

Council (Special Meeting)

**Wednesday 6 March 2024
2.00 pm**

**Council Chamber, Town Hall,
Pinstone Street, Sheffield, S1 2HH**

The Press and Public are Welcome to Attend - Please see “PUBLIC ACCESS TO THE MEETING” below, for details of how to access the meeting, and the safety measures which apply.

COUNCIL (Special Meeting)

Wednesday 6 March 2024, at 2.00 pm

MEMBERS OF THE COUNCIL

THE LORD MAYOR (Councillor Colin Ross)
THE DEPUTY LORD MAYOR (Councillor Jayne Dunn)

1	<i>Beauchief & Greenhill Ward</i> Simon Clement-Jones Richard Shaw Sophie Thornton	10	<i>East Ecclesfield Ward</i> Craig Gamble Pugh Robert Reiss Alan Woodcock	19	<i>Nether Edge & Sharrow Ward</i> Nighat Basharat Maroof Raouf Ibby Ullah
2	<i>Beighton Ward</i> Kurtis Crossland Ian Horner Ann Woolhouse	11	<i>Ecclesall Ward</i> Roger Davison Barbara Masters Shaffaq Mohammed	20	<i>Park & Arbourthorne Ward</i> Ben Miskell Nabeela Mowlana Sophie Wilson
3	<i>Birley Ward</i> Denise Fox Bryan Lodge Karen McGowan	12	<i>Firth Park Ward</i> Fran Belbin Abdul Khayum Abtisam Mohamed	21	<i>Richmond Ward</i> David Barker Mike Drabble Dianne Hurst
4	<i>Broomhill & Sharrow Vale Ward</i> Angela Argenzio Maleiki Haybe Brian Holmshaw	13	<i>Fulwood Ward</i> Sue Alston Andrew Sangar Cliff Woodcraft	22	<i>Shiregreen & Brightside Ward</i> Dawn Dale Peter Price Garry Weatherall
5	<i>Burngreave Ward</i> Talib Hussain Mark Jones Safiya Saeed	14	<i>Gleadless Valley Ward</i> Alexi Dimond Marieanne Elliot Paul Turpin	23	<i>Southey Ward</i> Mike Chaplin Tony Damms Jayne Dunn
6	<i>City Ward</i> Douglas Johnson Ruth Mersereau Martin Phipps	15	<i>Graves Park Ward</i> Ian Auckland Steve Ayris Mohammed Mahroof	24	<i>Stannington Ward</i> Penny Baker William Sapwell Richard Williams
7	<i>Crookes & Crosspool Ward</i> Tim Huggan Ruth Milsom Minesh Parekh	16	<i>Hillsborough Ward</i> Christine Gilligan Kubo Toby Mallinson Henry Nottage	25	<i>Stocksbridge & Upper Don Ward</i> Lewis Chinchin Julie Grocutt Janet Ridler
8	<i>Darnall Ward</i> Mazher Iqbal Mary Lea Zahira Naz	17	<i>Manor Castle Ward</i> Terry Fox Laura Moynahan Sioned-Mair Richards	26	<i>Walkley Ward</i> Tom Hunt Bernard Little Laura McClean
9	<i>Dore & Topley Ward</i> Joe Otten Colin Ross Martin Smith	18	<i>Mosborough Ward</i> Glynis Chapman Tony Downing Gail Smith	27	<i>West Ecclesfield Ward</i> Alan Hooper Mike Levery Ann Whitaker
				28	<i>Woodhouse Ward</i> Alison Norris Mick Rooney Paul Wood

Contact: Paul Robinson, Democratic Services
Tel: 0114 2734029
paul.robinson@sheffield.gov.uk

PUBLIC ACCESS TO THE MEETING

The Council is composed of 84 Councillors with one-third elected three years in four. Councillors are democratically accountable to the residents of their Ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them.

All Councillors meet together as the Council. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints the Leader and at its Annual Meeting will appoint Councillors to serve on its Committees. It also appoints representatives to serve on joint bodies and external organisations.

A copy of the agenda and reports is available on the Council's website at <http://democracy.sheffield.gov.uk/ieListMeetings.aspx?Committeeld=154>. 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 most Council meetings and recording is allowed under the direction of the Chair. Please see the website 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.

Council meetings are normally open to the public but sometimes the Council 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.

Meetings of the Council have to be held as physical meetings. If you would like to attend the meeting, please report to an Attendant in the Foyer at the Town Hall where you will be directed to the meeting room. However, it would be appreciated if you could register to attend, in advance of the meeting, by emailing committee@sheffield.gov.uk, as this will assist with the management of attendance at the meeting.

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. To aid safe access and protect all attendees, you are welcome to wear a face covering within the venue.

PLEASE NOTE: The Public Gallery in the Town Hall Council Chamber can accommodate 50 persons. Social distancing may not be possible in the Gallery depending on the numbers of members of the public in attendance at the meeting. An overspill area will be provided in the event that more than 50 members of the public attend - the webcast of the meeting will be live streamed to that room.

We are unable to guarantee entrance to the Public Gallery 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.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**COUNCIL AGENDA
6 MARCH 2024**

(Special meeting for the purposes of approving a Revenue Budget and Capital Programme and setting the Council Tax charge for the Financial Year 2024-25)

Order of Business

1. WELCOME AND HOUSEKEEPING ANNOUNCEMENTS

2. APOLOGIES FOR ABSENCE

3. EXCLUSION OF THE PRESS AND PUBLIC

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

4. DECLARATIONS OF INTEREST OR INABILITY TO VOTE ON THE SETTING OF THE COUNCIL TAX CHARGE

Members to declare any interests they have in the business to be considered at the meeting, or an inability to vote on the setting of the Council Tax charge where an amount has become payable on a Council Tax account they are solely or jointly liable for, and it has remained unpaid for at least 2 months.

5. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS

(a) To receive any questions or petitions from the public, or communications submitted by the Lord Mayor or the Chief Executive and to pass such resolutions thereon as the Council Procedure Rules permit and as may be deemed expedient.

(NOTES: 1. There is a time limit of one hour for the above item of business. In accordance with the arrangements published on the Council's website, questions/petitions are required to be submitted in writing, to committee@sheffield.gov.uk, by 9.00 a.m. on Monday 4 March 2024. Questions/petitions submitted after the deadline will be asked at the meeting subject to the discretion of the Chair (The Lord Mayor);

2. For this particular meeting, it is expected that the one-hour time limit will be strictly adhered to, in accordance with the Council Procedure Rules. Priority will be given to petitions and to questions relating to budget proposals, and any questions which are unable to be asked within the one-hour allocation will be answered in writing after the meeting. The Lord

Mayor (as Chair of the meeting) has discretion as to how questions and petitions are presented at the meeting and as to whether questioners/petitioners are invited to ask their question or present their petition at the meeting, or they are read out at the meeting.)

(b) Petition Requiring Debate

The Council's Petitions Scheme requires that a petition containing over 5,000 signatures from individuals who live, work or study in Sheffield, be the subject of debate at the Council meeting. A qualifying petition has been received as follows:-

Petition Requesting the Council to "Stand with Palestine"

To debate a joint electronic and paper petition containing over 5,300 signatures online and over 2,400 signatures on paper, requesting the Council to "stand with Palestine". The online petition - [Sheffield Council: Stand with Palestine - Action Network](#) - includes further information. There is a time limit of 25 minutes for this item of business.

6. COUNCIL PLAN

To approve, with or without amendment, the recommendation made by the Strategy and Resources Policy Committee, at its meeting held on 21 February 2024, as set out in the report of the Chief Executive, published with this agenda, for the Council to approve the proposed Council Plan.

7. REVENUE BUDGET AND CAPITAL PROGRAMME 2024-25

To approve, with or without amendment, the recommendations made by the Strategy and Resources Policy Committee, at its meeting held on 21 February 2024, relating to the Revenue Budget for 2024-25 and the Capital Strategy 2024-2054, as set out in the report of the Director of Finance and Commercial Services, published with this agenda.

8. MEMBERS' QUESTIONS RELATING TO URGENT BUSINESS

In accordance with Council Procedure Rule 16.6(ii), Members, with the permission of the Lord Mayor, may ask questions relating to urgent business, of which notice in writing has been given to the Chief Executive not later than 12.00 noon on the day of the meeting.

9. MEMBERSHIPS OF COUNCIL BODIES, REPRESENTATIVES TO SERVE ON OTHER BODIES AND RELATED ISSUES

To consider any changes to the memberships and arrangements for meetings of Committees etc., delegated authority, and the appointment of representatives to serve on other bodies, which may be proposed at the meeting.



James Henderson
Director of Policy and Democratic Engagement
(Proper Officer)

Dated this 27 day of February 2024

The next meeting of the Council will be the annual meeting to be held on 15 May 2024 at the Town Hall

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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

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

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

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

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

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

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TOGETHER WE GET THINGS DONE: SHEFFIELD CITY COUNCIL PLAN 2024-28

1. At its meeting on 21st February 2024, the Strategy and Resources Policy Committee received a report of the Chief Executive setting out a final draft of an ambitious four-year Council Plan for Sheffield City Council following public consultation.
2. The proposed new Council Plan aligns directly to the Council's four-year Medium Term Financial Strategy and sets out a clear mission statement for the organisation – 'together we get things done' - and five strategic outcomes for the organisation. The commitments in the new Plan set out what we want to achieve in the coming years and the Council's contribution to helping the city achieve our City Goals. The Plan is based around three policy drivers which will ensure that we will always put people at the heart of what we do, prioritise the long-term prosperity of the city while leading the transition to net zero economy and protecting our treasured local environment.
3. Since the Committee endorsed the draft Plan in December, citizens, employees and partners have given their views via the Have Your Say Sheffield hub and a summary of this feedback was included in the latest report and in its Appendix 2. The Council Plan had been updated to reflect the feedback that had been received and the updated version was in Appendix 1.
4. The development of the Plan was led by a cross-party working group of Strategy and Resources Policy Committee Members.
5. Approval of the Council's Corporate Plan is a function reserved to full Council, as it forms part of the Council's Policy Framework as defined in its Constitution.
6. The resolution passed by the Strategy and Resources Policy Committee is set out below.

RESOLVED UNANIMOUSLY: That the Strategy and Resources Policy Committee:-

- (a) notes and thanks citizens, employees and partners for comments and insights provided on the draft Council Plan as part of the Council Plan and Budget Conversation;
- (b) notes the updates and amendments that have been made in line with the feedback on the draft Council Plan; and
- (c) recommends the proposed Council Plan, as set out in Appendix 1, to Full Council for consideration at its meeting on 6th March 2024.

Recommendation

That the Council approves the proposed Council Plan, as set out in Appendix 1 of the Chief Executive's report.

Options

Full Council may:-

- (i) approve the proposed Council Plan, unmodified; or
- (ii) approve the proposed Council Plan, with modification; or
- (iii) choose not to approve the proposed Council Plan.

In considering the options, Full Council must have full regard to the contents of the report to the Strategy and Resources Policy Committee.

For option (iii), Full Council must recognise that this will mean that the Council will not have a strategic medium-term plan for the organisation. This will leave citizens, our employees and partners without a clear statement of the organisation's commitments for the coming years and will also ensure we do not deliver a key commitment that we made as part of our Local Government Association Peer Challenge Action Plan.

(NOTE: A copy of the report submitted to the Strategy and Resources Policy Committee, but with a re-presented version of the Council Plan (Appendix 1), is attached.)

Kate Josephs
Chief Executive



Report to Policy Committee

Author/Lead Officer of Report:
Laurie Brennan, Head of Policy and Partnerships

Tel: 0114 2734755

Report of: Chief Executive
Report to: Strategy and Resources Policy Committee
Date of Decision: 21st February 2024
Subject: **Together we get things done:
Council Plan 2024-28**

Type of Equality Impact Assessment (EIA) undertaken	Initial <input type="checkbox"/>	Full <input checked="" type="checkbox"/>
Insert EIA reference number and attach EIA: 2477		
Has appropriate consultation/engagement taken place?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<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:

The report sets out a final draft of an ambitious four-year Council Plan for Sheffield City Council following public consultation. The Council Plan aligns directly to our four-year Medium Term Financial Strategy. The new Plan sets out a clear mission statement for the organisation – ‘together we get things done’ - and five strategic outcomes for the organisation.

The commitments in the new Plan are our contribution to deliver Sheffield’s City Goals, ensuring that we will always put people at the heart of what we do and prioritise the long-term prosperity of the city, leading the transition to net zero economy while protecting our treasured local environment.

Since the committee endorsed the draft Plan in December, citizens, employees and partners have given their views via the Have Your Say Sheffield hub and a summary of this feedback is included below and in Appendix 2.

The Council Plan has been updated to reflect the feedback we have received and this is in Appendix 1.

Recommendations:

That Strategy and Resources Committee:

1. Note and thank citizens, employees and partners for comments and insights provided on the draft Council Plan as part of the Council Plan and Budget Conversation.
2. Note the updates and amendments that have been made in line with the feedback on the draft Council Plan.
3. Consider the proposed Council Plan, as set out in Appendix 1, and recommend it to Full Council for consideration at its meeting on 6th March 2024.

Background Papers:

Strategic Framework 2023/24 -

<https://democracy.sheffield.gov.uk/documents/s59470/Strategic%20Framework%20202324.pdf>

Sheffield LGA Peer Corporate Peer Challenge Report, 2023 -

<https://democracy.sheffield.gov.uk/documents/s58181/9%20-%20Appendix%202%20Sheffield%20City%20Council%20-%20CPC%20FINAL%20Feedback%20Report.pdf>

Sheffield City Council Response to the LGA Corporate Peer Challenge -

<https://democracy.sheffield.gov.uk/documents/s58180/9%20-%20CPC%20Response%20and%20Action%20Plan%20FINAL%201.pdf>

Draft Council Plan 2024-28 (S&R Committee, 13th Dec 23) -

<https://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?AllId=32788>

Lead Officer to complete:-									
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;">Finance: Matthew Arden, Senior Finance Manager</td> </tr> <tr> <td></td> <td>Legal: David Hollis, General Council</td> </tr> <tr> <td></td> <td>Equalities & Consultation: Ed Sexton, Senior Equalities and Engagement Officer</td> </tr> <tr> <td></td> <td>Climate: Victoria Penman, Sustainability Programme Officer</td> </tr> </table>		Finance: Matthew Arden, Senior Finance Manager		Legal: David Hollis, General Council		Equalities & Consultation: Ed Sexton, Senior Equalities and Engagement Officer		Climate: Victoria Penman, Sustainability Programme Officer
	Finance: Matthew Arden, Senior Finance Manager								
	Legal: David Hollis, General Council								
	Equalities & Consultation: Ed Sexton, Senior Equalities and Engagement Officer								
	Climate: Victoria Penman, Sustainability Programme Officer								

	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	Kate Josephs, Chief Executive
3	Committee Chair consulted:	Cllr. Tom Hunt, Chair of Strategy & Resources Committee
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Laurie Brennan	Job Title: Head of Policy and Partnerships
	Date: 13 th February 2024	

Together we get things done

Sheffield City Council Plan 2024-28

1. **Proposal**

- 1.1 This report sets out an ambitious, four-year Council Plan for Sheffield City Council. It proposes a new mission for the council, supported by five strategic outcomes which provide clear purpose for the future of the organisation and aligns directly to our four-year Medium Term Financial Strategy (MTFS).
- 1.2 This Council Plan (Appendix 1) demonstrates that we are ambitious for the future of the city and the positive role that the City Council will play as a whole organisation and with all communities and all partners in the city to drive the city's prosperity and deliver our outcomes as a vital contribution to Sheffield's new City Goals.
- 1.3 As part of our commitment to putting people at the heart of what we do and listening to citizens, we ran a consultation on the draft Council Plan alongside our annual budget conversation (21st Dec – 26th Jan). Appendix 2 provides a summary of the responses to Council Plan consultation.

2. **Council Plan – a clear statement of purpose for the Council and our role in a prosperous future for Sheffield**

- 2.1 The new Council Plan is a significant milestone in the development of our organisation. Sitting alongside our four-year Medium-Term Financial Strategy and developing Outcomes Framework, the draft Council Plan is a key building block of the strong foundations upon which our organisation can thrive and deliver for our communities. It sets out a clear and positive statement of what we want to achieve for Sheffield over the coming four years, building on the progress that we made in the One Year Plan and the Corporate Delivery Plan.
- 2.2 The Council Plan is part of our Policy Framework, setting the high-level policy direction for the whole organisation which is then delivered through our key strategies, service plans and the huge contributions that our staff make to the city every day. As such, final approval of the Plan is a matter reserved for Full Council, following consideration by this committee.
- 2.3 Having a robust plan for the coming four years ensures that citizens, Members, our employees, partners and investors have a clear statement of who we are as a council, what we stand for and what we want to achieve. It is our set of commitments to the city and our contribution to helping Sheffield achieve our new, shared [City Goals](#).

By working together as one organisation and with our citizens and partners to deliver the outcomes in the Council Plan, we will make a vital contribution to the Goals and the long-term prosperity of our amazing city and its people.

Our mission – together we get things done

- 2.3 The Council Plan sets out a clear **mission** for the organisation: *‘together we get things done’*.

This builds directly from our organisation’s values which were developed by our staff, reflecting their commitment to work together as a whole organisation but also with everyone in the city – communities, partners, businesses, and Government – to deliver for the city.

Our Policy Drivers – People, Prosperity and Planet

- 2.4 Our mission will be underpinned by three interconnected **policy drivers**. The three policy drivers will be central to everything we do and *how* we do it. In response to contributions from citizens in the consultation (see below), we have strengthened the emphasis in the Plan that these policy drivers are fundamentally bound together. One cannot be achieved or prioritised without the other two. They become a form of ‘triple-lock’ which will define and direct our ambitions, decisions and delivery:

- **People** – we will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city’s success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives.
- **Prosperity** – we are a growing, creative, internationally leading city economy. We will prioritise Sheffield’s long-term prosperity, taking tough decisions to deliver sustainable growth that genuinely benefits our communities and makes every part of our city better off. The more our people succeed, the more our whole city will succeed.
- **Planet** – a successful, accessible city which prospers while protecting the environment for future generations. We have an opportunity to play a leading role in a just transition to a low carbon future for Sheffield, with a growing green economy; respecting our Outdoor City and treating our planet well; creating a sustainable future with communities.

Our Strategic Outcomes

- 2.5 The Council Plan sets out five strategic outcomes for the organisation which will structure our budgets, our Outcomes Framework to show our progress ([see below](#)) and our directorate plans so that that we can

visibly demonstrate to the people of Sheffield that we are making effective use of the money we have to deliver on the priorities that matter most our communities. The outcomes are deliberately ambitious and cross-cutting so that every employee, team and directorate in the council has a role in achieving a particular outcome for the city.

1. A place where all children belong and all young people can build a successful future
2. Great neighbourhoods that people are happy to call home
3. People live in caring, engaged communities that value diversity and support their wellbeing
4. A creative and prosperous city full of culture, learning, and innovation
5. A city on the move - growing, connected and sustainable



2.6 Each strategic outcome includes four priorities, setting out the actions we will undertake in the coming years. The detail to support these high-level commitments will be set out in our key strategies and annual directorate plans. This approach will ensure that our medium-term plan is resilient to change over the coming years so that when new opportunities and challenges appear, we can adapt our delivery priorities and interventions while staying resolutely focused our policy drivers and the strategic outcomes we want to achieve.

2.7 The five outcomes and underpinning priorities are based on the things that citizens have said really matter to them through Local Area Committees, issue-specific engagement and consultations, and through the broad involvement citizens have had in the development of the City Goals. Further, we have listened to the views of our citizens, employees, Members and partners during the consultation and we have updated the outcomes accordingly. The key messages and feedback from the consultation is summarised below and in Appendix 2.

3. Citizens that responded to the consultation were overwhelmingly supportive and positive about the Council Plan and keen to find out more about how we will deliver for the city

- 3.1 On 13th December 2023, S&R Committee endorsed¹ the draft Council Plan and agreed to launch a consultation on the draft as part of the 2024/25 budget conversation.

Approach to the consultation

- 3.2 The consultation launched via the Have Your Say Sheffield consultation hub on the 21st December and ran until 26th January 2024. The consultation focused on the policy drivers, strategic outcomes and underpinning priorities, in each case asking people to say the extent to which they supported the draft proposals and leave any comments they wanted make.
- 3.3 Over the consultation period, the survey was promoted on the Council's social media channels and through Council's email newsletters. It was supported by a [YouTube video from the Leader of the Council](#), encouraging citizens to participate.
- 3.4 Over the period, we received 269 contributions to the consultation.
- **2,000** people were aware of the survey - made at least one single visit to the site
 - **802** people became informed about the survey - viewed the video and/or clicked on the survey
 - **269** engaged in the survey and responded to the questions.

Views from citizens and partners

- 3.5 The summary report in Appendix 2 provides analysis of the views of respondents to the survey. This includes headline data on the extent to which people agreed or disagreed with the proposed policy drivers and strategic outcomes and analysis of the large number of written comments respondents provided on each element.
- 3.6 At a very headline level, people told us that they are positive about the Council Plan with high levels of support for the proposed policy drivers and outcomes. However, more needs to be done to demonstrate how the three drivers of people, prosperity and planet would work in harmony together. Respondents are keen to see clearer measurable outcomes and to recognise how priorities identified in the feedback, including key services, transport and city infrastructure, would be addressed
- 3.7 The below provides a simple summary of the key points made by citizens and how we have sought to address these in the updated version of the Council Plan (in Appendix 1).

¹ Sheffield City Council (2023) *Draft Council Plan 2024-28*, Strategy & Resources Committee, 13th December 2023, <https://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?AllId=32788>

3.8 Feedback on our draft Policy drivers

Feedback	Action
<p>76% agree, 9% disagree</p> <ul style="list-style-type: none"> • people, planet and prosperity are the right areas of focus • more work needs to be done to define their inter-relationship and the measurable success of the Council Plan itself 	<ul style="list-style-type: none"> • Introduced a stronger explanation of the interrelationship of the three policy drivers, emphasising that one cannot be achieved without the other two.

3.9 Feedback on our draft Strategic Outcomes and Priorities

Outcome	Feedback	Action
<p>A place where all children belong and all young people can build a successful future</p>	<p>83% agree, 7% disagree children and young people are an important focus and critical to the future. Inequalities need to be addressed to make this outcome successful for all.</p>	<ul style="list-style-type: none"> • Rewritten the second priority to bring a stronger focus on inequality
<p>Great neighbourhoods that people are happy to call home</p>	<p>84% agree, 9% disagree suitable housing, infrastructure, transport and travel options and measures to create healthy environments all contribute to great neighbourhoods. Importance of community safety. Inequalities between and within areas impact on their success.</p>	<ul style="list-style-type: none"> • Stronger focus on community safety and feeling safe in this outcome area • Increased emphasis on addressing homelessness • Housing and infrastructure picked up across multiple outcome areas.
<p>People live in caring, engaged communities that value diversity and support wellbeing</p>	<p>76% agree, 11% disagree communities are highly valued assets and the Council Plan is right to focus on a new approach to engagement. External pressures could impact on the outcome's care and diversity priorities.</p>	<ul style="list-style-type: none"> • Improved wording to emphasise working with communities on new approaches to engagement • Stronger emphasis on tackling inequalities • Updated to reflect launch of Race Equality Partnership for Sheffield (REPS)

<p>A creative and prosperous city full of culture, learning, and innovation</p>	<p>80% agree, 9% disagree prosperity and job-creation are needed but people in Sheffield must benefit and the outcome must be consistent with the commitment to the planet and environmental goals. City centre groundwork and developments must be prioritised.</p>	<ul style="list-style-type: none"> • Strengthened emphasis and importance of culture and heritage • Developing Growth Plan creates the opportunity to provide greater detail on our plans here.
<p>A city on the move - growing, connected and sustainable</p>	<p>77% agree, 12% disagree affordable and accessible transport and travel across Sheffield is critical. There are opportunities through developing the tram system but the bus network is currently a significant problem. New and re-purposed housing options are much needed.</p>	<ul style="list-style-type: none"> • The emphasis and importance of buses supported strongly by citizens • Updated and strengthened wording on net zero priority to reflect feedback from citizens and officers.

3.10

Feedback on alignment of outcomes with our resources

Feedback	Action
<p>72% agree, 15% disagree</p> <ul style="list-style-type: none"> • these seem the right areas to focus resources on • More detail is needed and there are concerns about funding and services. • There needs to be more clarity about how the Plan's people, prosperity and planet drivers might work together to achieve its aims 	<ul style="list-style-type: none"> • Improved definition of how policy drivers work together and are a 'triple lock' in everything we do. • Introduced a dedicated section in the updated Council Plan on the connection between the Council Plan, our budget, financial strategy and the council's transformation programme (Future Sheffield).

3.11

Citizens and partners have offered strong support for the proposed Council Plan with positive responses to the proposed policy drivers and strategic outcomes. Citizens are supportive of our ambitions but are keen to see more detail about how we are going to deliver and many stressed that we must deliver high quality core services while investing in our longer-term outcomes. Citizens are also concerned about whether we have the funding available, after over a decade of austerity, to deliver our new outcomes and priorities.

4 Developing an outcome-based approach our resources

- 4.1 A critical step to embed our new strategic outcomes and respond to citizen concerns about how we will focus our budget and capacity on delivering our new outcomes.
- 4.2 Our prudent financial management ensures that we have a stable basis from which to deliver the changes we need to make to focus on the delivery of the Council Plan. We will move towards more outcome-based budgets from 2025/26 so that we can bring careful focus on the effectiveness of delivery against the priorities.
- 4.3 Any changes we want to make to focus our resources on the Council Plan outcomes must be delivered within the financial constraints of the medium-term financial strategy. Over the coming four-year period, the Council has a forecast budget gap of £61.2m, of which £18.1m is in 2024/25. Beyond 2024/25, the picture for funding to local government is less clear but we are prudently planning for very little, if any, increase in funding for councils over the next few years.
- 4.4 We will work across all Directorates to assess our budgets and ensure we are fully focused on delivering the Council Plan outcomes, prioritising resource to maximise impact for citizens.

5. A culture of performance and delivery – Council Outcomes Framework

- 5.1 The new performance framework will underpin our how we monitor success of the Council Plan. It will consist of two key elements, the Outcomes Framework and our refreshed performance system at directorate and service level.
- 5.2 The Outcomes Framework will be a selection of measures that match the intent of each outcome to show progress against the Council Plan. Work is ongoing to develop a set of measures to enable us to track and measure progress towards achieving each outcome, where possible using nationally recognised indicators, including appropriate OFLOG measures, that allow comparability and benchmarking with other Local Authorities in terms of performance and target setting. Other considerations will be the frequency of reporting to ensure progress can be tracked through quarterly reporting to S&R Committee.
- 5.3 Measures in the Outcomes Framework will be selected from a broader set of indicators held at Directorate level, part of our refreshed performance system that consists of Directorate and Service level performance governance. This provides a golden

thread via a wider range of measures that contribute to success at Council Plan level.

- 5.4 As we did with our 22/23 Corporate Delivery Plan², we will publish our performance against the Council Plan across all chosen indicators including why the indicator is important and how it contributes to the plan, current and historical performance, targets, narrative description of the current position and where available, comparative data.

6 How does this decision contribute?

- 6.1 The Council Plan is a significant step, providing a positive, medium-term mission and set of outcomes for the whole organisation. It ensures that citizens, Members, staff and partners know what we want to achieve, what we stand for, and the sort of organisation we want to be.
- 6.2 The Plan is part of our responsibility as a key partner in Sheffield to demonstrate our commitment to the city's prosperity and our contribution to the new City Goals.
- 6.3 It is a coherent statement of the things we will prioritise over the next four years, aligning to our Medium-Term Financial Strategy, and creating a strategic 'golden thread' that runs from the policy drivers and outcomes in the Council Plan through our key strategies, directorate plans, and right to the work of every member of staff.
- 6.4 The Council Plan, alongside the developing Outcomes Framework, is a further demonstration of the continued improvement journey that the Council is on, responding directly to the recommendations of the LGA Corporate Peer Challenge in 2022³.

7. Has there been any consultation?

- 7.1 The mission and outcomes set out in the Council Plan have been drafted with a cross-party group of Elected Members from Strategy and Resources Committee.
- 7.2 The outcomes and priorities in the Plan reflect the insight and ambitions that citizens have contributed in the development of the new City Goals and through the views that citizens have given through Local Area Committees and issue-specific consultations and

² Sheffield City Council (2022) *Corporate Delivery Plan*, <https://www.sheffield.gov.uk/sites/default/files/2022-11/scc-council-delivery-plan-22-23.pdf>

³ Sheffield City Council (2022) *Sheffield City Council LGA Peer Challenge Report*, <https://democracy.sheffield.gov.uk/documents/s58181/9%20-%20Appendix%20%20Sheffield%20City%20Council%20-%20CPC%20FINAL%20Feedback%20Report.pdf>

engagement. The Council Plan is therefore a clear commitment to the ambitions of citizens.

7.3 A formal consultation on the draft Council Plan was held between 21st December 2023 and 26th January 2024 as part of the annual budget conversation. Citizens, employees, partners and Members provided valuable insight and comments on the policy drivers and strategic outcomes in the draft Council Plan and a summary is included in Appendix 2.

7.4 The Plan has been reviewed and updated, building on the consultation feedback.

8. Risk analysis and implications of the decision

8.1 Equality Implications

8.1.1 There is an opportunity to recognise and embed our organisational equality responsibilities within the Council Plan. There are clear overlaps with our legal and policy equality priorities. At the same time, effective monitoring and action is needed so that existing inequalities do not limit the reach and benefits of the Plan.

8.1.2 Our legal duties under the Equality Act 2010 include having due regard to the need to:

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

8.1.3 Our emerging Council Equalities Framework is expected to include commitments around leadership and communities, with a focus on collaboration and empowerment, and recognising community diversity.

The Council Plan sets out priorities that are consistent with reducing inequalities, directly and indirectly including age/young people and other equality references in its strategic outcomes and policy drivers:

People

Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, for example regarding:

- individual and community diversity
- health and wellbeing
- community involvement
- social inclusion and cohesion

Prosperity

Similarly, increasing prosperity in Sheffield has clear overarching benefits to the city, its communities and organisations, but there are some risks that benefits might not be experienced equally. For example, there are wide disparities at local levels in terms of community assets, indices of deprivation and other barriers. Financial inclusion is further inequality measure that the Council considers.

Planet

There is significant common ground between the impacts of inequality and environmental and climate impacts. For example, the effects of pollution and poor air quality, high energy costs or poor housing conditions are experienced more in areas of higher deprivation and poorer health outcomes.

Maintaining an equality perspective on the Plan that considers differential impacts between communities, and opportunities to address inequalities, would add value to the measures of the Plan's success.

8.2 Financial and Commercial Implications

- 8.2.1 A fundamental principle of the Council Plan is a closer alignment of service expenditure and the Council's priorities, as set out within the Plan. This is going to result in a move towards more outcome-based budgets to maximise the effectiveness of delivery against the priorities. However, any changes in approach and allocations of financial resources will still need to be delivered within the constraints of the medium-term financial envelope.
- 8.2.2 Following announcements in the Autumn Statement and analysis of the fiscal outlook, funding settlements for Local Government over the period of the Council Plan will place further constraints on the Council's funding, above those previously forecast.
- 8.2.3 However, Sheffield's prudent approach to fiscal management, means we are in more financially sustainable position than many other councils. This will provide a stable footing from which to deliver the required changes to support delivery of the plan.
- 8.2.4 It is important to emphasise the Council may see real terms cuts in its overall funding levels during the life of the plan. It is therefore vital to place more focus on priority-based outcomes delivery to maximise value for money of the resources the Council will have available.

8.3 Legal Implications

8.3.1 There is no legal requirement for the Council to have a Council Plan. However, the production of these does assist the Council in meeting other legal obligations such as its Best Value obligations under the Local Government Act 1999 and are permitted by the subsidiary power in s111 Local Government Act 1972 that allows the Council to do anything that is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

8.3.2 The Council Plan forms part of the Council's Policy Framework as defined in its constitution and therefore formal adoption is a matter reserved to Full Council.

8.4 Climate Implications

8.4.1 The Council Plan is written in the context of Sheffield City Council having declared climate and nature emergencies, and having a target to see both the city and council greenhouse gas emissions reduce to net zero by 2030, just two years after the lifetime this plan. Respect for the planet, including our ambitions to achieve net zero by 2030, are a key driver and are woven throughout the plan with a commitment to work towards creating a successful, accessible city which prospers while protecting the environment for future generations. The alignment with the Medium-Term Financial Strategy and linking budget-setting to the outcomes should support the resourcing required to work towards achieving our targets.

9. **Alternative options considered**

9.1 **a) do nothing** – rejected – as set out in the Strategic Framework 2023/24, we are committed to developing and agreeing a medium-term plan for the council that sets out what we want to achieve for the city in the coming years and how we will contribute to the City Goals. The Council Plan is part of our Policy Framework and a critical step in our continued development as an organisation, connecting the ambitions and priorities of the administration to our Medium-Term Financial Strategy, workforce plans, Council Performance Framework, and Directorate Plans. It also ensures that we deliver on one of the key recommendations of the LGA Corporate Peer Challenge, further demonstrating our strategic development and maturity as an organisation.

b) extend the Corporate Delivery Plan – rejected – the Corporate Delivery Plan has provided vital stability and focus for the organisation over the last year, building on the One Year Plan, and bringing clear focus onto a number of key challenges that citizens wanted to see improve. However, the Corporate Delivery Plan was

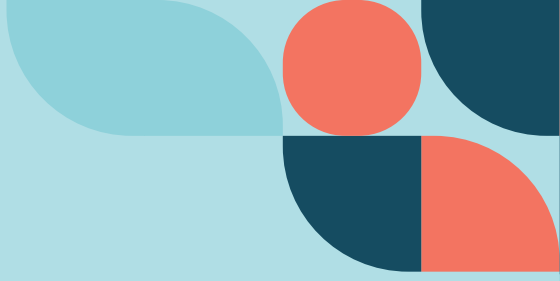
deliberately short term and as recommended by the LGA Peer Team, it is important to bring medium-term focus for the Council so that citizens, staff and partners understand our priorities and ambitions.

10 Reasons for recommendations

10.1 The Council Plan provides a clear and positive statement of purpose and ambition for the whole council. It is aligned to our four-year Medium Term Financial Strategy and the draft outcomes will increasingly become the focus for our budget and Directorate Plans over the coming year.

10.2 Following consultation, the recommendation to S&R Committee will enable Full Council to consider the proposed Plan alongside the proposed 2024/25 Budget in March 2024.

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Together we get things done

Sheffield
City Council
Plan **2024-28**





A brighter future for our city

Sheffield is an amazing city with a proud heritage and a prosperous future. We're a city on the up, alive with activity and energy and bursting with talent.

People in Sheffield are ambitious for themselves and their families, and they want the city to do better. We share those ambitions.

We want to make sure all children and young people feel that they belong and can have successful futures here. We want to create the right environment for everyone to thrive with great neighbourhoods where communities have healthier lives in our Outdoor City. We want to enable businesses to grow and create more good jobs in the city, and to invest in the transport and new housing we need to power a low carbon economy.

These ambitions can be seen in the new City Goals which have been developed with the people of Sheffield. Like all major cities, we face complex modern challenges but by working together as a whole city in pursuit of these shared Goals, we are confident that we can find solutions that are made in Sheffield.

This Council Plan sets out our role in helping the city achieve its ambitions, both in the outcomes we deliver and how we do things. We have a vital role to play as a service deliverer and as a convenor, working with communities and partners to listen and learn, directly leading change where we need to and getting out of the way where others are better placed. The Plan will help us to improve our services and improve our engagement with residents.

In everything we do, we will focus on the people of Sheffield and enabling them to achieve their potential. We will take the bold decisions which will drive the city's long-term prosperity, ensuring that we are a global leader in the climate transition, capitalising on the path to net zero to grow our economy, improve lives and protect our beautiful natural environment.

We've always known that Sheffield is a great city and the word is spreading, with major investors backing Sheffield and new people moving here, wanting to contribute and be part of our story. We need to talk our city up, be proud of Sheffield, and shout it far and wide.

By working together with you - the people of Sheffield, with public and voluntary and community organisations, with business and with regional and central Government we can achieve great things.

Together, we get things done and can build a better, brighter future for Sheffield.



