementation of audit recommendations e.g. via a recommendation tracker.  Co-operating with internal audits in a timely and appropriate fashion.  Ensuring all allegations of theft, misconduct etc are notified to Internal Audit as soon as they become known.
<b>Companies, Joint Ventures, Partnerships, Joint Committees etc.</b> ( <a href="#">section 19</a> )	Reporting at least annually to the appropriate Policy Committee on the financial affairs of any partnership bodies e.g. Companies, Joint Ventures, Partnerships, Joint Committees.
<b>Grant (Gift) Arrangements</b> ( <a href="#">section 20</a> )	Ensuring that any funds set aside to make individual grants are properly approved in line with the Constitution.  Ensuring that all grant payments to voluntary organisations (or other recipients) are properly approved in line with the Constitution, these Financial Regulations and all other relevant documentation.  Where a grant payment is withdrawn or reclaimed, ensuring that this is agreed in line with the Constitution.  Ensuring that the external relationship with any recipient of grant aid is managed in line with all guidance provided by the Chief Legal Officer.

	Ensuring that any Grant / Gift arrangements within their area of responsibility are made in line with the Constitution.
<b>Council Supply Agreements</b> ( <a href="#">section 21</a> )	Ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the Constitution. This includes seeking the opinion of the CFO.

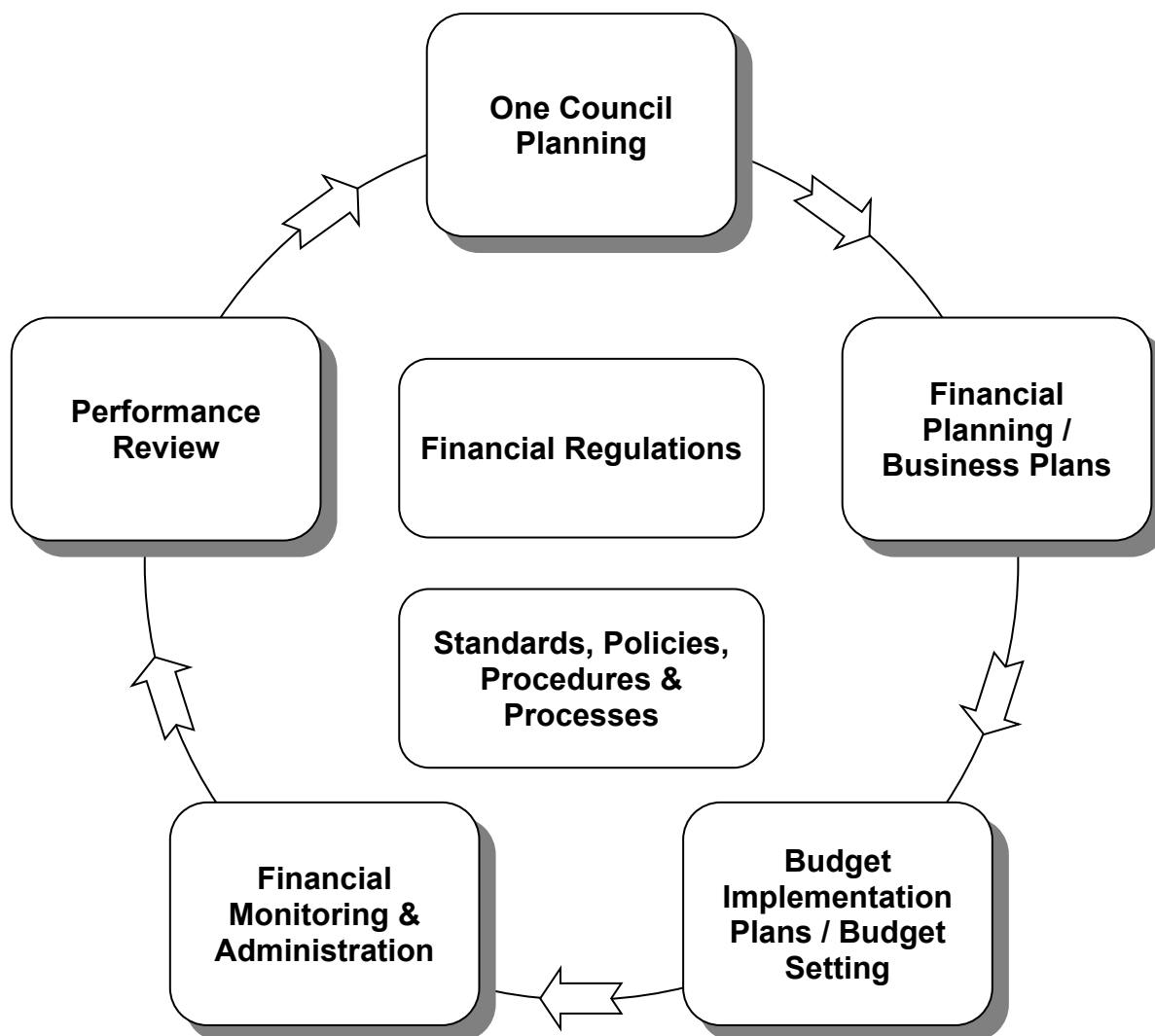
[Back to Contents page](#)

## 2. Financial Management

### The Cycle

The following diagram shows the financial management process starting with Service Planning and ending with the review of performance before the cycle starts again.

These Financial Regulations and the operational financial policies and procedures issued by the CFO support the financial management process.



### Asset Management

This section outlines how the Council will manage, maintain, and protect its assets.

<p><b>The Asset Management Strategy</b></p>	<p>The Chief Property Officer is responsible for Property Asset Management across the Council. This includes considering the disposal of surplus capital assets as part of the Sheffield Land and Property Plan.</p> <p>Any acquisition or disposal of assets must be approved in line with the Constitution and the Council’s Disposal Framework policy.</p>
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**Risk Management**

This section details the arrangements for risk management, including financial risk management.

<p><b>Risk management is the practice of identifying potential risks in advance, analysing them and taking steps to reduce / curb the risk</b></p>	<p>Specific responsibilities relating to risk management are set out in the Risk Management Framework and Guidance.</p> <p>The Council's Risk Management Strategy is based on good risk management being an integral part of good management and not a separate activity.</p> <p>Risk management and business continuity must be embedded at all levels within Directorates in line with the Risk Management Framework.</p> <p>Directors are responsible for maintaining and monitoring a Service Risks and Assurances log which must include financial risks.</p> <p>Financial risk management is built into these Financial Regulations and many of the core processes that the Council expects managers to follow on a day-to-day basis.</p> <p>Good practices for good financial risk management include:</p> <ul style="list-style-type: none"> <li>• monitoring budgets,</li> <li>• complying with processes in the Financial Regulations,</li> <li>• following the decision-making framework, and</li> <li>• maintaining and monitoring key financial risk registers.</li> </ul>
<p><b>Money Laundering</b></p>	<p>The Anti-Money Laundering Policy was produced by Internal Audit on behalf of the CFO.</p> <p>In line with the Anti-Money Laundering Policy, the Head of Accounting is the Officer nominated to receive information about possible Money Laundering activity within the Council – the MLRO.</p> <p>The roles and responsibilities of the MLRO are set out in Appendix B to the Policy.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client in line with the Council's Anti-Money Laundering Policy.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council's MLRO.</p>
<p><b>Fraud</b></p>	<p>The Council's "Code of Conduct for Employees" and 'Whistleblowing Policy' requires any Council officer, who becomes aware of potential theft, fraud or corruption, to bring this to the attention of the appropriate manager.</p> <p>Strategic Directors are responsible for notifying the CFO (or deputy) where there is any actual or suspected irregularity affecting the Council's assets.</p> <p>The reporting of concerns to the Council's Internal Audit Service is considered adequate for discharging this responsibility.</p>
<p><b>Insurance</b></p>	<p>Appropriate Insurances will be in place to cover the risks that the Council is exposed to. The cost of insurance cover will be chargeable to Directorates.</p> <p>Insurance arrangements are reviewed regularly in consultation with Strategic Directors.</p>



	<p>On a day-to-day basis, Insurance arrangements are managed by the Insurance Team. This team should be notified of any loss, liability or damage or any event likely to lead to a claim.</p>
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	<p>Additionally, the Insurance Team should be promptly notified of any circumstances involving both existing and new risk, which could result in the Council incurring a substantial liability. This will include details about Members, Officers, service users, third parties, property, vehicles, plant / other assets, trading activities undertaken with organisations external to the Council, and any alterations affecting existing insurances.</p>
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[Back to Contents page](#)

### 3. Financial Planning

There are 3 key elements to Financial Planning at Sheffield City Council:

- Medium Term Financial Strategy (MTFS).
- Capital Programme.
- Annual Revenue Budget.

Each element has a specific purpose and is designed to ensure the robustness of the Council’s overall financial arrangements.

<p><b>The MTFS is an integrated financial plan</b></p>	<p>The MTFS is a key part of good governance and is a tool to help the Council deliver its priorities.</p> <p>The MTFS sets an integrated financial plan, usually for a three to five year period.</p> <p>The MTFS links closely to the Corporate Plan. The Corporate Plan in turn, informs the spending priorities included in the MTFS.</p> <p>The CFO will be responsible for producing the MTFS along with Strategic Directors. This will be supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.</p> <p>The MTFS is presented to the Strategy &amp; Resources Policy Committee and will form the basis for the following years Annual Revenue Budget and Capital Programme that the Committee will subsequently recommend to Council for final approval, with projections for future years.</p> <p>This includes details of the amount of money available or financial targets for Strategic Directors for the forthcoming financial year and guideline allocations / targets for the following years.</p> <p>The MTFS will also include projections of the Council’s reserves and balances.</p>
<p><b>Capital Programme lists the projects that involve capital expenditure</b></p>	<p>The Capital Programme is a list of planned capital projects, together with their supporting funds, which are linked to the Council’s outcomes and objectives.</p> <p>The Programme is agreed by Council in March each year.</p>
<p><b>The Revenue Budget sets the budget proposals for the Council for a one-year period. It also sets the City Council element of the Council Tax</b></p>	<p>The Budget is informed by the policy options that form part of the MTFS.</p> <p>Each Directorate will prepare detailed spending proposals. These financial estimates are then finalised with Strategic Directors before inclusion in the Revenue Budget.</p> <p>The CFO will advise on any contingency budgets required to cover exceptional in-year costs such as price increases and commitments which are uncertain in terms of their timing and likely cost.</p> <p>Strategic Directors must inform the CFO as soon as they become aware of any exceptional items. An appropriate level of contingency can then be provided for.</p> <p>As part of the Revenue Budget, the CFO will ensure that the budget proposed meets relevant statutory requirements.</p>

<p><b>The Revenue Budget approval must be complete by 11<sup>th</sup> March each year</b></p>	<p>The Council is responsible for agreeing the annual budget for services within Directorates, including the overall capital programme, within the Budget and Policy Framework.</p> <p>The Strategy &amp; Resources Policy Committee will recommend the Budget to Council for final approval together with a recommended level of Council Tax to be set for the coming financial year.</p> <p>To meet statutory requirements this must be done by the 11<sup>th</sup> March each year.</p> <p>Once the Revenue Budget has been approved by Council, Strategic Directors may spend up to the amount approved for the period covered by that budget.</p> <p>Individual items of expenditure within the budget must still be approved in line with the Council’s Contracts Standing Orders, Procurement Guidelines and the requirements of the Constitution.</p>
<p><b>Revenue Budget Monitoring is undertaken in line with an agreed timetable</b></p>	<p>An annual timetable for budget monitoring reporting is produced and the following principles will apply:</p> <ul style="list-style-type: none"> <li>• Monitoring reports, prepared on an accrued basis, will be reported to Directorate Management Teams monthly (except month 1).</li> <li>• At least quarterly overall monitoring reports will be reported to the Leadership Boards, Finance Committee and the Policy Committees.</li> </ul> <p>As soon as practical after the end of the financial year, the Head of Accounting will report to the Strategy &amp; Resources Policy Committee on the overall revenue out-turn position including details of reserves, balances and provisions held by Directorates.</p> <p>The report should include recommendations relating to the treatment of any under and overspending by Directorates.</p>

**Virements and Variations to the Annual Revenue Budget**

This section explains what virements and variations are and how they should be approved.

<p><b>A virement is the transfer of monies from one budget head to another</b></p> <p><b>For example, one budget is overspending, or a function has moved from one Directorate or service to another</b></p>	<p>Virements allow Strategic Directors to manage budgets with some flexibility, provided they remain within the overall Budget and Policy Framework as agreed by Council.</p> <p>Key controls for virements are that:</p> <ul style="list-style-type: none"> <li>• They must be approved in line with these Financial Regulations.</li> <li>• They must not create an increase in expenditure, for example by creating future commitments from one-off additional spending.</li> <li>• Both parties to the virement must agree to it.</li> </ul> <p>Virements will not be allowed from capital financing charges, levies or other areas of spending without the specific approval of the Head of Accounting.</p>
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<b>Virements between Services and Directorates must be approved in line with specific limits</b>	<p>Approval of virements must be made in line with the following limits:</p> <ul style="list-style-type: none"> <li>• Less than £500,000: the virement may be approved by the Head of Accounting.</li> <li>• £500,000 and over or represents a <b>major change of policy</b>: the virement may only be approved by the Finance Committee.</li> </ul>
<b>Carry forward requests from Base Budget</b>	<p>A request to carry forward a base budget underspend must be made by Month 8, the December monthly accounting cycle. A form should be completed (available on Finance Point) detailing the reasons for the underspend, impact and approval should be sought from the relevant service Director.</p> <p>A key requirement of submitting requests for carry forward of base budget is that the Committee cannot exceed its approved budget.</p> <p>The request must be forecast at the earliest opportunity, but by no later than the Month 8 forecast in December, on the agreed form.</p> <p>The Head of Accounting will then review the request and if approved, it will be presented to the Finance Committee as part of the quarterly Revenue Budget monitoring process.</p> <p>Approved requests will be included, where feasible, in the Budget Implementation Plan for the relevant Service.</p>
<b>The Annual Reserves Strategy</b>	<p>An annual Reserves Strategy is produced as part of the revenue budget setting process and informs the Council's budget decision. The Head of Finance &amp; Commercial Business Partnering, or authorised officer, will then manage the need for transfers to and from reserves.</p> <p>Where the proposed transfer does not relate to an approved strategy and is not a restricted grant then, subject to the urgency procedure, the decision may only be taken by Full Council.</p>
<b>Transfer to Reserves of Restricted grants and one-off investments</b>	<p>Requests by Strategic Directors to set up earmarked reserves, may only be done following approval by the CFO.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves is at the discretion of the CFO.</p> <p>The Head of Finance &amp; Commercial Business Partnering, or authorised officer, can approve the transfer to reserves of a restricted grant or one-off investment budget where some (or all) the expenditure is not expected to occur in the current financial year.</p> <p>The anticipated level of underspend should be forecast monthly throughout the year using the anticipated cash limit expense code (which at the time of writing is the Integra expense code 4038-000).</p> <p>Restricted grants &amp; investments must be used for their specific activity / purpose and any restricted grant balances carried forward at year end will be drawdown in full in M1 (April) of the following financial year.</p>
<b>Variations are changes to the</b>	<p>Variations are changes to the total amount of expenditure across a Directorate, service or the Council as a whole that results in a change to the Council's overall</p>

<b>total amount of expenditure</b>	level of resources as set out in the Revenue Budget Report that is approved by Council.
<b>Any changes to the overall level of resources set out in the budget must be appropriately approved</b>	<p>Changes to the overall level of available resources as per the Budget must be approved in line with the Constitution.</p> <p>Requests for variations may be submitted to Council for approval as detailed below:</p> <ul style="list-style-type: none"> <li>• Under £500,000 <b>and</b> not representing a major change of policy: may be approved by a Strategic Director or a Director after consulting with the Head of Accounting and informing the Chair of the relevant Policy Committee where appropriate.</li> <li>• £500,000 and over <b>or</b> representing a major change of policy: may only be approved by Finance Committee in line with the Constitution. These will be proposed by the relevant Strategic Director and actioned by the Head of Accounting. It is also good practice to inform the Chair and spokespersons of the relevant Policy Committee.</li> </ul> <p>Variations requiring support will be presented to the Policy Committees initially and included as part of budget monitoring.</p> <p>All approved Virements and Variations must be recorded on the Council's Finance System.</p>
<b>Any changes to the overall level of resources set out in the budget must be appropriately approved</b>	<p>Changes to the overall level of available resources as per the Budget must be approved in line with the Constitution.</p> <p>Requests for variations may be submitted to Council for approval as detailed below:</p> <ul style="list-style-type: none"> <li>• Under £500,000 <b>and</b> not representing a major change of policy: requires approval by both the relevant Strategic Director / Director and the Head of Accounting. It is also good practice to inform the Chair of the relevant Policy Committee.</li> <li>• £500,000 and over <b>or</b> representing a major change of policy: may only be approved by Finance Committee in line with part 3.3 of the Constitution. These will be proposed by the relevant Strategic Director and actioned by the Head of Accounting. It is also good practice to inform the Chair and spokespersons of the relevant Policy Committee.</li> </ul> <p>Variations requiring support will be presented to the Policy Committees initially and included as part of budget monitoring.</p> <p>All approved Virements and Variations must be recorded on the Council's Finance System.</p>
<b>Cash Limit Adjustments</b>	<p>Cash Limit adjustments can be done between services, within a service or between months on the Qtier system.</p> <p>If the adjustment does not meet the definition of a virement and is under £100,000, these can be signed off by the relevant Finance Manager (one for each side of the transaction).</p>

	Over £100,000 and a Senior Finance Manager for the Directorate will need to authorise the adjustment.
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### **Borrowing and Investment (Treasury Management)**

The Council must make sure it has sufficient money to cover payments, such as salaries, supplier payments and interest payments, when they become due.

This section outlines the arrangements for entering and agreeing any borrowing or investments that may be required.

<b>Treasury Management involves undertaking investments and borrowing transactions for the Council</b>	<p>An annual Treasury Management Strategy is produced for approval by Council as part of its annual budget decision. This covers the borrowing and investment strategies and Capital Programme financing.</p> <p>The Head of Accounting must ensure compliance with the Treasury Management Strategy.</p> <p>Managing borrowing and investments is key to supporting the Council's Strategic Planning process.</p> <p>The capital programme provides a guide to the borrowing needs of the Council; informing longer term cash flow planning to make sure that the Council can meet its capital spending obligations.</p> <p>The Head of Accounting must agree any borrowing or investment on behalf of the Council. In the absence of the Head of Accounting, the CFO may agree borrowing and investment transactions.</p> <p>Twice per year (mid-year and at the end of a financial year) a report is produced for the Strategy &amp; Resources Policy Committee on treasury management activities, transactions and decisions.</p> <p>The reports will focus on the identification, monitoring and control of risk as this is key to the effectiveness of Treasury Management. The mid-year report is presented alongside budget monitoring information.</p>
<b>If income over £50,000 is expected, the Treasury Team should be notified</b>	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Treasury Team.</p> <p>Knowing that a large receipt is due will help the Treasury Team to manage the Council's cash flow which may well reduce the need for short term loans to cover Council expenditure.</p>
<b>If services have any special payment requirements over £50,000, the Treasury Team should be notified</b>	<p>The Treasury Team should be notified a week in advance of any special payment requirements above £50,000.</p> <p>If this is not possible, to make any special payments, the Treasury Team <u>must</u> be notified by no later than 10am on the day the payment is expected to be made.</p>

[Back to Contents page](#)

#### 4. Financial Implications

This section explains the process for considering the financial implications of decisions.