Councillor Tom Hunt
Leader of the Council

Together we get things done – one team, delivering for Sheffield

This Council Plan is a milestone, a vital step for the Council that is rooted in the values of our organisation.

It firmly places people at the heart of everything that we do, working with, listening to and ensuring that all our services are focused on communities and citizens. It is a four-year statement of our priorities, aligned to our four-year Medium Term Financial Strategy, so that citizens, partners and investors know where we're headed, what we stand for and can hold us to account for delivering. And it is a commitment to doing this together, with our communities and partners and as a united whole council because together, we get things done.

By 2028, we want to be one of the best performing councils in the country. We are working to build an organisation that this amazing city deserves, that reflects and respects the communities in it, that involves and engages people in everything that we do and delivers outcomes for the city. But if we are going to get there, we are going to need to change.

Our organisation is made up of amazing, committed people who care deeply about Sheffield and the city's communities. With colleagues and teams, we can make a massive difference to our city and to the achievement of our new City Goals but we need to be relentless at getting quality and consistency of experience right for citizens when they interact with the council so that great service delivery is a foundation to our bold ambitions. We need to renew our relationship with communities, with equality, diversity and inclusion central to everything

we do, improving equity and experience across all of our services. We all need to have the knowledge and confidence to live by our values, challenging discrimination and leading change, such as striving to be an anti-racist organisation and delivering our White Ribbon Action Plan to tackle male violence towards women and girls. We need rigorous focus on our outcomes with citizens and partners to deliver genuine change and a positive impact on lives and prospects for all. This means we need to work as one council so that our whole is greater than the sum of our parts, being productive, proud of the work we do and what we deliver on behalf of the city.

We are lucky to have passionate and skilled employees across the whole Council who are committed to getting things done for our city. We need to do more to empower them with the skills and tools they need to flourish in our organisation, recognising and celebrating success, unlocking talent and enabling everyone to perform and develop their careers.

This is a Plan that provides outcomes we can all stand behind, a shared purpose for our whole organisation, and the touchstone for our future plans and strategies so that every single member of our team can thrive and contribute to the city's success.

Kate Josephs CB
Chief Executive of
Sheffield City Council





Building a brighter future together: people, prosperity and planet

Sheffield is on the up and it is being noticed. You've helped create an amazing place for about 600,000 people to call home, for others to invest in, and for many to study as well as visit.

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More and more people from different backgrounds and cultures are joining you here in a city which is being recognised as one of the best cities in the UK to live in. What you are helping to create brings investment and opportunity into the city.

We are seeing real change and Sheffield is being talked about as setting the standard for modern city economies. Developments in the Heart of the City, West Bar, Kelham Island and Neepsend are transforming our city centre, creating new neighbourhoods and a basis for attracting more investment, more business and more good jobs. We need to make more high-quality places for everyone to live across Sheffield: our new Local Plan commits to unlocking 36,000 new homes in the city over the coming years - places for people to build their lives in our amazing city.

Sheffield is becoming known around the world as 'The Outdoor City'. This doesn't just mean countryside - yes, the Peak District is within our boundary and we have the highest percentage of green space of any city in the world - but it's as much about the 'City' as the 'Outdoor'.

Sheffield is The Outdoor City because it's a unique place where nature, culture and tradition go hand in hand with beautiful natural surroundings, acclaimed independent food and drink businesses; and world-renowned theatre, heritage, sport, music, film and other cultural events. This unrivalled access to the great outdoors coupled with culture, food and drink is what brought lots of new people here, and what's charmed them to stay.

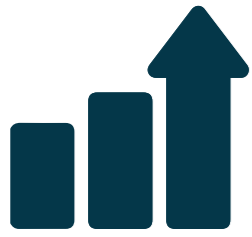


People

We are known around the world for the friendly welcomes you give in the UK's first City of Sanctuary, and for your determined spirit. And this gives communities, neighbourhoods and networks their own unique feel, as well as significant strength. And we are lucky to have you, because you create that sense of what makes Sheffield special. You're also helping to grow our city. Your businesses, your ideas, your hardworking nature, your families.

As a whole council we want to work with you, with partners and everyone in the city. People have told us that they want meaningful influence over decisions in their communities and by working together to achieve real change will be the driving force behind our future. Every person in this city contributes to Sheffield's story, so let's tell our best version of it, together.





Prosperity

You're the makers, the start-ups, the officers, the academics, the crafters, the poets, the community voices, the hard workers, the athletes, the designers, the creators... you're enthusiastically turning your talent into success across the city.

To be a successful city for the long term, we need more businesses and more people in Sheffield able to use their talents as part of our growing city so that they are better off and can flourish. By investing wisely and driving economic growth, we are creating opportunities for everyone. Working together with our business sectors and city organisations, we can shape the best environment for Sheffield to prosper and enable everyone to succeed.

We have got a dynamic base of small businesses and we want to enable companies to scale up so that more and better opportunities are made available. We have to make full use of Sheffield's economic strengths to boost our numbers of businesses and good jobs across the board.

We're building a thriving city centre full of character and fit for the future, revitalising Castlegate, the place where Sheffield began, and transforming Fargate into a social hub. This has already encouraged major employers to relocate back into our city centre, and our footfall is increasing from not just residents but visitors too. We know that we need to see this revitalisation across our local centres too.

Our city is home to some of the world's leading work in the manufacturing, health and wellbeing and digital & technology sectors. We must be proud of this: through our incredible Universities, technical colleges, and other education providers we have some of the best talent of today and tomorrow, and the best facilities you can find. Along with our heritage and skilled tradespeople, the future of industry in Sheffield is in safe hands (with a healthy dose of passion and innovation, too).

It's time to work together – public, private, and third sector – to be a city where growth represents a progression towards a better future for everyone. A city which thrives sustainably, together.



Planet

However 'green' you consider yourself to be, you are here, on this planet, and it's likely that you want the next generation to inherit the world in as good a place as possible. That means change and change on the scale needed will be hard. This is a huge opportunity for Sheffield to transform our quality of life – for now, as well as the future – protecting and respecting the place we live in and ensuring we can thrive in how we respond to the greatest public health threat and opportunity we face in the coming century.

Sheffield is and can be a globally leading city. We are working hard to reduce our emissions and planning how we can decarbonise Sheffield to achieve a thriving, greener, healthier future for all who live, work and study here.

We can transform our transport networks, creating the infrastructure which enables people to get around and improve their health and wellbeing. We can make our homes climate-ready, and make them healthier, better heated places to live. Our ingenuity, skills and expertise can create business opportunities and jobs in the transition to a green economy.

There's so much to do, and none of us have had to do this before. But a just transition to net zero should bring significant improvements to our quality of life, addressing the threats to our health that also damage our environment, and using retrofit, decarbonisation and green energy as a route to tackling cold, damp homes and fuel poverty.





A city with a big future and a plan to get there

Our story captures what we all knew already – that Sheffield is an amazing city bursting with character, with fantastic people and assets. As a leading modern city we also have a global role to play in finding solutions to the complex challenges facing people and the planet.

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And we've now got a plan to get there – a shared set of City Goals for Sheffield that are built from the ambitions of the people of this city, their ideas and what they want to see for Sheffield's future.

These shared Goals build from the city's existing strengths and set a course for a bright future where more people can be part of Sheffield's prosperity. But achieving the Goals is premised on everyone in Sheffield pulling in the same direction, with communities, organisations and businesses finding new and creative ways to work together, sharing success and tackling challenges.

The Goals aren't about one person or one organisation – they need collective effort with everyone playing a role and contributing. This is Sheffield City Council's plan for how we are going to play our role over the coming four years – working together with the city to achieve its Goals.



Sheffield City Goals

A CREATIVE & ENTREPRENEURIAL SHEFFIELD

A GREEN & RESILIENT SHEFFIELD

A SHEFFIELD OF THRIVING COMMUNITIES

A CONNECTED SHEFFIELD

A CARING & SAFE SHEFFIELD

A SHEFFIELD FOR ALL GENERATIONS





Sheffield City Council mission and outcomes

1. Our mission – Together we get things done

We will work with you – the people of Sheffield, with other public services, with our voluntary, community, faith and social enterprise (VCFSE) partners, with business and with Government as a whole council to get things done for our great city.

By delivering the outcomes set out in this plan, we will help to achieve the City Goals. We will listen, involve, collaborate with others and empower – leading and taking action where we need to and getting out of the way where others are better placed.

2. Our drivers – our triple lock

We will challenge ourselves to make a positive contribution to the city's future through our triple lock: three policy drivers that together will guide everything we do. There's no priority order here, and none are optional: Sheffield and its people cannot thrive without all three. Sheffield's future is rooted in people fulfilling their potential – it is the point of everything we are trying to achieve.

A growing, prosperous city economy that leads the change to net zero and in which everyone can participate is key to creating opportunities for more citizens to thrive: we cannot succeed without it. But growth and prosperity that comes at the expense of the climate will only

be bad for the people of the city and natural environment we cherish. We must tie all three aims together:



People – we will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city's success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives.



Prosperity – we are a growing, creative, internationally leading city economy. We will prioritise Sheffield's long-term prosperity, taking tough decisions to deliver sustainable growth that genuinely benefits our communities and makes every part of our city better off. The more our people succeed, the more our whole city will succeed.



Planet – Sheffield will be a successful, accessible city which prospers, while protecting the environment for future generations. We have an opportunity to play a leading role in a just transition to a low carbon future for Sheffield, with a growing green economy; respecting our Outdoor City and treating our planet well; creating a sustainable future with communities.

3. Our strategic outcomes

These five outcomes will be the structure for the Council's priorities, for the money we spend and our performance framework so that we

can be held to account for delivering for the city. We will set out the detail of the steps we will take to deliver these through our key strategies and delivery plans.





Our priorities for the next 4 years



1. A place where all children belong and all young people can build a successful future

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People – we want Sheffield’s children and young people to feel secure and safe in their lives, with a strong support network: to feel they can belong, whether that is in their local communities, their school, or wherever they want to be. We want them to have the opportunity to get involved in things that matter to them, to know that they are listened to and for Sheffield to help them build the foundations to succeed.



Prosperity – the future prosperity of Sheffield’s children and young people and the city’s prosperity are linked. Their aspirations are what will drive our city forward; their education, skills and talents are what will drive innovation and create the jobs of the future.



Planet – a sustainable planet is non-negotiable for children and young people’s futures. Young people will be the most affected by the impacts of unmitigated climate change, while the opportunities of the green economy will be critical to their future.



Ensure all children and young people can feel like they can belong and thrive in Sheffield

We will build on our pioneering Family Hub network to ensure children and parents get the support they need so that children get the best start in life, and work across the system to ensure children and young people can feel comfortable and secure wherever they are. We want all children and young people to fulfil their aspirations and potential. With schools, businesses, and other partners we will link education, skills, and business investment into career pathways for every neighbourhood, including using our weight as an anchor institution to grow apprenticeships in Sheffield. In all this we will listen meaningfully to the voice of children and young people.

Address inequalities for our children and young people and ensure we are equipped to support them

We will be proactive in tackling inequality so that all children and young people in Sheffield can fulfil their potential. We want all children and young people to be able to participate fully in education, school and training, nurturing their talents. We will target inequalities to ensure more of our children and young people are equipped to achieve their ambitions and build successful futures. We will work hard to support Looked After Children and those with SEND to fulfil their potential in Sheffield and make a successful transition to adulthood.

Deliver the right care and support to those who need it, at the right time and in the right place

We will focus on preventing issues arising or getting worse, and on developing high quality care and support and addressing quality issues where they exist. We will make sure that our care placements are appropriate and effective, so that every child can access high quality care within our city if they need it.

Ensure children and young people are safe across the city

We will take a whole council approach to safety and safeguarding, working with partners to deliver robust response to issues where these arise. We will also work with children and young people to address safety more broadly, designing the city with and around them to make it a place in which they are safe and feel safe.





Our priorities for the next 4 years



2. Great neighbourhoods that people are happy to call home



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People – Sheffield has brilliant, distinctive, safe and diverse neighbourhoods: the places we meet friends and bring up our families, the places we call home. We want people to be happy with where they live, to be able to access the services and facilities they need close to home, and able to make the most of everything all the city’s neighbourhoods have to offer.

Prosperity – all Sheffield’s neighbourhoods will be clean, green and safe places to live and visit. They should be welcoming and healthy environments for people to spend time together, live healthily, move around and belong in their communities.



Planet – we will work with Sheffields to protect and enhance the local environment. Recognising that communities may be affected in different ways, and that the most disadvantaged are likely to be most severely impacted, we will help deliver shared solutions which improve how local neighbourhoods work for people and contribute to Sheffield’s resilience to climate change.

Increase the availability, quality and range of housing in our neighbourhoods

Sheffield’s homes should be fit for the present and the future. We will support everyone to have access to a secure, stable home by increasing the provision availability of Council and other affordable homes, and support people with the most urgent need including those at risk of or facing homelessness. We will focus on improving the fabric structure of Sheffield’s homes and reducing carbon emissions, building in climate resilience. We will work across all types of housing so more homes are fit to live in and support the health of the people that live in them.

Ensure more parks and green spaces are high quality and maintained

Parks and green spaces should be safe, welcoming and fit for purpose. We will work towards all parks reaching the Sheffield Standard, of being Safe, Clean, Welcoming and Accessible, by 2030. We will work with communities to keep parks and green spaces financially and ecologically sustainable for the long term, conserving their heritage,

and championing, caring for and protecting Sheffield’s ecology and biodiversity.

High quality neighbourhoods which are clean, green, resilient and safe, and where people can live healthy lives

Neighbourhoods will meet high standards for clean and well-maintained streets and on waste and recycling. We will work with partners to ensure our neighbourhoods are safe places and feel safe for all residents, tackling anti-social behaviour where it exists. We will create more and safer options for everyone to move around, providing choices that support walking, wheeling and cycling. Neighbourhoods should be places that support health and provide resilience against the challenges of climate change.

Work with communities to improve the places and spaces that make neighbourhoods great places to live and be active

Working with communities and through Local Area Committees, we will improve local facilities and support local centres and high streets so that people have vibrant, safe places and spaces where they can come together in their neighbourhoods. We will make the most of local strengths, investing in and securing the future of sport and physical activity facilities in areas of city that need it most, working with Community Youth Hubs to provide opportunities and safe spaces for young people, and continuing to support the network of Welcome Places across the city.





3. People live in caring, engaged communities that value diversity and support wellbeing



People – the wellbeing of Sheffields drives the work of the Council. We want more people to live long, independent and fulfilling lives free from harm and poverty. We will actively engage with residents and community partners to understand the challenges they face and the solutions they want to see, working together to deliver these and facilitating others to take the lead when they are best placed.

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Prosperity – Sheffield’s communities and the people within them are the city’s greatest asset. Caring, engaged communities provide the foundations for more people to live healthy, fulfilling lives and to share in our success. The way we work with communities is central to supporting people to make the most of their lives in the city and creating a healthy, happier, more prosperous place for all.



Planet – a just transition to net zero which maximises the opportunities for Sheffield must involve everyone. Climate change is the biggest long-term risk to Sheffields’ health and wellbeing and we can build resilience by working together with our communities.



Our priorities for the next 4 years

High quality care and support at the right time and place so people can be independent for longer and stay safe

We will deliver high quality care and support based on what matters to people, from early help, prevention and support for carers and vulnerable adults, through ongoing support and specialist housing, to compassionate end of life support. We will work with the NHS, SY Police and other partners to keep vulnerable people safe, shift resources to provision that supports health and ensure services are accessible to all.

A new approach to community empowerment and engagement, working with our Voluntary, Community and Faith sector partners and through LACs

We will work with communities on new ways to build engagement into the way we work so that we listen better and work together to find shared solutions. We will also develop new approaches to community development, working differently with our Voluntary, Community and Faith sector partners in ways

that support and value their unique role, and build on the progress made with Local Area Committees (LACs) in developing our work in places and with communities.

Work with communities to ensure people can access support and live the lives they want

We will continue to develop our approach to working with communities and with community organisations, To maximise independence, early help and prevention so that people can live the lives they want. We will work to connect people to networks to support social contact and support people to remain healthy. We’ll continue to develop the way we work with partners to support vulnerable people, building on work like that underway to make Sheffield an autism friendly city for all ages.

Enable everyone to feel valued and supported, tackling inequalities and celebrating the diversity of all our communities

We will support more Sheffields to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost-of-living crisis. We will champion equality and diversity, including developing a new anti-poverty action plan, supporting the Sheffield Poverty Truth Commission, fulfilling our commitment with partners to become an anti-racist city and playing an active role in the new Race Equality Partnership for Sheffield.





Our priorities for the next 4 years



4. A creative and prosperous city full of culture, learning, and innovation



People – the more people succeed, the more Sheffield will succeed. We want a thriving city economy focused on people, that benefits Sheffield residents so that more people can use their talents, create businesses, grow careers and have more money in their pockets. We want good growth that creates more opportunities for more Sheffields to be part of everything the city has to offer, as well as vibrant and diverse culture in which everyone can find themselves.



Prosperity – we want to make the most of Sheffield’s assets, investing in them and making sure that more people are part of the city’s success. We need the infrastructure that makes modern cities thrive – reliable, convenient transport, culture, and spaces for people to mix and meet. We need to create the environment for more businesses to thrive, and for more investment so that more people are in good jobs.



Planet – at this time of transition to a net zero economy and society, Sheffield has the assets and abilities to be at the forefront of driving positive change again. Sheffield is the Outdoor City and as it continues to grow and prosper, we must protect and invest in its unique environment and minimise environmental impact.



Drive growth by supporting Sheffield’s dynamic business base and building its global reputation

Sheffield needs more businesses growing and creating jobs. We will work with business, making the most of the city’s world class economic assets to create the ecosystem for new business to thrive, providing the space, access to investment and people to attract them to locate and grow here. We will work with city institutions and businesses to attract more inward investment, securing new opportunities for existing business and people.

Connect more people into the city’s prosperity with more good jobs, skills, training and better access to opportunities

We need to make the most of Sheffield’s world-leading position in certain sectors of the economy, the move to a low carbon economy, new investment, and new developments to create opportunities for people in every part of the city. We will work with businesses in foundational industries to support skills and business development so

they can prosper and thrive in the emerging green economy. With national, regional and local partners, and communities, we’ll support people to overcome barriers to work and find fulfilling occupations.

A thriving, liveable and sustainable city centre that plays a major role in our region’s economy

We will deliver the Heart of the City 2 and transform Castlegate and Fargate, working with business, government and South Yorkshire Mayoral Combined Authority to finalise other key developments. We’ll lead the continuing reimagining of the city centre, enabling the delivery of 20,000 new homes in new neighbourhoods and creating real communities. We’ll create new high streets and public spaces, and a vibrant urban centre to attract business and investment.

A vibrant and diverse culture offer that animates and inspires Sheffield

We will set out an ambitious culture strategy, co-created with our cultural partners and communities and make the most of our city’s rich heritage to help us attract new investment and ensure Sheffield’s amazing culture offer can flourish at all levels. We will celebrate culture with communities, push forward with plans to celebrate the city’s heritage and restore the Central Library and Graves Building, and support wider cultural accommodation across the city.





Our priorities for the next 4 years



5. A city on the move – growing, connected and sustainable



People – successful cities have growing populations as they are magnets for skills, business and culture, and places where people feel they can get on and have fulfilling lives. For people to succeed and be part of life in the city, we need to build more homes and invest in infrastructure so they can live in and move around the city safely, affordably and sustainably.

Prosperity – Sheffield already plays a major role in transforming our world: home to internationally leading research, innovation and product development in advanced manufacturing and life sciences, and the UK’s first Investment Zone. We need more business and people to be part of these dynamic opportunities, connecting supply chains and more companies into Sheffield’s new economy, driving up demand for new skills, jobs and ideas.



Planet – Sheffield’s future is rooted in the transition to a green, net zero way of living, working, moving and fuelling our lives. This is about protecting the things we hold dear – our own and our families’ health, and Sheffield’s unique natural environment. It is also an opportunity: for new jobs, skills and careers in low carbon industries, retrofitting homes and infrastructure; for using Sheffield’s ingenuity and maker expertise to build new industries; for better, more affordable ways of heating homes, getting around the city and removing proven risks to health.



More homes for a sustainably growing city with choice, quality and affordability across Sheffield

We will make rapid progress towards our target of 36,000 new homes in Sheffield over the next 17 years, including 900 affordable homes each year. This will mean building Council homes, as well as working with investors and developers to build the other homes that Sheffield needs. We will make places that people want to live in, focusing on high quality distinctive neighbourhoods with infrastructure, green space, amenities and public services.

Develop a reliable, quick and affordable transport system to power our green growth ambitions

We will work with the Mayor of South Yorkshire to develop a bus network that matches our ambitions for a growing city and makes buses an easy and green choice for more people. We will continue to develop Sheffield’s active travel network and will develop proposals to expand the tram network to make the daily



commute easier and ensure that low-carbon mass transit reaches more parts of the city.

Drive prosperity and lead global industrial transformation through innovation

We will support the growth of world-leading sectors and capabilities to attract investment into South Yorkshire. With partners, we will bring together business support, with tailored skills and training, incubation and finance to accelerate ideas to market. Quality of place and space matters to attract investment and help new businesses start up and we will continue to link existing sites into Sheffield’s sustainable innovation district.

Become a leading city in the journey to a net zero, climate resilient future, creating new opportunities

We will be a leader in the transition to a net zero city and economy, using all the levers available to us to reduce the climate impact of homes, businesses, energy sources and travel to transform our city and benefit from being a modern and sustainable city. We will lead by example, aiming to reduce the council’s net carbon greenhouse gas emissions by 95% by 2030 and working with partners to secure external investment to drive our transition and create new green economic opportunities.





Making it real – our policy priorities in action

This plan creates the foundation for long-term change, for Sheffield to be a more prosperous city and for more people to succeed.

Over the coming decade, there are game-changing investment opportunities across the city which will truly bring to life our ambitions for Sheffield to be more prosperous, with more people sharing in that prosperity. Investment at scale also represents a significant opportunity to make sure new developments make a positive contribution to a low carbon future. The projects below will go beyond the life of this Plan – and undoubtedly, other opportunities will arise in the coming four years – but the groundwork will be done now and in the coming years, transforming our city with

more new homes; a dynamic environment for businesses to start-up and scale-up as part of our world class knowledge economy; and green, reliable transport networks to connect people throughout our city.

Our mission – **‘together we get things done’** – is critical here, demonstrating the scale of opportunity and ambition in Sheffield that can be realised by working creatively and collaboratively with partners and local communities.



Innovation in the city and the Investment Zone – working with the University of Sheffield, Sheffield Hallam University and the private sector, the Innovation District and IZ will provide in-demand incubation and scale-up space for businesses spun out of our world-class universities, helping them to grow.



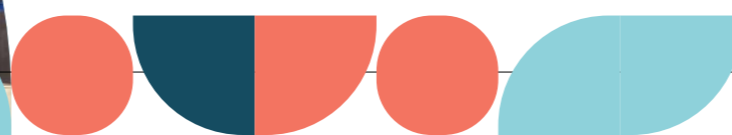
Castlegate – regenerating the birthplace of Sheffield, Castlegate will be a core part of the Innovation district as a central anchor re-connecting West Bar, through Wicker and Victoria in the wider City Centre, creating opportunities for education and business spin-out spaces.

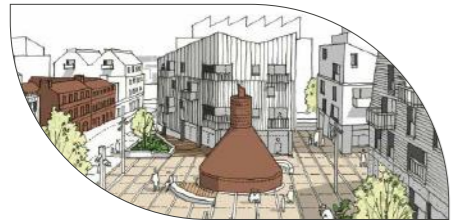


Moorfoot – creating a new central neighbourhood in our city centre over the next decade. This is a major investment opportunity for new homes that would continue the transformation of our city.



Neepsend – working with Homes England and the private sector on a new liveable urban neighbourhood that builds on the unique historic and industrial character and architecture of Kelham and Neepsend.





Furnace Hill and St. Vincent's – celebrating and complementing the industrial heritage of the area with the development of a new neighbourhood for families in our city centre, with opportunities for new places and spaces for people to make their homes.

Station Quarter – with Homes England; London & Continental Railways and Network Rail, transforming the gateway into our city from the historic Midland Station over the next 10 years. Major opportunity to deliver new homes and attract new businesses to the city centre.

Graves Gallery and Central Library building – we will set out a credible plan for one of the cultural jewels of our city, securing the future of this beautiful and historic building and set out a vision for its future and for a 21st Century central library service.

Attercliffe waterside – delivering a new vision of communities in an area of proud history and valued heritage, connected to some of our major economic assets with a zero-carbon neighbourhood, and transformed high street at its heart: a model for the city's future.



Tram/train expansion – our tram network represents a generational opportunity to extend efficient, green transport to more people in Sheffield and beyond. We will work with the SY Mayoral Combined Authority and partners to develop ambitious plans to grow our network, including looking at connections to Stocksbridge and Chesterfield.

Modern leisure and sport venues across the city – investing £117m in our leisure and sport venues so that we have modern, accessible leisure facilities across the city, ensuring that we have the venues to compete on the national and international stage.





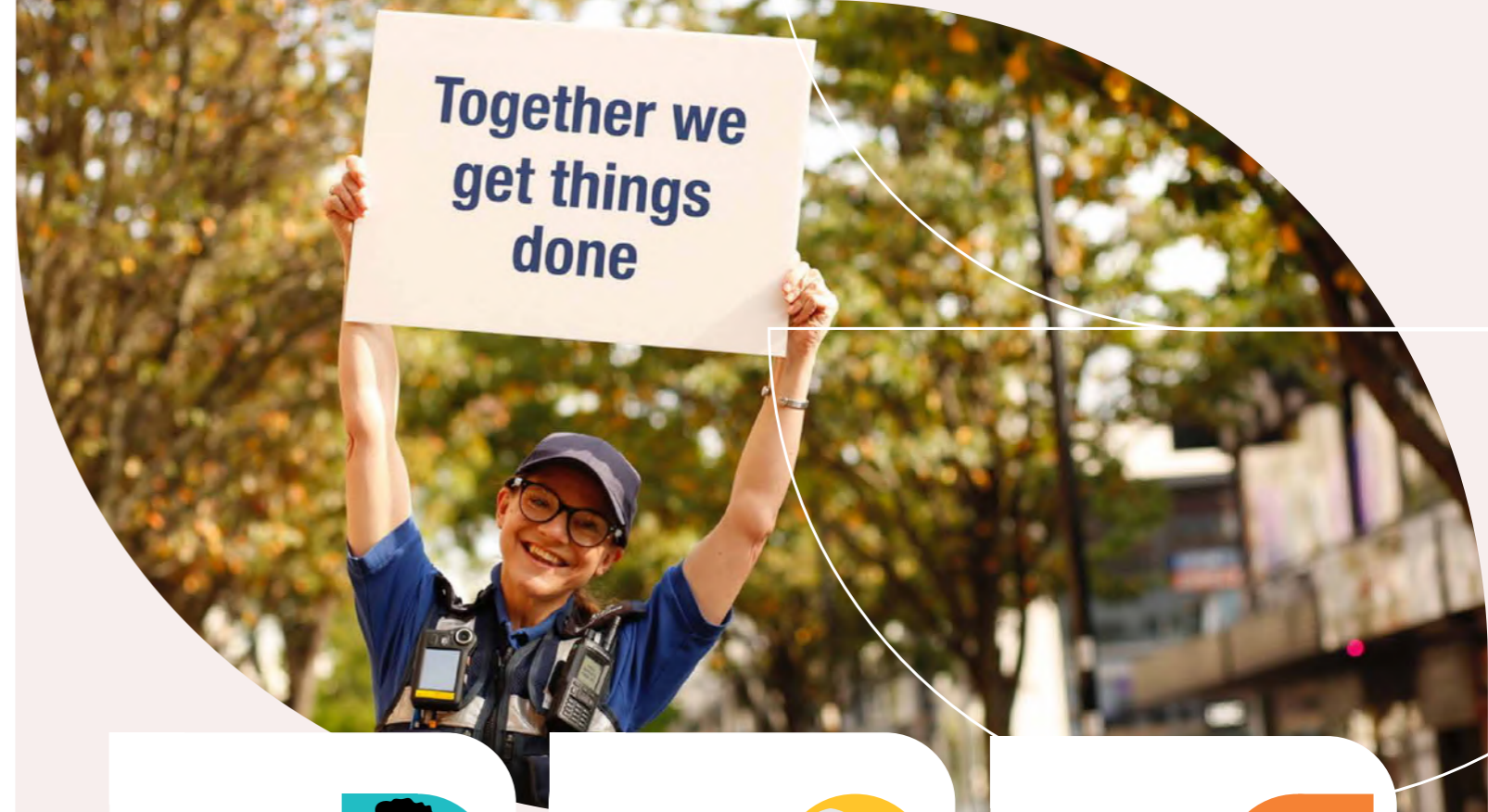
Making it happen – how we deliver for Sheffield

People are at the heart of what we do, and we know that supporting and developing our workforce is key to our success.

We are striving to create an organisation where people thrive and have a real sense of belonging. Working together we have set out our values and a three-year plan for improvement, development and transformation called Future Sheffield.

The Future Sheffield Programme

Our programme is aligned to our values, the priorities set out in this Council Plan and the challenges of our Medium-Term Financial Strategy. The Future Sheffield programme is focused on a number of drivers for change and improvement, and every year we will set out the projects and initiatives we are undertaking to meet these challenges:



People are at the heart of what we do



A focus on equalities, diversity and inclusion tackling discrimination and inequalities (including those exacerbated by COVID and the Cost-of-Living crisis) and improving equity and experience of services.

Valuing people empowering a committed, passionate and proud workforce to deliver on behalf of their organisation and the city.

Openness and honesty are important to us



Creating a culture of performance and delivery setting out clear priorities that support effective service delivery and financial sustainability for the future and reporting back on our performance.

Always learning and innovating open to being more creative and innovative in how we work, including embracing the opportunities created by digital working, new technologies and learning from others

Together we get things done



Working as one council, and one city more cross-cutting work across the council and working in partnership to contribute to the delivery of the Council Plan and Sheffield City Goals.

Working with communities and customers a renewed relationship with Sheffields driven by trust, compassion and a desire to work together. Creating a well-connected and consistent experience for communities and customers when they contact the council.





Making it happen – prioritising our resources

Aligned to our **four-year** financial plan, we will focus our resources on the outcomes in the Council Plan.

Over the past 13 years, Sheffield, along with many other local authorities, has seen a significant reduction in funding from central government. Alongside this, demand for our services is rising. We are taking a proactive, cross-Party approach to ensure we manage this challenge in the best way possible for the people of Sheffield.

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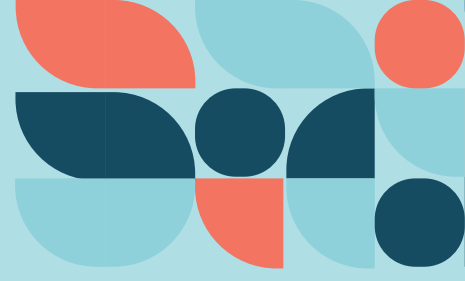
This Council Plan sits directly alongside our four-year Medium Term Financial Strategy and we will bring closer alignment between our outcomes and priorities in the Council Plan and what we spend in our budget. Sheffield's prudent approach to fiscal management means we have a stable footing from which to deliver the required changes to support delivery of the Plan. We will move towards more outcome-based budgets from 2025/26 so that we can bring careful focus on the effectiveness of delivery against the priorities.



However, any changes we want to make to focus our resources on the Council Plan outcomes must be delivered within the financial constraints of the medium-term financial strategy. Over the coming four-year period, the Council has a forecast budget gap of £61.2m, of which £18.1m is in 2024/25. Beyond 2024/25, the picture for funding to local government is less clear but we are prudently planning for very little, if any, increase in funding for councils over the next few years.

Through the Future Sheffield programme, we will transform our organisation so that we become a learning, listening, customer-focused Council that has a strong culture of performance and delivery, values people and drives out discrimination where it exists. This is an essential step so that we put in place the foundation of consistent, modern, and high-quality services to enable us to deliver the outcomes in our Council Plan effectively and make best use of the funding we have available.





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Sheffield
City Council
Plan **2024-28**



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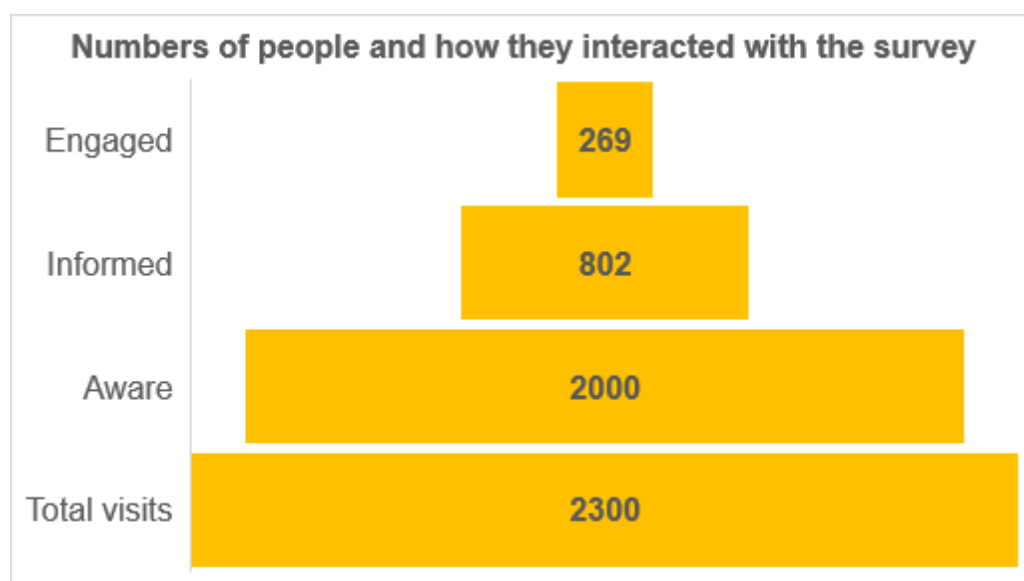
Council Plan 2024-28 – summary of consultation

1.0 Numbers of people reached

1.1 The consultation took place between 21 December 2023 and 26 January 2024 and centred around an online survey, introduced by a video from the Council leader, Cllr Tom Hunt.

1.2 The table below shows the total number of visits to the site and how many people:

- were aware of the survey (made at least one single visit to the site)
- became informed about the survey (e.g. viewed the video and/or clicked on the survey)
- engaged in the survey (responded to the questions)



1.3 An equality profile of respondents is shown in the appendix.

1.4 People responded in different capacities – for example, as residents of Sheffield, through working or studying in the city, as individuals and on behalf of organisations. In addition, specific organisational submissions were received from:

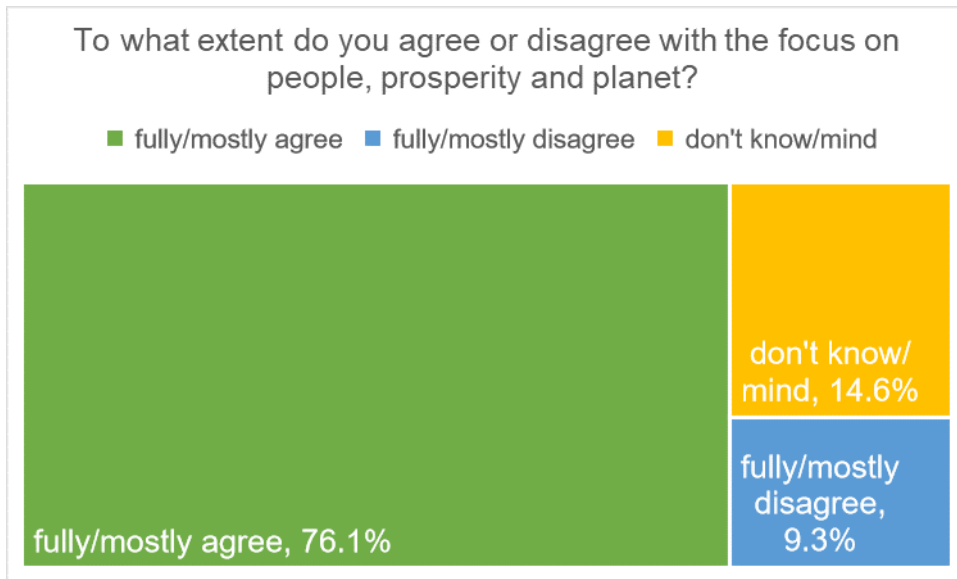
- Joined Up Heritage Sheffield
- Disability Sheffield

1.5 In line with our engagement duties for budget setting, online engagement sessions were also arranged with:

- organisations from the voluntary, community and faith sector,
- members of Sheffield Chamber of Commerce

2.0 Policy drivers

Feedback about the Council Plan's focus on Sheffield's people, the city's prosperity and the planet



2.1 Summary of feedback – people, planet and prosperity are the right areas of focus but more work needs to be done to define their inter-relationship and the measurable success of the Council Plan itself.