<p><b>Before any decision is made by Officers, the financial implications of that decision need to be considered</b></p>	<p>The financial implications section of reports must summarise the capital and revenue implications of the proposals, together with details of any potential risks.</p> <p>Officers involved in making decisions that are not published must also give proper thought to the financial implications. This includes consulting with their Finance contact where necessary. The implications identified should be documented and retained, in case of future challenge or audit requirement.</p> <p>Whilst it is not compulsory, it is good practice, for reports made to other meetings, such as management team meetings, etc. to also include a Financial Implications section.</p>
<p><b>Arrangements for the sign-off of Financial Implications</b></p>	<p>All Financial Implications summaries must be signed off by the CFO, or an authorised officer on their behalf.</p> <p>Officers developing proposals and preparing reports cannot assume that they know the financial implications; an authorised officer from Finance must be involved and provide input.</p> <p>Only the Head of Finance &amp; Commercial Business Partnering, as the budget holder for the Council's Capital Financing costs, (or officers specifically authorised to do this on their behalf) may approve Financial Implications which impacts on cash-flow.</p> <p>Before signing off Financial Implications, the officer who has prepared the report has taken all relevant advice, e.g. specialist financial, commercial or taxation advice.</p> <p>The name of the Officer who has signed-off the Financial Implications must appear on the Financial Implications section of the covering checklist.</p>

[Back to Contents page](#)



## 5. Capital Programme

The following section explains what the capital programme is, factors that are considered when it is planned and the arrangements for approving and amending capital projects.

<p><b>What is the Capital Programme?</b></p>	<p>The Capital Programme is a list of planned projects which involve capital expenditure, together with their supporting funds, which are linked to the Council's outcomes and objectives. The Programme is agreed by Council in March each year.</p> <p>As the Capital Programme is made up of several different projects, the size and scope of the Programme can vary over time.</p> <p>The International Financial Reporting Standards and the Statement of Recommended Accounting Practice provide guidance on accounting for Capital projects.</p> <p>The revenue expenditure implications of the proposed Capital Programme will be considered as part of the approval process, as well as the Revenue Budget and MTFs processes.</p>
<p><b>How is the Capital Programme approved?</b></p>	<p>The proposed Capital Programme for the next financial year is put together by the Head of Finance &amp; Commercial Business Partnering, together with the Strategic Directors.</p> <p>The Programme must be reviewed by the Capital Programme Group before being recommended to the Leadership Boards. It is then taken to the Strategy &amp; Resources Policy Committee, before being presented to Council at the same time as the Revenue Budget.</p> <p>Just because a project is included within the Programme, this does not mean it has automatic approval to take place.</p>
<p><b>What are Capital Approval Forms (CAFs) used for?</b></p>	<p>CAFs are used to obtain financial approval for projects within the Capital Programme. Capital expenditure can only occur if fully funded, unless any funding gaps are approved by the Head of Finance &amp; Commercial Business Partnering.</p> <p>A CAF must be completed for any new projects added to the Programme, or changes to existing approved projects.</p> <p>A CAF must be approved, via email, by the appropriate manager and include all relevant documentation. The CAF is then approved at the Finance Committee.</p> <p>The CAF requires the following signatures (email approval):</p> <p>For new projects and changes to existing projects - the signatures of the Project Manager, sponsoring Director, and Capital Team.</p> <p>For emergency approvals - the signatures of the Project Manager, sponsoring Director, Capital Team, a Strategic Director and the Head of Finance &amp; Commercial Business Partnering.</p> <p>For cases considered sensitive by the Strategic Director and/or the Head of Finance &amp; Commercial Business Partnering, the signatures of the Project Manager, sponsoring Director, Capital Team and the relevant Policy Committee Chair.</p>

<p><b>Project Stage Approval</b></p>	<p>Approval for the Design, Procure and Build stages of a project will not be granted without recommendations from the Head of Finance &amp; Commercial Business Partnering in respect of funding implications.</p> <p>As part of this process the Head of Finance &amp; Commercial Business Partnering will need to consider both the Revenue and Capital implications of these approvals. The level of contractual commitments in future years must be considered.</p> <p>The Project Manager must obtain approval for each stage of the project from the Head of Finance &amp; Commercial Business Partnering, the Chief Property Officer (if appropriate) and the Capital Programme Group.</p> <p>Only the Capital Programme Group can recommend to the CFO the award of a contract for Capital works in line with the Council's Contracts Standing Orders.</p> <p>The build stage of a project cannot take place until a thorough review has been completed by the Project Manager. This must be approved by the sponsoring Director, as well as reported to the Capital Programme Group.</p>
<p><b>What to do if External Funding is used to support a capital project?</b></p>	<p>If external funding, e.g. a grant is needed to support a Capital project, this must be approved by either the Head of Finance &amp; Commercial Business Partnering or an authorised Finance Officer.</p> <p>If the grant requires the Council to become the Accountable Body for the funding, agreement for this must be obtained BEFORE any offers of funding are accepted.</p> <p>Funding can only be accounted for once all conditions of the grant have been met. Before this point, expenditure must be covered by either the relevant Directorate's budget, or by corporate funding sources by agreement.</p> <p>If any part of a Capital project involves the Council guaranteeing the liabilities of a third party, then this must also be approved in accordance with the requirements of the Constitution.</p> <p>Capital Grant Funding cannot be used to fund day-to-day revenue expenditure.</p>
<p><b>Arrangements for making variations to Projects in the Capital Programme</b></p>	<p>Changes to a project's finance are known as 'Variations'. Any variations made to a project require approval and will depend on whether there are the Capital resources available.</p> <p>For existing projects, the approval levels for variations are:</p> <ul style="list-style-type: none"> <li>• Variations of up to £25k can be approved by the responsible Director.</li> <li>• Variations between £25k and £100k require approval from the relevant Strategic Director.</li> <li>• Variations above £100k require Finance Committee approval. These are raised in the monitoring reports.</li> </ul> <p>For approval purposes, the limits apply to the total of all variations since the last time approval was granted was by Council.</p> <p>Virements between Capital projects are not allowed. Any change to a project budget is treated as a variation.</p>
<p><b>Emergency Approvals</b></p>	<p>Where an emergency approval is required, this must be obtained in line with urgency procedures in the Constitution.</p>

	<p>Emergency approvals can be granted by the relevant Strategic Director in consultation with the Head of Finance &amp; Commercial Business Partnering acting on behalf of the CFO.</p> <p>The CFO, or an officer authorised to act on their behalf, must be informed of the need for any emergency approvals at the earliest possible opportunity.</p> <p>All emergency approvals within a month should be reported to the Finance Committee in the next monitoring report. If, by the time the decision has been reported, and no action has been taken, the emergency approval may be cancelled.</p>
<b>Slippage and/or accelerated spend within a project</b>	<p>When projects are approved, an annual profile is created which forecasts at which point in the year spending will occur.</p> <p>Accelerated spend occurs when a project has spent more than expected at a set point in time. Slippage occurs when a project has spent less than expected at a set point in time.</p> <p>This should be reflected in monthly forecasts, and Capital Finance should be made aware of the situation.</p> <p>Where spending is forecast to move between financial years, this must be included in the monitoring reports to the Finance Committee requesting approval.</p> <p>Where an overspend is anticipated, despite actions being taken to prevent this, the overspend must be covered from revenue.</p>
<b>Capital Receipts</b>	<p>Capital Receipts are the proceeds the Council receives from a buyer when it sells a capital asset. This can be used to fund new Capital projects.</p> <p>Any decision on the use of Capital Receipts will be taken as part of the overall approval for the project through recommendation by the Capital Programme Group.</p>
<b>Procurement for capital projects</b>	<p>Directors and Strategic Directors must ensure relevant procurement procedures are followed for Capital projects.</p> <p>The Head of Capital Delivery Service and the CFO must be made aware of any procurement activity.</p> <p>Where the project is financed, either fully or in part through external funding, then the requirements of the Funder in relation to procurement must also be met.</p>

### Roles and Responsibilities


Several specific groups, teams and managers have additional roles in relation to the capital programme. These are included in the table below:

<b>The Capital Programme Group</b>	<p>Is responsible for:</p> <ul style="list-style-type: none"> <li>• Overseeing Capital Management.</li> <li>• Providing advice and recommendations to the Leadership Boards on new projects. These recommendations will be made to the Finance Committee.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Approving variations to existing projects, as well as the progression of projects to their next stages.</li> <li>• Approving the use of Capital receipts and grants.</li> </ul>
<p><b>Directors and Project Managers</b></p>	<p>Are responsible for:</p> <ul style="list-style-type: none"> <li>• Ensuring that all projects comply with the relevant laws and regulations. Complying with the Constitution.</li> <li>• Complying with the relevant external funding procedures.</li> </ul>
<p><b>Project / Budget Managers</b></p>	<p>All projects must be managed in line with the Council’s Project Management Guidelines.</p> <p>Project Managers are responsible for:</p> <ul style="list-style-type: none"> <li>• Considering revenue, environmental, property, and opportunity costs related to a project.</li> <li>• Considering the legal, human resources, equalities impact and sustainability implications of the project.</li> <li>• Considering the impact of VAT on Capital projects and property transactions (disposals, purchases and leasing of land / property) and seek the advice of the Head of Finance &amp; Commercial Business Partnering if required. On a day-to-day basis this advice will be provided by the Council’s Tax Manager.</li> </ul> <p>Managing the project within budget and preventing overspends.</p> <p>Project Managers must consider the risks of, and the solutions to, any forecast Capital overspends.</p>
<p><b>The Capital Team</b></p>	<p>Are responsible for:</p> <ul style="list-style-type: none"> <li>• Steering a project through the financial approval process, alongside the Project Manager.</li> <li>• Reviewing, quality checking and challenging the monthly actuals and forecast expenditure and income.</li> </ul> <p>Reporting monthly on Capital expenditure and its financing, in line with the Capital Projects Approval Route.</p>

### Capital Projects Approval Route

The diagram below shows the stages a project must go through to be approved for inclusion in the Capital Programme.