2.2 Around three out of four responses fully or mostly agreed with the focus, while less than one in ten mostly or fully disagreed. To many respondents, the three priorities were completely the right ones, even to the point of being obvious. Arguments were made for each to be more than important than the others:

- *People are a city's most valuable resource. Investment in people leads to economic prosperity...*
- *[We] need to focus on prosperity, we have lost too much of the city centre (like most cities).*
- *There's nothing more important than our planet. Nobody can be happy or prosperous unless we care for our planet.*

2.3 Several comments reflected the relationship between each:

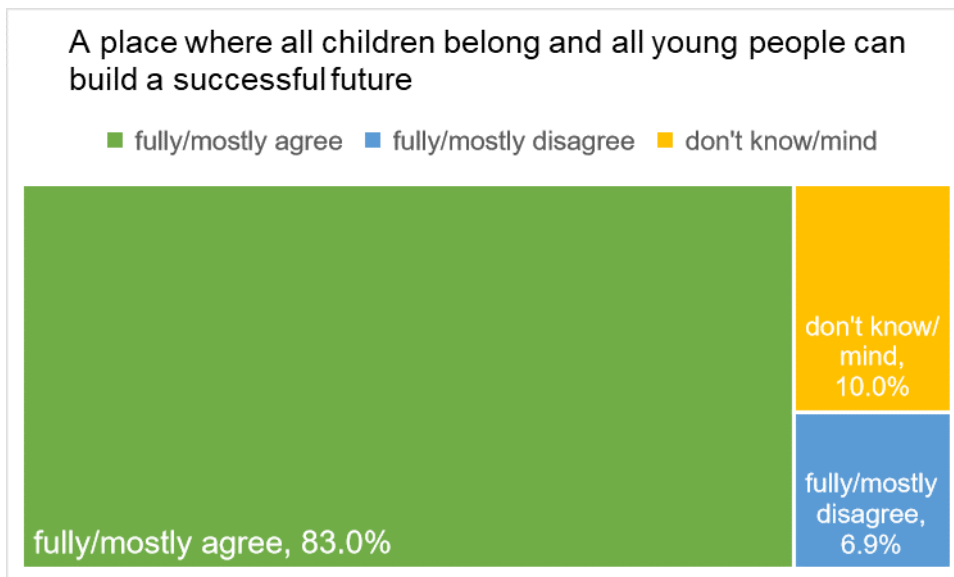
- *People, planet and prosperity makes up the Triple Bottom Line The 3 things combined will give a well-rounded view of how the council performs,*
- *All need to be in equilibrium to function and prosper, nothing is in isolation,*
- *People, prosperity & planet ... what else is there?*
- *These are good broad themes for focus. Planet should encompass not only climate goals but also local nature/biodiversity. Prosperity should always be seen through the lens of people, so that it doesn't just mean businesses profiting but also improvement in people's lives.*
- *I believe we need to be ambitious to grow the city, attract businesses and people to Sheffield by showcasing what we have, holding prestigious events and being proud of our heritage.*

- 2.4 Although not everyone agreed, prioritisation of the planet received most individual comments, overwhelmingly supportive of its importance. Some respondents challenged the Plan to go further. Points were made both about the global imperative of taking action and resources and opportunities in Sheffield:
- *While I realise they can be viewed as interlinked, I would put planet ahead of prosperity. We'll have no prosperity if we don't work to save our environment.*
 - *Pretty good balance but I think Sheffield should promote itself more as a green city – and this links with it being an outdoors city.*
- 2.5 The focus on people had the next most feedback, again very largely positive and intuitive for respondents. Equality was a clear underlying message. There were several individual comments referencing older people, disability and health, as well as inequalities between communities (for example, in relation to experiences of crime).
- 2.6 For a minority of respondents, there was some risk of the priorities being at odds with each other. This was expressed principally in relation to prosperity. While some respondents identified prosperity and growth as the key driver, a larger number considered prosperity to be in conflict with the other two and, at the same time, there being a more natural correlation between people and planet, (for example, seen in communities deriving benefits from sustaining parks and green spaces).
- 2.7 A key concern was of prosperity not being generated and shared equally:
- *People and the planet yes. Not sure about prosperity unless you mean addressing inequalities, which are so bad for so many people.*
 - *We need to get the foundations right as a priority, so tackling child poverty and inequalities is more important to me than generating prosperity and profit.*
 - *We need to get away from the idea that growth is the answer to everything. Prosperity is a better word to use, provided it incorporates equality. It is inequality that holds communities back, and ends up costing far more.*
- 2.8 Alternatively, the need to address concerns over the city centre environment and service provision were seen by some respondents as being more important (and separate) issues than the drivers presented in the Plan. In this context, and in much of the feedback, prosperity was viewed as an additional aim rather than being integral to solving issues.
- 2.9 Some respondents felt there was enough detail to give confidence in the Council Plan being delivered but more asked for greater detail:
- *I agree with this high-level approach and the focus on these three areas – the problems arise in the details of how the plan defines them and what it leaves out.*
 - *There is no info on how any of this will be measured, assessed or externally evaluated.*

- 2.10 Interest in having more detail appears to be reflected in nearly 15% of respondents saying they either ‘don’t know’ or ‘neither agree nor disagree’ if people, prosperity and planet are the right areas to focus on. There were some concerns about the deliverability of the Plan, due, amongst other factors, to funding concerns and the risk of long or delayed implementation periods.
- 2.11 Other concepts and priorities were also highlighted as alternative or connected drivers – including health, sustainability and equality – but by far the largest degree of commentary was on people, prosperity and planet. As set out above, this was very largely positive, with many contributions exploring these priorities further, while prosperity elicited more debate and differing perspectives.

3.0 Strategic outcomes

3.1 A place where all children belong and all young people can build a successful future



- 3.1.1 Summary of feedback – children and young people are an important focus and critical to the future. Inequalities need to be addressed to make this outcome successful for all.
- 3.1.2 Over four in five respondents fully agreed or mostly agreed with this outcome, while only around one in 14 did not agree.
- 3.1.3 There was a very strong recognition of the need to focus on children and young people and although (or perhaps because) it was self-evident, a large number of comments referenced children’s importance to the future, both in terms of safeguarding the city and in being affected by decisions taken today:
- *A young person's childhood defines their adulthood and future prospects. This need to be the best it can be for them to have the best life chances.*

- 3.1.4 Investing in and supporting children and young people to thrive had widespread support but, as shown throughout feedback in the consultation, inequality of opportunity was a significant issue in respondents' comments. There were several references to children with special educational needs and disabilities. Mental health, neurodiversity, race equality and single-parent households were also highlighted.
- 3.1.5 Concerns were raised about funding of services, including schools and social care. Poverty and disparities between household income, and between different areas of Sheffield, were highlighted as potential barriers:
- *The divide between the affluent areas and poorer areas of Sheffield is too big. Not all children are given the same opportunities and chances as this is linked to family finances.*
 - *The gap between the haves and have-nots has widened, particularly since Covid. Children who live in the more affluent areas of the city are at a far greater advantage than the poorer areas.*
 - *I am also concerned about the long-term impact of children growing up in poverty.*
- 3.1.6 Several comments reflected on different aspects of children and young people's sense of place in the city. This included feedback of the importance of young people both feeling safe themselves and enabling other people to feel safe too.
- 3.1.7 Although there were a very limited number of comments about concerns over gangs and crime, more comments focused on the need to harness opportunities for young people to make a contribution: to be included in decision-making, to have respect for the community they live in, to have pride in the city. There was a need for targeted resourcing for sport, music and other areas:
- *You need to invest more in youth services.*
 - *Also more places for teenagers to exist for free. They don't have the money but they bring community and life to a city, and they should be valued. Skate parks, well-lit outside places and more area to hang out.*
 - *Affordable and accessible clubs/youth clubs/activities.*
- 3.1.8 There was agreement for the need to support early years and for a greater focus on schools, both in terms of educational attainment but also given schools' central role in the lives of children and young people and communities, in climate education and in pathways to academic progression. Encouraging links with and between schools, colleges, universities and employers was also important.
- *This outcome can be strengthened by a serious engagement and discussion with schools who are central to effective delivery of this strategy.*
 - *Need to work with schools / colleges / other education settings, linking them with local businesses to raise aspirations with young people - e.g. 'See it Be it in Sheffield' campaign*

3.1.9 Paradoxically, some respondents highlighted the impact of the car-orientated 'school run' on the environment and road safety. Strong connections were made between the Plan's drivers of children and planet. The future impacts of continual climate change were highlighted, as were environmental factors today:

- *Children can't have fully successful childhoods while they are restricted from playing out, walking to school and breathing clean air by the constantly growing number of cars.*
- *There needs to be a focus on outdoor education/play/experiences for children... [to] benefit physical health, mental health, and to improve their learning.*
- *We can improve children's wellbeing by making more accessible, safe and natural play areas for children [which should be] a priority considering that Sheffield calls itself the Outdoor City.*
- *More resources needed in less affluent areas. Work with partners (e.g. Wildlife Trusts) to maximise resources.*

3.1.10 Transport and mobility were also important for young people to have a stake in the city:

- *This is good but doesn't go far enough. There needs to be more investment into cheap public transport and cycle infrastructure to help young people get around the city.*
- *[Make] public transport as cheap and flexible as possible for young people, working with the MCA on options for new more incentivising forms of ticketing.*

3.1.11 While there was clear support for focusing on children and young people, some respondents also highlighted the need to consider other age groups (for example, older people, working age people and families) within the Plan. Some concerns were expressed about achieving the aims of the outcome:

- *Very well put. But we need to see proposals for delivery.*

3.2 Great neighbourhoods that people are happy to call home



- 3.2.1 Summary of feedback – suitable housing, infrastructure, transport and travel options and measures to create healthy environments all contribute to great neighbourhoods. Inequalities between and within areas impact on their success.
- 3.2.2 Over 80% of respondents fully agreed or mostly agreed with this outcome, almost ten times more than disagreed.
- 3.2.3 There was recognition and support for the need for more housing, and themes around how to achieve this. Planning has a key role in facilitating developments that support the Council Plan's aspirations, which meet a range of needs while not affecting wider plans to retain – and provide greater access to – green spaces and facilities or environmental protections like flood defences. Representative comments included:
- *Healthy and well-designed new housing in a pleasant and well-maintained environment makes a "happy community", something we need to achieve to develop happy neighbourhoods....for the longer term.*
 - *Children should have space to 'kick a ball' around close to their own homes where they feel safe and without having to pay to join clubs.*
 - *Although we need new housing, this needs to be sympathetic to the areas it is built in.*
 - *Housing estates and land [should be] dealing with the challenges of electric vehicle (EV) charging infrastructure – particularly for the disabled where Motability will switch sooner to an all EV model.*
- 3.2.4 There were calls for mixed tenure housing and different emphases within the feedback about utilising and repurposing existing buildings and creating new developments to environmental standards:
- *More of a focus of bringing empty houses back into use should be the first priority.*
 - *Not high-rise flats, further conversion of redundant industrial buildings, partly to conserve Sheffield's industrial heritage rather than pulling these old buildings down.*
 - *The importance of the historic environment in realising climate goals is also overlooked... Re-use of historic buildings makes a direct contribution to carbon reduction.*
 - *Great sentiment and we need to ensure we offer a variety of homes that are NET ZERO and close to the city centre. We cannot afford to build on green spaces and so we need to offer other solutions, such as more high-rise, attractive apartments where again we can more control their carbon footprint.*
 - *Improving existing housing and providing eco homes are needed.*
 - *if changing existing housing, then what's the plan for this? And spell out disability access and cross-city offers.*
- 3.2.5 Respondents clearly identified affordable housing and social housing as priorities, and many were keen to make sure that developments would include the right balance. This also included the need for accessible homes for older and disabled people, and provision to tackle homelessness.

- *How are you going to ensure there is enough social housing with limited council budgets. How will you make sure private developers do not build homes at the expense of the poor. How will you make sure green belt land is protected?*
- *You have listened to comments made last year. Thanks. Particularly important to make housing affordable for younger people.*
- *These goals should not just result in more poor-quality housing with a minimum of 'affordable' housing. Quality council owned housing would be ideal.*

3.2.6 Ensuring the right infrastructure was essential, including community spaces, GP surgeries, small businesses and walking and cycling routes. There was support for active travel initiatives and very few actively supportive comments relating to car-usage.

3.2.7 However, feedback highlighted that accessible and affordable public transport needed to be a clear element within the Plan to serve neighbourhoods. People with mobility difficulties and other diverse needs should be at the forefront:

- *Better localised active travel networks, bike storage and local public transport links. Pavements free of parked cars.*
- *Cycling and active travel needs to be a priority. Cars have taken over our roads, pavements and fill our air with toxic fumes ... Grey to green looks amazing but it doesn't do anything for active travel in the suburbs where most people start their journeys by bike.*
- *Can housing be developed in a way which is positive for the environment (encouraging nature, near to green spaces and public transport), and fit for the future, i.e. well-insulated.... . [and] with a view to all the needs of citizens including disabled people, autistic people and other additional needs.*
- *There is hardly space on many pavements to walk, and if you have a baby buggy or a wheelchair it becomes impossible and dangerous in places.*

3.2.8 Respondents strongly supported the need for green spaces throughout Sheffield – safe, clean and accessible to different communities. The availability of such resources was seen by some as a potential area of inequality. Similarly, feedback highlighted how litter, fly-tipping, graffiti and other anti-social behaviour affected the quality of some communities and parts of the city more than others. The Council Plan needed to recognise and address wide divergences in the lived experience in different areas:

- *Specific plans to improve nature in green spaces, e.g. nature corridors... would be excellent.*
- *We have 8 green spaces/parks walkable from our home and it's one of the reasons we love Sheffield.*
- *Please address inequalities in green space, trees and outdoor amenities across the city.*
- *We need clean streets and graffiti free buildings.*
- *Safe Neighbourhoods – clean, litter-free and graffiti-free.*

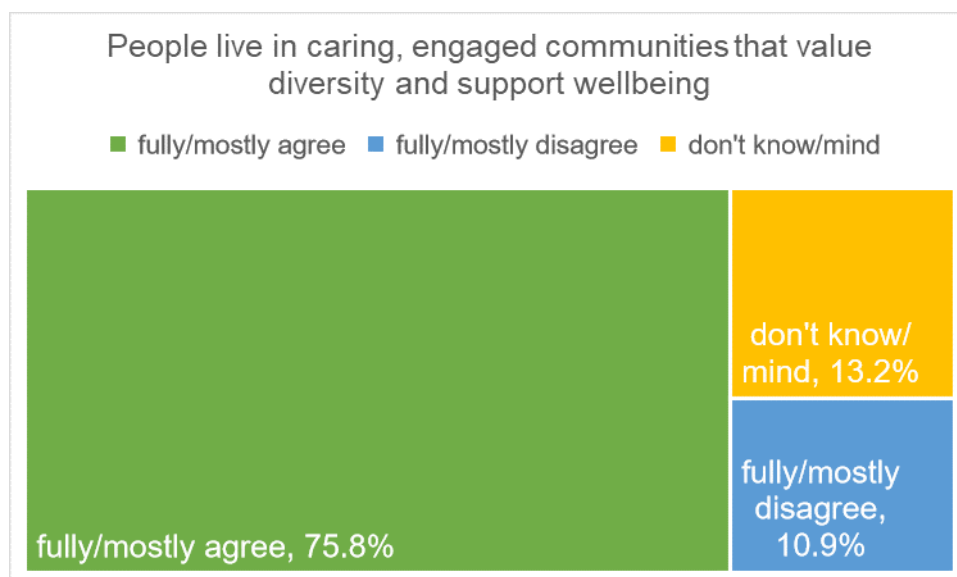
3.2.9 Many respondents welcomed the aim of community involvement to help develop the aspirations of the Plan, (while also highlighting difficulties and inequalities in engagement):

- *Neighbourhood development needs a strong focus to maintain a healthy City ethos. People need to be involved and share in this development with a sense of belonging.*
- *Availability of affordable, decent housing is a key building block to a better society and future for everyone but the standard of involvement with local people to increase their commitment to the improvement of their local community is vital work which needs to be undertaken rapidly.*
- *Think creatively about existing spaces that can be repurposed and used by the community to make places better for all – there is a willingness for people to contribute, doesn't all have to come from SCC. People can get involved.*

3.2.10 This comment captured sentiment within the overall feedback to this strategic outcome:

- *Neighbourhoods should meet high standards around clean and well-maintained streets and on waste and recycling; ensure they are safe places for all residents, [with] more and safer options for people to move around, providing choices that support walking, wheeling and cycling. Neighbourhoods should be places that support health and provide resilience against the challenges of climate change.*

3.3 People live in caring, engaged communities that value diversity and support wellbeing



3.3.1 Summary of feedback – communities are highly valued assets and the Council Plan is right to focus on a new approach to engagement. External pressures could impact on the outcome's care and diversity priorities.

- 3.3.2 Three-quarters of respondents fully or mostly agreed with this outcome, compared to almost one in nine who disagreed, and one in eight who were less certain.
- 3.3.3 There were a lot of comments and ideas about community engagement to encourage and facilitate local participation, decision-making and empowerment. This ranged from interest in maximising the effectiveness and reach of Local Area Committees and its decision-making to community-led initiatives and the co-production:
- *If we're serious about extending Supertram for instance, many local communities will probably object – leadership needs to stand up and be counted.*
 - *Being open to a bottom-up approach will be the way to achieve this, supporting new, innovative ideas whilst giving members of communities more autonomy in creative solutions to their local issues.*
 - *I'd want to see a statement or intention about co-design and co-production here too, in line with good community development principles.*
 - *Hand over spaces and get people involved – take over days, businesses supporting local community, driven by SCC.*
- 3.3.4 In calling for greater local involvement, some responses identified a need for support for communities to help ensure that more than limited groups of people or interests were involved in setting the agenda:
- *The important process for these will be the council actually getting into and engaging with locals and local groups and not merely expecting locals to pick up the baton and run with it. More leading from the front is essential.*
 - *Community empowerment should not leave out children and young people.*
 - *Community consultation in new communities needs to encourage discussion [and] buy in to how their community develops... with some community development input.*
 - *All methods of communicating issues to you should be open to residents. Not everyone has a smartphone or internet access.*
- 3.3.5 For some respondents, concerns about community safety, anti-social behaviour or hate crime were significant issues affecting communities. For others, poverty and financial exclusion were key issues:
- *People that can't work shouldn't be left behind.*
 - *The aims aren't coming out clearly enough... 40% of our city live in poverty right now, perhaps change [the outcome] to be more realistic of the current situation a lot of people are in right now in Sheffield.*
- 3.3.6 A lot of comments were made about the importance of recognising and embracing diversity, as well as the challenges of doing so in the face of local, national and global issues that present significant tests for community cohesion.
- *Celebrate the heritage of a community – i.e. the people and their history.*
 - *The call to create caring communities overlooks the importance of caring for people by enabling them to know how they fit into the story of their*

community, neighbourhood and city, and empowering them to protect that relationship.

- *You ought to add a clear statement about anti-racism and anti-discrimination, so that it is explicit that the city/local authority will challenge problems too.*
- *We need to work with (certain) communities to treat each other and the environment in our neighbourhoods with respect.*
- *I agree with the sentiment but virtually impossible to achieve success in certain areas where there is currently massive social and cultural divide.*
- *There are cultural obstacles in some neighbourhoods.*
- *We need to get back to enjoying each other and enjoying sharing everyone's culture and perspective on the world.*

3.3.7 There were several comments about people living at home as older or disabled people in need of care and support. Key issues identified included concerns over the availability of care, linked to worries about social care funding and resources, staff pay and availability, and associated connections with health services, hospital delays and accessible transport.

3.3.8 The affordability of care at home and in care homes was also a concern for some respondents. Other comments reflected on what living independently at home meant – with increases in dementia recognition – and the transition to residential care. One response highlighted the need to join-up with the strategy and approaches already in place in Adult Social Care and other services:

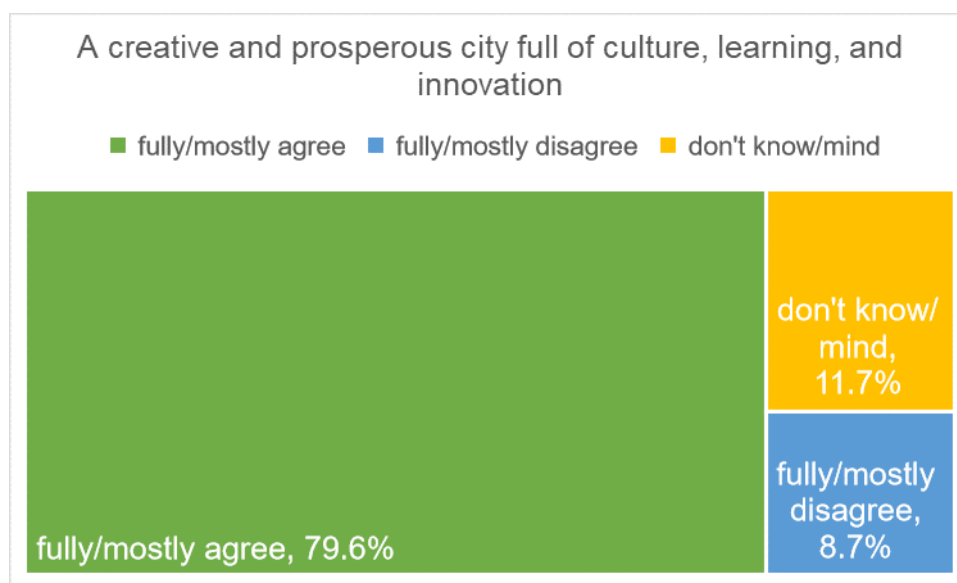
- *I hope that the adult social care approach and vision is fully joined up with health and housing, and modelled on the Social Care Future vision: We all want to live in the place we call home, with the people and things we love, in communities where we look out for each other, doing the things that matter.*
- *Changes [should not] be done in inaccessible ways, or increase isolation.*

3.3.9 There were some concerns about funding and resources, including for more isolated communities. Transport links were important to community life. Cuts to local clubs and classes, and access to information and support about available activities, were also mentioned. Some responses identified ongoing community roles for voluntary, community and faith sector organisations and for the Council.

3.3.10 As with many comments through the consultation feedback, respondents were keen to see more detail about how this outcome could be achieved. One respondent suggested

- *It would be better to include for each high level aim an articulation of the specific problems that need addressing, and then state how the council will address these. That way each part of the plan is a specific action and it will be clear how to achieve it as well as recognise when it has been achieved.*

3.4 A creative and prosperous city full of culture, learning, and innovation



3.4.1 Summary of feedback – prosperity and job-creation are needed but people in Sheffield must benefit and the outcome must be consistent with the commitment to the planet and environmental goals. City centre groundwork and developments must be prioritised.

3.4.2 Almost eight out of ten respondents fully or mostly agreed with this outcome, while less than one in eleven fully or mostly disagreed.

3.4.3 There was strong support for job-creation across different industries, and several comments identifying differing perspectives on achieving growth, and an approach that would mean local people would benefit. Although this would apply to workers of any age, there was particular interest in young people:

- *We need to attract more investment to Sheffield, encourage more private sector businesses to base themselves here, and create more well-paid jobs.*
- *New public transport routes to make access to new work locations as easy as possible... Investment in public transport will be expensive but critical for our future prosperity for the businesses and the employees.*
- *Let's start to manufacture. Let's start to produce metal goods with made in Sheffield stamped on them including resurrecting the cutlery industry. More jobs are good but only if they support people in the city and are sustainable.*
- *Sheffield should promote local business by local wealth creation and retention. Increasing growth should not be the goal, increasing people's quality of life and working conditions should be.*
- *Training for good, stable jobs is also vital, reducing people's dependence on zero-hours jobs.*
- *I hope everything is done to grow new employment opportunities in Sheffield. I don't want young people feeling they have to move to Manchester or London to do well.*

3.4.4 Respondents were keen that strong partnerships should be made with learning institutions and facilities:

- *Need to work with schools / colleges / other education settings, linking them with local businesses to raise aspirations with young people.*
- *Education at school level should be preparing people for their future working career.*
- *What about the huge opportunities Sheffield has by virtue of housing two great universities*
- *Fully accessible learning for all, training in communities rather than just college or university-based.*

3.4.5 Other respondents identified opportunities to prioritise green developments:

- *I would suggest a focus on training for green employment [and] As the government seems keen to create a void in the supply of people qualified to work on the necessary green technologies, Sheffield could quickly establish itself as a centre of excellence that will promote employment for generations to come.*
- *Regarding economic growth, focus on the green economy that combats climate change, reduces environmental pollution, and increases biodiversity.*

3.4.6 Many respondents were very keen for improvements to continue as a priority to the city centre. Several expressed regret over issues ranging from empty or temporary shops, accessibility issues, the city centre environment and the groundwork currently taking place. Infrastructure was needed to sustain planned residential developments, while at the time, mixed uses were called for.

3.4.7 Restrictions on parking and driving in town, and disruptions to traffic flow and the Clean Air Zone, were identified as contributing factors to perceived downturns in city centre visitors. There was a clear inference that more needs to be done to promote and enable transport mode changes. Some respondents were concerned that growth could be incompatible with climate targets and that 'sustainability' should be the focus.

3.4.8 These responses in particular highlighted the need for the Council Plan to articulate and demonstrate its triple commitment of people, prosperity and planet.

3.4.9 Respondents wanted to be proud of the city centre, which in part was seen as representing Sheffield to a wider audience and, in comparison, to other cities. However, feedback also highlighted the importance of local commercial hubs and to encourage local businesses throughout Sheffield, for example:

- *Don't over emphasise the city centre at the cost of the larger neighbourhood and surrounding small towns. The pandemic highlighted the importance of very local services thriving also.*

3.4.10 Several comments related to Sheffield's heritage and culture, with wishes for commitments and partnerships to harness what many viewed as significant resources for the city. There were specific calls for more recognition of

heritage within the Plan, and to connect more clearly with both the Cultural Strategy and Heritage Strategy.

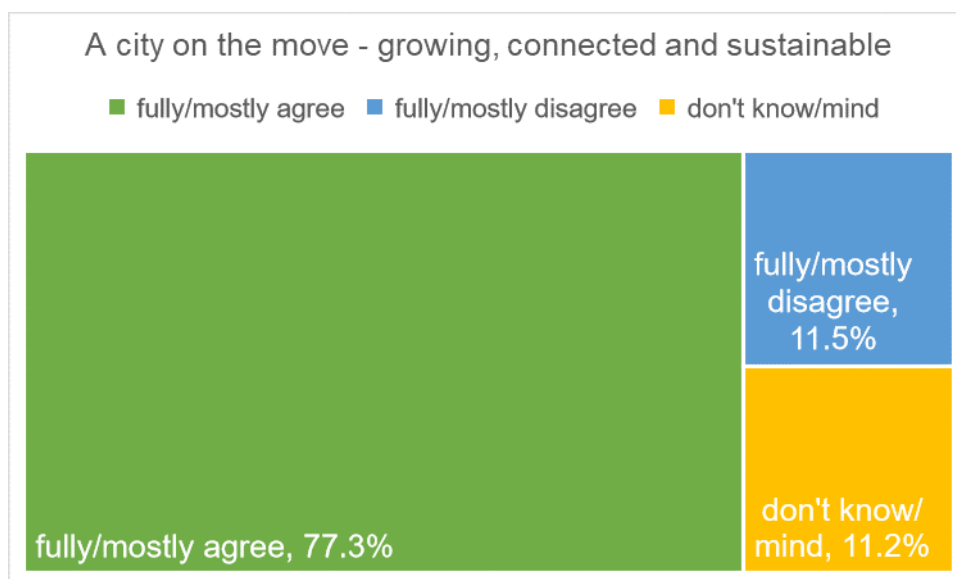
3.4.11 Direct links were made between heritage and each of the Plan’s drivers. This included research indicating correlations between high density of heritage assets, location choices for businesses, workers, visitors and residents, and hospitality and retail spending. Feedback included :

- *The contribution of heritage to the economy is well-evidenced and substantial... showing the value of investing in the historic environment.*
- *More thought needs to be given to the city centre and viable cultural projects.*
- *I'd love to see some ambition in the plan to secure a nationally significant cultural institution – like Liverpool's Tate gallery, or Dundee's V&A. Perhaps a partnership with the National Gallery, or British Museum.*

3.4.12 Separate appeals were made for a whole-building art gallery, a world class concert hall and a mid-range music venue. To other respondents, more investment was needed in existing assets or in recognising other heritage and culture:

- *Yes, culture is one of our main strength. Sheffield Theatres and our exhibition and art spaces are the envy of many other cities (incl London!) – yet there has been underinvestment over many years.*
- *You need to commit more to libraries, museums, community arts projects, theatres.*
- *Culture does not just mean high culture, it means all of the elements including popular culture such as football and football heritage.*
- *It would be great to see more direction into creative industries and a city that can sustain jobs in the creative industries.*

3.5 A city on the move - growing, connected and sustainable



3.5.1 Summary of responses – affordable and accessible transport and travel across Sheffield is critical. There are opportunities through developing the

tram system but the bus network is currently a significant problem. New and re-purposed housing options are much needed.

3.5.2 Just over three respondents in four fully or mostly agreed with this outcome, compared to one in nine who disagreed.

3.5.3 For many respondents, there was recognition of an imperative to move to Net Zero. There was also concern at costs being borne by people, and the effect on vehicle usage and access for some residents and businesses. an effect of restricted access to the city centre

- *Going for net zero is almost certainly the most important thing we can do for the future.*
- *Leading the way to net zero feels important. Clean air is needed across the city.*
- *I don't see how spending money to achieve Net Zero is going to help the people of the city. You mention the cost of living crisis and striving for Net Zero, yet Net Zero will play a huge role in making the cost of living higher.*
- *Are you listening to small businesses that need to get around and function in the city?*

3.5.4 By far the largest single subject of comments was about the transport network and, principally, bus services in the city. There was a strong sense that respondents wanted accessible, reliable and affordable public transport:

- *We need to sort the buses out before we stop or prevent people from getting around in their current modes of transport.*
- *I would really like to see a local bus network which provided frequent, reasonably priced buses to encourage people to leave their cars at home. I feel the reliability and frequency are probably the most important things - people need to know they will arrive at their destination on time.*
- *Please sort out our buses! They are unreliable, dirty and polluting. I would use them more if they weren't!*
- *Public ownership and control of public transport should be prioritised over subsidising private providers.*
- *Not just in the centre for one thing. Making the bus service reliable will be a big improvement, and reintroducing more routes which were cut – e.g. the circular bus.*
- *You need to reopen the city centre closed routes and put the buses back onto the routes they used to service through the city centre.*
- *The transport network needs to be as accessible to the outlying areas as it is to Crookes, Walkley, etc.*
- *Really keen to see all this happen but where is the bit that SCC has powers regarding taxis and private hire?*

3.5.5 Concerns about congested traffic and jams and not prioritising bus lanes were exacerbating factors. The affordability of travel options was another theme:

- *Can you make more discounts available to adults, in order to encourage more and safe use of public transport.*

- *We need an efficient and reasonably priced 'transport' system like London enjoys. I am totally envious at 64 of my London friend's 'Freedom Pass'!*
- *Create large park and ride system at the of the Park way M1 junction, reduce fairs, single travel fee per day and make City car free.*
- *Public transport should be overhauled and improved. Net Zero is laudable but not at the expense of ordinary residents trying to make a living. An electric car is more than many families' yearly income. People have no option but to run a conventional vehicle.*

3.5.6 There was support for greater use of trams and the promotion of electric vehicles generally:

- *Extend the tram system to cover the whole of the City and beyond. Sheffield has too many hills to expect people to cycle everywhere but a huge tram system would dramatically cut the use of cars. I've seen it work in Melbourne.*
- *Very excited about the integrated transport plans, particularly the proposed tram extensions.*
- *High levels of carbon emissions and smog still in Sheffield. The displacement of traffic just displaces the pollution. Promote electric buses and electric cars and their maintenance.*
- *A real train will get done quicker and give accessible, reliable travel options – no loo gives no real improvement. there are trade-offs of the different vehicle types, routes, etc.*

3.5.7 Other respondents wanted more commitment to active travel initiatives, for example:

- *I think that pedestrianised streets which keep traffic on major roads and free local communities from rat runs should be prioritised. This could get more people walking within their neighbourhoods, enable children to walk to school and encourage more people out of their cars.*

3.5.8 Much of the feedback considered plans and opportunities to make housing available to people through developments and other measures, and more energy-efficiency:

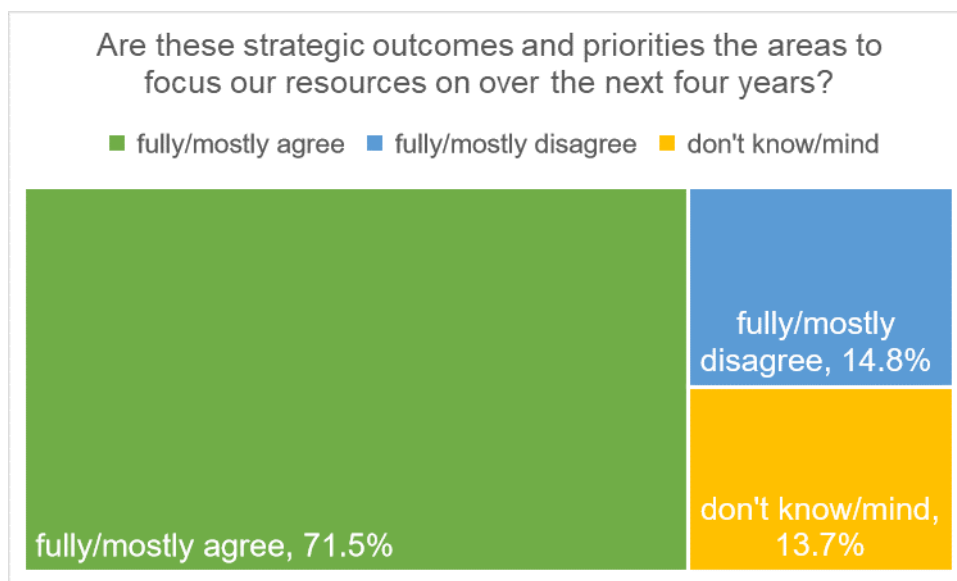
- *Good quality, affordable housing is definitely a priority. I would support a council house scheme or similar.*
- *Social housing should be a provision for those that need it.*
- *Just building more houses is not enough – we need to look at improving accessibility and affordability in our existing housing.*
- *Reuse and rethink existing spaces for housing in the City Centre.*
- *New homes with green credentials such as solar panels and heat pumps... might be expensive in the short term but will save money – and the climate – in the long-term. We all know that short termism is endemic; this is Sheffield's chance to lead the way and put other towns and cities to shame.*
- *Our City plans need to take care of our Planet by requiring thermally efficient new housing and green transportation.*
- *Very important to focus on house building on brownfield sites, no building on the green belts.*

- *People in Sheffield should be kept better informed about progress/achievements, and they need guidance on what improvements may be needed to their homes (insulation, heating etc) and how to get the work done.*

3.5.9 There were also some concerns about train links to Manchester. Other respondents highlighted an opportunity and need for greater partnership-working:

- *Sheffield is a great place for innovation, the university and its ties with the AMRC are vital. More incentives for local students to attend the university would lessen the burden of student loans and encourage the university to engage with local schools.*
- *Become a leading city in managing and increasing the biodiversity and tree cover in conjunction with neighbouring local authorities as part of the South Yorkshire Woodland Partnership and the SY Mayoral Combined Authority.*
- *The historic environment can also be especially vulnerable to the impact of climate change... It must be conserved and protected in order to sustain its wider benefits. The skills and techniques required for this will also be applicable and in demand more widely, especially in respect of floodwater management.*

3.6 Are these strategic outcomes and priorities the areas to focus our resources (money and staff) on over the next four years?