<b>Approval for New Projects (inclusions)</b> Regardless of £ value	
<b>Decision making</b> 	<b>Full Council</b> - for approval of the <b>Capital Forward Programme</b> only, at the recommendation of the Strategy & Resources Policy Committee
	<b>Finance Committee and/or Policy Committees</b> – for formal Council decision to approve / reject the new project. Note that the stages below do not constitute a formal decision
	<b>Leadership Boards</b>
	<b>Capital Programme Group</b>
	<b>Directorate Leadership Team</b>
	<b>Director</b> (Discussions only)

### Financial Management and Reporting for Capital Accounts

This section details how projects within the Capital Programme are monitored and reported on.

<b>Financial Management</b>	<p>The Council's financial management system is used to manage the projects within the Capital Programme.</p> <p>Project Managers are required to carry out monthly monitoring and forecasting for both Revenue and Capital expenditure.</p>
<b>Reporting Process</b>	<p>Monthly Capital reporting is based on Capital Approval Forms, Project Closure Forms, financial monitoring and approval request reports.</p> <p>At year end, the Head of Finance &amp; Commercial Business Partnering reports on the overall Capital outturn position to the Finance Committee. The Revenue outturn position is also reported at this time.</p>

[Back to Contents page](#)

## 6. External Funding / Grants

External Funding refers to additional resources, above and beyond those normally provided to the Council. This funding can be used to develop and improve the quality of services, better meet the needs of clients or to do something that would not otherwise be affordable.

<p><b>Accountable Body status must be agreed before any external funding is accepted</b></p>	<p>The <b>Accountable Body</b> is legally responsible for making sure that the requirements of the funder are met.</p> <p>The decision to agree to the Council becoming the Accountable Body for external funding must be taken BEFORE any offers of funding are accepted, in line with the Constitution.</p> <p>Grant Funder offer letters, or documentation, requiring signature to accept a grant of £1m or more must be completed by the CFO (or deputy) as per these Financial Regulations.</p> <p>Offer letters or documentation of less than £1m can be signed off by any of the Senior Finance Managers (SFM), except for the SFM's that are responsible for Internal Audit and EFT or who are not a Qualified Accountant.</p> <p>Where the Council is guaranteeing the liabilities of a third party this must also be approved in line with the Constitution.</p>
<p><b>The External Funding Team (EFT) have day-to-day responsibility for the management of external funding</b></p>	<p>EFT, on behalf of the Head of Finance &amp; Commercial Business Partnering, is responsible for ensuring grant applications and subsequent offers are appropriately completed and authorised.</p> <p>Grant claims of £100k or more, statutory grant returns or other grant related documents can be signed off by the SFM's, except for the SFM's that are responsible for Internal Audit and EFT or who are not a Qualified Accountant.</p> <p>Grant claims of less than £100k can be signed off by the EFT Finance Manager.</p> <p>Grant claims that are submitted via a Funder portal still require sign off as per these Financial Regulations.</p> <p>If a grant requires match funding, EFT will provide guidance on sources of match funding and how this can be evidenced.</p>
<p><b>Audits of External Funding may be required</b></p>	<p>Internal and External audits may be carried out. If required, this will be detailed in the terms and conditions from the grant Funder.</p> <p>Any associated costs will need to be funded from the relevant business unit's budget.</p>
<p><b>Retention of documentation</b></p>	<p>All evidence required by the funding body must be collected and held in line with the terms and conditions of the grant.</p> <p>Documents supporting European projects must be stored for at least 3 years after the UK receives its final payment to the programme or for the period defined by the Funder.</p> <p>Where the retention period in the grant agreement is longer than the one prescribed in the Financial Records Retention Schedule (<a href="#">Appendix A</a>), the funder's requirements will take priority.</p> <p>In all other cases, the Records Retention Schedule should be followed.</p>

## 7. Income Management

Many of the services which are delivered by the Council are funded by Government grants and local taxation (Council Tax and Business Rates). There are also some services that service users and other customers pay a fee for.

This section explains how fees and charges are set, how income is collected and what the Council will do to recover debts.

Separate detailed rules apply to Housing Rent, Council Tax, Business Rates and Benefit Overpayment debt, so the regulations below do not apply to these.

Refer to [section 21](#) for Council Supply Agreements.

### Roles and Responsibilities

Committees and Officers involved in the sundry debt process have the following specific roles and responsibilities in relation to income management:

<p><b>Policy Committees</b></p>	<p>Policy Committees are responsible for agreeing fees and charges in relation to their service areas, other than any set by Full Council as part of the budget process.</p> <p>The fees and charges must be in line with the MTFS and any policies in respect of fees and charges</p>
<p><b>All Officers involved in the sundry debt process</b></p>	<p>Officers who are responsible for raising invoices, credit notes, refunds, debt recovery and write-offs must not carry out these activities where they relate to debts owed by themselves or family members, or where they have a vested interest.</p>
<p><b>Officers with Authority to collect cash</b></p>	<p>Only officers with specific authorisation from their manager may collect cash on behalf of the Council. These officers will be issued with a “Style 1” photo identification card, which clearly states that they are authorised to collect cash.</p> <p>Before any new Style 1 photo identification card is issued, the request must be approved by the Head of Revenues &amp; Benefits, or authorised officer, in line with the procedure for the issue of photo identification cards.</p> <p>Managers should keep a register containing details of the style of card held by each member of staff and ensure that the card held is appropriate to the officer’s current duties.</p>

### Separation of Duties

The system in place for the collection and banking of income must include separation of duties between the different functions as a key form of internal control. This means that a single person should not be responsible for all the activities related to the collection and banking of income. The activities should be carried out by different people. This is to help prevent fraud.

To comply with this principle, Managers must ensure that an officer does not carry out functions from both Table 1 and Table 2 (below) in any given period. This ensures that, for example, an officer does not check that the amount of money they themselves have collected equals the money that they have banked.

Table 1:

Function	Examples
Identifying charges or taking a booking	Telling a customer the cost of a particular service, e.g. removing a wasp's nest. Booking an appointment for removal of a wasp nest.
Billing	Sending an invoice (if appropriate to do so).
Collection and receipt of income	Collecting the payment, irrespective of the method of payment (i.e. cash / credit card) for removing the nest and giving the customer a receipt for the payment. Receipts might be a 'till receipt' or handwritten one from a pre-printed receipt book.

Table 2:

Function	Examples
Reconciling receipts to income	Adding up the payments received, and all the receipts issued and then making sure they come to the same amount.
Banking income	Doing the Cash Management lodgement journals so the income appears on the finance system as being in the bank. This also puts it into the correct Business Unit. Arranging for cash to be physically put into the Council's Bank Account. This may be done via the cash collection service – currently provided by LOOMIS.
Monitoring income received, banked and outstanding	Checking money that has been banked equals the amount that is on the receipts. Monthly monitoring of outstanding debts.

When money needs to be transferred between members of staff, this must be evidenced by the recorded signature of the officer receiving the money.

### Paying Fees and Charges

All systems and processes related to customer payments must comply with all relevant legal and security requirements, e.g. the Payment Card Industry Data Security Standard (PCI DSS), which is a set of guidelines designed to help keep customer's payment card data secure.

<b>Non-invoiced income</b>	Wherever possible, customers should be asked to pay for services up-front or at the time they receive the service they are paying for.  Allowing customers to pay on credit, e.g. by issuing an invoice, should be avoided as often as possible. This reduces both the potential for invoices not being paid by customers and the administration costs to the Council.  The Council is legally required to provide a tax invoice, if a customer asks for one.
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	Any requests received should be referred to the Tax Team within Finance & Commercial Services.
<b>Invoiced Income</b>	<p>The minimum value for a sundry debt invoice is £25. If a Council service area wishes to raise an invoice for lower than this amount, they will need to obtain the approval of the Head of Revenues &amp; Benefits, or authorised officer.</p> <p>All sundry debt accounts must be raised on the Accounts Receivable section of the finance system unless exceptions have been agreed with the Head of Revenues &amp; Benefits, or authorised officer.</p> <p>Invoices should be issued within 10 working days of the:</p> <ul style="list-style-type: none"> <li>• goods or services being supplied, or</li> <li>• month end if there is an on-going service provision.</li> </ul> <p>In line with standard accounting practice, income will be credited to the relevant Business Unit at the point the invoice is raised on the finance system - not when the money is received.</p> <p>To comply with all relevant HMRC regulations, the date of the invoice must be within 60 days of the actual date that the goods or services were supplied. If you cannot meet this timescale, you must contact the Council's Tax Manager for advice.</p> <p>The information on the Sundry Debt invoice must be correct, complete and supported by all necessary and relevant evidence to show that the Council is actually owed the income. If debt recovery action needs to be taken, including Court proceedings, this evidence will be required.</p> <p>Officers raising invoices are also responsible for ensuring that the correct amount of VAT is applied. If an officer is not sure what the correct VAT treatment is, they should contact the Tax Team.</p> <p>To ensure that invoices are raised correctly, they must only be raised by officers who have had appropriate training.</p>

### Standard Payment Methods

Only the payment methods outlined in the tables below can be used by all Services and partner organisations. These are the payment methods which have been approved by the Head of Revenues & Benefits.

Not all methods are relevant to every Council service area or customer group, but they are all the options the Council will support.