3.6.1 Summary of responses – these seem the right areas to focus resources on, although more detail is needed and there are concerns about funding and services. There needs to be more clarity about how the Plan’s people, prosperity and planet drivers might work together to achieve its aims.

3.6.2 Seven out of ten respondents fully or mostly agreed that these were the areas to focus on, but one in seven disagreed. Most comments had been provided in feedback to the earlier questions. However, some respondents provided overview feedback, which can be broadly themed as below.

- 3.6.3 Although there was strong, overall agreement with the direction set out in the Council Plan, it needs stating that not everyone agreed and there was some debate between what respondents felt should be key priorities or how to achieve the strategic outcomes. Different themes and focuses were suggested, including transport, inequality, social care, sustainability, safety and crime, health, business and education. However, there was not an alternative suggestion that had a clear consensus.
- 3.6.4 The feedback quotes below (and throughout this report) are designed to be representative of the different sentiments and priorities expressed by respondents.

People

- 3.6.5 Although not everyone felt the same, there was a clear theme throughout the feedback that tackling inequalities was either a pre-requisite for making the Plan a success or was something that delivery of the Plan should closely factor in.
- 3.6.6 Respondents highlighted risks of inequality for several characteristics, including age (both older people and younger people), disability and race. However, social deprivation and income disparity between and within communities was the most frequent example provided. In reality, the delivery of the Plan will need to take account of all protected characteristics and other equality groups, in line with the Council's legal and policy obligations to equality.
- 3.6.7 These comments were representative:
- *The strategic outcomes are sound but please don't leave anyone behind. We have a diverse population, which is overall a really good thing. However, all policies need to be applied fairly and executed as promised... It is not a coincidence that the areas with the most deprivation also have the poorest health, more disabilities and less opportunity.*
 - *I'm in agreement with most of the goals. Sheffield leading the way in green technology and using this for local wealth creation is an excellent goal. I like the focus on improving conditions and addressing inequality across the city. More specific targets to achieve the goals would be welcome – I feel like I generally agree with the goals but they lack substance.*

Prosperity

- 3.6.8 In the main, respondents associated 'prosperity' with business, growth and investment, rather than prosperity at local or household level. As before in this report, many respondents disagreed with this interpretation of prosperity, without greater context or assurances about its relationship with the other drivers of people and planet.
- 3.6.9 However, other respondents strongly agreed about the role of prosperity within the Plan:

- *The aims are laudable but the council should make prosperity the number one priority. The city centre is not attractive to businesses, public transport is poor and the council lacks commercial nous. Businesses bring prosperity, prosperity funds the council.*
- *Where is the help for businesses that create the prosperity?*
- *It would be great to know that where such expenditure takes place, its value will still remain in Sheffield, driving further growth and prosperity for all.*
- *The prosperity of our city depends on many things but more emphasis needs to be put on wealth creation as a priority. From this then many other aspects and policies can be implemented.*

Planet

- 3.6.10 A large majority of respondents recognised the need to tackle carbon emissions and take other action in response to climate change. A significant amount of feedback highlighted the centrality of the need to protect the planet. Other feedback, highlighted before, indicated Sheffield's potential to promote its recognition as an outdoor city and to take opportunities to grow a green economy.
- 3.6.11 Some respondents were concerned at the impact on people of taking action on climate change. These worries were primarily about financial impacts or the focus on planet affecting the provision of services. A minority of respondents were sceptical of climate change or did not consider it to be something the council should be committing resources to addressing. Representative comments included:
- *Climate change has to be the main priority as that will impact everything going forward.*
 - *Extremely important for future given all climate change. Goals need to be really specific and clear on how targets will be met and measured otherwise efforts will be futile... Does there need to be some collaborative working with other regions/cities?*
 - *The 'green leaning' priorities make the strategy as it should be.*
 - *Have proper open debate and consultation with residents on green agenda issues, rather than just forcing them onto us. Really listen to local residents not just pay them lip service.*
 - *I think the pursuit of Net Zero and Climate Resilience are political red herrings.*
 - *It would be silly to say don't aim for these ideas and goals. But realistically you will never get everything done with the budget you will be given and putting taxes up will drive more families into poverty, putting more strain on services.*
- 3.6.12 A majority of respondents saw the Plan's three drivers of people, prosperity and planet as central to the work of the council, and so to the deployment of its resources. As highlighted before, this came across most clearly in feedback about people and planet, with a consensus view that these should underpin the creation of prosperity. These views are represented in the comments above.

3.6.13 A minority of respondents saw the three drivers as being separate or additional to the Council's core functions, rather than being integral to them. This is shown by this comment:

- *The council should invest in the basics, keeping the city clean, keeping traffic flowing efficiently, tackling anti-social behaviour, doing more for the homeless and those suffering with addiction, making the city centre more appealing. Get the basics right and everything else will improve. Ignore the basic problems and all the vanity projects will fail.*

3.6.14 There were more mixed views from other respondents, who, while not disagreeing with the Plan's direction, were less clear how it might relate to services and the experiences of people in the city. A frequent request throughout the feedback was for more detail and measurable targets in the Plan. This was perhaps also indicated by the relatively high percentage (almost 14%) of respondents who were unsure on this question.

- *This all sounds very utopian and hard to disagree with, but there's no detail about how any of this will be achieved on a limited budget. The reality of the challenges that the city is currently facing re. social housing, social and public services, etc, are affecting many lives right now. I work in a food bank and see this on a daily basis. What is the point of a survey like this if you aren't going to provide any details of how these wonderful goals will be achieved. Please be honest with us and talk about the reality of what can be achieved on the current budget.*
- *The words are fine – but not much is new here. It's specific actions which need to be outlined in order for there to be flesh on the bones... [e.g.] % of travel by public transport and cycling to be increased by X by 2030?*
- *Build x no of affordable homes each year.*

3.6.15 Much feedback also recognised financial pressures felt by local authorities and the challenges in implementing the ambitions of the Plan. For example:

- *I agree that these priority areas are correct. My concern is that the medium-term financial analysis indicates growing budget gaps over the next four years and without a clear plan to leverage private sector investment and maximise efficiencies without detriment to the services provided.*
- *I think they incorporate the main areas of importance to making the city a good place to live and work. I think it's a very tall order, to do all those things with resources available.*
- *All you have put forward sound great if you can deliver on the priorities. But not at the expense of lowering standards, accessibility to support, affordable homes, decent transport, support for environment. Hard balance to achieve so keep pressing forward towards the priorities whilst keeping the community with you.*

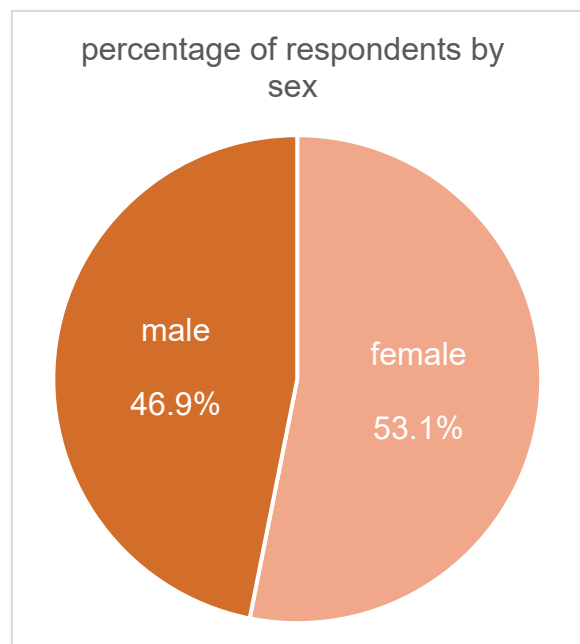
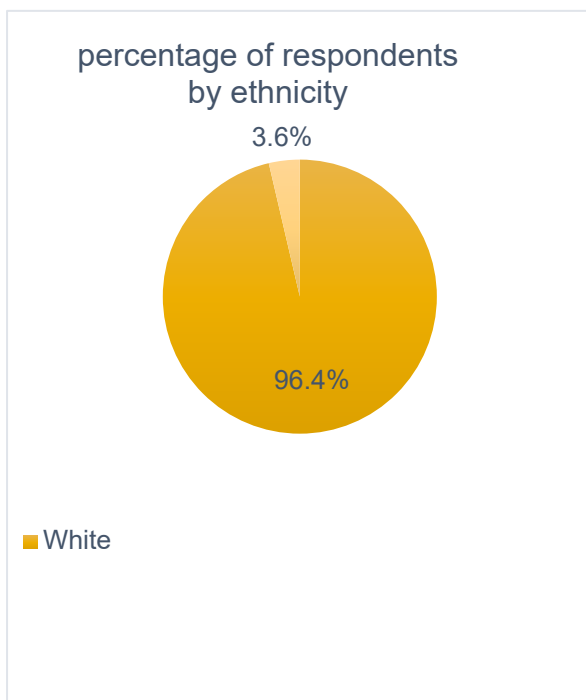
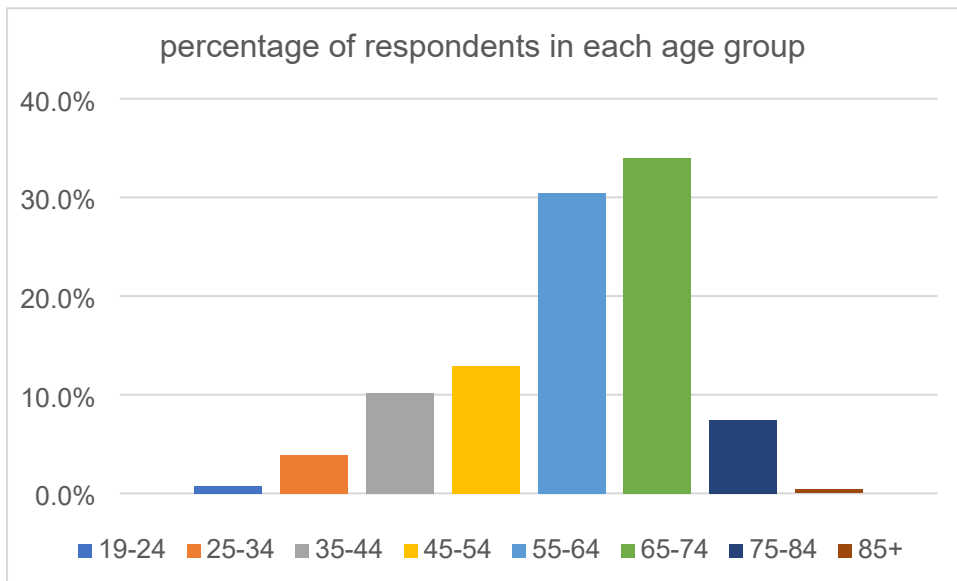
4.0 Initial conclusions from the feedback

4.1 There is a good degree of agreement with the direction of the Council Plan. More needs to be done to demonstrate how the three drivers of people, prosperity and planet would work in harmony together.

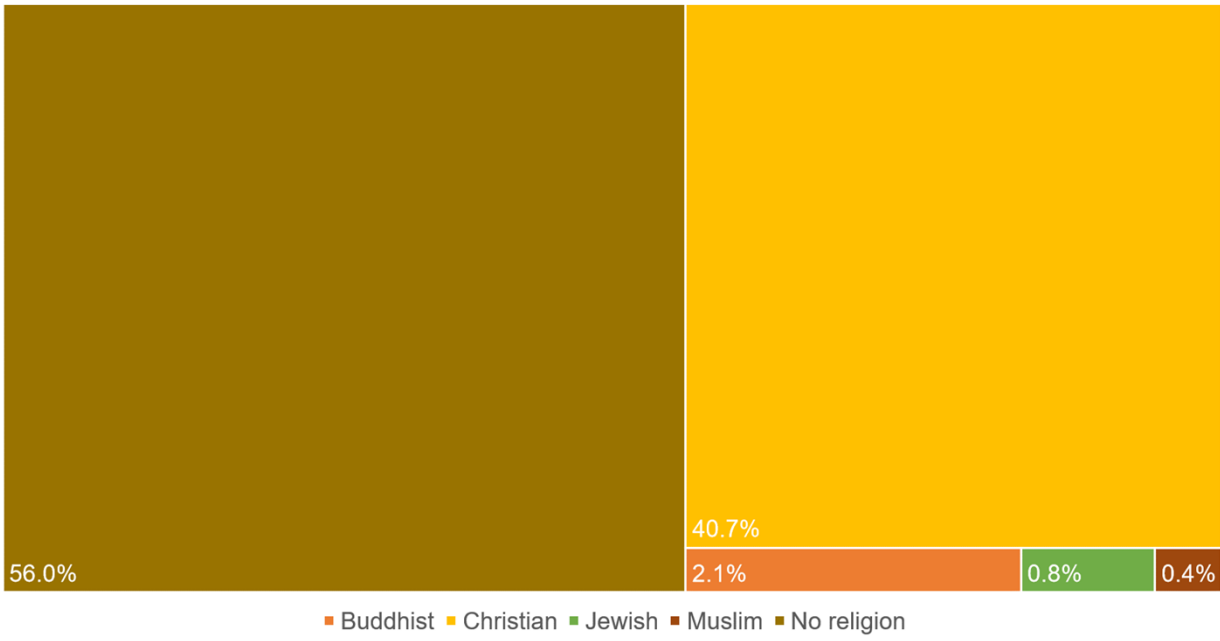
- 4.2 Respondents are keen to see clearer measurable outcomes and to recognise how priorities identified in the feedback, including key services, transport and city infrastructure, would be addressed.

Appendix – equality information

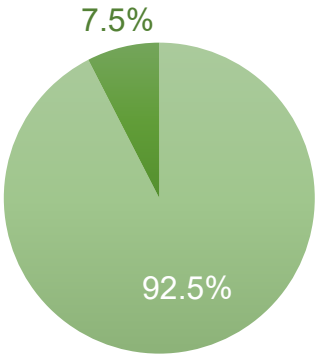
The profile of people who responded to the consultation.



percentage of respondents by religion or belief

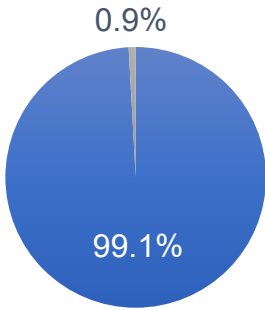


percentage of respondents by sexual orientation



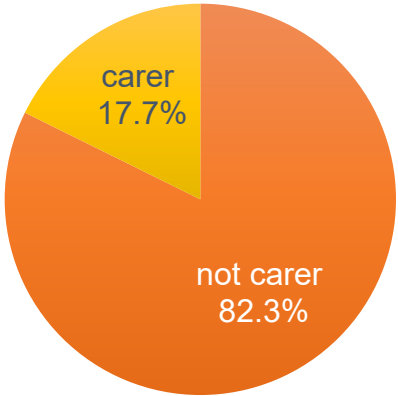
■ heterosexual
■ LGBT

percentage of respondents by gender identity

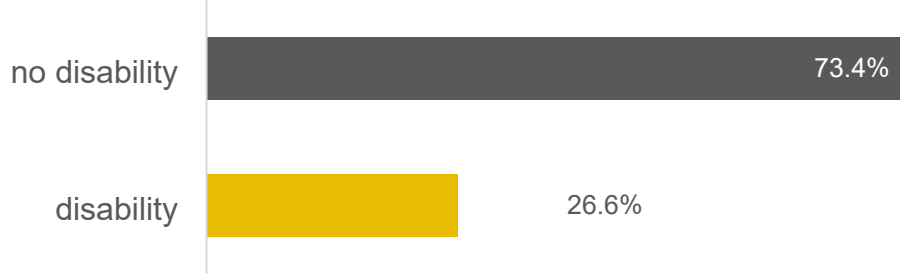


■ gender same as sex at birth
■ gender reassigned

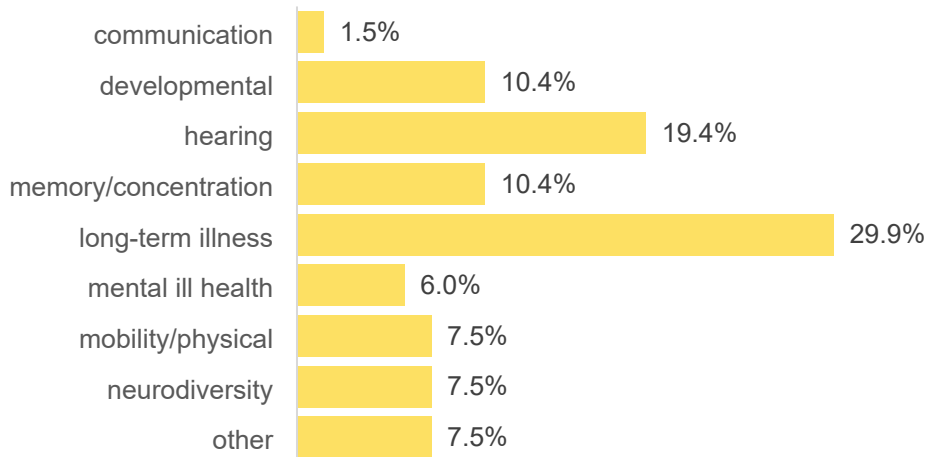
percentage of respondents by unpaid carer status



percentage of respondents by disability status



percentage of respondents by type of disability



PART A - Initial Impact Assessment

Proposal Name: Council Plan 2024-28

EIA ID: 2477

EIA Author: Deborah Glen (CEX)

Proposal Outline: The Council Plan for the year 2024-2028, sets out the strategic priorities for the Council as a whole. It contains the mission for the Council and strategic objectives for achieving this mission. It covers the key areas of the Council and will drive all of the Councils strategies, policies, service plans and service delivery. It therefore is a crucial document for tackling inequalities across the City, both as an employer and a community leader. Along with the new Equalities Framework and the proposed budget, this trio of strategies will drive the future direction of the Council.

Proposal Type: Non-Budget

Year Of Proposal: 24/25

Lead Director for proposal: James Henderson (CEX)

Service Area: policy and democratic engagement

EIA Start Date: 01/12/2023

Lead Equality Objective: Leading the city in celebrating and promoting inclusion

Equality Lead Officer: Ed Sexton

Committees:

Policy Committees

Portfolio

Primary Portfolio:

Operational Services

EIA is cross portfolio:

Yes

All Directorates

EIA is joint with another organisation:

No

Overview of Impact

Overview Summery:

The Council Plan will drive all activities of the Council, therefore the aims should impact positively on all protected characteristic groups. There are specific activities within the plan which will target particular groups .e.g BAME Children and Young People. There are explicit aims within the plan which focus on anti-racist activities and inclusive services. The Council Plan aims to improve the City for ALL its residents, therefore

- Services will be expected to show how they meet this by focusing on excluded or disadvantaged communities. This will be achieved by drawing up Service Plans, as the next level of the Council Plan, in conjunction with the Equalities Framework and the budget. The end result will be a set of clear activities targeted at addressing inequalities in the City, for all protected characteristics. There is an opportunity to recognise and embed our organisational equality responsibilities within the Council Plan. There are clear overlaps with our legal and policy equality priorities. At the same time, effective monitoring and action is needed so that existing inequalities do not limit the reach and benefits of the Plan. The Council Plan sets out priorities that are consistent with reducing inequalities, directly and indirectly including age/young people and other equality references in its strategic outcomes and policy drivers: People Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, for

example regarding: individual and community diversity health and wellbeing community involvement social inclusion and cohesion Prosperity Similarly, increasing prosperity in Sheffield has clear overarching benefits to the city, its communities and organisations, but there are some risks that benefits might not be experienced equally. For example, there are wide disparities at local levels in terms of community assets, indices of deprivation and other barriers. Financial inclusion is further inequality measure that the Council considers. Planet There is significant common ground between the impacts of inequality and environmental and climate impacts. For example, the effects of pollution and poor air quality, high energy costs or poor housing conditions are experienced more in areas of higher deprivation and poorer health outcomes. Maintaining an equality perspective on the Plan that considers differential impacts between communities, and opportunities to address inequalities, would add value to the measures of the Plan's success. The following detailed impact assessment details the specific commitments contained within the Council Plan for protected characteristics. Where specific protected characteristics are not referred to, more general statements have been noted, with a commitment to ensuring further specifics are provided at the next stage of planning.

Impacted characteristics:

- Age
- Armed Forces
- Carers
- Cohesion
- Disability
- Gender Reassignment
- Health
- Partners
- Poverty & Financial Inclusion
- Pregnancy/Maternity
- Race
- Religion/Belief
- Sex
- Sexual Orientation
- Voluntary/Community & Faith Sectors

Consultation and other engagement

Cumulative Impact

Does the proposal have a cumulative impact:

Yes

Update February 2024 - Consultation on the Council Plan took place from 21.12.23 - 26.01.24 in conjunction with the Budget for 24/25. It received 269 responses, and individual organisational responses and discussions. Overall, feedback was broadly supportive but all comments have been considered. The Plan has taken account of the feedback and amendments have been made. The priorities outlined in the Council Plan have been drawn together over a period of 6 months. This has been an iterative process which has drawn on existing understanding and intelligence about the needs of the City. This has come from research, consultation and knowledge of elected members. Elected members are key in driving forward this vision for the City, and their understanding of the needs of their communities. In addition, each Directorate will be expected to consult with all relevant communities as part of their Service planning process, the next level of the Council Planning process.

Impact areas:

Year on Year

Initial Sign-Off

Full impact assessment required:

Yes

Review Date:

13/05/2024

PART B - Full Impact Assessment

Health

Staff Impacted:

Page 74
Yes

Customers Impacted: Yes

Description of Impact: Great Neighbourhoods that people are happy to call home - all Sheffield's neighbourhoods will be clean, green and safe places to live and visit. Our neighbourhoods should be welcoming and healthy environments for people to spend time together, live healthily, move around and belong in our communities. These are the explicit aims within the Council Plan and will create a healthy and inclusive living environment for all our communities. Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including health and wellbeing. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts. In addition the Council as an employer will continue to provide health and welfare services for all of its employees.

Name of Lead Health Officer:

Comprehensive Assessment Being Completed: No

Public Health Lead signed off health impact(s):

Age

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: A place where ALL children belong and ALL young people can build a successful future, addressing inequalities for our children and young people and ensuring we are equipped to support them. This will include anti-racist approaches and working with vulnerable groups of young people such as those in the Looked After System and those with SEND. This will be further developed at Service Planning level. HR policies continue to support specific requirement of employees based on age - e.g. apprenticeships, requirement, menopause etc.. High quality care and

support at the right time and place so people can be independent for longer and stay safe - this will aim to support older people to live in their communities for longer. Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including age. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts.

Armed Forces

Staff Impacted:

Yes

Customers Impacted:

Yes

Description of Impact:

With partners and communities, we'll support people to overcome their barriers to work and find fulfilling occupations. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity, we will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city's success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity, including developing a new anti-poverty action plan, supporting the Sheffield Poverty Truth Commission and leading the response to the Race Equality Commission and the delivery of the new Race Equality Partnership. Although there are no specific references to this protected characteristic within the plan, the above statement at the outset of the plan contains a commitment that will have a positive impact on them. This should be further clarified at the next stage of the planning process.

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: Delivering good quality care and support based on what matters to people, from early help, intervention, prevention and support for carers, through ongoing support and specialist housing, to compassionate end of life support. We will work with partners to keep vulnerable people safe, shift resources to provision that supports people to be healthy and ensure services are accessible to all. We have specific HR policies providing support to Carers.

Care Experienced

Staff Impacted:

Customers Impacted:

Description of Impact:

Cohesion

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: People – The wellbeing of our residents drives the work of the Council. We want more Sheffielders to live long, independent and fulfilling lives free from poverty. We will actively engage with our residents and community partners to understand the challenges they face and the solutions they want to see, working together to deliver these and facilitating others to take the lead when they are best placed. We have brilliant, distinctive, and diverse neighbourhoods throughout Sheffield, the places we meet friends and bring up our families, the places we call home. We want people to be happy with where they live and to be able to access services and facilities they need close to home and make the most of everything all our neighbourhoods

have to offer. # Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including social cohesion. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts.

Disability

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: The plan explains the overall to support vulnerable groups and promote diversity in our communities. This will impact positively on disabled people. There is a specific reference to children and young people who are SEND. However, there is little specific reference to disabled communities in Sheffield and this should be something to be addressed at the next stage of development. Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including disability. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts.

Gender Reassignment

Staff Impacted:

Customers Impacted:

Description of Impact: We will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city's success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity. Although there are no specific references to this protected characteristic within the plan, the

above statement at the outset of the plan contains a commitment that will have a positive impact. This should be further clarified at the next stage of the planning process.

Partners

Staff Impacted:	Yes
Customers Impacted:	Yes
Description of Impact:	Developing new ways to build engagement into the way we work so that we listen better and work together to find shared solutions. We will also develop new approaches to community development, working differently with our VCS partners in ways which support and value their unique role and building on the progress we have made with Local Area Committees. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity, including developing a new anti-poverty action plan, supporting the Sheffield Poverty Truth Commission and leading the response to the Race Equality Commission and the delivery of the new Race Equality Partnership.

Poverty & Financial Inclusion

Staff Impacted:	Yes
Customers Impacted:	Yes
Description of Impact:	We need to be making the most of our leading sectors, the move to a low carbon economy, new investment, and new developments to create opportunities for people in every part of Sheffield. We will work with businesses in the foundational economy to prosper and grow in the emerging green economy. With partners and communities, we'll support people to overcome their barriers to work and find fulfilling occupations. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are,

wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity, including developing a new anti-poverty action plan, supporting the Sheffield Poverty Truth Commission and leading the response to the Race Equality Commission and the delivery of the new Race Equality Partnership. Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including poverty and financial inclusion. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts.

Pregnancy / Maternity

Staff Impacted: Yes

Customers Impacted: No

Description of Impact: We will work with partners to keep vulnerable people safe, shift resources to provision that supports people to be healthy and ensure services are accessible to all. This objective would relate to pregnancy/maternity. Building on our pioneering Family Hub network to ensure children and parents get the support they need so that children get the best start in life, again this will involve providing early help to pregnant and expectant parents. HR policies will continue to support employees during pregnancy and maternity.

Race

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: Racism and discrimination has no place in our services and city and we will be proactive in tackling them. We will champion equality and diversity, including developing a new anti-poverty action plan, supporting the Sheffield Poverty Truth Commission and leading the response to the Race Equality Commission and the delivery of the new Race Equality Partnership These specific actions will underpin the work done to

promote an Anti Racist City. Some of the positive underpinning elements in the Plan relate to areas that, conversely, can expose inequalities, including race. Ongoing monitoring and reviewing of the Plan will need to factor in equality impacts.

Religion / Belief

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: We will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city's success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives. Although there are no specific references to religion or belief within the plan, the above statement at the outset of the plan contains a commitment that will have a positive impact for all protected characteristics. This should be further clarified at the next stage of the planning process.

Sexual Orientation

Staff Impacted: Yes

Customers Impacted: No

Description of Impact: We will listen, involve and work with the people of our great city. We will celebrate and stand up for the diversity of Sheffield, maximising the assets and strengths of communities, connecting more people into the city's success and creating opportunities for everyone. We want everyone in Sheffield to achieve their potential with fulfilling and healthy lives. Supporting more Sheffielders to live happy, healthy and fulfilling lives whoever they are, wherever they live and whatever their background, working with partners to tackle poverty, prevent homelessness, and respond to the cost of living crisis. We will champion equality and diversity. Although there are no specific references

to this protected characteristic within the plan, the above statement at the outset of the plan contains a commitment that will have a positive impact. This should be further clarified at the next stage of the planning process.

Voluntary / Community & Faith Sectors

Staff Impacted: Yes

Customers Impacted: Yes

Description of Impact: Developing new ways to build engagement into the way we work so that we listen better and work together to find shared solutions. We will also develop new approaches to community development, working differently with our VCS partners in ways which support and value their unique role and building on the progress we have made with Local Area Committees.

Action Plan & Supporting Evidence

Outline of action plan: The plan is an expression of the City Council's ambition set out in terms how it will impact on people, prosperity and the planet. The commitment to equality and diversity is woven into the document from start to finish. The detailed impact assessment has, however highlighted two issues: 1. The need to express specific intentions/projects with regard to all protected characteristics 2. The need to consult with all communities about the specific impact on protected characteristics. Both of these issues should be addressed at the next stage of development of the plan and in line with the Equalities Framework, also currently being developed. These actions should be reviewed in March 2024

Action plan evidence:

Changes made as a result of action plan:

Significant risk after mitigation measures: No

Outline of impact and risks:

Review Date

Review Date: 13/05/2024

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Climate Change Impact Assessment Summary

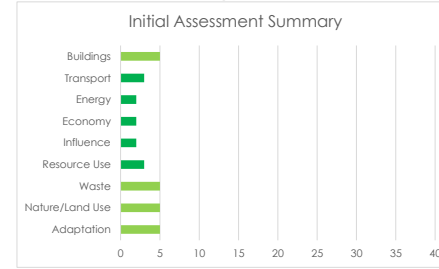
Project/Proposal Name	Council Plan 2024-28	Portfolio	Policy, Performance and Communications
Committee	Strategy and Resources	Lead Member	Cllr Tom Hunt
Strategic Priority		Lead Officer	James Henderson
Date CIA Completed	01/12/23	CIA Author	Deborah Glen
		Sign Off/Date	

Project Description and CIA Assessment Summary

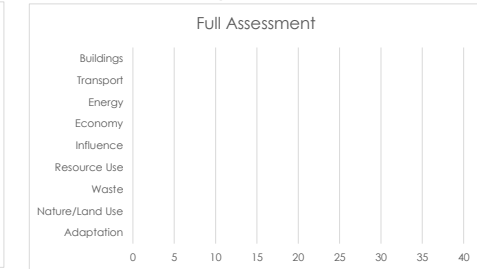
The Council Plan is written in the context of Sheffield City Council having declared climate and nature emergencies, and having a target to see both the city and council greenhouse gas emissions reduce to net zero by 2030, just two years after the lifetime this plan. Respect for the planet, including our ambitions to achieve net zero by 2030, is a key driver and is woven throughout the plan with a commitment to work towards creating a successful, accessible city which prospers while protecting the environment for future generations. The alignment with the Medium Term Financial Strategy and linking budget-setting to the outcomes should support the resourcing required to work towards achieving our targets. The Council Plan is a strategic document which sets out Sheffield City Council's ambitions with regard to all of its services. The document is organised around how it impacts on its three main objectives of People, Prosperity and Planet. This assessment shows how these ambitions under the heading of Planet will aim to reduce CO2 emissions via the delivery of a range of projects and services. The next stage of the planning process will be for each directorate to develop robust service plans, and how these plans will be evaluated in terms of performance and outcomes. This is the most appropriate stage for the development of full assessments. For the Plan as a whole, therefore an initial assessment only, has been completed.

Rapid Assessment	Does the project or proposal have an impact in the following areas? Select all those that apply. Only complete the sections you have selected here in the assessment.		
Buildings and Infrastructure	Yes	Influence	Yes
Transport	Yes	Resource Use	Yes
Energy	Yes	Waste	Yes
Economy	Yes	Nature/Land Use	Yes
		Adaptation	Yes

Initial Assessment Summary



Full Assessment Summary



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

[Chesterfield Borough Council Climate Impact Assessment Tool provided inspiration for this tool.](#)

Initial Assessment

Category	Impact	Description of Project Impact	Score
Buildings and Infrastructure	Construction	Implementation of the Plan will result in more construction within the City - We will deliver the Heart of the City 2 development, transform Castlegate and Fargate, working with the private sector to finalise other key developments. We'll lead the continuing reimagining of our city centre with new neighbourhoods, high streets and spaces for a growing city and enable the delivery of 20,000 new homes in the city centre, creating real communities and a dense urban centre to attract business and investment. We are seeking to have high sustainability standards in the construction that we undertake, with Heart of the City having minimum standards of BREEAM Very Good, and our draft Local Plan will also increase standards for building.	5
	Use	More homes for a sustainably growing city with choice, quality and affordability across Sheffield. The Central Library and Graves Gallery is one of the cultural jewels of our city, and its future has been uncertain for too long; we will set out a credible plan for securing the future of this beautiful building and set out a vision for its future and for a 21st Century central library service. Using retrofit, decarbonisation and green energy as a route to tackling cold, damp homes and fuel poverty. Individual projects will need to provide a detailed CIA which will include mitigation proposals.	
	Land use in development	More homes for a sustainably growing city with choice, quality and affordability across Sheffield	

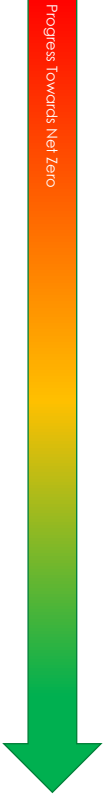
Transport	Demand Reduction		
	Decarbonisation of Transport	We will continue to develop our active travel network and we will develop proposals to expand our trams to make the daily commute easier and ensure that our low-carbon, mass transit system reaches more parts of the city.	3
	Public Transport	We will work with the Mayor of South Yorkshire to develop a bus network that matches our ambitions for our growing city and makes buses an easy and green choice for more people	
	Increasing Active Travel	We will work with partners to ensure they are safe places for all residents, and to create more and safer options for people to move around, providing choices that support walking, wheeling and cycling	

Energy	Decarbonisation of Fuel	using retrofit, decarbonisation and green energy as a route to tackling cold, damp homes and fuel poverty.	2
	Demand Reduction/Efficiency Improvements	using retrofit, decarbonisation and green energy as a route to tackling cold, damp homes and fuel poverty.	
	Increasing infrastructure for renewables generation		

Economy	Development of low carbon businesses	We will work with business, making the most of our world class sectors to create the ecosystem for new business to thrive	2
	Increase in low carbon skills/training	It is also an opportunity: for new jobs, skills and careers in low carbon industries, retrofitting homes and infrastructure; for using our ingenuity and maker expertise to build new industries; for better, more affordable ways of heating our homes, getting around the city and removing proven risks to our health.	
	Improved business sustainability	We need to be making the most of our leading sectors, the move to a low carbon economy, new investment, and new developments to create opportunities for people in every part of Sheffield. We will work with businesses in the foundational economy to prosper and grow in the emerging green economy.	

Influence	Awareness Raising	We will be a leader in the transition to a net zero city economy, taking the opportunity to reduce the climate impact of our homes, businesses, our energy sources and how we travel to transform our city. We will lead by example as a council, aiming to reduce our carbon emissions by 95% by 2030 and work with partners to secure external investment to drive our transition and create new green economic opportunities.	2
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10	The project will significantly increase the amount of CO2e released compared to before.
9	The project will increase the amount of CO2e released compared to before.
8	The project will maintain similar levels of CO2e emissions compared to before.
7	
6	The project will achieve a moderate decrease in CO2e emissions compared to before.
5	
4	
3	The project will achieve a significant decrease in CO2e emissions compared to before.
2	
1	The project can be considered to achieve net zero CO2e emissions.
0	
Carbon Negative	The project is actively removing CO2e from the atmosphere.



	Climate Leadership	"Planet" is one of the three key policy drivers for the Council Plan and is woven throughout. At this time of transition to a net zero economy and society, we have the assets and abilities to be at the forefront of driving positive change again. We are the Outdoor City and as we continue to grow and prosper, we must protect and invest in our unique environment and minimise our climate impact.	
	Working with Stakeholders	a just transition to net zero which maximises the opportunities for our city must involve everyone. Climate change is the biggest long-term risk to Sheffielders' health and wellbeing and we can build resilience by working together in our communities.	