<b>Debit/Credit cards (including the payment of transaction fees)</b>	<p>The Council will accept all major debit and credit cards, except American Express, Diners Club, JCB and Solo.</p> <p>Credit cards may be used for both non-commercial debts (such as Business Rates and rent arrears) and commercial debts (such as hire of sporting facilities and pest control).</p> <p>Card transaction fees will be funded centrally from within Finance &amp; Commercial Services, subject to annual reviews of costs. They may also be recharged to the Housing Revenue Account.</p>
<b>Direct Debits</b>	Direct debits must only be used to collect payment:

	<p>For invoices that are raised on a regular basis (e.g. monthly rental agreements). Where an arrangement to pay an invoice in instalments has been agreed by the Head of Revenues &amp; Benefits, or authorised officer.</p> <p>Direct debits should not be used where the annual value to be collected is less than £100. This amount may be changed at any time by the Head of Revenues &amp; Benefits.</p> <p>If a customer’s Direct Debit fails twice in a 12-month period then the option to pay by Direct Debit must be withdrawn from that customer and may only be reinstated with the agreement of the Head of Revenues &amp; Benefits, or authorised officer.</p> <p>Under the Direct Debit Guarantee scheme, the Council must give customers at least 10 working days’ notice if the amount that is due to be collected will change.</p> <p>If the amount changes on a regular basis, such as Home Support, an invoice must be issued. This is for information purposes only and the customer does not need to pay the invoice separately to their Direct Debit.</p>
<b>Cash</b>	<p>The option of cash payments is considered on a case-by-case basis.</p> <p>Cash can be used to pay bills at Post Offices and PayPoint outlets subject to maximum values of £1000 and £200 respectively.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client as per the Council’s Anti-Money Laundering Policy.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council’s MLRO.</p>
<b>Administration Costs</b>	<p>If there are any administrative costs associated with implementing a particular payment method, this will be funded by the Service requesting the method.</p>
<b>Expected income over £50,000</b>	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Treasury Team.</p> <p>Knowing that a large receipt is due will help the Treasury Team to manage the Council’s cash flow, which may well reduce the need for short term loans to cover Council expenditure.</p>

Payment Channels

The following tables outline the payment methods and payment channels for both invoiced and non-invoiced income:

<b>Invoice / Not Invoiced</b>	<b>Payment Method</b>	<b>Payment Channel</b>
Invoice / Not Invoiced	Credit or debit card online via the Council website.	On-line - Customer self-service

Invoiced	Credit or debit card using an automated telephone service.	Telephone - Customer self-service
Invoice / Not Invoiced	Credit or debit card over the phone where a member of staff transfers the customer to Call Secure so they can enter the payment details using touch-tone functionality.	Telephone - Customer assisted service
Invoice / Not Invoiced	Credit or debit card using chip-and-pin machine (either mobile or at a Council / partner office).	Face to face - Customer assisted service
Invoiced	Cash at a Post Office; or PayPoint up to a certain value.	Face to face - Customer assisted service
Invoiced	Cheques and debit card at a Post Office up to a certain value.	Face to face - Customer assisted service
Invoiced	Direct Debit – within the parameters set by the Head of Revenues & Benefits.	Face to face - Customer assisted service
Invoiced	BACS / CHAPS – within the parameters set by the Head of Revenues & Benefits.	Face to face - Customer assisted service

### Credit Notes and Refunds

The following section outlines the use of credit notes and refunds on invoiced income.

<p><b>Credit notes are used to correct an invoice that has been raised incorrectly</b></p>	<p>Credit notes are issued to customers to correct an invoice that has been incorrectly raised. However, credit notes represent a control risk and as such must be appropriately authorised.</p> <p>Credit notes must be authorised by the manager responsible for the corresponding budget.</p> <p>Customers can use credit notes to pay future invoices, but they can also request a refund if they have already paid an incorrect invoice, or paid money into a Council bank account in error.</p> <p>Refunds may only be actioned by the Head of Revenues &amp; Benefits, or authorised officer.</p> <p>Where a refund is for a significant amount, i.e. £1,000 or more, officers should check the identity of the client in line with the Council’s Anti-Money Laundering Policy, fees and interest charges.</p>
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### Banking of Collected Income

The following section outlines arrangement for receipting, storing and banking collected income.

<b>All income must be receipted and banked promptly</b>	<p>All income received by the Council must be receipted and paid into the appropriate bank account as soon as possible following the procedures approved by the Head of Accounting for the banking of income.</p> <p>Income must be paid into the bank account in full. Third party and personal cheques must not be cashed from monies held on behalf of the Council.</p>
<b>Collected income must be stored safely and adequately insured</b>	<p>Strategic Directors are responsible for ensuring that all income collected prior to banking is kept in a safe location and that adequate insurance cover has been arranged.</p> <p>The amount of cash which a Service can keep in a safe overnight will depend on the insurance arrangements. If the amount needed to be stored is higher than the agreed limit, then arrangements must be made to bank the income as soon as possible.</p>
<b>Reconciliation of receipts to banked income should be performed at least monthly</b>	<p>Reconciliation of receipts to banked income should be performed at least monthly. The higher the value and quantity of the receipts, the more often reconciliations should be performed.</p> <p>Staff responsible for reconciliation should not be involved in day-to-day banking or receipting procedures. There needs to be a clear separation of duties.</p>

### Debt Recovery

Acting in accordance with its Corporate Debt Policy, the Council will do everything in its power to recover money owed to it. The following sections outline the recovery process and debt management arrangements.

<b>Recovery Process</b>	<p>The Council's standard payment terms and conditions state sundry debts should be paid immediately and in full, unless there is a contract in place to agree alternative payment terms, or unless the debt is payable by instalments.</p> <p>The Council will do everything within its power, up to and including Court action, to recover money owed to it. The costs of recovering sundry debts, including court fees, will be funded by the relevant Business Unit which is owed the debt.</p>
<b>Arrangements to Pay</b>	<p>If a customer is unable to pay the full amount of a sundry debt invoice immediately, arrangements can be negotiated to clear the debt in the shortest possible amount of time.</p> <p>These arrangements can be negotiated by the PACE Team on behalf of the Business Unit Manager, or directly by the Manager.</p> <p>If the Business Unit Manager chooses to negotiate arrangements themselves, they must tell the PACE Team so that the arrangement can be documented and monitored.</p> <p>The Head of Revenues &amp; Benefits, or authorised officer, must agree payment arrangements that last longer than 12 months.</p> <p>If the customer does not follow the arrangement to pay, then debt recovery action will be commenced or continued.</p>
<b>Interest on late payment of debt</b>	<p>Interest on late payment of debt by commercial customers will be applicable where agreed by the Head of Revenues &amp; Benefits.</p>

<p><b>Disputed Debts</b></p>	<p>A 'dispute' is an issue that must be resolved before a customer pays an outstanding sundry debt.</p> <p>When a debt is put into dispute, debt recovery action is suspended to allow time for the issue to be resolved.</p> <p>The relevant Business Unit Manager is responsible for resolving the dispute and they must do so within 28 days.</p> <p>Where the Business Unit Managers thinks that a longer timescale is required to resolve the dispute, they must contact the PACE Team to request an extension.</p> <p>The request must be supported by details about the customer, what the dispute is about, and the extra time required.</p> <p>If a request to extend a dispute beyond 28 days has not been received, the appropriate debt recovery action will be re-instated, or where appropriate the debt will be written off.</p>
<p><b>Legal action</b></p>	<p>Legal action will only be used as the last resort in the recovery process, and the final decision to act will be made by the PACE Team Finance Manager.</p> <p>Legal action will only be taken if:</p> <p>The full end to end legal enforcement process can be used (e.g. County Court bailiffs, High Court Enforcement action, etc.).</p> <p>The total balance of the debt is greater than £500. The PACE Team Finance Manager can agree to lower this balance.</p> <p>The debt is less than 12 months old, meaning the invoice date is less than 12 months ago. This deadline may be extended in exceptional circumstances by the PACE Team Finance Manager.</p>

**Bad and Doubtful Debt Provisions**

When an invoice is raised, the Business Unit is immediately credited with the income, but if the debt is not paid within 60 days, the Business Unit Manager should not rely on that income to cover expenditure.

<p><b>Bad and doubtful debt provision</b></p>	<p>Unless agreed otherwise by the Head of Revenues &amp; Benefits, if a debt is not paid by day 60 after the invoice date, the Business Unit will be debited to make full provision for the debt not being paid.</p> <p>This means that money is set aside in the Council's accounts to cover the possibility of the debt not being paid.</p> <p>Exceptions to this can only be approved by the Head of Revenues &amp; Benefits. A list of the agreed exceptions is kept by the PACE Team.</p> <p>At the year-end, a bad debt provision will be estimated based on historic trends in debts not being recovered.</p> <p>Creating a provision for bad or doubtful debt does not mean that recovery action will stop. The Council will continue to take recovery action after the provision is made.</p>
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<p><b>Payments received after 60 days</b></p>	<p>Unless agreed otherwise by the Head of Revenues &amp; Benefits, if an outstanding debt is paid after day 60 and before day 91 the Business Unit will be credited with 50% of the income. The remaining 50% will be diverted to help balance the Council’s overall budget.</p> <p>If the debt is paid after day 90, 100% of the income will be diverted to help balance the Council’s overall budget and the Business Unit will not receive any income.</p>
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**Bad Debt Write-offs**

If recovery action is unsuccessful, the Council may write-off debts or register the debt as a local land charge. The following section explains these processes.

<p><b>Write-off of bad debts</b></p>	<p>Bad debt write-offs will usually be done after 12 months have passed since the invoice date and all debt recovery procedures have been attempted, unless:</p> <p>The debt is covered by an on-going payment arrangement.</p> <p>There is on-going action, up to and including Court action, to recover the debt.</p> <p>The debt has been recorded on the Local Land Charges Register.</p> <p>Write-offs must be proposed by the Strategic Director responsible for the Directorate which holds the debt. A list of proposed write offs will be passed to the Head of Revenues &amp; Benefits to approve.</p> <p>The PACE Team, on behalf of the Head of Revenues &amp; Benefits, will then update Integra to complete the write off.</p> <p>If a debt is to be written off a full provision must have been created.</p> <p>The Head of Accounting will report debts, and changes in the bad debt provision, to the Audit &amp; Standards Committee as part of the annual accounts process.</p>
<p><b>Local Land Charges</b></p>	<p>One option for recovering a debt is to register the debt as a local land charge.</p> <p>By law, the Council must keep and regularly update a register of all the local land charges they have created, e.g. road and other financial charges, home improvement grants, tree preservation orders, notices of restriction, etc., that will either secure the payment of a sum of money or limit the use of the said property.</p> <p>This is known as the Local Land Charges Register.</p> <p>Anybody who is thinking of purchasing a piece of land or property can then search the register and establish if there are any charges.</p> <p>When Services secure a Sundry Debt account in the Local Land Charge Register, the following will apply:</p> <p>Sundry Debt accounts recorded in the Land Charge Register will be managed using the Council’s standard debt recovery process and taking a bad debt provision.</p> <p>The Business Unit Manager who is responsible for any debt that is listed in the Land Register must ensure that the debt is still valid and collectible on an annual basis.</p>