Resource Use	Water Use		
	Food and Drink		
	Products	a successful, accessible city which prospers while protecting the environment for future generations. We have an opportunity to play a leading role in a just transition to a low carbon future for Sheffield, with a growing green economy; respecting our Outdoor City and treating our planet well; creating a sustainable future with communities. There will be an increase in manufacturing of utilities and products required for future low carbon energy projects. Procurement should be used to ensure products are sourced ethically and have the lowest embedded CO2e emissions	3
	Services	a successful, accessible city which prospers while protecting the environment for future generations. We have an opportunity to play a leading role in a just transition to a low carbon future for Sheffield, with a growing green economy; respecting our Outdoor City and treating our planet well; creating a sustainable future with communities. Future low carbon energy supplies and associated services will lead to decarbonisation compared to existing electricity and gas infrastructure	

Waste	Waste Reduction	Our neighbourhoods will meet high standards around clean and well-maintained streets and on waste and recycling.	5
	Waste Hierarchy	Construction waste impacts will be considered at project level	
	Circular Economy	Construction waste impacts will be considered at project level	

Nature/Land Use	Biodiversity	Our parks and green spaces should be safe, welcoming, fit for purpose and we will work towards all parks reaching the Sheffield Standard by 2030. We will work with communities to keep our parks and green spaces financially and ecologically sustainable for the long term, championing, caring for and protecting the ecology and biodiversity of our city	5
	Carbon Storage	Any land based energy infrastructure projects will be developed opportunities for carbon sequestration.	
	Flood Management	Infrastructure projects will need to consider any flood risks	

Adaptation	Exposure to climate change impacts	Energy infrastructure needs to be resilient for future climate impacts and the future energy needs of the city need to be based on future climate e.g. district heating needs to also consider future cooling needs.	
	Vulnerable Groups	We will work with partners to keep vulnerable people safe, shift resources to provision that supports people to be healthy and ensure services are accessible to all.	5
	Just Transition	We are the Outdoor City and as we continue to grow and prosper, we must protect and invest in our unique environment and minimise our climate impact. projects and programmes will support low carbon skills, jobs and supply chains	

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REVENUE BUDGET AND CAPITAL PROGRAMME FOR 2024-25

1. At its meeting on 21st February, 2024, the Strategy and Resources Policy Committee received reports of the Director of Finance and Commercial Services containing proposals with regard to the Council's Revenue Budget for 2024-25 and the Capital Strategy 2024-2054, and the Committee made recommendations for consideration by the City Council.
2. The purpose of the Revenue Budget report was to recommend to Full Council:-
 - the City Council's revenue budget for 2024-25, including the position on reserves and balances;
 - to approve a 2024-25 Council Tax for the City Council; and
 - to note the levies and precepts made on the City Council by other authorities.
3. The purpose of the Capital Strategy and Budget Book 2024-2054 was to provide a snapshot of the City Council's capital programme for the period 2024-2029, together with the background and context for its capital investment over this period and for the next thirty years.
4. The Committee also received a supplementary report (a) providing the South Yorkshire Fire and Rescue Authority precept details, which were issued after the publication of the agenda for the Committee's meeting, together with completed Council Tax Determinations following the approval of that precept and (b) reflecting the decisions taken at the Finance Committee on Monday 19th February regarding premium Council Tax charges. The supplementary report also included amended recommendations for the Committee to approve, to reflect that the Council now has the information on the precept and to include the noting of the Finance Committee's decisions.
5. At the meeting of the Committee, the Director of Finance and Commercial Services outlined details of an additional recommendation to be added in respect of a delegation of authority to the relevant Director to increase fees and charges where they have been considered by a Policy Committee as part of the budget process and are included in Appendix 3 - Committee External Income of the Sheffield City Council Revenue Budget 2024/25.
6. Approval of the Revenue Budget and Capital Programme and setting the Council Tax charge is a function reserved to full Council.
7. The resolution passed by the Strategy and Resources Policy Committee is set out below.

RESOLVED UNANIMOUSLY: That the Strategy and Resources Policy Committee:-

1. As regards the Revenue Budget, approves for submission to the meeting of the City Council on 6th March 2024, the recommendations in the Revenue Budget report, as set out below:-

- (i) To approve a net Revenue Budget for 2024/25 amounting to £543.815m;
- (ii) To approve a Band D equivalent Council Tax of £1,932.56 for City Council services, i.e. an increase of 4.99% (2.99% City Council increase and 2% national arrangement for the social care precept);
- (iii) To note that the Section 151 Officer has reviewed the robustness of the estimates and the adequacy of the proposed financial reserves, in accordance with Section 25 of the Local Government Act 2003; further details can be found in Appendix 5 and within the Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves from paragraph 2;
- (iv) To note that, if overspends against the agreed budgets emerge, then Executive Directors and Directors will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected Members;
- (v) To approve the savings as set out in Appendix 2;
- (vi) To approve the revenue budget allocations for each of the services, as set out in Appendix 4a;
- (vii) To note that, based on the estimated expenditure level set out in Appendix 4 to this report, the amounts shown in part B of Appendix 6 would be calculated by the City Council for the year 2024/25, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;
- (viii) To note the information on the precepts issued by the South Yorkshire Police and Crime Commissioner and of South Yorkshire Fire and Rescue Authority, together with the impact of these on the overall amount of Council Tax to be charged in the City Council's area;
- (ix) To note the precepts issued by local parish councils which add £676,767 to the calculation of the budget requirement in accordance with Sections 31 to 36 of the Local Government Finance Act 1992;
- (x) To approve the Treasury Management and Annual Investment Strategies set out in Appendix 7 and the recommendations contained therein;
- (xi) To approve the Minimum Revenue Provision (MRP) Policy set out in Appendix 7, which takes into account the revisions proposed for 2024/25 onwards;
- (xii) To agree that authority be delegated to the Director of Finance and Commercial Services to undertake Treasury Management activity, to create and amend appropriate Treasury Management Practice Statements and to report on the operation of Treasury Management activity on the terms set out in these documents;

(xiii) To approve a Pay Policy for 2024/25 as set out in Appendix 8;

(xiv) To (a) agree that the Members Allowances Scheme introduced in 2022/23 be implemented for 2024/25 and (b) note that the Independent Remuneration Panel will review the Scheme each year, to make sure the scheme supports the governance structure and the roles and responsibilities of elected members;

(xv) To note the determination of the Finance Committee on 19th February 2024 to implement a second homes premium (as defined in the report to that Committee) from 1st April 2025;

(xvi) To note the determination of the Finance Committee on 19th February 2024 to bring forward the chargeable period of the Long Term Empty premium from 2 years of unoccupation to 1 year of unoccupation with effect from 1st April 2024; and

(xvii) Except where the decision is to be taken by the Council as a Charity Trustee, to delegate authority to the relevant Director to increase fees and charges where they have been considered by a Policy Committee as part of the budget process and are included in Appendix 3 - Committee External Income of the Sheffield City Council Revenue Budget 2024/25.

2. As regards the Capital Strategy, approves the submission to the meeting of the City Council on 6th March 2024, the recommendations:-

(i) To approve the contents of the Capital Strategy and the specific projects included in the years 2024/25 to 2028/29;

(ii) To note that the block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate Member approval as part of the monthly monitoring procedures; and

(iii) To approve the proposed Capital Programme for the 5 years to 2028/29 as per Section F of the Capital Report.

Recommendations

That the Council approves the Council's Revenue Budget for 2024-25 and the Capital Strategy for 2024-2054, based on the recommendations made to it by the Strategy and Resources Policy Committee, as set out in the above resolution.

Options

Full Council may:-

- (i) approve in full the recommendations made by the Strategy and Resources Policy Committee; or
- (ii) approve, with modification, the recommendations made by the Strategy and Resources Policy Committee, subject to the caveats below.

In considering the options, Full Council must have full regard to the contents of the report to Council including, in particular, the legal advice and implications that are highlighted in the report on the revenue budget. Full Council's attention is drawn to the statutory requirements noted in the revenue budget report at paragraphs 83 and 84, that the Authority must:-

- (i) determine its revenue budget before 11 March each year; and
- (ii) set 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.

NOTE: The reports on the Revenue Budget and Capital Programme 2024-25, updated since submission to the Strategy and Resources Policy Committee so as to include information on the precepts within the Revenue Budget report, have been circulated in electronic form to all Council Members with the Council Summons.

Philip Gregory
Director of Finance and Commercial Services



Report to Policy Committee

A

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

Tel: +44 114 474 1438

Report of: *Philip Gregory*
Report to: *Strategy & Resources Committee*
Date of Decision: *21st February 2024*
Subject: *Budget Report for 2024/25*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? (2594)				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>“The (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:

The purpose of the Revenue Budget report is to:

- recommend to Full Council the City Council’s revenue budget for 2024/25, including the position on reserves and balances;
- recommend to Full Council to approve a 2024/25 Council Tax for the City Council; and
- recommend to Full Council to note the levies and precepts made on the City Council by other authorities

Recommendations:

1. Recommends that Strategy and Resources Committee:
 - a) notes that the South Yorkshire Fire & Rescue Authority precepts have not yet been issued;
 - b) authorises the CFO to add the information to Full Council; and
 - c) recommends to Full Council the recommendations as set out in the Revenue Budget report, subject to the addition of the precept information.

Background Papers:

Medium Term Financial Analysis - [MTFA](#)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Liz Gough</i>
		Legal: <i>Nadine Wynter</i>
		Equalities & Consultation: <i>Ed Sexton</i>
		Climate: <i>Laura Ellendale</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	EMT member who approved submission:	<i>Philip Gregory</i>
3	Committee Chair consulted:	<i>Tom Hunt</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.	
	Lead Officer Name: <i>Liz Gough</i>	Job Title: <i>Head of Service: Finance & Commercial Business Partnering</i>
	Date: <i>(13th Feb 2023)</i>	

1. PROPOSAL

(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)

- 1.1 By the law the Council must set 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 will 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.

It has become increasingly hard to do this despite recent improved funding settlements from Government. Along with other Councils, Sheffield City Council continues to lobby Central Government to recognise the full impact of a decade of cuts in its and national Local Government funding between 2010 and 2020. The fact remains that Sheffield has 26% or £858 per household less to spend in real terms, when compared to 2010/11. This reduction is well above the national average of approximately 18% or £556 per dwelling.

It should be noted, where core spend power calculations are quoted these include income generated from Council Tax and therefore mask the true scale of Central Government funding cuts. For Sheffield this equates closer to a 50% cut in real terms since 2010 and has deepened the Council's reliance on local taxation.

This is no different for 2024/25 and results in the recommendation to Full Council to increase in Council Tax by 4.99%.

Following 14 years of delivering savings to offset cuts in funding totalling over £483m, as well as cost pressures resulting from inflation and increased demand for vital services, means savings have become increasingly difficult to deliver without wholesale closures of service on which Sheffield residents rely.

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. Examples of the savings include, service redesigns including improved automation, reduced subsidies to leisure providers, person-centred reviews of care packages, to name a few. Delivery of these savings will require steadfast

commitment, and targeted resources from the Council to be successful. It is therefore imperative that robust action is taken to deliver planned savings and contain financial pressures over the next year.

Consequently, if overspends emerge, then the Strategic Leadership Team will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected members.

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.

For Council Tax, the extra 4.99% including the Adult Social Care Precept, delivers approximately £16m for Sheffield and is vital to close the budget gap. This is a difficult choice and will place an additional financial burden on the households of Sheffield. Most homes will see an increase of £1.17p per week. However, Sheffield is committed to supporting its most vulnerable families. To do this, £200k has been added to the Council Tax Hardship fund, bringing the total to £2.4m for 2024/25. At the same time the Council is reviewing all its support payments to residents to ensure they are targeted towards those who need it most.

The Council does not take the decision to increase Council Tax lightly but the alternative to this, finding £16m more of savings within 2023/24, will have too great an impact on vital services in the city.

A different option would have been to use reserves to balance the budget as done for 2022/23. However, placing reliance on reserves is not a prudent step for the longer-term sustainability of the Council. Our remaining reserves will instead be better targeted to one-off 'invest to save' type activity required to support savings delivery plans and transformational work. This investment will ensure the Council will be in a better place and shape to deal with the challenges and opportunities presented over the medium term.

On the point of financial sustainability, another consideration affecting the Council's decision to increase Council Tax, is the knowledge Sheffield is likely to get very little additional funding from Government in the medium term and depending on the economic performance of the country in coming years, might even see further cuts to its funding allocations from 2025/26 onwards.

However, against this financial backdrop, the Council's priorities remain clear. It will continue to maintain its critical services for the citizens of Sheffield and we will strive to deliver the priorities set out in our new Council Plan.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 The purpose of this report is to recommend to Full Council to:

- approve the City Council's revenue budget for 2024/25, including the position on reserves and balances;
- approve a 2024/25 Council Tax for the City Council; and
- note the levies and precepts made on the City Council by other authorities.

Please refer to paragraph 185 of the main report for the recommendations.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 *Yes – please see paragraphs 124 -143 of the main report*

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 *See paragraphs 144 - 184 and Appendix 9 of the main report for details.*

4.2 Financial and Commercial Implications

4.2.1 *Yes – Signed off by Liz Gough Head of Service: Finance & Commercial Business Partnering*

4.3 Legal Implications

4.3.1 *See paragraphs 74-85 of the main report*

4.4 Climate Implications

4.4.1 *See paragraphs 108 -123 of the main report*

4.4 Other Implications

(Refer to the decision making guidance and provide details of all relevant implications, e.g. human resources, property, public health).

4.4.1 *Workforce impact of this Budget are detailed in paragraphs 103-106 of the main report*

5. ALTERNATIVE OPTIONS CONSIDERED

(Outline any alternative options which were considered but rejected in the course of developing the proposal.)

5.1 *A number of alternative courses of action are considered as part of the Business Planning process undertaken by Officers before options are*

recommended to individual policy committees. 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

(Explain why this is the preferred option and outline the intended outcomes.)

- 6.1 *The City Council on 6 March 2024 meets to consider the Revenue Budget for 2024/25 and to determine the Council Tax for that year. The report provides information to enable the Council to set a budget and determine the Council Tax. The proposals set out in this report provide for a balanced budget to be recommended to Full Council.*

Sheffield City Council

Revenue Budget 2024/25



Foreword

Sheffield is a brilliant city, proud of its past and resolutely determined about its future. We are the fourth biggest city in England and have amazing environmental, cultural, sporting and heritage assets. One third of Sheffield sits in the Peak District National Park, making us England's greenest city – and we have the highest ratio of trees to people of any European city. Sheffield has also been ranked the top City in the UK (outside of London) for starting a business in the Startups Cities Index. Sheffield's strong performance was recognised across business support, talent attraction, low cost of living, large working population and fantastic transport links. Our neighbourhoods are seen as some of the most vibrant in the UK and Sheffield was proud to host the [MOBO Awards](#) in February 2024, building connections with communities, enriching lives through black music and culture and setting "a new standard for citywide cultural initiatives" (Kanya King).

Sheffield City Council has set out its priorities for the next four years in the draft Council Plan which outlines how the Council will deliver for citizens. The four-year Plan is linked to the Council's four-year Medium-Term Financial Strategy (MTFS) so that the Council has a clear view on what it is going to do in the coming years aligned to the resources available to deliver. It will allow citizens, city partners and investors to know where the Council is headed, what it stands for and give even more opportunity to hold the organisation to account.

The Council Plan is part of Sheffield City Council's commitment and contribution to Sheffield achieving its new [City Goals](#). At the heart of everything in the Plan is a determination to challenge ourselves as an organisation to make a positive contribution to Sheffield's people, the city's prosperity and the planet we share.

The Council Plan sets a new mission for the organisation **'Together we get things done'** - emphasising that the Council is committed to working together as a whole organisation, with all the city's organisations and every community to deliver for the people of Sheffield. The Council Plan is part of our Policy Framework, setting the high-level policy direction for the whole organisation which is then delivered through our key strategies, service plans and the huge contributions that our staff make to the city every day.

The Council Plan is ambitious and recognises that the commitments can only be achieved if we work with the city in everything that we do and that we focus our resources on the outcomes and priorities. The most vital resource we have is our staff and building on our values, we will empower and enable our staff to thrive so that they have a real sense of belonging in the organisation and feel they can channel the pride and passion they have for Sheffield in the work they do every day.

A fundamental principle of the Council Plan is a closer alignment of expenditure and the Council's priorities. Sheffield's prudent approach to fiscal management, means we have a stable footing from which to deliver the required changes to support delivery of the plan. This is going to result in a move towards more outcome-based budgets from

2025/26 to maximise the effectiveness of delivery against the priorities. However, any changes in approach and allocations of financial resources will still need to be delivered within the constraints of the medium-term financial envelope.

To support continued development and progress, the Future Sheffield programme will drive the changes we need as an organisation to become a learning, listening, customer-focused Council that has a strong culture of performance and delivery, values people and drives out discrimination where it exists.

During 2023 a fundamental revision and refresh of the Council's performance management framework has taken place to align with development of the new Council Plan and strategic outcomes.

The Performance Framework sets out how performance measures, risk management and budget monitoring are aligned to present a comprehensive picture of the Council's overall performance in terms of council plan outcomes, service delivery and financial management. We will report our progress and performance publicly, in line with our commitment to openness, transparency, and accountability.

We should be proud of how the city has responded to the unprecedented crises we have faced in recent years including Covid and the cost-of-living crisis alongside statutory partners, Sheffield's Voluntary, Community, Faith and Social Enterprise sector. After over a decade of cuts to Council budgets from central government and the scale of the recent challenges we have faced the Council must maintain a focus on financial sustainability.

By the law the Council must set 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 will 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.

It has become increasingly hard to do this despite recent improved funding settlements from Government. Along with other Councils, Sheffield City Council continues to lobby Central Government to recognise the full impact of a decade of cuts in its and national Local Government funding between 2010 and 2020. The fact remains that Sheffield has 26% or £858 per household less to spend in real terms, when compared to 2010/11. This reduction is well above the national average of approximately 18% or £556 per dwelling.

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This is no different for 2024/25 and results in the recommendation to Full Council to increase in Council Tax by 4.99%.

Following 14 years of delivering savings to offset cuts in funding totalling over £483m, as well as cost pressures resulting from inflation and increased demand for vital

services, means savings have become increasingly difficult to deliver without wholesale closures of service on which Sheffield residents rely.

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. Examples of the savings include, service redesigns including improved automation, reduced subsidies to leisure providers, person-centred reviews of care packages, to name a few. Delivery of these savings will require steadfast commitment, and targeted resources from the Council to be successful. It is therefore imperative that robust action is taken to deliver planned savings and contain financial pressures over the next year. Consequently, if overspend emerges, then the Strategic Leadership Team will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected Members.

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.

For Council Tax, the extra 4.99% including the Adult Social Care Precept, delivers approximately £16m for Sheffield and is vital to close the budget gap. This is a difficult choice and will place an additional financial burden on the households of Sheffield. Most homes will see an increase of £1.17p per week. However, Sheffield is committed to supporting its most vulnerable families. To do this, £200k has been added to the Council Tax Hardship fund, bringing the total to £2.4m for 2024/25. At the same time the Council is reviewing all its support payments to residents to ensure they are targeted towards those who need it most.

The Council does not take the decision to increase Council Tax lightly but the alternative to this, finding £16m more of savings within 2024/25, will have too great an impact on vital services in the city.

A different option would have been to use reserves to balance the budget as done for 2022/23. However, placing reliance on reserves is not a prudent step for the longer-term sustainability of the Council. Our remaining reserves will instead be better targeted to one-off 'invest to save' type activity required to support savings delivery plans and transformational work. This investment will ensure the Council will be in a better place and shape to deal with the challenges and opportunities presented over the medium term.

On the point of financial sustainability, another consideration affecting the Council's decision to increase Council Tax, is the knowledge Sheffield is likely to get very little additional funding from Government in the medium term and depending on the

economic performance of the country in coming years, might even see further cuts to its funding allocations from 2025/26 onwards.

However, against this financial backdrop, the Council's priorities remain clear. It will continue to maintain its critical services for the citizens of Sheffield and we will strive to deliver the priorities set out in our new Council Plan.

BUDGET REPORT 2024/25

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2024/25 REVENUE BUDGET

REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE AND COMMERCIAL SERVICES

Purpose of the Report

1. The purpose of this report is to:
 - recommend to Full Council the City Council's revenue budget for 2024/25, including the position on reserves and balances;
 - recommend to Full Council to approve a 2024/25 Council Tax for the City Council; and
 - recommend to Full Council to note the levies and precepts made on the City Council by other authorities.

Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves

Key messages

The Section 151 Officer (Director of Finance and Commercial Services) has reviewed the adequacy of reserves and the robustness of the estimates behind calculating the budget requirement in line with the requirement under Section 25 of the Local Government Act 2003.

He has concluded that reserves remain adequate and estimates robust. However, the Council's financial position is deteriorating during 2023/24 due to funds required to support the in-year overspend of £17.4m.

In addition, the Council requires the delivery of £7.5m of savings schemes to balance the 2024/25 budget. In practice some of these schemes will prove difficult to implement in whole or part following consultation, and a number are unlikely to deliver a full year of savings during 2024/25. These challenges mean that further reserves might be needed to balance the 2024/25 financial position.

It is therefore imperative that robust action is taken to deliver planned savings and contain financial pressures over the next year. If this action is not taken successfully, the Council's position will become financially unsound from 2025/26 onwards.

Consequently, if overspends emerge, then the Council's Strategic Leadership Team (SLT) will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected Members.

2. The Chartered Institute of Public Finance & Accountancy (CIPFA) published the Financial Management Code in October 2020, which included the Financial Management Framework as a way of self-assessing compliance with the Code. Part of the Framework reinforces the requirement under Section 25 of the Local Government Act 2003 for the Section 151 Officer (Director of Finance and Commercial Services) to review the adequacy of reserves and the robustness of the estimates behind calculating the budget requirement. This section specifically addresses this requirement, with relevant data referenced elsewhere within this Report.

The adequacy of reserves

3. **Appendix 5** details the Council's current reserves and balances, and the overall strategy for the coming years. Holding reserves is part of good financial management for any organisation, and the Council holds reserves mostly against future liabilities (earmarked reserves). Our overall reserves levels are in line with other major cities in the country. However, unearmarked reserves set aside to deal with unknown emergencies, at £15.1m benchmarks as low compared to other authorities.
4. The Council maintains a Medium Term Financial Analysis (MTFA) to assess the risks within the Council's financial position. The MTFA is reviewed alongside the Reserves Strategy to assess the level of future sustainability.
5. This section, read together with Appendix 5, satisfies the requirement to review reserves balances and confirms them as adequate in the medium term. However, this year the risks to the Council's reserve position have increased and there are a number of challenges that threaten the sustainability of the Council's budget.
6. The main challenge for 2024/25 as with prior years, is the Council's ability to continue to deliver savings and manage increased pressures. The Council has a good track record of delivery, but ten years of reductions during austerity make it harder to find more savings every year. For 2024/25 the Council needs to make £7.5m of savings. Whilst savings of this value have been put forward as part of balancing this budget, it is likely a proportion will not have a full-year impact in 2024/25 (i.e. the time needed to implement the underpinning service changes means that savings will not start to accrue from 1st April, but will start later in 2024/25) In addition, it is inevitable there will be unforeseen difficulties in implementing some schemes, or these schemes will not deliver the full amounts expected.

7. To support the delivery of savings and offset any potential slippage in the total amount of expenditure reductions during 2024/25, the Council has identified up to £5m of contingency and transformation funding within its budget.
8. If the contingencies detail above and/or the management action set out in paragraph 9 below prove insufficient to fully offset any in year budget gap, the Council has identified up to £13.3m of its earmarked reserves to meet this financial gap. Prudent financial management in previous years meant the Council was able to identify £70m of reserves during 2020/21 to support budget pressures. However, the combination of a £19.8m overspend in 2021/22, the budget gap of £14.5m in 2022/23, an overspend of £5.0m in 2022/23 and the forecast month 6 overspend in 2023/24 of £17.4m, means an estimated £56.7m of these reserves will be used by the end of 2023/24. However, a one-off collection fund surplus of £12.5m for 2024/25, discussed in a later section of this report, will be added to support this reserve. This will provide a total £25.8m available to support future budget overspends. Using any of these reserves during 2024/25 would, however, leave the Council with significantly less room for manoeuvre in setting its budgets for 2025/26 onwards.
9. It is imperative that the Council's agreed savings schemes deliver in full, with any further cost pressures that occur during 2024/25 onwards being fully controlled and mitigated. If this does not happen, then the Council will have to use its remaining reserves in a more risky and less sustainable manner to resolve its budget gaps. Such a strategy would mean that the s151 Officer might not be able to conclude that the Council's Budget is sustainable, or its level of reserves is adequate. Consequently, if overspends emerge, then SLT will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected Members.

The robustness of estimates behind the budget requirement

10. This Report proposes a budget requirement of £543.8m, and a Band D Council Tax charge of £1,932.56 for the year 2024/25. The calculations behind these figures are reported principally within **Appendix 6**, though the calculations are based on estimates from a number of sources that are also published within this Report. The publication and inclusion of relevant estimates within this document stands as confirmation of their robustness. The Council has a proven track record of establishing realistic and robust balanced budgets, relying on its specialist functions of business and financial planning.

11. The Business Planning Process is described below at paragraph 23 and informs the Committee Business Implementation Plans ¹.
12. The Council's main sources of income when setting its budget are Council Tax, retained Business Rates and specific grant funding. These income streams can be subject to considerable variation year on year. The Business Rate position is discussed at paragraph 34, and the grant funding position is discussed at paragraph 32.
13. The Council maintains a Risk Register to assess the main financial risks facing the Council. In doing so, the Council maintains an awareness of issues that would greatly prejudice the accuracy of the estimates in the Budget.

Medium Term Financial Outlook

Key messages

The September 2023 Medium Term Financial Analysis predicted an overall funding gap of approximately £61.2m between 2024/25 to 2027/28.

Growth in demand for services and cost inflation continues to outstrip additional funding available from Government or local taxation over the medium term.

Planning beyond 2024/25 will have to be based on prudent assumptions, including very limited if any support from Government after 2025/26.

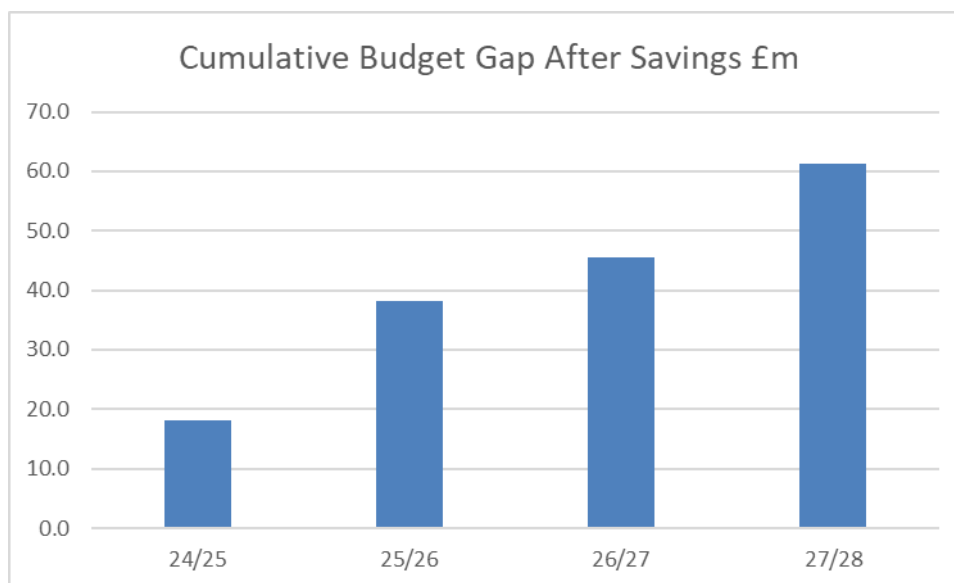
Information from the Autumn Statement and details provided in this year's Settlement, suggest the assumptions in the MTFAs will need to be revised in early 2024/25 and will worsen the medium term position.

14. This budget has been set in the context of the likely resources available and calls on those resources over the medium term to ensure sustainability. The Medium Term Financial Analysis (MTFA), published in September 2023, set out the Council's latest financial forecast for the period 2024/25 to 2027/28.
15. The Council's social care services continue to experience significant cost and demand pressures which, even with the additional social care funding announced in the 2023/24 Settlement, completely outstrip the growth in local taxation in the medium term.

¹ The Business Implementation Plans (BIPS) are published online here; <https://www.sheffield.gov.uk/home/your-city-council/budget-spending>

16. Outside of the social care services, the Council is still suffering from high inflation on its major contracts in 2024/25 and a loss in Housing Benefits Subsidy on Short Stay and Supported Accommodation. Above inflation wage increases in the private sector are also putting additional pressure on all Council services.
17. The following graph, Figure 1, shows the forecast cumulative net gap of £61.2m by 2027/28 as per the published MTFA (September 2023).

Figure 1



Reform to Local Government funding

18. The Council's financial planning continues to be hampered by complicated and relatively short-term Spending Review announcements by Central Government. The Provisional Settlement announced on the 18th December 2023 was no different with a one year settlement.
19. Future allocation around grants such as New Homes Bonus funding and Services Grant are now more uncertain. Our September 2023 MTFA assumptions were that these grants would either continue at current levels or be redistributed back to Local Authorities on a need's basis. However, these grants are now being cut to fund increases elsewhere in the settlement.
20. The Autumn Statement set out the Governments fiscal headroom over the next 5 years, with the majority of public spending increases being frontloaded into 2024/25. There are limited increases to public spending beyond 2024/25 and with spending commitments to protected services such as the NHS and MoD already confirmed, real terms cuts to unprotected services such as Local Government are inevitable.

21. In addition, the Government had still been considering whether to, and how to, re-allocate the total amount of funding it makes available between different types of authorities. This is known as the 'Fair Funding Review' and has been delayed for several years by the 2019 General Election and the Covid pandemic. It has now been confirmed this review will not take place during this parliament and therefore cannot realistically be implemented before 2026/27. However, there is a consensus amongst some public sector finance commentators that there is now insufficient funding with the Local Government system to successfully implement a Fair Funding review in its current format. Therefore, any material redistribution of funding is unlikely, especially given the current financial failure rate of councils.
22. For the reasons set out above, planning beyond 2024/25 will have to be based on prudent assumptions, including very limited support from Government after 2024/25.

Business Planning for 2024/25

Key messages

Contract inflation and the increasing demand for services continue to outstrip available resources over the medium term.

Budget savings, service efficiencies and increased income will have to be delivered during 2024/25 and beyond, in order to achieve a balanced budget.

For 2024/25 there is a significant uplift in the amount of funding available via government grants and local taxation, reducing the budget targets for each Committee.

Committees worked with officers of the Council to identify savings packages to offset these remaining budget targets. These were proposed to the Strategy and Resources Committee and are recommended to Full Council in March 2024.

23. The Council's approach to managing its financial position in the medium term is controlled through the Business Planning process. This requires Committees to develop Business Implementation Plans (BIP's), which show what activities will be provided in 2024/25 for a specified cash limited budget. The Business Planning process for 2024/25 began in conjunction with the publication of the MTF A report to the Strategy and Resources Committee in early September 2023.
24. As reported in the MTF A and detailed above, significant budget pressures such as contract inflation and the increasing demand for services continue to outstrip available resources over the medium term. For example, adults social

care pressures were forecast to be £82m between 2024/25 and 2027/28, offset by only £4.7m of anticipated additional income. Consequently, budget savings, service efficiencies / transformations and increased income will have to be delivered during 2024/25 and beyond, in order to achieve a balanced budget over the medium-term and protect our front-line services.

25. For 2024/25 however, there is significant additional funding to support the budget process. This funding includes, local taxation income including the adult social care precept, inflation linked Central Government funding and the preannounced service specific grants in social care. This substantial increase in income reduced the level of savings required by each committee.
26. The process agreed by Strategy and Resources for the application of the additional funding was as follows:
 - Anticipated 2024/25 pay awards were funded for all Committees.
 - Adult Social Care Precept is applied to the Adult Health & Social Care (AHSC) Committee. In addition, the AHSC receives 69% of the Social Care grant available, with Education, Children & Families Committee receiving the rest. This allocation is based on their relative shares of the original social care pressures for 2024/25.
 - Funding was allocated towards significant contract inflation pressures which are out of the control of the relevant committee. Examples include the waste contract, highways and Microsoft licencing. Corporate funding was also set aside to cover the significant increase in Housing Benefit subsidy losses.
 - The remaining income was allocated to committees based on their share of Net Revenue Budget.
27. Following the allocation of the additional income, each policy committee applied inflationary increases to sales fees and charges, where possible and just, to arrive at a final budget target.
28. In order to achieve these budget targets, varying approaches to savings are being undertaken as set out in the Business Implementation Plans and summarised in **appendix 2** of this report.
29. Not all Committees were able to achieve the savings targets and will therefore receive additional funding for 2024/25. This is discussed in more detail within the 'Development of Committees Budget' section of this report.

Formulation of the Budget for 2024/25

Key messages

The Council is required by statute to set a balanced budget. There are several stages involved in formulating a balanced budget; these include:

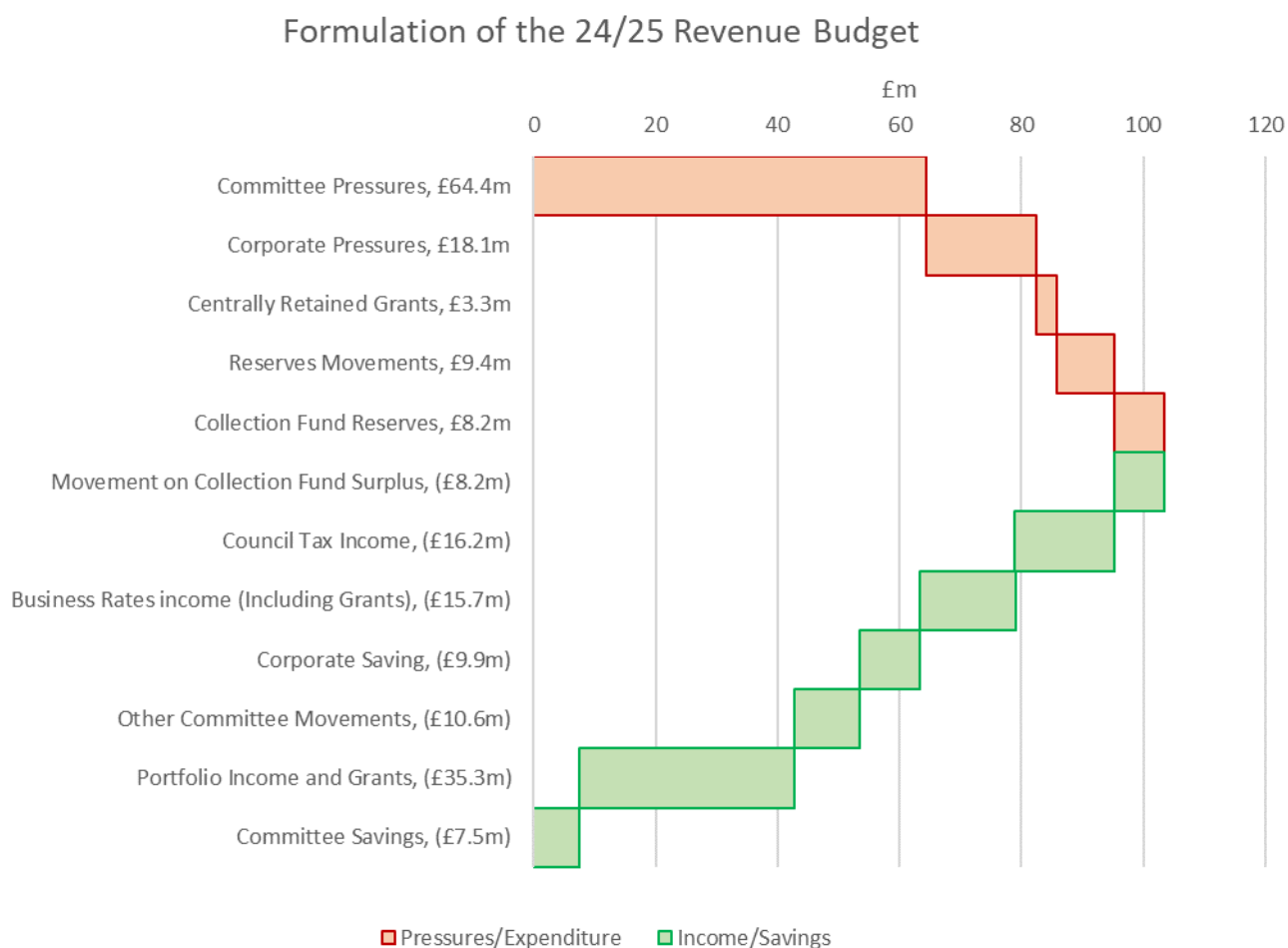
- the assessment of likely increases or reductions to income sources such as Central Government grants, Council Tax and Business Rates.
- assessment of increased expenditure for both Corporate funded items and cost pressures within Committees resulting from increased demand for services, cost inflation and planned investments.
- the resulting Budget Gap from the above two stages have to be met by delivery of budget savings. Should the level of savings be insufficient to meet this Gap, the Council's reserves must be used.