	<p>Debts covered by a Land Charge that remain outstanding after 6 years will be reviewed by the Head of Revenues &amp; Benefits to determine whether the debt should be written off.</p>
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	<p>The above requirements relate specifically to sundry debt invoices, and do not apply to any debts in the Local Land Registry manually raised outside of the Finance System.</p>
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[Back to Contents page](#)

## 8. Purchasing

### Roles and Responsibilities

Budget managers and all officers involved in the P2P process have the following specific roles and responsibilities:

<b>Budget Managers</b>	<p>Ensuring that the Council is obtaining value for money, and that all expenditure complies with the Council’s Contracts Standing Orders.</p> <p>Using in-house and existing contracted providers wherever possible. If not possible, advice must be sought from Finance &amp; Commercial Services on choosing an alternative supplier.</p> <p>Complying with the relevant procurement processes, with all steps documented and evidenced.</p> <p>Declaring any relationships with existing or potential Council contractors prior to obtaining quotations or awarding of contracts.</p>
<b>All Officers involved in P2P process</b>	<p>Referring to the Council’s Contracts Standing Orders for details of procurement procedures, with special attention to the need to use in-house and existing contracted providers.</p> <p>Formally declaring any relationships with existing or potential Council contractors, prior to obtaining quotations, or the awarding of contracts. (Failure to do so may be punishable as a criminal offence)</p> <p>Withdrawing from any P2P process when either they themselves, a member of their family or one of their close associates are involved directly or indirectly with the transaction.</p>

### Ordering and Authorisation of Expenditure

This section covers the principles of procurement in the Council. These are standard across the Council and must be complied with unless written exception has been approved by the CFO.

<b>General Procurement Principles</b>	<p>All orders for goods or services are to be placed on the Council’s Finance system. The controls, approval routes and processes detailed in these Financial Regulations will apply.</p> <p>All procurement must comply with Contracts Standing Orders and the Constitution. Any breaches are immediately reported to the CFO.</p> <p>Suppliers of the Council must have the necessary HMRC certification enabling them to be paid through the Council’s payments system.</p> <p>Contractors who do not comply with these conditions, or those who do not provide the necessary evidence, should be set up as temporary employees and paid through payroll.</p>
<b>Ordering of Goods and Services</b>	<p>A Purchase Order is required for all purchases and must be fully approved before requesting the supply of goods and services.</p> <p>Exceptions to this would be for the payment of those deemed as ‘employed’ by the HMRC Employment Status Enquiry Tool.</p> <p>Payment of these has to be made via Payroll in order to account for the correct taxation, recurring payments, ‘multiple’ and ‘one-off’ payments.</p>



	<p>Verbal orders should take place only in exceptional circumstances and should be followed immediately by a fully authorised order. Officers making verbal orders will be asked to support their decision by the Head of Accounting.</p> <p>Orders must fully detail the goods and services to be supplied and the budget from which the expenditure is to be met. Final costs or an estimate of the costs (net of VAT) should also be provided in the order.</p> <p>Orders can only be raised for goods and services provided to the Council or for official Council business. Individuals must not raise official orders for their own private use.</p> <p>Variations to an order can only be made if properly authorised, issued orders cannot be verbally amended.</p>
<p><b>Procurement Cards</b></p>	<p>A small number of credit and procurement cards are available. The use of credit / procurement cards is intended to complement, rather than replace, the Purchase Order procedure, and should only be used when the use of a Purchase Order is not possible.</p> <p>Strategic Directors must promptly inform the Head of Accounting, if action must be taken to cancel stolen or lost cards, or those issued to employees who have resigned from the Council.</p>
<p><b>Authorisation of Expenditure</b></p>	<p>Before authorising an order, approvers must ensure that the decision to spend the money has been taken in line with the Constitution.</p> <p>These Officers must also ensure that the Council’s procurement rules and Contracts Standing Orders have been complied with before approving.</p> <p>Approvers should be satisfied that:</p> <p>The Order represents a legitimate cost to the Council.</p> <p>The required checks have been evidenced and necessary documentation attached.</p> <p>Sufficient budgetary provision exists to cover the payment.</p> <p>Expenditure will be paid through the correct business unit.</p>
<p><b>An Authorisation Matrix will be held in the Finance System</b></p>	<p>A list will be held in the finance system containing the officers authorised to approve Purchase Orders, Recurring Payments, Foreign Payments and Individuals paid via payroll.</p> <p>Non-order payments, e.g. multiple, one-off, BACS, CHAPS payments, direct creditors payments or Interfaces must only be used in exceptional circumstances and must only be approved by the Head of Accounting, in consultation with the FDA.</p> <p>This matrix will apply to all orders including those connected to the spending of grant funding, payments made by the Treasury Team, contract payments and partnership arrangements.</p> <p>A report approving a grant payment or awarding a contract will not over-ride this authorisation hierarchy.</p> <p>This hierarchy, in conjunction with approval from the Head of Accounting and assurance from the FDA, will apply to the authorisation of payments that do not require a Purchase Order.</p>

Authorisation Matrix

All Purchase Orders must be approved in line with the Council's authorisation hierarchy levels, as set by the CFO and shown below:

Approver Level	From Order Amount	To Order Amount	Typical approver role
N/A	£0.01	£499.99	No further financial approval required
Level 1	£500.00	£2,499.99	Business Unit Manager
Level 2	£2,500.00	£24,999.99	Head of Service / Assistant Director
Level 3	£25,000.00 and above		Director / Strategic Director / Chief Executive

**Delivery of Goods and Services**

The following section details arrangements for checking and receipting goods and services.

<b>Goods receipting</b>	<p>When goods / services are delivered, they should be checked to ensure the delivery is correct in terms of:</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Quantity</li> <li>• Quality</li> <li>• Fitness for purpose</li> </ul> <p>Delivery notes must be retained in accordance with the Financial Documents Retention Schedule (appended to these Financial Regulations). Where possible, the reference from these documents should also be recorded in the Finance system.</p> <p>Officers are required to enter a receipt (Goods Received Note) on the Council's finance system to confirm delivery of the goods or services.</p>
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**Payments to Suppliers**

The table below details the arrangements for paying supplier invoices together with the standard payment terms of the Council.

<b>Supplier invoices</b>	<p>Suppliers will be expected to provide an electronic invoice. These should be sent directly to the accounts payable processing facility, as detailed on the Council's Purchase Order.</p> <p>Where paper invoices are unavoidable these should be sent directly to this same address for prompt processing. On no account should they be sent to the service requesting the supply.</p> <p>Failure to adhere to this rule may result in delays to the payment process. Paper invoices will be scanned and attached to the invoice records.</p>
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<p><b>Payments</b></p>	<p>No payment will be made unless it is supported by an authorised Purchase Order and Goods Received Note, to acknowledge the receipt of goods and services.</p> <p>Exceptions to this are Recurring, Multiple, One-Off, Individuals paid via Payroll, Foreign Payments and purchases made using a Credit or a Procurement Card.</p> <p>Where the details on the supplier invoice, the Goods Received Note and the Purchase Order are the same, the matching process will clear the invoice for payment. This is referred to as a 3-way matching process.</p> <p>Where the details are not the same, the order raiser should liaise with the supplier to resolve the mismatch.</p>
<p><b>Standard payment terms</b></p>	<p>The Council’s standard payment terms are to make payment within 30 calendar days of the invoice date.</p> <p>Agreed exceptions are made in the case of non-trade suppliers, trade suppliers participating in the early payment discount scheme and small local providers (based in Sheffield), who are all paid immediately.</p> <p>Any other variation to the standard payment terms must be agreed by the Head of Procurement &amp; Supply Chain, either as part of the letting of a contract or by ad-hoc exception to the standard terms.</p> <p>Where a supplier makes a request for payment in advance, advice must be sought from the Head of Procurement &amp; Supply Chain.</p>

[Back to Contents page](#)

## 9. Internal Charges

This section explains what internal charges are, and when they will be used.

<b>Internal charges are used to recharge costs between services / Directorates</b>	The Council’s internal charging system covers: <ul style="list-style-type: none"><li>• Specific ordering and the recharges for these.</li><li>• Agreed Annual Service Level Agreements and the recharges for these.</li><li>• Overhead apportionment.</li></ul>
<b>All parties must be clear that the charging system exists</b>	A key requirement of the internal charging system is that both customers and suppliers are clear that the system is in operation and that they adhere to the relevant procedural guidance.  This includes the need for an internal order and the use of specified financial codes.

[Back to Contents page](#)

## 10. Payroll and Expenses

This section details arrangements for payments to all employees.

<p><b>Payroll</b></p>	<p>Payments to all employees and former employees of the Council must only be made under arrangements approved and controlled by the Director of People and Culture and approved by the Head of Accounting. This includes, salaries, wages, pensions, expenses, and any other payments.</p> <p>Amendments to the payroll, e.g. for absences and variations to pay, is limited to those Officers authorised to do so.</p> <p>Payment of fees to individuals who are not Council employees must be made through the P2P system, in accordance with HMRC requirements and relevant procedures laid down by the CFO</p> <p>All Payment and personnel records must be held securely.</p>
<p><b>Expenses</b></p>	<p>Members and officers are only entitled to incidental, subsistence and travel expenses if these are incurred legitimately in performing Council duties.</p> <p>Claims must be made in line with relevant Council policies including the requirement to upload receipts to the iTrent (Payroll / HR) system. All such payments will be made through the payroll system and are paid in line with the agreed policy and rates.</p> <p>Payments of expenses to individuals who are not Council employees must be made through the P2P system, following the procedures set out by the CFO.</p> <p>Any Expense incurred by agency staff is included in the Agency charge and paid through the P2P system.</p>

[Back to Contents page](#)

## 11. Petty Cash Floats and Credit / Procurement Cards

This section details arrangements for the use of petty cash and credit / procurement cards.