The 2024/25 budget has been set without the use of unplanned draws from reserves.

The following sections provide details of the assessments undertaken and the processes followed to ensure the 2024/25 budget is balanced.

30. In formulating the Budget for 2024/25, there are a number of adjustments that will need to be made to reflect variations in costs and resources, some of which are outside of the control of the Council, whilst others reflect the continuation of current Council policy and/or the Council's priorities.
31. The following sections show those items that have been included in the proposed budget, along with a summary graph (Figure 2) which demonstrates how the Council's revenue budget for 2024/25 has been balanced.

Figure 2



Local Government Finance Settlement

Key messages

The annual Provisional Local Government Finance Settlement was announced on the 18th December 2023 and confirmed on the 7th February 2024. The Financial Settlement sets out funding allocations from Central Government for the year 2024/25.

This confirmed, among other things, various grants payable to the Council for the year such as additional Social Care funding, cuts to some non-ringfenced grants including New homes Bonus and Services Grant, the level of Business Rates compensation funding, as well as, the referendum threshold for Council Tax.

32. The Government announced details of the Provisional Local Government Finance Settlement for 2024/25 on 18th December 2023, an additional Written Statement was issued on the 24th January 2024 increasing funding

allocations, with the Final Settlement allocations being presented to the House of Commons on the 7th February 2024.

33. Below is a summary of the key points set out in the Final Settlement which impact on the 2024/25 budget for the Council:

Centrally Retained Grants

- Revenue Support Grant (RSG) for Sheffield will increase in 2024/25 by around £2.9m or 6.7% in line with CPI as at September 2023.
- As part of the 2022/23 Financial Settlement a new grant titled '2022/23 Services Grant' was announced. SCC's share of the grant was £10.0m but was cut by £4.4m in 2023/24. This grant will see a further substantial and unexpected £4.6m reduction in 2024/25. This grant reduction is being used to fund increases elsewhere within the settlement such as RSG and the 4% minimum funding guarantee. This created a new pressure for SCC's budget.
- An additional 1-year award results in a decrease to New Homes Bonus funding for SCC of £1.6m. This is due to slow building growth during 2022/23. No legacy payment will be due on this award.

Service Grants

- The Provisional Settlement announced additional Social Care Support Grant (SCSG) of £8.8m for 2024/25. £6m of this funding was anticipated and assumed within Business Planning. The additional £2.8m resulted from the equalisation of the grant to consider Local Authorities differing abilities to raise social care funding via the ASC precept.
- A Written Statement was announced by Government on the 24th January increased the Council allocation of Social Care Support Grant funding by a further £5.6m. This funding is to be directed toward Childrens Social Care issues. By the 24th January, the Education, Childrens and Families Committee had agreed a balanced budget. This funding will therefore be held corporately until agreement on its use is reached during 2024/25.
- Improved Better Care Fund Grant is to be increased by £2.7m for 2024/25 in relation to new burdens around hospital discharge.

Collection Fund

- The Government announced modifications to the Business Rates system for 2024/25, which included splitting the 'Standard' and 'Small' Business Rates Multipliers. The Government is freezing the Small Business Rates Multiplier with SCC being compensated for the loss in income. In addition, the Retail, Hospitality and Leisure Relief has been

extended for 2024/25, again with SCC to be compensated for any losses. The total increase in anticipated business rates related grants is £10.4m. Full details of the forecast changes to Business Rates income including the impact of the Local Government Finance Settlement are detailed in the following section.

- The overall referendum trigger for Council Tax increases has been set to 5% and will accommodate authorities' ability to raise a 'Social Care Precept' of up to 2%. The threshold for Core Council Tax before a referendum is triggered is increased to 2.99% for 2024/25. Full details of the anticipated increase to Council Tax income for 2024/25 are reported later in this report.

Business Rates Income

Key messages

The Council retains 49% of business rates collected within the authority (remainder paid to Government and South Yorkshire Fire & Rescue Authority). The Council also receives grant income, to top up this income to the level of a set 'baseline' need and to compensate for reliefs.

For 2024/25, the Council will receive £200.8m of income from business rates and associated grants. This is £15.7m more than budgeted for in 2023/24.

34. The Council collects all of the business rates in its area, but only retains a set portion (49%). The remainder is paid over to Government (50%) and South Yorkshire Fire & Rescue Authority (1%).

Overall Business Rates Estimate for 2024/25

35. The net business rates allocated to the Council is £94.4m (£90.1m in 23/24).
36. The Council may retain 100% of the business rates collected from designated renewable energy hereditaments and the designated New Development Deal (NDD) hereditaments (including some of the Heart of the City 2 development). This is shown in the table below and brings the Council's share of business rates income to a total of £97.9m. Additionally, the Council will receive £102.8m of related grant income (£92.4m in 23/24) and overall, business rates-related income will increase £15.7m.

Table 1 (23/24 grant values restated)

All figures in £k	2023/24	2024/25	Change (+/-)
Net Business Rates	(90,134)	(94,415)	(4,281)
Designated Area Business Rates (NDD)	(863)	(1,696)	(833)
Renewable energy amounts	(1,697)	(1,810)	(113)
South Yorkshire Investment Zone	0	(28)	(28)
Total Income from Business Rates	(92,694)	(97,949)	(5,255)
Business rates top up grant	(51,146)	(55,654)	(4,508)
NNDR1 grants incl. small rate relief	(7,694)	(8,717)	(1,023)
Business Rate Inflation Cap (BRIC) grant	(27,055)	(32,181)	(5,126)
Retail Hospitality and Leisure Relief	(6,458)	(6,266)	192
Total related grant income within NNDR1	(92,353)	(102,818)	(10,465)
Total income from Business Rates in 24/25 Budget	(185,047)	(200,767)	(15,720)

37. The Council is estimated to retain £97.9m of business rates in 24/25 (increase of £5.3m from 23/24). This is mainly to do with the uplift of the ‘standard’ multiplier (payable when a ratepayer occupies premises with Rateable value over £51k) in line with CPI inflation of 6.7% at September 2023. The decision over multiplier increases is taken annually by Central Government, and this uplift was confirmed in the Autumn Statement 2023.
38. A new income stream for the Council has begun relating to the successful bid for an Investment Zone within South Yorkshire. The Investment Zone in Sheffield relates to a 134 hectare area which includes parts of the City Centre, Attercliffe and the new West Bar developments. From 1st April 2024, growth above a baseline set as at November 2023 will be retained locally. This is a relatively modest income stream currently, but is forecast to grow following investment and construction within that zone in the medium term.
39. The Council will also receive £102.8m of grant income, which is an increase of £10.5m to 23/24. £4.5m of this is an increase to Sheffield’s allocation of top up grant. £2.4m of this particular increase is due to the impact of inflationary uplifts to the top up grant calculation, and the remainder is a technical adjustment relating to the 2023 Revaluation of the national ratings list.
40. The Council will receive a combined £6.0m increase to grant income relating to Business Rates Inflation Cap compensation (BRIC) and compensation for relief schemes. Taken together, this net increase is largely due to the Government’s decision to freeze the multiplier payable on ‘small’ hereditaments (below £51k) and the Government’s commitment to compensate authorities for this decision.

Council Tax income

Key messages

Subject to Council approval, the Council Tax rate will increase by 4.99%, comprising 2.99% for the Core Council Tax and 2% for the Adult Social Care Precept.

The majority of dwellings in the Council's area are Band A, and as such will see an increase the equivalent to £1.17 per week.

There are approximately 146,975 Band D equivalent properties on which to charge Council Tax, an increase of approximately 1.0% from 2023/24.

The Council will therefore receive £284.0m of income via Council Tax, which is £16.2m greater than 2023/24.

This Report recommends the 4.99% increase to Council Tax.

Council Tax base for 2024/25

41. It is proposed to set a Council Tax Requirement of £284.0m for 2024/25 based on a 4.99% increase. This includes the application of the 2% increase for Adult Social Care precept. This results in a Band D tax charge of £1,932.56, including the Adult Social Care precept, without any discounts or exemptions.
42. This includes a determination that the Council Tax base – the number of properties on which a tax can be charged – will be 146,975 Band D equivalent properties, compared to 145,490 in 2023/24. This increase in tax base is due to estimates of the overall net growth in the tax base over the next financial year as new properties are constructed, as well as an increase in the estimated rate at which the Council will collect Council Tax from taxpayers from 95.5% in 23/24 to 96% for 24/25. In recent years, the budgeted Collection Rate has been lower than the actual collection rate, so increasing the budget collection rate reflects a better match to the available data.
43. The phrase “Band D equivalent properties” is used throughout this report because Band D is used by the Government as the standard for comparing Council Tax levels, between and across local authorities. This measure is not affected by the varying distribution of properties in bands that can be found across authorities. A definition of Council Tax can be found in **Appendix 11**.
44. Nearly 60% of dwellings in the Council's area are within Band A, and as such this charge is calculated at 6/9ths of the Band D charge, or £1,288.36 for 2024/25 (£1,227.13 for 2023/24), the equivalent to a £1.17 per week increase before any applicable discounts/exemptions. More information on discounts and exemptions can be found here - <https://www.sheffield.gov.uk/council-tax>

45. The Council recognises that any increase in Council Tax can impact on vulnerable people and families. To mitigate the increase in Council Tax, we will increase the Council Tax Hardship Fund by £200k in 2024/25. The Hardship Fund will total £2.4m and is reviewed on an annual basis.
46. A summary of the Council Tax levels by band can be found in Table 5 in the 'Financing the 2024/25 Budget Requirement' section of this report. Further details can also be found in **Appendix 6**.

Council Tax referenda

47. The Localism Act 2011 introduced the requirement for a local authority to determine whether its Council Tax for a financial year is excessive. If the Council Tax were to be considered excessive per the Act, a referendum is required in respect of that amount.
48. The final Local Government Finance Settlement² confirms that an authority's relative basic amount of Council Tax for 2024/25 is excessive if the authority's relevant basic amount of Council Tax for 2024/25 is 3% more than its relevant basic amount of Council Tax for 2023/24 or its Adult Social Care precept increase for 2024/25 is greater than 2% of the relevant basic amount of Council Tax for 2023/24. This Budget report does not include increases that would be considered 'excessive' by this definition, thus no referendum is required.

Premium Council Tax Charges

49. As a billing authority, the Levelling Up and Regeneration Act 2023 allows the Council to charge premium Council Tax charges in the following situations:
 - A 100% premium charge where a property has been unoccupied and substantially unfurnished (or 'long term empty premium') for longer than 12 months, and:
 - A 100% premium charge where a property is substantially furnished and occupied periodically (or 'second home premium').
50. The Council is asked, in the recommendations to this Report, to note the decision of the Finance Committee on Monday 19th February to implement the changes to the long term empty premium with effect from 1st April 2024, and the second home premium with effect from 1st April 2025.

² [Referendums Relating to Council Tax Increases \(Principles\) \(England\), 2024 to 2025](#).

51. The Council previously operated a long term empty premium charge. The table below outlines the changes to the overall regime following the decision taken on 19th February (change indicated by italics):

%age premium charge for Empty Properties	up to 31/3/24	from 1/4/24
0 to 1 year	0%	0%
1 to 2 years	0%	<i>100%</i>
2 to 5 years	100%	100%
5 years to 10 years	200%	200%
10 years plus	300%	300%

52. As above, the Council Tax base for the 2024/25 Budget was determined on 13th January 2024, and cannot be subsequently changed. Because of the timing of the Finance Committee decision, the additional tax base created by premium charges to long term empty properties is not included within the 2024/25 taxbase decision. Therefore, this decision creates no additional income for the 2024/25 Budget. Any income recognised because of the premium charge will therefore be recognised in the 2025/26 Budget as part of either a collection fund surplus or deficit (dependant on the overall performance of the collection fund in 2024/25.)
53. The 2023 Act provides that the Council can only introduce the second home premium where the determination has been made at least 1 year prior to its introduction. Hence, the second home premium will have effect from 1st April 2025.
54. Both types of premium charge – long term empty and second home – will be factored within the tax base determination for the 2025/26 Budget.

Collection Fund Deficit / Surplus

Key messages

For 2024/25, the Revenue Budget includes an overall Collection Fund surplus allocation of £12.5m. This is an improvement of £8.2m when compared to last year's figure.

This surplus will be transferred in full to the Budget Contingency Reserve, to protect the Council's general revenue position.

55. The below table shows the detail behind the overall £12.5m surplus allocation.

Table 2

All figures £m	Council Tax	NNDR	Total
Reconciliation of prior year (surplus)/deficit	(2.1)	(4.8)	(6.9)
Estimate of 23/24 (surplus)/deficit	(2.6)	(3.0)	(5.6)
Total Collection Fund (Surplus)/Deficit Payments in 24/25	(4.7)	(7.8)	(12.5)
Surplus funding applied to Budget Risk Reserve	4.7	7.8	12.5
Remaining (surplus)/deficit payments in 24/25	0.0	0.0	0.0

56. The Council Tax side of the Fund is in a healthy position – a £2.1m reconciling surplus from 22/23 outturn, and an estimated £2.6m surplus at outturn 23/24. In both years, this relates to a better than expected performance of the payments rates of Council Tax, requiring less to be set aside to protect against the risk of default.
57. The NNDR position is similarly healthy, though for different reasons.
- The £4.8m reconciliation relating to 22/23 is due to the end of the period where ratepayers can appeal their liability relating to the 2017 Rating List (a new List began from 1/4/23). The £4.8m surplus relates mainly to the unwinding of the appeals provision, given that appeals were now time-barred.
 - The £3.0m surplus relating to 23/24 reflects a number of factors that mean there is more rating income receivable – this includes lower reliefs claimed, improved cash collection rates and lower loss on appeal compared to the budget estimates in year.
58. The Council Tax and NNDR outturn positions for 2023/24 must be reconciled within the 2024/25 Revenue Budget, and it is prudent to examine the surrounding economic context. It is uncertain how inflationary pressures will impact upon liability to local taxation, and how the local economy (in particular, house building and business growth) will react to decisions taken at a national level. The Collection Fund surplus will be transferred to reserves to protect the Council’s general revenue position.

Balances and Reserves

Key messages

2024/25 sees a £17.6m reduction in the use of / increased contributions to reserves when compared to 2023/24. This is mainly the result of a £9.3m reduction in reserves required to service the Major Sporting Facilities (MSF) external debt and an increased contribution of £8.2m to reserves resulting from the 2023/24 collection fund surplus.

Attached to this report as **Appendix 5** is the Council's Reserves Strategy showing details of the reserves held and planned uses.

59. 2024/25 sees a £17.6m reduction in the use / increase in contributions to reserves when compared to 2023/24. This is mainly due to:
- £9.3m reduction in use of reserves required to service the Major Sporting Facilities external debt. The final payment for this debt was made during 2023/24 and therefore no further draws from reserves are required.
 - As detailed in the Collection Fund section, the net surplus/deficit is usually carried to/funded by reserves in order to protect the revenue budget from fluctuations in local taxation. The overall surplus of £12.5m (£8.2m increased contribution for 2024/25) will, however, be added to the Budget Contingency Reserve to replenish recent draws on these reserves and support longer term sustainability. It is the view of the Director of Finance and Commercial Services, that sufficient funds remain within the Collection Fund Reserve to protect the Council from any short-term fluctuations in the fund.
60. The Director of Finance and Commercial Services has reviewed the position relating to Reserves and has produced a Reserves Strategy which is attached at **Appendix 5**. This sets out the estimated requirement for Reserves to meet expenditure in 2024/25, and/or smooth costs in future years, for various purposes and explains the purpose of each earmarked reserve. This report also includes the statutory statement (section above) from the Director of Finance and Commercial Services on the sustainability of reserves and the budget.

Corporate Contingencies & Expenditure / Savings

Key messages

The Corporate budgets support Council wide spending and investments. These include items such as the Capital Financing budget, redundancy provision, business change budget and contingencies to support Committee spend / saving delivery. These budgets are set to increase by £18.1m for 2024/25.

Corporate savings agreed totalling £9.9m partly offset this but creates an overall pressure for the corporate budgets of £8.2m for 2024/25.

61. There are a number of proposed additions to the budget for 2024/25, which are to be held corporately. The most significant additions are as follows:
- Housing Benefit - £7.9m has been set aside to cover the significant increase in Housing Benefit subsidy losses for Exempt Properties and contributions to support the large increase in Homelessness accommodation costs around housing benefits support. This budget is intended as a contingency to be used to support in-year overspends, whilst the service develops plans to reduced costs, and the Council makes representations to the Department for Work and Pensions for increases to their contributions, to better reflect the real costs.
 - Heart of the City 2 - £8.5m: additional funds are required to support the Heart of the City 2 project capital financing costs. This increase is partly offset by an additional £2.1m of rental income and £1.4m growth in forecast business rates income. A net increase in costs of £5m for 2024/25. It is worth noting these capital financing charges are expected to be reduced and/or mitigated in the medium term as properties are either disposed of or tenanted.
 - Council Tax Hardship - £0.2m: these funds have been set aside to increase the amount of support provided to those least able to cope with the cost of Council Tax. The Council's Hardship fund will be a total of £2.4m for 2024/25.
 - As mentioned in the LGFS section of the report, a Written Statement was announced by Government on the 24th January increased the Council's allocation of Social Care Support Grant funding by a further £5.6m. This funding is to be directed toward Childrens Social Care issues. By the 24th January, the Education, Childrens and Families Committee had agreed a balanced budget. This funding will therefore be

held corporately until agreement on its use is reached during 2024/25. This has a nil effect on the corporate budgets.

62. There is also a proposed corporate reduction in spending totalling £9.9m to partly offset the pressure detailed above. The details are as follows:
- Capital Financing - £9.9m: the Council currently holds high cash balances and therefore is not anticipating the need to borrow funds for capital works in the near future. Improved interest rates forecast result in the Council is getting greater than expected returns on its investments. In addition to these improvements, the Council continues to settle old debt. The combination of these factors means that in the short term, the capital financing budget can be reduced to support the wider Council. It should be noted, this is not a permanent position and as cash balances inevitably fall, the Council will need to borrow. Interest rates are also forecast to reduce during 2024 and therefore this budget will have to be kept under review to ensure sufficient funds are available to support the borrowing requirements over the medium term.

Development of Committee Budgets

Key messages

Changes to Committee budgets are the result of pressures identified in services, offset by savings proposed, additional income, and changes resulting from technical adjustment and/or planned draws to/from reserves.

In contrast to 2023/24, all Committees will receive additional core funding to support service delivery during 2024/25.

63. The following table (table 3) shows how the Committee budgets (excluding Corporate items) are proposed to change from 2023/24 to 2024/25. The four main reasons for changes to Committee budgets are:
- Pressures £64.4m – further details can be found in both **Appendix 1** as well as the budget implementation plans at the following link: <https://www.sheffield.gov.uk/your-city-council/budget-spending>
 - Savings £7.5m – further details can be found in the Savings Summary in **Appendix 2** of this report and /or the budget implementation plans at the following link: <https://www.sheffield.gov.uk/your-city-council/budget-spending>;
 - External Income £35.3m – this is external income from Sales, Fees and Charges but also increases to service specific grants. further details can

be found in the External Income Summary in **Appendix 3** of this report and /or the budget implementation plans at the following link:
<https://www.sheffield.gov.uk/your-city-council/budget-spending>

- Other movements / Investments (£10.6m net reduction) –The £10.6m includes virements to/from corporate items to Committee budgets and are detailed below table 3.

Table 3

	Restated Budget 2023/24	Pressures '2024/25	Savings '2024/25	Income '2024/25	Investments / Other Movements '2024/25	Budget '2024/25
	£000	£000	£000	£000	£000	£000
Committee budgets:						
Adult Health & Social Care	142,387	37,420	(4,101)	(25,803)	0	149,903
Communities, Parks & Leisure	35,617	2,601	(812)	(444)	(10,100)	26,862
Economic Development & Skills	8,161	771	(100)	0	0	8,833
Education, Children & Families	115,342	12,004	(1,455)	(8,004)	500	118,387
Housing	5,484	1,247	(285)	(304)	0	6,142
Strategy & Resources (Excluding Corporate)	65,021	4,448	(437)	(96)	(1,020)	67,917
Transport, Regen & Climate	25,120	850	0	(300)	0	25,670
Waste & Street Scene	65,706	5,047	(300)	(310)	0	70,143
	462,839	64,388	(7,490)	(35,261)	(10,620)	473,857

Note **Appendix 4** will reconcile between the figure above, and the Net Budget requirement of £543.8m shown in paragraph 76.

Investment and Other Movements

64. These adjustments are corporate transfers of funding for pre-agreed programmes to cover programme expenditure. Details of the most significant transfers are as follows:

- Communities Parks and Leisure Committee – The £10.1m budget reduction reflects the repayment profile of the Major Sporting Facilities external debt. The final payment for this debt was made during 2023/24 and therefore no further budget support is required.
- Education, Children & Families Committee – Mainly Dedicated Schools Grant (DSG) £0.5m; to support services historically funded by DSG where the grant is no longer available, but the service continues to be vital to the city's young people.
- Strategy and Resources Committee – The £1.0m budget reduction mainly reflects the additional income target of £2.1m for service in relation to the Heart of the City 2 Development. This budget reduction / increase income target is used to partly offset the additional capital financing requirements of the scheme. The HotC2 corporate movement is partly offset by a £0.8m transfer to Local Area Committees (LAC's) to

support local decision making and delivery of priorities for local communities.

Changes to overall Core Funding to Committees

65. As can be seen from table 3, if the technical adjustments are ignored, all Committee's budgets are increased for 2024/25. The total budget uplift excluding corporate budgets is £21.6m.
66. The following section sets out the details of some of the major movements within the Committees. The details are as follows:
- Adults Health and Social Care Committee will see an increase of £7.5m or 6% of Net Revenue Budget (NRB) in core funding for 2024/25. This excludes the 18% of NRB or £25.8m of additional external income provided through the Social Care Grants (£16.9m), additional income from Partners of (£1.5m) and Sales Fees and Charges (£7.4m). Despite this increase in core funding and external income, the Committee still needs to deliver £4.1m of savings to offset more than £37m worth of pressures. These pressures are predominantly arising from annual inflation uplifts on care fees and pay, in addition to increasing demand for services, particularly for people with learning disabilities. Additional staffing in response to higher demand and improvement to services has further increased cost pressures into 2024/25. The main focus of the savings identified for this Committee are centred around promoting independence for clients and improved commissioning of services.
 - Waste & Street Scene Committee core funded budget will increase by £4.4m or 7% NRB for 2024/25. This increase is mainly the result of the planned Council investment in the Streets Ahead programme and Waste contract costing £2.1m and £1.6m respectively. These increases are based on a forecast January RPIX rate of 4%. With very few services falling within this Committees remit having the ability or capacity to delivery significant savings, it was always likely additional core funding would be needed. This is not to say there will not be challenges faced in the delivery of the £0.3m of savings identified for delivery during 2024/25.
 - The Education, Children & Families Committee will see an increase in core funding of nearly £3.1m or 3% NRB. This excludes the 7% of NRB or £8.0m additional external income provided mainly through the Social Care Grant (£5.8m). There has been a nationally acknowledged upward pressure on children's services in recent years. This is no different in Sheffield, with significant pressures of over £12.0m materialising across the service. These pressures are mainly within placement budgets,

SEND Transport and staffing costs required to support the city's young people. The Committee has however, set out a savings package of nearly £1.5m, the majority of which follows a budget re-baselining exercise in Fieldwork Services.

- Strategy and Resources Committees (excluding Corporate) in table 3 is showing a core funding increase of £2.9m or 4% of NRB. However, if the technical adjustment in relation to Heart of the City 2 rent increases and LAC funding are ignored, the core funding increase is £3.9m. £2.7m of the £4.4m total pressures relate to forecast pay awards, with the rest being smaller costs pressures across the committee, on items such as council wide ICT charges. A few small savings totalling £0.4m have been identified and agreed by Committee to help the Council deliver a balanced budget.
 - The Transport, Regeneration and Climate Committee budget will increase by £0.6m or 2% of NRB for 2024/25. The main reason for this increase is the funded pay award of £0.4m.
 - Communities Parks and Leisure show a reduction in core funding of £8.7m. However, if the technical adjustment in relation to the servicing of MSF debt is ignored, the core funding increase is £1.3m or 4% of NRB. The main reason for this increase is the funded pay award. The Committee has been required to raise additional income of £0.4m and find savings of £0.8m to offset other pressures such as Ash Die Back costs. The majority of the savings for this Committee are in relation to reducing subsidies to leisure providers during 2024/25, as the new leisure strategy is implemented.
 - The Economic Development & Skills Committees core funding shows an increase of £0.7m or 9% of NRB. Only £0.2m of this funding is for pay awards with the rest being a pressure in relation to the Sheffield Museums. The Committee was unable to put forward sufficient acceptable savings to meet this pressure. Corporate funding was needed to support these costs and hence the additional core funding outside of the pay award.
67. **Appendix 4a** sets out summaries of total gross and net (core funding) expenditure by Committee. This appendix also includes a breakdown of services within these Committees to identify where the Council's money is spent.

Savings Proposals for 2024/25

Key messages

The total level of savings proposed by the Committees for 2024/25 is £7.5m and covers categories such as services effectiveness, cost reduction and staff savings.

The 2024/25 saving target is relatively modest in comparison with previous years but is still likely to be very difficult to deliver due to the cumulative impact of continuous savings delivery since 2010.

- 68. Discussions with Members have taken place since the consideration of the MTF, to produce a set of proposals for savings to be delivered during 2024/25. The proposals set out in this report form the basis of a balanced budget and a recommendation to Council on 6th March 2024. The total amount of savings are £7.5m. If any of these proposals were not to be approved by Council, then alternative compensating savings would need to be identified and recommended to Council.
- 69. The graphs below display the level of savings as a percentage of the Committee's net expenditure but also by category.

Figure.3

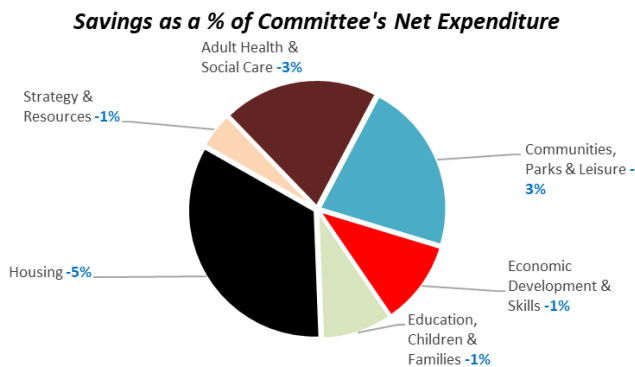
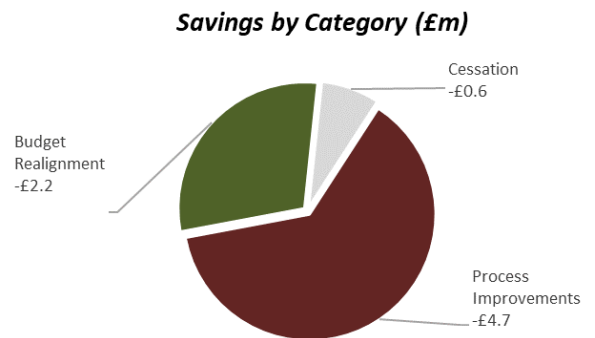


Figure. 4



External Income for 2024/25

Key messages

The total level additional external income for Committees excluding Corporate for 2024/25 is £35.3m and covers additional service grants, increase contributions from partners and sales fees and charges.

Over 64% or £22.8m of the increase in income will come is from addition Social Care grant funding. Inflationary uplifts to sales, fees and charges will account £8.2m or 23%, with the vast majority (£6.1m) of this coming from inflation increases to individual's contributions to care.

70. The external income included in this budget falls into 3 categories as follows:

- Services grants £24.1m – these are ringfenced grants receive by services for a set purpose. The increase in these grants received by the services for 2024/25 is £23.8m, with £22.8m being an uplift in Social Care Grant funding.
- Sales fees and charges £8.2m – This income mainly the result of increased charges for social care client contributions totalling £6m. The remaining increase to SFC are spread across most Committees and reflect the need to increase charges, where suitable, to reflect the inflationary costs of delivering those services and supporting activity. More details can be found in **Appendix 3** of this report.
- Income from partners £2.9m – both childrens and adults social care services are anticipating additional funding from their strategic partners in order to support services delivery and increasing costs.

Financing the 2024/25 Budget Requirement

Key messages

In accordance with sections 31A and 31B of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) the Council is required to make a number of determinations. These are set out in **Appendix 6** and include:

- a Budget Requirement (a “section 32 calculation”) = £543.8m
- a Council Tax Requirement (a section 31A(4) calculation) = £284.0m
- a basic amount of tax (Band D equivalent) = £1,932.56

71. The earlier part of this report is concerned with the formulation of the revenue budget and the issues which need to be considered in arriving at a total budget for 2024/25. This section of the report sets out the overall summary position and the statutory determinations relating to total net expenditure and its financing.

Council Tax

72. After taking account of the Revenue Support Grant and Business Rate income (including related grants) for 2024/25, the total amount to be raised from Council Tax amounts to £284.0m: this is the Council’s Council Tax Requirement.

Collection Fund

73. The City Council is required to estimate, for Council Tax setting purposes, the projected year-end balance on the Collection Fund. This estimate must take account of payments received to date, the likely level of arrears and provision for bad debts, based on information available by 15th January. Taking these factors into account, the projection on 15th January was that the Collection Fund is in a surplus position of £12.5m.

Council Tax Base

74. On 12 January, the Director of Finance and Commercial Services, under delegated authority, approved the calculation of the Council Tax Base for the 2024/25 financial year. The amount of the Tax Base is 146,974.6320 Band D equivalent properties.

Budget Requirement for 2024/25

75. If the Council votes in favour of increasing the Council Tax by 4.99% the Budget Requirement for 2024/25 will be £543.8m, as shown in the table below.
76. The Budget Requirement will be financed by a combination of Revenue Support Grant, Business Rates income (including related grants) and Council Tax income.

Table 4

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Service Expenditure	443,823	500,762	543,815
Total Expenditure	443,823	500,762	543,815
Financed by:			
Revenue Support Grant	-38,865	-43,611	-46,500
Business Rates (including Grants)	-167,584	-185,047	-200,767
Council Tax	-251,257	-267,801	-284,037
Collection Fund Surplus	13,883	-4,303	-12,511
Budget Requirement	-443,823	-500,762	-543,815
Band D Council Tax (City Council)	£1,753.21	£1,840.69	£1,932.56

Council Tax Levels

77. Details of the indicative level of Council Tax for Bands A to H are set out below with further details in **Appendix 6**.

Table 5

Band	Multiplier	1991 Value Band	Dwellings as % of total	Tax Charge (£)*
A	6/9	Up to £40k	58.3%	1,288.37
B	7/9	£40k to £52k	16.0%	1,503.10
C	8/9	£52k to £68k	12.6%	1,717.83
D	9/9	£68k to £88k	6.5%	1,932.56
E	11/9	£88k to £120k	3.7%	2,362.01
F	13/9	£120k to £160k	1.7%	2,791.47
G	15/9	£160k to £320k	1.1%	3,220.92
H	18/9	Over £320k	0.1%	3,865.11

* - before any discounts/exemptions apply

Precepts

Major preceptors

78. The budget proposals for the South Yorkshire Police and Crime Commissioner were approved by the South Yorkshire Police and Crime Panel on Monday 5th February. The budget proposals for the Fire and Rescue Authority were approved by the South Yorkshire Fire and Rescue Authority on Monday 19th February. The currently confirmed precept levels are given below:

Major Preceptors	2023/24		2024/25		Band D Increase %	Band D Increase £
	Precept £	Band D £	Precept £	Band D £		
South Yorkshire Fire & Rescue Authority	12,014,528	82.58	12,500,066	85.05	2.99%	2.47
South Yorkshire Police and Crime Commissioner	34,632,335	238.04	36,896,512	251.04	5.46%	13.00

Parishes & Town Councils

79. The overall level of Council Tax needs to include the precepts of Parish and Town Councils that lie within the City's boundaries. The levels of precepts for Parish Councils is set out in the table below:

Table 6

Parish Council	2023/24		2024/25		Band D Increase £	Band D Increase %
	Precepts (£)	Council Tax Band D (£)	Precepts (£)	Council Tax Band D (£)		
Bradfield	255,277	42.7378	258,162	42.7378	0.00	0.00%
Ecclesfield	274,756	29.3954	287,111	30.5712	1.18	4.00%
Stocksbridge	130,921	33.8443	131,494	33.8443	0.00	0.00%
Total	660,954	105.9775	676,767	107.1533		

Legal Advice

Key messages

The Chief Finance Officer has a number of responsibilities for which the authority should have regard. These include:-

- Reporting on the robustness of estimates in determining the budget requirement and the adequacy of reserves.
- Producing a balanced Revenue Budget and setting the Council Tax in line with the budget requirement.
- Having due regard towards the interest of Council Tax payers, eliminating discrimination and advance equality of opportunity to all.
- Being satisfied that the Council can continue to meet its statutory duties.

Responsibility of the Chief Financial Officer

80. 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.
81. 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. Details of Reserves are set out in **Appendix 5**. The view of the Interim Director of Finance and Commercial Services is that Reserves are adequate to cover the medium-term financial risk.
82. In addition, under the Prudential Code framework the Chief Finance Officer of an authority is required to prepare and report upon a series of Prudential and Affordability indicators. These are set out in **Appendix 7**.
83. The Local Government Finance Act 1992 specifies that the City Council determines its Revenue Budget before 11 March each year. The City Council

is also required by section 30 of the Local Government Finance Act 1992 to set its Council Tax after determining its Revenue Budget requirement in accordance with the provisions of sections 31A, 31B and 34 to 36 of the same Act. Details of how the Council Tax has been calculated are included as part of the Council Tax resolution in this report at **Appendix 5**, which is set out as required by legislation.

84. By the law the Council must set 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.
85. Each billing authority and precepting authority must determine whether its relevant basic amount of council tax (in essence, the average band D council tax, excluding local precepts) for a financial year is excessive. If it is excessive a referendum must be held in relation to that amount. The question must be decided in accordance with a set of principles determined by the Secretary of State for Levelling Up, Housing and Communities. The Secretary of State has proposed that for a local authority such as Sheffield City Council the relevant basic amount of council tax for 2024/25 is excessive if it is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2023/24.
86. In determining its budget as in all other matters, an authority should have due regard towards the interest of Council Tax payers and Members must, in arriving at a balanced decision based on the evidence, take into account all relevant information placed before them and ignore irrelevant matters.
87. The proposed budget has been prepared in the context of the requirement for the Council to make significant savings in its overall expenditure. The implementation of some of the proposals in the budget will require further decisions made in accordance with the Council's Constitution and any further delegations (e.g. from a Policy Committee to an officer made in accordance with the Constitution). It is important to note that in making these decisions, there will have to be full consideration of all the relevant issues such as the Council's legal duties and contractual obligations.
88. In setting the budget the Council has a duty to have regard to the need to eliminate discrimination and advance equality of opportunity between all,

irrespective of whether they fall into a protected category such as race, gender, religion etc. Further detail on this is in the Equalities Impact section and the Equality Impact Assets in **Appendix 9**.

89. The Council needs to be satisfied that it can continue to meet its statutory duties and meet the needs of vulnerable young people and adults. Proposals have been drawn up on the basis that Directors are satisfied that this will enable them to continue to meet their statutory duties and the needs of the most vulnerable. In some cases further consultation may be required.
90. If the outcome of such further considerations were to present difficulties in adhering to the agreed Council budget, officers would bring further proposals to members as appropriate.
91. In accordance with the Localism Act 2011 the Council must also approve a Pay Policy Statement (as prescribed by the Act) each year before the end of 31st March. While not part of the budget setting process, the timescale means that approval may be given at the same time as budget decisions are made. The Pay Policy Statement for 2024/25 is set out in **Appendix 8**.