<p><b>Petty Cash – payments from a float and reimbursements</b></p>	<p>The use of money from petty cash floats must be limited to non-payroll related expenditure up to a maximum of £25, which does not justify an order being raised through the P2P system.</p> <p>Petty cash should not be used for the payment of regular suppliers other than in exceptional circumstances, with prior approval from Heads of Service.</p> <p>Wherever possible purchases should be made in advance and, if applicable, VAT receipts provided before the petty cash is issued.</p> <p>At the manager’s discretion, a maximum of £5 employee-related expenses may be paid from a petty cash float where an employee has been asked to travel to meet a service need and has no way of funding this.</p> <p>The following rules apply to the use of petty cash floats:</p> <ul style="list-style-type: none"> <li>• Personal or third-party cheques must not be cashed.</li> <li>• Money cannot be borrowed from petty cash floats.</li> <li>• Private monies must not be used to supplement the floats.</li> </ul> <p>Cash income from other sources must not be used to reimburse petty cash unless specific arrangements are in place.</p> <p>Officers who have been assigned responsibility for a float must follow the administration procedures of petty cash floats as laid down by the Head of Accounting.</p>
<p><b>Credit / Procurement cards</b></p>	<p>Credit cards, charge cards and other payment cards held in the Council’s name are opened, closed and managed by the Head of Accounting.</p>
<p><b>Reconciliations</b></p>	<p>Reconciliations of credit cards, etc. are completed on at least a monthly basis by an officer who is not responsible for the processing of transactions.</p> <p>The Head of Accounting, or authorised officer, is responsible for ensuring that reconciliations, together with supporting documentation, are reviewed and appropriately certified.</p>

[Back to Contents page](#)

## 12. Bank Accounts

This section details arrangements for opening and closing bank accounts, banking transactions and reconciliations. On a day-to-day basis these responsibilities are carried out by the Treasury Team.

<b>Bank Accounts</b>	<p>Bank accounts can only be opened or closed in the name of Sheffield City Council with the authority of the Head of Accounting. This includes associated bank accounts which the Council does not directly control, such as joint arrangements.</p> <p>The Head of Accounting is responsible for all negotiations of banking terms with the Council's Bankers and is approved to authorise the execution of Amendment Agreements when required.</p> <p>All stand-alone systems which create payments and do not link with the financial ledgers must have a separate bank account and subsequent local reconciliation responsibilities.</p> <p>The Payroll interfaces and systems which create BACS files or print cheques are currently the stand-alone systems which have these additional requirements.</p>
<b>Banking transactions</b>	<p>The authorised signatories list for banking transactions is developed and approved by the Head of Accounting.</p> <p>Authorised signatories will normally be senior Finance officers. A list of the current authorised signatories can be obtained from the Treasury team.</p>
<b>Reconciliations</b>	<p>Bank reconciliations are completed on at least a monthly basis by an officer who is not responsible for the processing of transactions through the bank accounts.</p> <p>The Head of Accounting, or authorised officer, is responsible for ensuring that reconciliations, together with supporting documentation, are reviewed and appropriately certified.</p>

[Back to Contents page](#)

### 13. Taxation

The following section outlines the arrangements for managing the impact of VAT.

<p><b>Overall aim to maximise VAT recovery and minimise unrecoverable VAT incurred</b></p>	<p>The overall aim in relation to taxation is to maximise VAT recovery where this is consistent with effective delivery of the service, while minimising the level of irrecoverable VAT being incurred.</p> <p>In practice this means:</p> <ul style="list-style-type: none"> <li>• Ensuring that VAT is properly accounted for on all transactions entered by the Council.</li> <li>• Keeping VAT records with a proper allocation of costs to exempt and other activities.</li> <li>• Complying with all VAT legislation and regulations.</li> <li>• Monitoring and planning for any changes in VAT legislation or regulations.</li> </ul>
<p><b>The Tax Team</b></p>	<p>An appropriately skilled team has been established to manage the Council's VAT responsibilities. This Team will receive all training necessary to provide appropriate service delivery and challenge.</p> <p>The Tax Team prepare and submit VAT Returns to HMRC. Such returns are submitted at times to maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>Where required appropriate external advice is sought where the tax implications of a project are sufficiently complex.</p>
<p><b>Tax avoidance</b></p>	<p>The Council will not knowingly and actively co-operate with third-party schemes designed purely for tax avoidance purposes.</p>
<p><b>Penalties and charges</b></p>	<p>Directorate budgets will bear the financial impact of any penalties or other charges imposed by HMRC for transactions entered into by that Directorate.</p>

[Back to Contents page](#)



**14. Stores, Stock, Assets and Security**

This section details the controls required to effectively manage stores, stock and assets.

<p><b>Stores and Stock</b></p>	<p>Access to stores is controlled and measures are in place to ensure that stocks and assets are only used on Council business.</p> <p>Appropriate records must be maintained for adding new stock to stores and for controlling the issue of items.</p> <p>The record of stock levels for each item is physically checked at a frequency agreed by Strategic Directors, which reflects factors such as stock values, usage, etc.</p> <p>At the end of each financial year a certificate of the stock value held by each Directorate, as well as information required for the accounting, costing and financial records.</p> <p>This should be provided to the Head of Accounting.</p>
<p><b>Assets and Security</b></p>	<p>An inventory of all assets over £100 in value, together with all attractive and portable items below this figure is maintained within each Directorate. The inventory will include the make, model, serial number and purchase value of each item.</p> <p>Items should be recorded promptly in the inventory, at the point of purchase.</p> <p>A physical check of assets is undertaken on an annual basis. This should be completed by an officer not involved in control of the inventory.</p> <p>The Head of Service will be informed of obsolete or missing items for approval to write-off. Following formal, documented approval, the inventory records should be amended accordingly.</p> <p>A register of assets removed from Council premises for use on official Council business is maintained by each Directorate. This includes assets such as laptops and mobile phones issued to officers.</p> <p>Assets should not be used other than for official Council purposes or in line with arrangements sanctioned by Council, Strategic Director or Director.</p> <p>All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner.</p> <p>All information assets must always be appropriately protected. Further details can be found in the Council's Information Governance and Security Policy.</p>

[Back to Contents page](#)

## 15. Retention of Records

The following section details requirements for retaining records.

<b>Record retention</b>	All records must be managed in line with the Council’s Document and Records Management Policy.  Records must be retained for a period that meets the requirements of HMRC, the Council’s External Auditors and any other appropriate Body or Funder.  The Financial Records Retention Schedule, provides guidance on appropriate retention schedules ( <a href="#">Appendix A</a> ).
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[Back to Contents page](#)

## 16. Financial Systems

The following section outlines the key function of the finance system and how it is controlled.

<b>Integra</b>	<p>The Council’s finance system (Integra) is the source of accounting and financial information to produce the Annual Financial Accounts.</p> <p>Any Directorate systems that feed into Integra must have robust financial controls in place for ensuring both the accuracy and security of the data.</p> <p>Access to all Council’s systems must be controlled.</p> <p>Data on these systems, whether held as hard copy or in electronic format, must be retained in accordance with domestic data protection legislation. The Organisational Strategy, Performance and Delivery Team should be consulted for advice and guidance on data protection and information management issues.</p> <p>Prior to the purchase and implementation of any new computerised financial systems, including any income collection systems, the CFO and the ICT and Digital Innovation Team must be consulted.</p>
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[Back to Contents page](#)

## 17. Accounting

The following section details arrangements for producing the Council's Accounts as well as accounting requirements throughout the year and at year-end.

<p><b>Statement of Accounts</b></p>	<p>The Council's Accounts are produced annually for approval by the Audit &amp; Standards Committee.</p> <p>The Accounts must present a true and fair view of the financial position and transactions for that financial year and must be prepared in accordance with statutory requirements and all applicable professional Codes of Practice.</p> <p>The Accounts will be prepared on an accruals basis.</p> <p>The Accounts will be prepared on a prudent basis with income only included if it is likely to be received. Proper allowance should be made for known liabilities and losses.</p>
<p><b>Accounting during the Financial Year</b></p>	<p>All Accounts and Accounting Systems must be properly maintained throughout the year to provide timely and accurate information.</p> <p>All financial transactions must be adequately supported and referenced back to original documents and working papers, which started the transaction.</p> <p>Control Accounts, Holding and Suspense Accounts must be reconciled at least monthly. Reconciliations must be produced and authorised by Officers not directly responsible for the transactions in the accounts.</p>
<p><b>Year-end requirements</b></p>	<p>Each financial year end the Head of Accounting will produce a timetable and guidance to produce the Final Accounts.</p> <p>All balances on Control Accounts, e.g. Account Receivables Control, must be explained. Balances may only be carried forward into the next year if there is a reasonable prospect that they will be cleared.</p> <p>The Accounts for the year should be "closed" at the end of business on 31<sup>st</sup> March and all income received and payments made to that date must be accounted for. The Officers responsible must certify sums held, i.e. not banked, at the close of business on 31<sup>st</sup> March.</p> <p>Accruals must be supported by evidence and the Head of Accounting will require evidence for material accruals. The process and amounts will be included in the year-end guidance issued on behalf of the Head of Accounting.</p> <p>The Officers responsible for cash floats and other cash accounts must balance and certify the amount of cash held at the close of business on 31<sup>st</sup> March. Officers responsible for stocktaking must certify the value of stock / stores at close of business on 31<sup>st</sup> March.</p> <p>Expenditure and income due for the year, but not paid or received by 31<sup>st</sup> March must be accounted for. The Officers responsible must certify the transactions concerned.</p> <p>Appropriate working papers, records and prime documentation must be maintained in support of the above requirements.</p> <p>These will be used to support the Accounts and provide a clear Audit trail for the external auditors.</p>

## 18. Internal Audit

This section outlines the role and remit of Internal Audit.