Levies

92. The Council currently has approximately £24.0m in its revenue budget for levies. This includes the following:
 - South Yorkshire Mayoral Combined Authority (SYMCA) transport levy; the SYMCA Board approved the transport levy for 2024/25 on 9th January 2024. The transport levy payable is increased by 2% for 2024/25 to £23.6m.
 - Payments to the South Yorkshire Pensions Authority and to the Environment Agency are forecast to be £140k and £245k respectively.

Housing Revenue Account (HRA) Budget

93. This Report concerns the position of the Revenue Account of the Council, i.e. the income and expenditure for the majority of Council services, other than those that are accounted for separately as part of the Housing Revenue Account. A separate report on the HRA budget was considered at Full Council on the 7th February 2024.

Treasury Management Strategy

Key messages

As part of its budget decision, the Council is required to approve a Treasury Management Strategy for 2024/25. Treasury Management relates to the management of the Council's investments, borrowings and banking operations. This is set out in detail in **Appendix 7**.

94. The Council's Treasury Management activities must comply with the CIPFA Code of Practice on Treasury Management which sets out the controls over the risks associated with those activities and looks to achieve optimum performance consistent with those risks.
95. A separate CIPFA code, the Prudential Code for Capital Finance, requires the Council to set a range of Prudential Indicators as part of the budget process to ensure that capital spending plans are affordable, prudent and sustainable. The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three financial years.
96. The Sheffield City Council Treasury Management Strategy for 2024/25, including the proposed Annual Investment Strategy, Prudential Indicators and the Minimum Revenue Provision Policy, is set out in **Appendix 7**. The responsibility for day-to-day management of the Council's treasury management activities rests with the Head of Accounting, and it is recommended that authority for undertaking treasury management activity and relevant reporting continue to be delegated to the Head of Accounting.
97. The Administration has requested the inclusion of provisions in the Annual Investment Strategy to make clear the Administration's desire not to hold any direct investments in fossil fuels or companies involved in tax evasion or grave misconduct.

Tax Strategy

Key messages

- In line with the Council's governance framework and consistent with its wider values, the Council is committed to being fully compliant with all tax laws, rules and regulations.
- It will conduct its tax affairs in an open, honest and timely fashion.
- The Council has a low-risk attitude to tax planning and risk

98. The Tax Strategy of Sheffield City Council sets out the overall framework for the Council's management of its tax affairs, including compliance, policies and procedures, tax risk, tax planning and relationship with the tax authorities.
99. The Council is a Local Government body. It is exempt from Corporation Tax and is a Section 33 Body under the VAT Act 1994, which entitles it to recover VAT attributable to non-business activities and to exempt business activities, providing this is an insignificant proportion of the total tax incurred.
100. Whilst not required to publish its Tax Strategy, the Council chooses to do so, as it wishes to demonstrate transparency in its commitment to managing its tax affairs, taking into consideration its public purpose and balancing the interests of its stakeholders. Full details of the Council's Tax Strategy are attached to this report as **Appendix 10**.

Financial Implications

101. The financial implications of the recommendations in this report (below) are set out in the preceding sections of the report.

Workforce Impact

Key messages

The potential workforce impact arising from the budget pressure and recommended savings proposals to set the 2024/25 budget, equates to an increase of approximately 77 full time equivalent (FTE) posts. This Council has approximately 5700 FTE's supported by General Fund and therefore this equates to approximately 1.4% of the current workforce

102. The 2024/25 budget includes staff savings which will result in approximately 8 FTE's leaving the Council. These are anticipated to be on a voluntary basis

through voluntary early retirements (VER) and voluntary severances (VS) Schemes.

103. The Budget Implementation Plans (BIPs), found at the following link <https://www.sheffield.gov.uk/your-city-council/budget-spending> , contain details of these reductions. Any further staffing budget reductions will be managed through deleting vacant posts and freezing existing vacancies.
104. Planned MER processes have been the subject of Equality Impact Assessments (EIAs), as described in the Equality Impact section of this report, and they will continue to be monitored on an ongoing basis to ensure there is no disproportionate impact on any group within the workforce.
105. Offsetting these reductions in staffing, are pressures within Adults Social Care, where it is planned that approximate 85 new posts will be created and recruited for 2024/25. This recruitment is being made in order to directly deliver new and recovery savings of a higher value (invest to save) which will make Adult Care and Wellbeing more financially sustainable in the short and medium term. The recruitment is also to ensure full compliance in the delivery of our statutory duties in anticipation of CQC regulation, deliver better outcomes to people and make Adult Care and Wellbeing more financially sustainable over the longer term.

Pay Policy

106. In accordance with the Localism Act the Council is required to publish a Pay Policy for 2024/25. Details of this can be found in **Appendix 8**.
107. When producing the Pay Policy Statement, the Council had regard to the relevant Government guidance, including the Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act (issued February 2012) and the Supplementary Guidance (issued February 2013).

Members' Allowances

Key messages

Each year the Council has to agree a Members' Allowances Scheme. This will be reviewed again in May 2024.

108. Each year the Council has to agree a Members' Allowances Scheme. This will be reviewed again in May 2024.

109. Prior to 1st April each year, the Council has to agree a Members' Allowances Scheme for the forthcoming financial year. At least every four years, or whenever the Council wishes to amend its Scheme, its Independent Remuneration Panel has to consider the Scheme (and any changes being proposed by the Council) and make recommendations to the Council.
110. The Members' Allowances Scheme was thoroughly reviewed in 2022 and changes were made to make sure that it was fit for purpose when the Council moved from a Leader and Cabinet Model to a Committee system in May 2022.
111. The Scheme contains provision for the allowances to be adjusted on an annual basis in line with an agreed index, which is linked to the annual pay award for local government employees. The Council has agreed to implement the annual increase in each year from 2017/18 having previously agreed not to apply the annual increase each year from 2010/11, including in four years when Council employees received a pay rise.
112. The Independent Remuneration Panel has also reviewed the Scheme since the introduction of the Committee system, with the most recent review having taken place in February 2023 concerning the Chairs of Sub-Committees.
113. The Panel will review the Scheme following the completion of work by the Governance Committee on Member role profiles, to make sure the scheme supports the new governance structure and the roles and responsibilities of elected members. The impact on the Members' Allowances budget arising from any further changes to the Council's governance arrangements will be assessed as part of any further recommendations to Full Council.

The Climate Challenge

114. The climate emergency is one of the biggest challenges we will face as a city, region, country and global community. We are seeing continuing increases in the frequency of climate related disasters around the world, including flooding, wildfires, drought and extreme heat. While progress is being made, the goal of limiting global warming to 1.5°C is hanging by a thread, and the need to take action remains urgent. Sheffield is facing its own extreme weather events, such as flooding, storms and record temperatures.
115. In response, Sheffield City Council declared a climate emergency in 2019 and the following year, set an ambitious target to be a net zero city by 2030. It is acknowledged that achieving net zero by 2030 is going to be extremely challenging but publication of the Annual Climate Progress Report (approved by Transport, Regeneration and Climate Policy Committee 11th December 2023) has highlighted the scale of the challenge in the public domain.

116. The report showed that while action is being taken and progress is being made in some areas or work, we have not reduced emissions at the pace and scale required to meet our 2030 target. It is clear that to achieve our ambition to be a net zero city by 2030, urgent action is needed at a scale not seen before, and maintaining an ambitious target is important in funding discussions and to enable robust policy frameworks to be developed.
117. Sheffield is not unusual amongst local authorities in the position in which we find ourselves. The 'Committee on Climate Change' reported in summer 2023 that the lack of investment and consistent policy supporting the UK's legally binding target of achieving net zero by 2050 means that UK is at risk of missing its 2050 target, and the announcement from Government in September 2023 to delay key climate change related legislation exacerbates this. We face a period of uncertainty around the policy levers that will be available in the coming years to support us to deliver our climate action at pace and at scale.
118. Further to this, significant additional resources from central government will be required to help us to meet our ambitions and realise the opportunities that climate action brings. We will continue to work with government and the Mayoral Combined Authority to influence this.
119. Sheffield City Council has faced the challenges of a shift to a Committee system for decision making, and an extremely difficult budget situation, however we remain committed to tackling challenges that can be addressed by this council, using the opportunities and levers that are available to us. By working together with Sheffield's communities, businesses, institutions, and partner organisations to reduce our carbon emissions and adapt to our changing climate, we can minimise the impact of change, realise the widespread benefits of investing in homes and new technologies, and address issues around social justice.
120. In 2020 the council commissioned ARUP and Ricardo to develop a set of reports (sometimes referred to as the 'Pathways' or 'ARUP' reports), which outlines the city and councils carbon baselines, and the nature and scale of activity required to decarbonise the city and local authority. The cost of decarbonising will run in to the billions, and is anticipated to be split between the both the public and private sector. The balance will vary depending on the sector but the costs that are expected to be borne by the Council is expected to be a relatively small proportion of the total.
121. The 10 Point Plan for Climate Action, agreed by the Cooperative Executive in March 2022, further committed the Council to developing 'routemaps' to decarbonisation across seven areas (Our Council, The Way We Travel; Our

Homes; Energy generation and storage; Our Land; Our Business and Economy and What We Buy, Eat and Throw Away).

122. In June 2022, we introduced Climate Impact Assessments (CIA) into the Committee Decision process. All Committee Decision's must now consider relevant climate impacts. CIA's cover:

- building construction and use
- demand for and type of transport
- renewable energy generation and energy efficiency
- potential for climate awareness raising
- use of resources, products and services
- production of waste
- land use and biodiversity
- climate resilience and adaptation
- impacts on sustainable businesses and green skills development.

123. This year's budget process has included a high-level Climate Impact Assessment of the budget proposals, undertaken as a proportional sample review by the sustainability and Climate Change team (100% of proposals assessed by officers as either a positive or negative climate impact, 10% initially assessed as neutral). The team agreed with the assessments made by officers across all the reviewed samples.

124. In July 2023, the council published its first decarbonisation routemaps, the way we travel and Our Council, to:

- Align strategy and policy.
- Define vision and objectives.
- bring together the actions and activities to be carried out by the Council 2023-25).
- introduced actions that key partners wish to commit to part of their contribution to our transition to a net zero city.

125. As part of the Our Council Decarbonisation routemap, we are reviewing and improving internal governance processes for our climate related work; looking at how we can better integrate climate issues into budget setting, service planning, and performance monitoring; embed sustainability into our procurement processes; and incorporate climate mitigation and adaptation into every stage of project delivery, from design to completion.

126. Sheffield has received an A- status in its first two submissions to the Carbon Disclosure Project, ranking amongst the top cities in Europe. The scoring takes into account targets and actions on climate mitigation from sectors including energy, transport, waste, water and food, along with strategies and actions in place to adapt to future changing climate.
127. Decarbonisation to avoid and/or reduce of greenhouse gas emissions into the atmosphere, helps to prevent further global temperature increases and so reduce the severity and risk of future climate change. However, such mitigation takes decades to affect rising temperatures, so we must adapt now to the change that is already upon us and is predicted to increase the short and medium term.
128. Council services need to consider adaptation actions to mitigate risks. This is especially the case as these risks are likely to lead to significant impact on the demands of some services, as well as increased costs of delivering such services and further adaptation measures needed into the future. Increases in extreme weather events are already having a significant impact on budgets for some services.
129. In December 2023, we committed to develop service climate adaptation plans across the council. These aim to identify the incremental and/or transformative response to the risks of a changing climate by altering and building resilience and flexibility into our decisions, activities, and ways of thinking to protect our people, infrastructure, economies and environment.

Budget Conversation 2024/25

People responding to the consultation

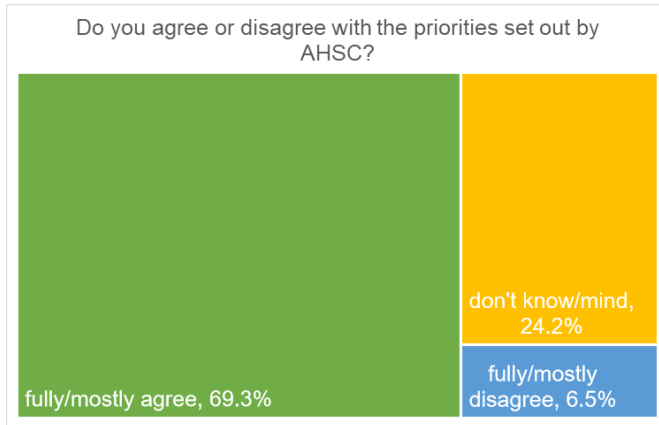
130. The consultation took place between 21 December 2023 and 26 January 2024 and covered next year's Budget alongside the Council Plan (2024-28). It centred around an online survey, introduced by a video from the Council leader, Cllr Tom Hunt.
131. Figures showed that:
 - 2,000 people were aware of the survey (made at least one single visit to the site),
 - 802 people became informed about the survey (e.g. viewed the video and/or clicked on the survey), and
 - 269 engaged in the survey (responded to the questions).

132. An equality profile of respondents is shown in the appendix. This shows that the consultation was particularly successful at reaching older age groups, (over a third of respondents were aged 65 to 74) but less so for younger age groups.
133. People responded in different capacities – for example, as residents of Sheffield, through working or studying in the city, as individuals and on behalf of organisations. In addition, specific organisational submissions were received and on-line engagement sessions arranged with organisations from the voluntary, community and faith sector and members of Sheffield Chamber of Commerce.
134. The questions covered:
- policy committee spending priorities,
 - proposals to increase Council Tax to reduce the need for further budget reductions and to protect adult social care services, and
 - the Council's approach to fees and charges.

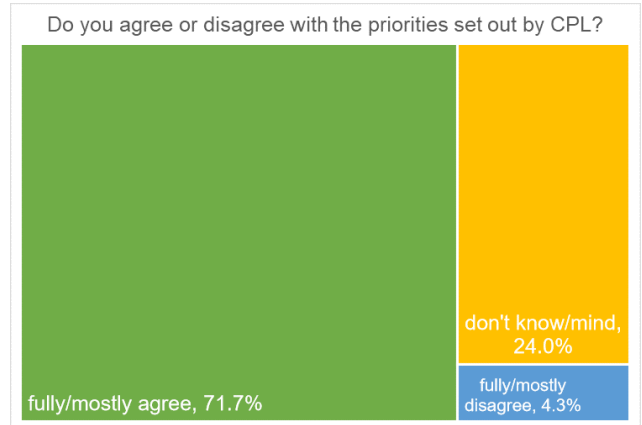
Policy Committee spending priorities

135. A clear majority of respondents either fully agreed or mostly agreed with each policy committee's spending priorities – agreement varied from between just under 62% for Economic Development and Skills, and Waste and Street Scene, and over 71% for Communities, Parks and Leisure, and Economic Development and Skills. The percentage of respondents who either fully disagreed or mostly disagreed varied from around 14% (for Transport, Regeneration and Climate) to 4% (for Communities, Parks and Leisure).
136. For all policy committees, a relatively high minority of respondents said they either didn't know if they agreed with the spending priorities or neither agreed nor disagreed. Feedback comments suggested this was partly due to some respondents seeking more detail, while others felt there was too much information to read. The format of the survey meant that the Budget was considered after questions about the next four years of the Council Plan, which influenced the responses. Comments also showed general uncertainty and concerns about economic and funding issues.
137. This is an overview of feedback for each policy committee's spending priorities:

Adult Health and Social Care (AHSC)



Communities, Parks and Leisure (CPL)



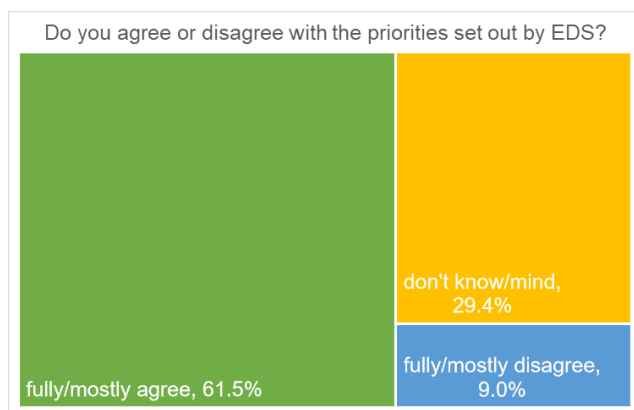
138. Adult Health and Social Care

- In general, respondents supported measures that enabled people to live at home, recognising different priorities for people of all ages, mental health, dementia and health inequality. There were a lot of comments about the importance of social care throughout the consultation.

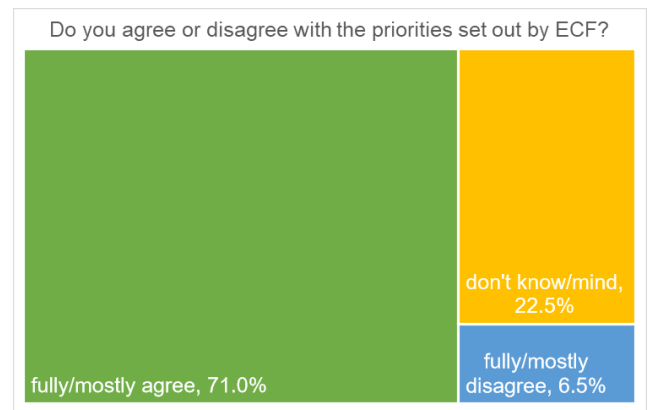
139. Communities, Parks and Leisure

- In general, there was high support for the diverse benefits of parks and green spaces and for the role of libraries. Respondents recognised the value of the contribution of communities and voluntary groups to neighbourhoods, arts and heritage. Physical accessibility was a theme but there were concerns about cost increases.

Economic Development and Skills (EDS)



Education, Children and Families (ECF)



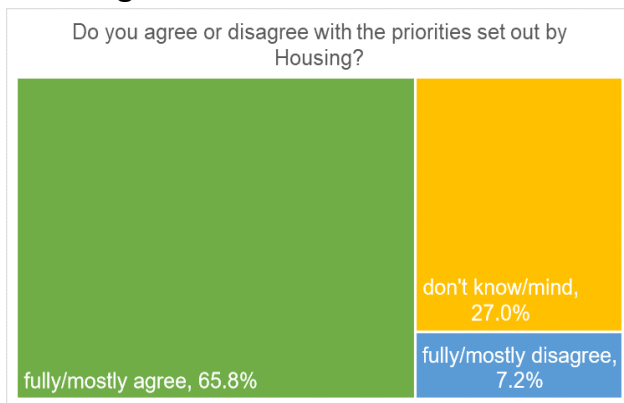
140. Economic Development and Skills

- In general, respondents highlighted the importance of supporting skills and education. There was recognition of the city developments taking place in the landscape and environment. The feedback highlighted the importance of attracting more inward investment.

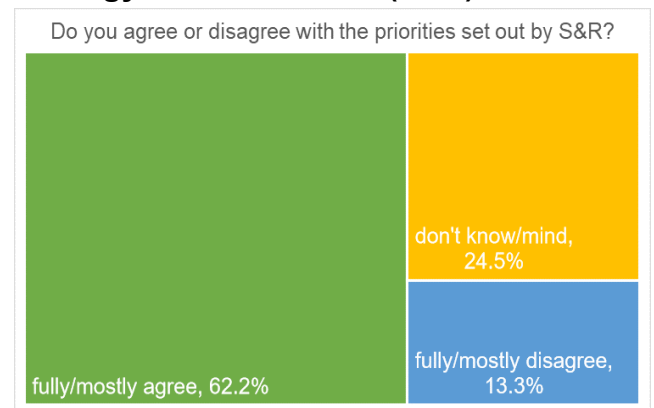
141. Education, Children and Families

- In general, education and learning for children and young people were obvious priorities, from early years through to post-education opportunities. There were concerns about inequalities, most noticeably in relation to special educational needs and disabilities and school placements, and between communities.

Housing



Strategy and Resources (S&R)



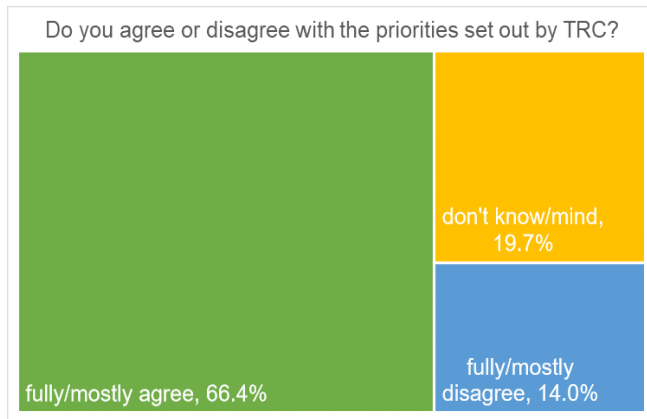
142. Housing

- In general, most repeated feedback was for more affordable housing. Social housing availability and prioritisation, housing conditions and environmental standards were also highlighted. There was interest in housing developments that made good use of land and space, and were sympathetic to the city, but concerns over inadequate infrastructure.

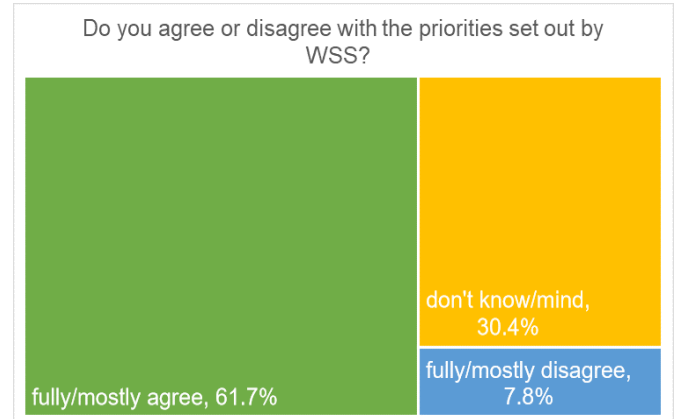
143. Strategy and Resources

- In general, there were a lot of comments about addressing homelessness, while other respondents highlighted financial impacts on working households of Council Tax and other costs. Respondents were interested in maximising the effectiveness of Local Area Committees, and in the role of the Strategy and Resources policy committee itself.

Transport, Regeneration and Climate (TRC)



Waste and Street Scene (WSS)



144. Transport, Regeneration and Climate

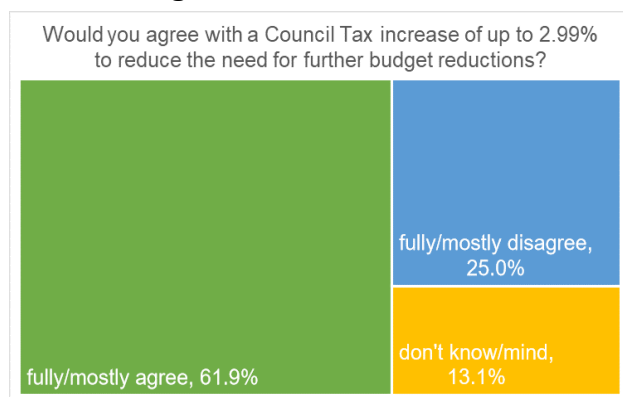
- In general, there were many calls to improve the public transport network and accountability, and, alongside measures to improve cycling and active travel routes, to reduce car use and specifically to support the city centre. Amidst calls for more emphasis on climate ambitions, there was recognition of the barriers and costs to people in switching transport modes.

145. Waste and Street Scene

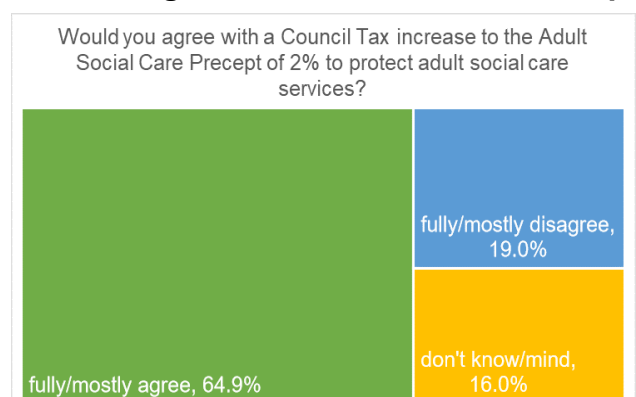
- In general, respondents were very supportive of more steps to improve local environments by tackling litter, rubbish and graffiti. A number of requests were made to make it easier to recycle, and to improve street cleaning, maintenance and access. There were also suggestions for more joint work between residents, the Council and other organisations.

Council Tax and Adult Social Care Precept

Increasing Council Tax



Increasing the Adult Social Care Precept



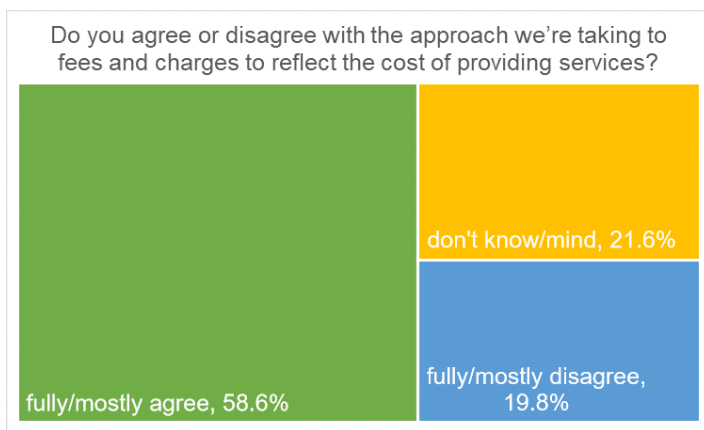
146. Council Tax increase to reduce the need for further budget reductions.

- Most respondents agreed with an increase, although there was disagreement and a lot of feedback about the impact of additional costs on household bills and budgets. There were calls for a more progressive and redistributive Council Tax.
- Many respondents were content to pay the increase and agreed with the principle of needing to pay for services to improve (but not to stand still). There was strong recognition of the link between reducing central government funding and Council Tax rises. Respondents challenged the Council to continue to look for alternative ways to save money.

147. Council Tax increase to the Adult Social Care Precept to protect adult social care services

- The majority of respondents agreed with an increase, and very similar points were made to the other Council Tax question. It would have a detrimental financial impact on some households, and, conversely, some households could afford to pay more.
- Respondents identified strongly with the importance of social care and felt government should be funding it more. The increase should lead to improvements in support and care, and other funding, resources and efficiencies should be looked for.

Fees and charges

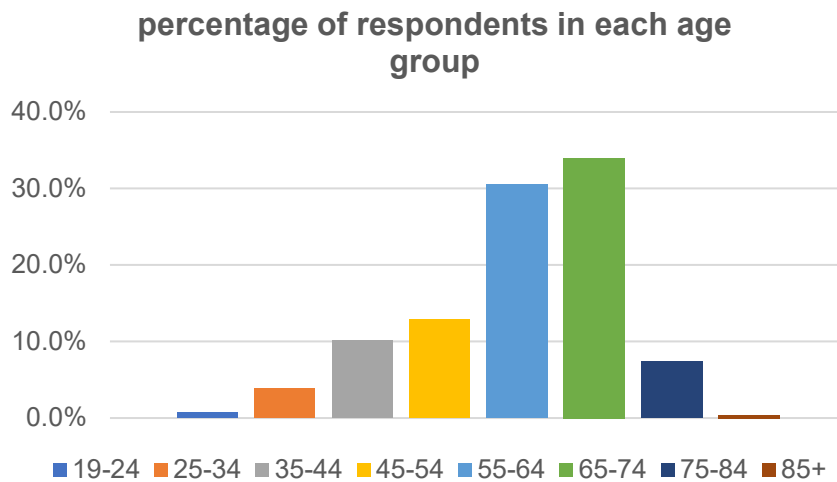


148. Proposed charges to fees and charges increases.

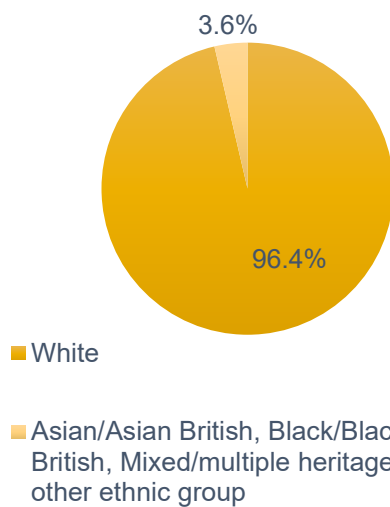
- A smaller proportion of respondents agreed with increases. A lot of respondents recognised a necessity of prices going up in line with inflation but there were calls for stronger links with service type, quality, accessibility and value for money. Increases could exacerbate the impact of other costs on residents and small businesses and could have a counter-productive impact. The Council should apply concessions and non-universal increases.

Equality information

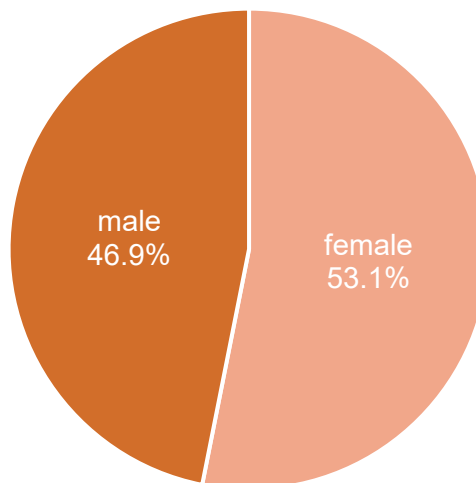
149. The profile of people who responded to the consultation.



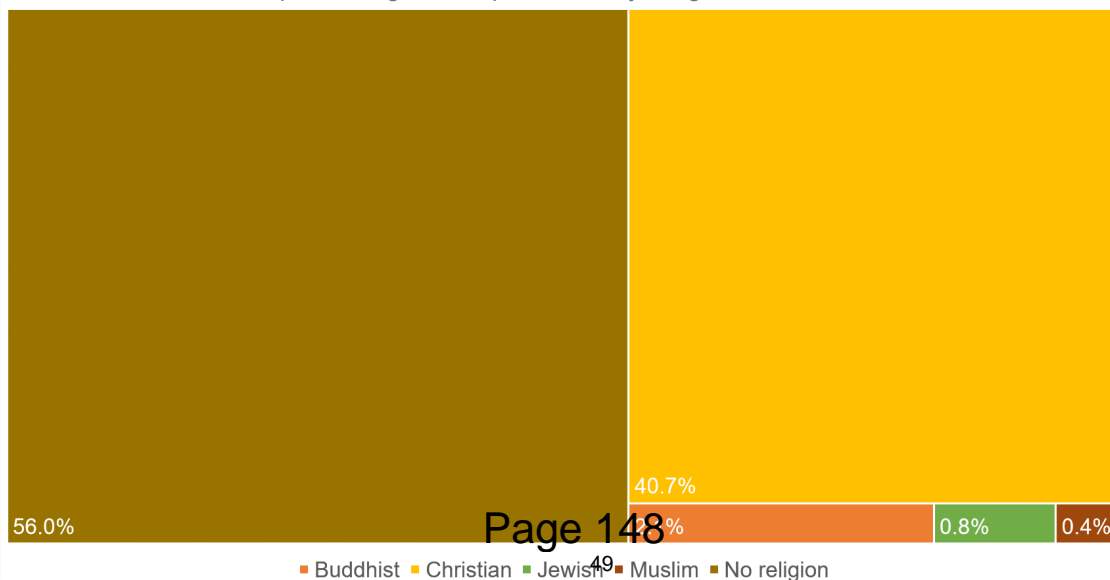
percentage of respondents by ethnicity



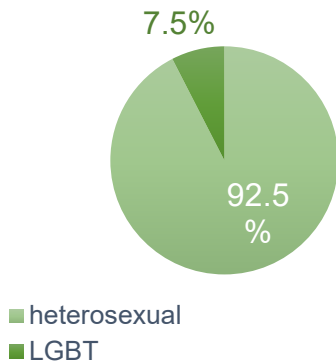
percentage of respondents by sex



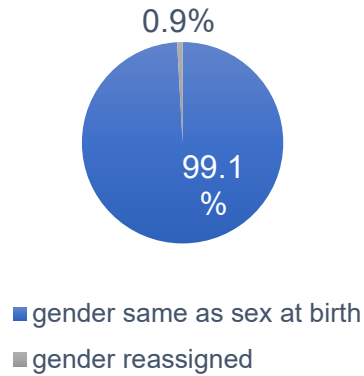
percentage of respondents by religion or belief



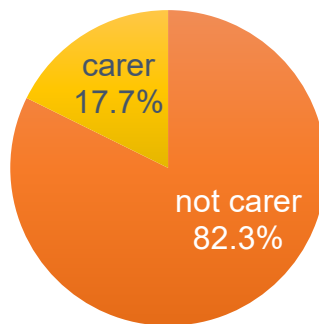
percentage of respondents by sexual orientation



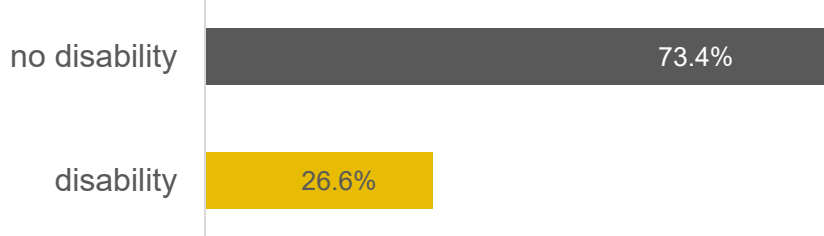
percentage of respondents by gender identity



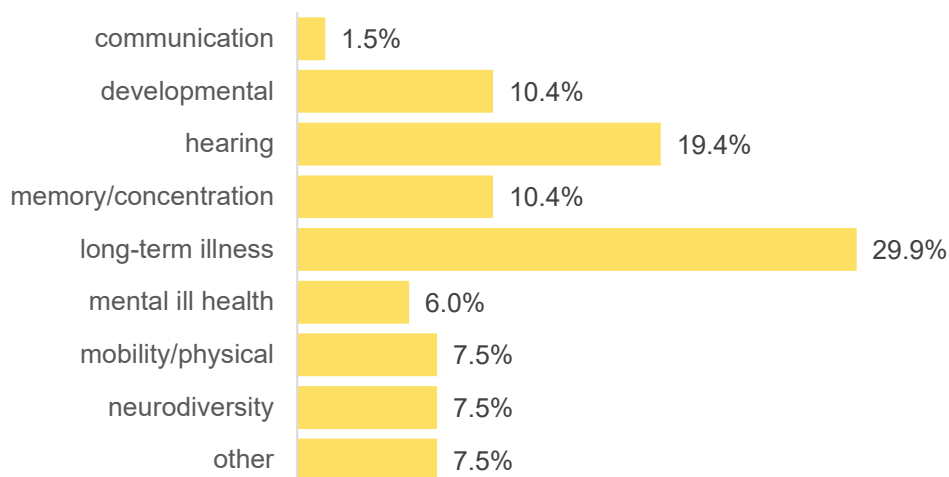
percentage of respondents by unpaid carer status



percentage of respondents by disability status



percentage of respondents by type of disability



Equality Impact Assessment Summary

Our commitment to equality

150. The Council in its annual budget-setting process must consider the Equality Act 2010 and the Public Sector Equality Duty. This requires the Council, in the exercise of its functions, to have due regard to:

- Eliminating discrimination, harassment, and victimisation,
- Advancing equality of opportunity, and
- Fostering good relations

151. Having due regard to these involves:

- Removing or minimising disadvantage suffered by people,
- Taking steps to meet the needs of people with different characteristics,
- Encouraging people to participate in public life,
- Tackling prejudice and promote understanding,
- Taking steps to take account of a person's disabilities.

152. This year, following consultation, we will introduce two key policies to strengthen our commitment to tackling inequality and promoting fairness and opportunity, over and above our legal duties under the Equality Act – the Council Plan (2024-28) and our new Equality Objectives (2024-28). We will also continue to be committed leaders and partners in the Race Equality Partnership, Disability Confident scheme, White Ribbon campaign and other initiatives.

153. We seek to understand the impacts of our policies and practices on different groups of people. To do this, we consider the protected characteristics that people share and which the Act defines as: age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race (including colour, nationality, ethnic or national origin), religion and belief, sex and sexual orientation.

154. We also assess any effects on unpaid carers, health & wellbeing, poverty & financial exclusion, the Voluntary, Community & Faith Sector (VCFS), cohesion and armed forces. In late 2023, the Council agreed to start considering a further category of 'care experience', in recognition of people currently, or previously, in children's care services.