<b>Internal Audit</b>	<p>A continuous internal audit of all the Council’s financial records and operations must be maintained.</p> <p>Internal Audit has the authority to access any Council officer and information necessary to carry out their duties on behalf of the CFO.</p> <p>An annual audit plan is prepared by the Senior Finance Manager (Internal Audit) and agreed by the Audit &amp; Standards Committee and the CFO.</p> <p>The strategy for Internal Audit work is to focus on areas of high-risk activity to provide assurance that risk and internal control systems are being properly managed by Directors in service areas.</p> <p>As part of the audit planning process, Strategic Directors are responsible for managing risk and for informing Internal Audit of the risks in their area. They are also responsible for agreeing and implementing relevant Audit recommendations.</p> <p>Internal Audit reports on the output of its activity to the Council’s Audit &amp; Standards Committee. The Senior Finance Manager will provide an annual audit opinion to assess the adequacy of the risk management, governance and internal control framework.</p> <p>This opinion supports the Annual Governance Statement.</p>
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[Back to Contents page](#)

**19. Companies, Joint Ventures, Partnerships, Joint Committees etc.**

This section details the arrangements where the Council has a controlling or minority interest in a Company, Joint Venture, Partnership or Joint Committee.

<p><b>Companies, Joint Ventures, Partnerships and Joint Committees</b></p>	<p>Where the Council has a controlling interest in Companies, Joint Ventures, Partnerships, Joint Committees, or is the Lead Authority, then these organisations will be required to use the Council’s finance system and to follow these Financial Regulations.</p> <p>Where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems, the CFO must agree the arrangements for robust financial governance control.</p> <p>The controls in these Financial Regulations will be used as a starting point for that agreement.</p> <p>No agreement shall be entered into with a Partnership which commits the Council to additional expenditure or other financial risk without approval as set out in the Constitution.</p> <p>The relevant Strategic Director, in conjunction with the CFO will report at least annually to the appropriate Policy Committee on the financial affairs of the partnership body.</p>
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[Back to Contents page](#)

## 20. Grant (Gift) Arrangements

The following sections outlines the control and approvals required for grant (gift) arrangements.

<b>Grant (Gift) Arrangements</b>	<p>Any funds set aside from which to make individual grants must be properly approved in line with the Constitution.</p> <p>All grant payments to voluntary organisations (or other recipients) must be approved in line with the Constitution, these Financial Regulations and all other relevant documentation.</p> <p>Where a grant payment is withdrawn or reclaimed, Strategic Directors are responsible for ensuring that this is agreed in line with the Constitution.</p> <p>The external relationship with any recipient of grant aid must be managed in line with all guidance provided by the Chief Legal Officer.</p> <p>Any Grant / Gift arrangements must be made in line with the Procurement Guidelines, and all other relevant processes and procedures.</p>
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[Back to Contents page](#)

## 21. Council Supply Agreements

This section details arrangements for the Council delivering non-statutory services, works or supplies to individuals or other organisations and receiving payment for this.

<b>What is a Council Supply Agreement?</b>	<p>A Council Supply Agreement is a contractually binding agreement where the Council agrees to provide works, services or supplies to a third party in return for payment, either in money or in-kind.</p> <p>This does not apply to the delivery of statutory services, or instances where the Council receives a grant to fund an activity.</p> <p>Strategic Directors are responsible for ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the Constitution. This includes seeking the opinion of the CFO.</p>
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[Back to Contents page](#)



**Appendices:****A. Financial Records: Recommended Retention Schedule**

(Note that all figures used relate to years, e.g. Current + 6 is Current Year's records plus the previous 6 years documents).

**A.1. Accountancy / Financial**

<b>General example of type of Record</b>	<b>Recommended Retention</b>	<b>Action after retention</b>
Abstract of accounts	Current + 6	Destroy as confidential records
Annual Budget	Current + 6	Destroy as confidential records
Annual statements	Current + 6	Destroy as confidential records
Budgetary control records	Current + 6	Destroy as confidential records
Costing records	Current + 6	Destroy as confidential records
Estimate working papers	Current + 2	Destroy as confidential records
Financial ledgers	Current + 6	Destroy as confidential records
Grant claim records	Current + 6	Destroy as confidential records
Investment records	Current + 2	Destroy as confidential records
Journals	Current + 6	Destroy as confidential records
Leasing Records	Current + 2	Destroy as confidential records
Record re closing ledgers	Current + 6	Destroy as confidential records
School Fund records	Current + 6	Destroy as confidential records
Telephone call records	Current + 2	Destroy as confidential records
VAT claims	Current + 6	Destroy as confidential records
VAT records	Current + 3	Destroy as confidential records
Voluntary fund accounts	Current + 6	Destroy as confidential records

**A.2. Bank related records**

Type of Record	Recommended Retention	Action after retention
Bank pay-in books / slips	Current + 6	Destroy as confidential records
Bank reconciliation	Current + 6	Destroy as confidential records
Bank statements	Current + 6	Destroy as confidential records
Cancelled cheques	Current + 2	Destroy as confidential records
Cheque books and counterfoils	Current + 6	Destroy as confidential records
Cheque lists (creditors / payrolls)	Current + 2	Destroy as confidential records
Loan records and correspondence	Current + 2	Destroy as confidential records
Paid cheques	Current + 4	Destroy as confidential records
Returned cheque records	Current + 2	Destroy as confidential records

**A.3. Contracts**

Type of Record	Recommended Retention	Action after retention
<b>Pre Contract Advice</b>		
The process of calling for expressions of interest	2 years after contract let or not proceeded with	Destroy as confidential records
<b>Specification and Contract Development</b>		
The process involved in the development and specification of a contract	Ordinary Contract: 6 years after the terms of contract have expired.	Destroy as confidential records
	Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records
<b>Tender Issuing and Return</b>		
The process involved in the issuing and return of a tender (Opening Notice)	1 year after start of contract	Destroy as confidential records
<b>Evaluation of Tender</b>		
Successful tender document	Ordinary Contract: 6 years after the terms of contract have expired.	Destroy as confidential records

	Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records
Unsuccessful tender document	1 year after start of contract	Destroy as confidential records
<b>Post Tender Negotiation</b>		
The process in negotiation of a contract after a preferred tender is selected	1 year after the terms of contract have expired	Destroy as confidential records
<b>Awarding of Contract</b>		
The process of awarding contract	Ordinary Contract: 6 years after the terms of contract have expired.	Destroy as confidential records
	Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records
<b>Contract Management</b>		
Contract operation and monitoring	2 years after terms of the contract have expired.	Destroy as confidential records
Management and amendment of contract	Ordinary Contract: 6 years after the terms of contract have expired.	Destroy as confidential records
	Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records

**A.4. Creditor records**

Type of Record	Recommended Retention	Action after retention
Copy orders	Current + 2	Destroy as confidential records
Credit notes	Current + 6	Destroy as confidential records
Creditor invoices	Current + 6	Destroy as confidential records
Delivery notes	Current + 2	Destroy as confidential records
Imprest documentation (petty cash)	Current + 2	Destroy as confidential records
Period payment records	Current + 6	Destroy as confidential records

**A.5. Income records**

Type of Record	Recommended Retention	Action after retention
Cash books	Current + 6	Destroy as confidential records
Correspondence (income)	Current + 2	Destroy as confidential records
Debtor accounts (records non-current)	Current + 2	Destroy as confidential records
Dinner / milk registers	Current + 6	Destroy as confidential records
Income posting slips and tabulations	Current + 2	Destroy as confidential records
Periodic income records	Current + 2	Destroy as confidential records
Receipt books	Current + 2	Destroy as confidential records
Record of receipt books issued	Current + 2	Destroy as confidential records
Registrar's quarterly returns	Current + 2	Destroy as confidential records
Sales records	Current + 2	Destroy as confidential records

**A.6. Insurance records**

Type of Record	Recommended Retention	Action after retention
Expired insurance contracts	Current & Permanent preservation	Destroy as confidential records
Insurance claims	Current + 7 from date of closure or year in which claimant reaches 21 (paper) Up to 60 years (electronic)	Destroy as confidential records
Insurance policy documentation	Current & permanent	Destroy as confidential records
Insurance register	Current & permanent	Destroy as confidential records

**A.7. Miscellaneous records**

Type of Record	Recommended Retention	Action after retention
Capital works tabulations	Current + 2	Destroy as confidential records

Car leasing and mileage records	Current + 6	Destroy as confidential records
Car Loans	Current + 6	Destroy as confidential records
Computer system documentation	Current + 2	Destroy as confidential records
Inland Revenue docs	Current + 6	Destroy as confidential records
Internal requisitions	Current + 1	Destroy as confidential records
Inventory records	Current + 6	Destroy as confidential records
Land searches	Current + 6	Destroy as confidential records
Member allowance (statutory registers)	Current + 2	Destroy as confidential records
Minutes	Current + 2	Destroy as confidential records
Postal remittance registers	Current + 2	Destroy as confidential records
Road fund licence records	Current + 2	Destroy as confidential records
School meal records	Current + 2	Destroy as confidential records
Small holdings records	Current + 2	Destroy as confidential records
Stock lists	Current + 2	Destroy as confidential records
Travel claims	Current + 6	Destroy as confidential records
Vehicle logs	Current + 2	Destroy as confidential records

**A.8. Payroll Records**

Type of Record	Recommended Retention	Action after retention
BACS amendments and output	Current + 3	Destroy as confidential records
Copy payslips	Current + 6	Destroy as confidential records
Correspondence	Current + 6	Destroy as confidential records

Payroll adjustment documentation	Current + 6	Destroy as confidential records
Part – time employees' claim forms	Current + 6	Destroy as confidential records
SSP records	Current + 4	Destroy as confidential records
SSP variations	Current + 3	Destroy as confidential records
Staff transfer records	Current + 6	Destroy as confidential records
Starters forms	Current + 2	Destroy as confidential records
Tax and NI records	Current + 6	Destroy as confidential records
Tax code notifications	Current + 2	Destroy as confidential records
Timesheets and Pay Returns	Current + 6	Destroy as confidential records
Union documentation	Current + 2	Destroy as confidential records
Personnel files	Current + 2	Destroy as confidential records
Staff contracts	Current + 6	Destroy as confidential records
Unsuccessful applications	Current + 1	Destroy as confidential records

[Back to Contents page](#)