155. We examine available evidence and work with our employees, residents and people who use services, and with equality partner organisations. We also carry out Equality Impact Assessments (EIAs), which, although not a legal

requirement, enables a rigorous equality analysis of decision-making and identifies any negative and positive impact on people.

Our equality assessment of the budget

156. Throughout the years of austerity, we have sought to protect services for those in greatest need, develop preventive solutions for the longer term. We have aimed to make savings by changing how we manage and deliver services, and using investment and funding opportunities. We are seeking to continue to do this but, inevitably, further funding reductions on top of those seen for more than a decade, during a cost-of-living crisis and while impacts from the pandemic are still felt, will have implications for people and for services.
157. As far as possible, we will seek to minimise the impact on the most vulnerable, people in greatest financial hardship and communities experiencing deprivation. However, people most likely to need support are likely to be affected by the savings proposals. This includes those on low income, who are also more likely to be disabled people, older and young people, women, unpaid carers, lone parents and some people from Black, Asian and Minoritized Ethnic communities.
158. The Council will continue to mitigate impacts of the proposals where possible. We are committed to tackling inequalities and ensuring inclusivity, and will continue to try to make it easier for individuals and communities to overcome barriers and achieve their potential.
159. We will work with our partner organisations to seek fair treatment for individuals and groups, taking account of disadvantages and barriers that people face. We use various evidence sources and data, including demographic analysis from the Census, the Joint Strategic Needs Assessment, Open Data, Community Knowledge Profiles, welfare and poverty data and health impact analysis.
160. We also consider the outcomes of current and previous consultations or engagement activity to inform the proposals. The Council's principal source of online engagement is Have Your Say Sheffield, although different methods are used across the organisation, including face-to-face engagement.
161. When the Council needs to reduce staffing levels and costs, we will try to do this where there is likely to be less impact on customers, although there may be service chances and disruption. We also seek to achieve this through the deletion of vacant posts and voluntary employee schemes, although this does have an impact and pressure on staff who remain.
162. We have undertaken an initial EIA on every savings proposal for the budget but only a full one when it is indicated that the proposal will have a significant

impact (more than minor). The EIA process has helped to shape proposals both which were in the end not accepted and not included in the budget and those that were.

163. The EIAs are 'live' documents, ensuring that they evolve over time as the budget proposals develop. Through this process, we will be monitoring closely any adverse equality impacts as reductions and changes in provision occur during the next year.
164. Some EIAs start out as exploratory in nature, setting out a broad intention and committing to further development as more detail and information becomes known and proposals take shape. Some proposals may be subject to the outcome of consultation or the further analysis of other evidence. Each EIA should be a record of the process and not just the ultimate outcome.
165. As a consequence, not all EIAs are currently complete, and this summary should therefore be seen as reflecting our initial understanding of impacts and not necessarily how they may look in three- or nine-months' time. It is important to ensure that all equality impacts are further considered when services report on the specific implementation plans for their budget saving proposals.
166. It is possible that some decisions will have a disproportionate impact on some groups of people in comparison to others. EIAs help us to identify, avoid or mitigate any negative impacts and promote positive ones where possible.
167. It is also important that we consider the cumulative effect of our proposals – i.e. whether there are year-on-year impacts from a single proposal or impacts from more than one source. It can be difficult to quantify the cumulative impact because mitigations have been highlighted in individual EIAs and external factors, beyond the Council's control, may also affect some of the same groups of people.
168. The following section briefly considers savings proposals under each theme and policy committee:

Income generation

169. Raising income by increasing fees and charges enables the Council to offset inflationary costs, and is a method being proposed across policy committees in 2024-25. However, asking people to pay more for services during a cost-of-living crisis will inevitably have an impact.
170. Many fees and charges have not been raised for some time, which has helped to limit household financial burdens to some extent. However, this means that the effect of increases in 2024-25 may be felt all the more, including for

people least able to afford to pay more. Wherever possible, compensatory schemes and other concessions are in place to mitigate impacts for people.

171. We are proposing to increase Council Tax, including the adult social care precept, to reduce the need for further budget reductions and to protect adult social care services. This would have a financial impact on people. The council tax reduction scheme provides some mitigation, particularly for pension-age households. The hardship scheme provides additional financial support for working-age households on lower incomes.
172. Some proposals would have a direct/specific impact for certain groups of people – for example, a planned increase to Gypsy and Traveller sites pitch fees (Housing) and to the cost of providing deputyships (Adult Health & Social Care). Other plans would have a more general impact – including cost increases in library services and parks (Communities, Parks & Leisure), register office fees (Strategy & Resources) and environmental regulation (Waste & Street Scene).
173. Waste & Street Scene is also proposing to increase certain fees and charges to retailers and landlords. The impact of these increases will need monitoring, in particular the effect of cost increases on market traders and, therefore potentially, on customers who may see higher prices.
174. There is the potential for fee and charge increases to have a cumulative impact, meaning that people in certain circumstances may be affected by more than one increase. For example, there are proposals for higher fees for both bereavement and coroner services (Communities, Parks & Leisure), and for the cost of administering estates (Adult Health & Social Care).
175. Adult Health & Social Care's plans to generate income through people's contributions to the cost of their care should be placed in context. Annual benefit uplifts, income-maximization measures and signposting to debt/financial support provide some mitigation. The forecast higher contribution income generated is in part because of the intention that more people are able to be at home rather than in care or hospital settings. Contributions also help to meet the cost of the National Living Wage for social care staff. However, the effects of the increase will inevitably be felt by older people and disabled people accessing care and support, unpaid carers and others.
176. Some income generated from other sources is less likely to have an impact on people. This includes proposals put forward by Housing; Education, Children & Families (income from the Police and, together with Adult Health & Social Care, from NHS partners); Strategy & Resources (income for schools

building-based support and asset disposal); use of surplus Transport, Regeneration & Climate revenue.

Cost and contract price reduction

177. Policy committees are looking for reductions in costs and contract payments where possible and reasonable to do so. For example, Adult Health & Social Care investment in timely occupational therapy, community support and other roles aims to speed-up hospital discharges and to promote people's independence at home, with any savings achieved where reablement costs are not needed.
178. For people with mental health support needs, Adult Health & Social Care seeks to promote independence through regular reviews, and to continue to enable those in residential care to maintain community inclusion, while reducing costs in both areas. This is expected to result in overall savings, however it would depend on individual circumstances. Greater consistency and fairness in fee payments in the care home sector is also an aim.
179. Communities, Parks & Leisure is leading a programme of work to re-procure sport and leisure activities. This has included a wider leisure budget review, incorporating the identified savings. The aim is that available provision will be maintained this year, although there may be an increase in some participation fees, which could affect different groups of people.
180. Savings associated with buildings are proposed by Economic, Development & Skills (Economic, Development & Skills) through business rate reductions and by Education, Children & Families through decreased managements costs. Other savings with no impacts relate to reductions in borrowing costs (Strategy & Resources) and budgets (Waste & Street Scene).

Reducing or stopping services

181. Proposals to end or to change services have implications for people and would all need monitoring very closely.
182. Education, Children & Families is proposing to reintegrate social work fieldwork funding and casework management into core services, and to make further savings through budget management.

Staff cost reductions

183. Some proposals focus on reducing staff costs, with the aim of minimising disruption to services and on staff themselves. The impact of such proposals needs closely monitoring.
184. Communities, Parks & Leisure proposes to source and utilise different funding streams for community-based work with young people, with implications if the

funding is not confirmed. There is also a plan to reduce a vacant business support post. Housing is also proposing not to recruit to vacant posts, although monitoring and mitigations may be needed to limit impacts on service delivery and a longer-term restructure. This could otherwise have a widespread impact.

185. Strategy & Resources is planning to reduce posts as a result of technological changes, with minimal impact on staff and benefits to customers expected to develop over time. Adult Health & Social Care is removing a temporary budget, used to fund agency staff, with a view to longer-term investment in a team of Council employees to support the reablement of young adults.

Service effectiveness

186. Policy committees are looking to make changes that have limited or no impact on customers, residents and staff. Education, Children & Families plans to maximize opportunities for grant funding. It also proposes to hold back on recruitment and to reorganise its use of business support. Adult Health & Social Care budget adjustments are designed to reflect the contribution of health partner organisations to joint programme work.
187. Waste & Street Scene is removing unused and unneeded budgets. Strategy & Resources has identified an opportunity for some ICT applications to be funded through grant and other external funding.

Additional grant income

188. Both Adult Health & Social Care and Education, Children & Families are maximizing opportunities for funding from external grants and other sources. For Adult Health & Social Care this includes significant funding for learning disability support, and further specific grants for mental health and physical disability, and to enable greater fairness in the cost of care for people receiving care, providers and staff.
189. For Education, Children & Families, there are several grants covering staffing costs and pay, including apprentices. The Council is contributing to the costs of transport for children with Special Educational Needs & Disabilities (SEND), funding shortfalls from schools and, with Public Health, pay awards.
190. **Appendix 9** shows the Council's overall 2024-25 Revenue Budget EIA.

Recommendations

191. Council is recommended:

- a) To approve a net Revenue Budget for 2024/25 amounting to £543.815m;
- b) To approve a Band D equivalent Council Tax of £1,932.56 for City Council services, i.e. an increase of 4.99% (2.99% City Council increase and 2% national arrangement for the social care precept);
- c) To note that the Section 151 Officer has reviewed the robustness of the estimates and the adequacy of the proposed financial reserves, in accordance with Section 25 of the Local Government Act 2003. Further details can be found in **Appendix 5** and within the Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves from paragraph 2;
- d) To note that, if overspends against the agreed budgets emerge, then Executive Directors and Directors will be required to develop and implement plans to mitigate fully any overspend, within 2024/25, in consultation with elected Members;
- e) To approve the savings as set out in **Appendix 2**;
- f) To approve the revenue budget allocations for each of the services, as set out in **Appendix 4a**
- g) To note that, based on the estimated expenditure level set out in **Appendix 4** to this report, the amounts shown in part B of **Appendix 6** would be calculated by the City Council for the year 2024/25, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;
- h) To note the information on the precepts issued by the South Yorkshire Police & Crime Commissioner and of South Yorkshire Fire & Rescue Authority, together with the impact of these on the overall amount of Council Tax to be charged in the City Council's area;
- i) notes the precepts issued by local parish councils which add £676,767 to the calculation of the budget requirement in accordance with Sections 31 to 36 of the Local Government Finance Act 1992;
- j) To approve the Treasury Management and Annual Investment Strategies set out in **Appendix 7** and the recommendations contained therein;
- k) To approve the Minimum Revenue Provision (MRP) Policy set out in **Appendix 7**; which takes into account the revisions proposed for 2024/25 onwards;

- l) To agree that authority be delegated to the Director of Finance and Commercial Services to undertake Treasury Management activity, to create and amend appropriate Treasury Management Practice Statements and to report on the operation of Treasury Management activity on the terms set out in these documents;
- m) To approve a Pay Policy for 2024/25 as set out in **Appendix 8**;
- n) To agree that (a) the Members allowances scheme introduced in 2022/23 be implemented for 2024/25 and (b) to note that the Independent Remuneration Panel will review the Scheme each year, to make sure the scheme supports the governance structure and the roles and responsibilities of elected members;
- o) To note the determination of the Finance Committee on Monday 19th February 2024 to implement a second homes premium (as defined in the report to that Committee) from 1st April 2025;
- p) To note the determination of the Finance Committee on Monday 19th February 2024 to bring forward the chargeable period of the Long Term Empty premium from 2 years of unoccupation to 1 year of unoccupation with effect from 1st April 2024; and
- q) Except where the decision is to be taken by the Council as a Charity Trustee, delegates authority to the relevant Director to increase fees and charges where they have been considered by a Policy Committee as part of the budget process and are included in Appendix 3 - Committee External Income of the Sheffield City Council Revenue Budget 2024/25.

Kate Josephs CB
Chief Executive

Philip Gregory
Director of Finance & Commercial Services

Appendix 1

Committee Pressures

	BIP Reference*	Loss of Funding/ Income £'000	Increasing Demand on Services £'000	Pay & Price Inflation £'000	Contract Inflation £'000	Legislation Changes £'000	Other £'000	Total £'000
Adult Health & Social Care								
Pay Inflation	1.E2/2.E9/3.E1/4.E1/5.E9/6.E8/7.E1/ 9.E1			2,197				2,197
Price Inflation	1.E1/2.E1/2.E2/6.E1			20,862				20,862
Contract Inflation	4.E2/6.E3/7.E2				1,690			1,690
Client Growth	1.E7/2.E3/2.E4/6.E2		7,097					7,097
Undelivered BIPs	5.E3						408	408
Staffing Costs	1.E4/1.E5/1.E6/1.E9/2.E6/2.E7/2.E8/ 3.E2/3.E3/3.E4/5.E1/5.E2/5.E4/5.E6/ 5.E7/5.E8/5.E10/5.E11/6.E4/6.E5/ 7.E4		4,087					4,087
IT Software Costs	5.E5						12	12
Loss of Grant Funding & Sundry Income (Additional Debt Recovery)	1.E3/1.E8/2.E5/6.E6/6.E7/7.E3	1,067						1,067
		1,067	11,184	23,059	1,690	0	420	37,420
Communities, Parks & Leisure								
Pay Inflation	10.E1/11.E1/12.E1/13.E1/13.E2/14.E1/ 15.E1/16.E1/17.E3/18.E2/19.E1/ 22.E1			1,172				1,172
Increase in Demand for Libraries	17.E2		125					125
Business Rate Increases	17.E4						150	150
Staffing Costs	14.E4		92					92
Contract Inflation	15.E2				232			232
Ash Die Back - Countryside & Environment	18.E1		500					500
Loss of Grant Funding	14.E3	330						330
		330	717	1,172	232	0	150	2,601
Economic Development & Skills								
Pay Inflation	24.E1/25.E1/26.E1/27.E1/28.E1/29.E1			176				176
Sheffield Museum Trust Price Inflation	24.E2			595				595
		0	0	771	0	0	0	771
Education, Children & Families								
Pay Inflation	30.E1/31.E1/32.E1/33.E1/34.E1/ E35.E1/37.E1/38.E1/39.E1/40.E1/ 41.E1/42.E1/44.E1/46.E2/47.E1/48.E1/ 50.E1/51.E1			2,630				2,630
Insurance & Price Inflation	34.E2/45.E1/35.E2			7,357				7,357
Kinship Carer Allowance Uplift	45.E5					400		400
Increase in Demand for Home to School Transport	46.E1		956					956
Increase in Demand for Children's Services	35.E3		250					250
Regulating Semi-Independent 16+ Accommodation	45.E3					411		411
		0	1,206	9,987	0	811	0	12,004
Housing								
Pay Inflation	53.E2/54.E2/56.E2			277				277
Undelivered BIPs	53.E3						150	150
Increase in Demand for Homelessness	53.3.E4		150					150
Reduction in CIF Funding	54.E1	670						670
		670	150	277	0	0	150	1,247
Strategy & Resources								
Pay Inflation	59.E1/60.E1/61.E3/62.E1/63.E1/65.E2/ 65.E3/66.E1/67.E1/68.E1/68.E3/ 69.E1/71.E1			3,041				3,041
Indexation of 3rd Party Contracts	60.E2				180			180
Undelivered BIPs	59.E2					100		100
Cyber Prevention	60.E3		100					100
Blue Badge Demand	59.E3		47					47
Property Insurance - Facilities Management Demand	61.E4		100					100
TUPE Transfer Costs	61.E1					100		100
Loss of Sundry Income	63.E2/67.E2/68.E2/69.E2	780						780
		780	247	3,041	180	200	0	4,448
Transport, Regen & Climate								
Pay Inflation	74.E1/75.E1/76.E1/78.E1/79.E1			350				350
Increased SYMCA Transport Levy	77.E1		500					500
		0	500	350	0	0	0	850
Waste & Street Scene								
Pay Inflation	80.E1/81.E1/83.E1/84.E1/87.E1/88.E1/ 89.E1/90.E1			550				550
Undelivered BIPs	80.E6/83.E5						108	108
Contract Inflation	85.E1/90.E2				3,728			3,728
Increase in Demand for Regulatory Services	83.E2/83.E3/83.E4		262					262
CCTV - Public Realm Increase	80.E5		259					259
Markets	89.E2	140						140
		140	521	550	3,728	0	108	5,047
Total Savings		2,987	14,525	39,207	5,830	1,011	828	64,388

* - Full Budget Implementation Plans (BIPs) available here: <https://www.sheffield.gov.uk/your-city-council/budget-spending>

Committee Savings

	BIP Reference*	Process Improvements £'000	Budget Realignment £'000	Cessation £'000	Total £'000
<u>Adult Health & Social Care</u>					
Adult Future Options	2.B2		(416)		(416)
Debt Management	6.B6 / 6.B7 / 7.B2	(655)			(655)
Making the best use of commissioned services	6.B4 / 6.B5		(419)		(419)
Mental Health - Promoting Independence	1.B1 / 1.B2 / 1.B3	(500)	(543)		(1,043)
Post Discharge Reviews	6.B2	(1,568)			(1,568)
		(2,723)	(1,378)	0	(4,101)
<u>Communities, Parks & Leisure</u>					
Communities Staffing	14.B1		(24)		(24)
Subsidy grant to SCT					0
Leisure Review	19.B1 / 19.B2		(292)	(496)	(788)
		0	(316)	(496)	(812)
<u>Economic Development & Skills</u>					
Business Rates Review - Museums	24.B1	(100)			(100)
		(100)	0	0	(100)
<u>Education, Children & Families</u>					
Management of Sheaf Red Tape premises	32.B2	(50)			(50)
Maximise use of internal legal staff	44.B2	(100)			(100)
Review of staffing structures	30.B1 / 33.B1 / 44.B1	(1,240)			(1,240)
Stradbroke Childrens Home	37.B1			(65)	(65)
		(1,390)	0	(65)	(1,455)
<u>Housing</u>					
Citywide Housing service restructure	53.B1	(285)			(285)
		(285)	0	0	(285)
<u>Strategy & Resources</u>					
Registry Office move to online payments	59.B1	(30)			(30)
Contact Centre call volume reduction	59.B3	(182)			(182)
ICT application budget	60.B2		(177)		(177)
Reprofiling of Prudential Borrowing	60.B1		(48)		(48)
		(212)	(225)	0	(437)
<u>Waste & Street Scene</u>					
Unused training budget	81.B1		(99)		(99)
Bus Lane budget	87.B1		(51)		(51)
Highways & Maintenance budget	84.B1		(150)		(150)
		0	(300)	0	(300)
Total Savings		(4,710)	(2,219)	(561)	(7,490)

* - Full Budget Implementation Plans (BIPs) available here: <https://www.sheffield.gov.uk/your-city-council/budget-spending>

Committee External Income

	BIP Reference*	Services, Fees & Charges £'000	Partners £'000	Grant £'000	Total £'000
<u>Adult Health & Social Care</u>					
Social Care Grant	1.C1 / 2.C2 / 2.C3 / 4.C1			(12,879)	(12,879)
External Funding - Other	2.C4 / 6.C2 / 6.C3		(1,500)	(4,030)	(5,530)
Operational Efficiencies	2.C1 / 5.C1 / 6.C4 / 6.C5	(1,344)			(1,344)
Charging Review	6.C1	(6,050)			(6,050)
		<u>(7,394)</u>	<u>(1,500)</u>	<u>(16,909)</u>	<u>(25,803)</u>
<u>Communities, Parks & Leisure</u>					
External Funding	14.C1			(330)	(330)
Charging Review	10.C1 / 15.C1 / 17.C1 / 18.C1	(114)			(114)
		<u>(114)</u>	<u>0</u>	<u>(330)</u>	<u>(444)</u>
<u>Education, Children & Families</u>					
Social Care Grant	45.C1			(5,848)	(5,848)
External Funding - Other	32.C1 / 38.C1 / 32.C2 / 32.C3 / 38.C2		(1,096)	(1,060)	(2,156)
		<u>0</u>	<u>(1,096)</u>	<u>(6,908)</u>	<u>(8,004)</u>
<u>Housing</u>					
External Funding	54.C1 / 54.C2		(291)		(291)
Charging Review	53.C1	(13)			(13)
		<u>(13)</u>	<u>(291)</u>	<u>0</u>	<u>(304)</u>
<u>Strategy & Resources</u>					
Charging Review	59.C1 / 59.C2 / 61.C1	(96)			(96)
		<u>(96)</u>	<u>0</u>	<u>0</u>	<u>(96)</u>
<u>Transport, Regen & Climate</u>					
Charging Review	77.C1	(300)			(300)
		<u>(300)</u>	<u>0</u>	<u>0</u>	<u>(300)</u>
<u>Waste & Street Scene</u>					
Charging Review	80.C1 / 81.C1 / 83.C1 / 89.C1	(310)			(310)
		<u>(310)</u>	<u>0</u>	<u>0</u>	<u>(310)</u>
Total Savings		<u>(8,227)</u>	<u>(2,887)</u>	<u>(24,147)</u>	<u>(35,261)</u>

* - Full Budget Implementation Plans (BIPs) available here: <https://www.sheffield.gov.uk/your-city-council/budget-spending>

Restated 2023/24	<u>Summary Revenue Budget</u>	2024/25
£000		£000
	Committee Budgets:	
142,387	Adult Health & Social Care	149,903
35,617	Communities, Parks & Leisure	26,862
8,161	Economic Development & Skills	8,833
115,342	Education, Children & Families	118,387
5,484	Housing	6,142
65,021	Strategy & Resources (Excluding Corporate)	67,917
25,120	Transport, Regen & Climate	25,670
65,706	Waste & Street Scene	70,143
462,839		473,857
	Corporate Budgets:	
	Specific Grants	
-2,692	New Homes Bonus (CIF)	-1,097
-5,624	22/23 Services Grant	-1,011
-9,858	Social Care Grant held Centrally	-5,636
	Corporate Items	
5,500	Redundancy Provision	5,500
4,300	Change Budget	4,300
703	Budget Inflation Contingency	703
9,858	Social Care Contingency	5,636
0	Housing Benefits Subsidy Loss	7,900
-307	Other	622
	Capital Financing Costs	
38,757	Capital Financing Costs	38,116
	Reserves Movements	
-2,714	Contribution to / (from) Reserves	14,925
500,762	Total Expenditure	543,815
	Financing of Net Expenditure	
-43,611	Revenue Support Grant	-46,500
-185,047	Business Rates Income (Including Grants)	-200,767
-232,631	Council Tax income	-243,096
-4,303	Collection Fund (Surplus)/Deficit	-12,511
-35,170	Social Care Precept	-40,941
-500,762	Total Financing	-543,815

Appendix 4a

	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Adult Health & Social Care Policy Committee			
Adult Health & Social Care	328,513	(185,834)	142,678
Integrated Commissioning	17,660	(10,435)	7,225
	346,173	(196,270)	149,903
Communities, Parks & Leisure Policy Committee			
Business Improvement	1,824	(670)	1,155
Community Services	13,634	(3,682)	9,952
Integrated Commissioning	1,852	(1,014)	839
Parks, Leisure & Libraries	28,762	(13,845)	14,917
Public Health	2,929	(2,929)	-
	49,002	(22,140)	26,862
Economic Development & Skills Policy Committee			
Economy, Culture & Skills	11,063	(3,499)	7,564
Education & Skills	8,174	(7,291)	883
Parks, Leisure & Libraries	886	(500)	386
	20,123	(11,290)	8,833
Education, Children & Families Policy Committee			
Children & Families	131,020	(26,424)	104,597
Education & Skills	290,729	(277,537)	13,192
Integrated Commissioning	25,677	(25,079)	598
	447,426	(329,041)	118,387
Housing Policy Committee			
Housing General Fund	16,539	(10,882)	5,657
Operational Services	50,903	(50,903)	-
Regeneration & Development	915	(430)	485
	68,358	(62,215)	6,142
Strategy & Resources Policy Committee (Excluding Corporate)			
Central Costs	13,023	(18,119)	(5,095)
Community Services	2,337	-	2,337
Contract Rebates & Discounts		(723)	(723)
Digital Innovation & ICT	17,563	(1,825)	15,738
Finance & Commercial Services	68,664	(48,444)	20,221
General Counsel	6,072	(3,141)	2,931
Housing Benefit	125,465	(125,309)	156
Operational Services	48,318	(28,034)	20,285
Organisational Strategy P & D	5,900	(881)	5,018
People & Culture	7,895	(1,601)	6,294
Policy & Democratic Engagement	9,808	(2,610)	7,198
Public Health	2,613	(2,613)	-
Regeneration & Development	4,606	(11,049)	(6,442)
	312,265	(244,349)	67,917
Transport, Regen & Climate Policy Committee			
Planning, Investment & Sustain	33,634	(8,409)	25,225
Regeneration & Development	6,818	(6,373)	445
Street Scene & Regulation	6,390	(6,390)	-
	46,842	(21,172)	25,670
Waste & Street Scene Policy Committee			
Street Scene & Regulation	140,419	(70,276)	70,143
	1,430,608	(956,752)	473,857

Reserves Strategy

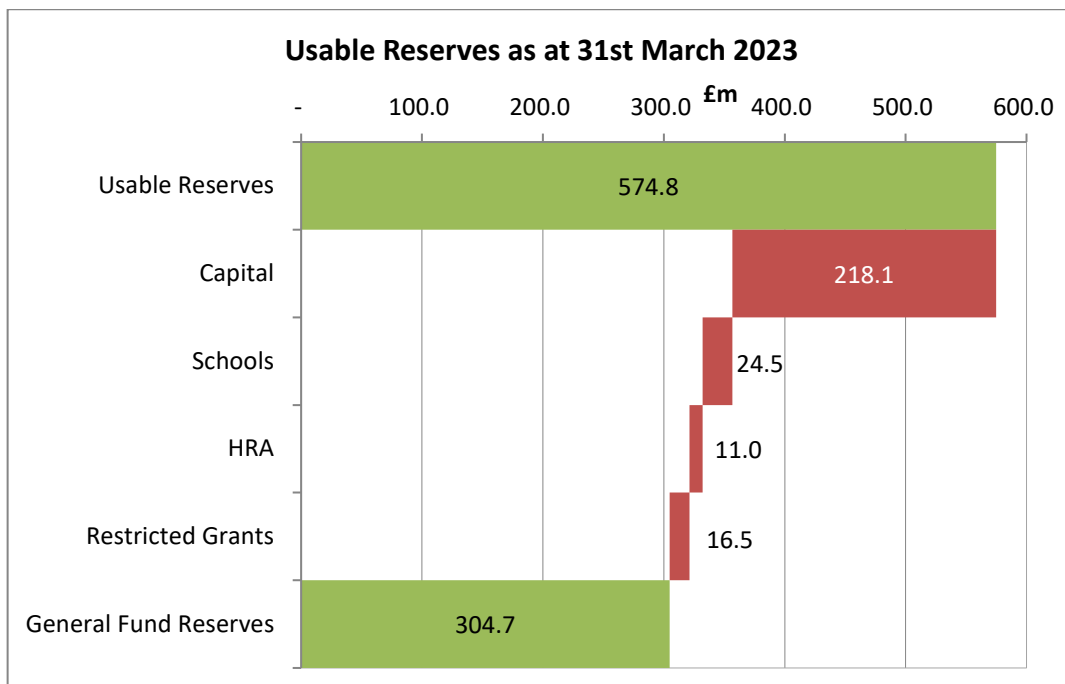
Introduction

1. This report analyses the latest position in relation to the level of the Council's reserves. Section 25 of the Local Government Act 2003 requires the statutory Chief Finance Officer (the Director of Finance and Commercial Services) to present to the authority a report assessing the adequacy of unallocated reserves in the context of corporate and financial risks facing the Council.
2. The Council needs to balance the necessity for reserves against the immediate impact on council taxpayers and arrive at a level it considers adequate and prudent, but not excessive.
3. Reserves can be used temporarily to fund services, and this approach is reviewed as part of the budget strategy. However, they are:
 - one off funds and using them in the budget will only delay the need to make savings. Once used, they are not available to support future years.
 - most suited to covering one off, unexpected costs and emergencies or costs that are likely to be incurred in the future, but the timing is uncertain.

Total Reserves at 31st March 2023

4. The [Council's Un-Audited Statement of Accounts for 2022-23](#) shows a figure for "usable" reserves in the balance sheet on page 31 of £574.8m as at 31st March 2023. However, this figure is a technical accounting one and is not relevant for the purposes of setting the General Fund revenue budget.
5. The Council's total spending and reserves is separated in to five main blocks:
 - Capital - Sums set aside to provide funding for the capital programme or to manage the impact of new capital schemes.
 - Schools - funds that have been allocated to, and held in trust for, schools, and which remains unspent at the year end. This reserve is only available to support schools expenditure.
 - Housing Revenue Account (HRA) - amounts specifically required by statute to be set aside and ring-fenced for future investment in HRA;
 - Restricted Grants – funding received for specific projects;
 - General Fund - spend on all other services not in the above four categories, funded from government grants, the local share of business rates and council tax.

6. For the purposes of setting the budget and this reserves strategy, £270.1m of the “usable reserves” are irrelevant as below:



7. This leaves around £304.7m of General Fund reserves as at 31st March 2023. However, £289.6m of this is “earmarked” i.e. committed to cover liabilities for expenditure which is already committed but not yet paid for.

8. Just £15.1m is un-earmarked reserves. If this reserve is used, it will be replenished to the stated minimum level as soon as practically possible.

Estimate of reserves at 31 March 2024 & 31 March 2025

9. Table 1 below shows the movement since March 2023 and the forecast reserves forecasts for 31st March 2024 and 31st March 2025. The forecast for 31st March 2024 shows a decline in reserves of £20.0m. This equates to 7% of all General Fund reserves.

10. £17.4m of the drawdown comes from the Budget Contingency reserve to cover the forecast 2023/24 overspend (as at Month 6). There are further large drops in relation to the Major Sports Facilities (MSF) £8.4m and Private Finance Initiatives (PFI) £6.2m. However, £10.7m has been added to the Capital Charges reserve. More details on these movements can be found below.

11. The forecast for 2024/25 currently shows an increase in reserves of £14.9m, this is primarily due to the use of the estimated £12.5m one-off Collection Fund Surplus for 2024/25 to bolster the Budget Contingency reserve and the £7.8m increase in the Major Sporting Facilities reserve.

12. No allowance is made for further overspends in the 2024/25 forecast however recent history shows us that achieving a balanced position without resort to drawdowns from reserves might be challenging.

Table 1

Description	Forecast		Forecast		Balance at 31/03/25 £000
	Balance at 31/03/23 £000	Movement in 2023/24 £000	Balance at 31/03/24 £000	Movement in 2024/25 £000	
Non-earmarked Reserves					
General Fund Reserve	15,051	0	15,051	0	15,051
	15,051	0	15,051	0	15,051
Earmarked Reserves					
Major Sporting Facilities	45,510	(8,372)	37,138	7,848	44,986
Collection Fund	33,426	1,105	34,531	(47)	34,484
Capital Charges	20,285	10,700	30,985	0	30,985
Service Area Reserves	24,140	3,342	27,482	0	27,482
PFI Reserve	25,700	(6,185)	19,515	(5,654)	13,861
New Homes Bonus	19,779	(2,142)	17,637	0	17,637
Budget Contingency	30,718	(17,400)	13,318	12,513	25,831
Insurance Fund	10,721	0	10,721	0	10,721
Heart of the City II	5,980	(950)	5,030	0	5,030
Children's and Adults Social Care	3,043	271	3,314	0	3,314
Invest to Save	2,291	681	2,972	265	3,237
Public Health	6,846	(4,671)	2,175	0	2,175
Other earmarked	61,212	3,574	64,786	0	64,786
Total Earmarked Reserves	289,651	(20,047)	269,604	14,925	284,529
Total Revenue Reserves	304,702	(20,047)	284,655	14,925	299,580

Earmarked Reserves

13. Earmarked reserves are set aside to meet known or predicted liabilities, but ones that are not certain enough to create an exact provision in the accounts. The liabilities are, however, likely enough to say that the earmarked reserves are not normally available to fund the budget or other measures.

14. A list of earmarked reserves, their purpose and proposed use are set out below. Figures in brackets represent their forecast balance at 31/3/2024.

Major Sporting Facilities (MSF) (£37.1m)

15. The remaining funds are required for the future costs of running the Major Sporting Facilities (Ponds Forge, Hillsborough Leisure Centre, etc.) and for investment in the new Leisure Strategy. This reserve is forecast to reduce by £8.4m in 2023/24 due to the repayment profile of the MSF external debt and support to current leisure providers. The final payment for this debt was made during 2023/24, so the

allocated budget is now transferred back to reserves to support the Leisure Strategy, and hence the main reason for the £7.8m increase in 2024/25.

Collection Fund (£34.5m)

16. This reserve is required to cover potential reductions in Business Rates and Council Tax income, ensuring any short-term fluctuations in collection rates don't have a direct impact on budget setting and/or cause additional financial pressures across portfolios.

Capital Financing Charges (£31.0m)

17. As highlighted within the 2024/25 Budget Report, the Capital Financing Budget is operating at an artificially low base. This is due to the council holding high cash balances, removing the need to borrow external funds but also generating high returns on the investment of these balances, due to current interest rates. As cash balances and interest rates begin to fall, the council will need to borrow funds and service the debt. This reserve is set aside to smooth the transition back to a sustainable budget with minimal impact on budget planning in the medium term. The £10.7m added to this reserve during 2023/24 reflects the reduced borrowing and high interest returns as set out above.

Service Area Reserves (£27.5m)

18. These are a variety of service specific reserves set aside for long term projects / plans, examples include the Workplace Accommodation Strategy, the Flexible Development Fund, ICT investment reserve and an elections reserve.

Private Finance Initiative (PFI) Reserve (£19.5m)

19. This PFI grant is received from Government in advance to pay future liabilities, so these sums are set aside in a reserve to cover the cost of contracts in future years. The PFI reserve is expected to reduce by £6.2m in 2023/24 and £5.7m in 2024/25 in line with the established PFI spend profile.

New Homes Bonus / Corporate Investment Fund (£17.6m)

20. The Government pays all Councils the New Homes Bonus to incentivise them to bring empty properties back into use or encourage new housing to be built. The Council intends to use the payments to promote housing development and to fund economic growth projects. This reserve sets aside the payments until required for agreed projects, which now form part of the wider Corporate Investment Fund.

Budget Contingency (£13.3m)

21. The original £70.0m budget contingency had been reduced to £30.7m by March 2023 as below. A further £17.4m is forecast to be needed to cover the 2023/24 deficit, leaving just £13.3m in reserve. It is proposed to use the £12.5m forecast Collection Fund surplus for 2024/25 to bolster this reserve back up to £25.8m.

	£m
-	
Balance at March 2021	70.0
21/22 Overspend	-19.8
Balance at March 2022	50.2
22/23 Budget Gap	-14.5
22/23 Overspend	-5.0
Balance at March 2023	30.7
23/24 Overspend	-17.4
Balance at March 2024	13.3
Collection Fund Surplus	12.5
Balance at March 2025	25.8

Insurance Fund (£10.7m)

22. This reserve was created in 2013/14 following the audit of the 2012/13 accounts. The External Auditor recommended that the difference between the Council's best estimate of actual losses and the maximum potential liability should be classified as an earmarked reserve.

Heart of the City II (£5.0m)

23. Funds set aside for future costs in relation to the city's Heart of the City II regeneration scheme.

Childrens and Adults Social Care (£3.3m)

24. Social Care reserves are held to deal with transforming Social Care in Sheffield to better meet the much-publicised challenges facing the sector and to deal with unforeseen costs.

Invest to Save Projects (£3.0m)

25. The Council has delivered a number of business transformation projects that are essential to the future success of the Council's operations, and which have been used to help offset budget pressures over the last few years. This will continue with support to deliver future savings identified, including a number of strategic reviews.

Public Health (£2.2m)

26. Public Health grant funding is given to the Council on a yearly basis and is restricted to spending on public health functions. The conditions of the grant specify that any surpluses must be carried to a reserve for use in future years. The balance on this reserve therefore represents underspends in prior years. This reserve is forecast to reduce by £4.7m in 2023/24 as projects that were stalled by the Covid pandemic are re-prioritised.

Other Earmarked Reserves (£64.8m)

27. This includes various specific earmarked reserves. These include:

- redundancies
- pension deficit payments
- corporate energy reserve
- highways PFI inflation and contingency
- climate investments

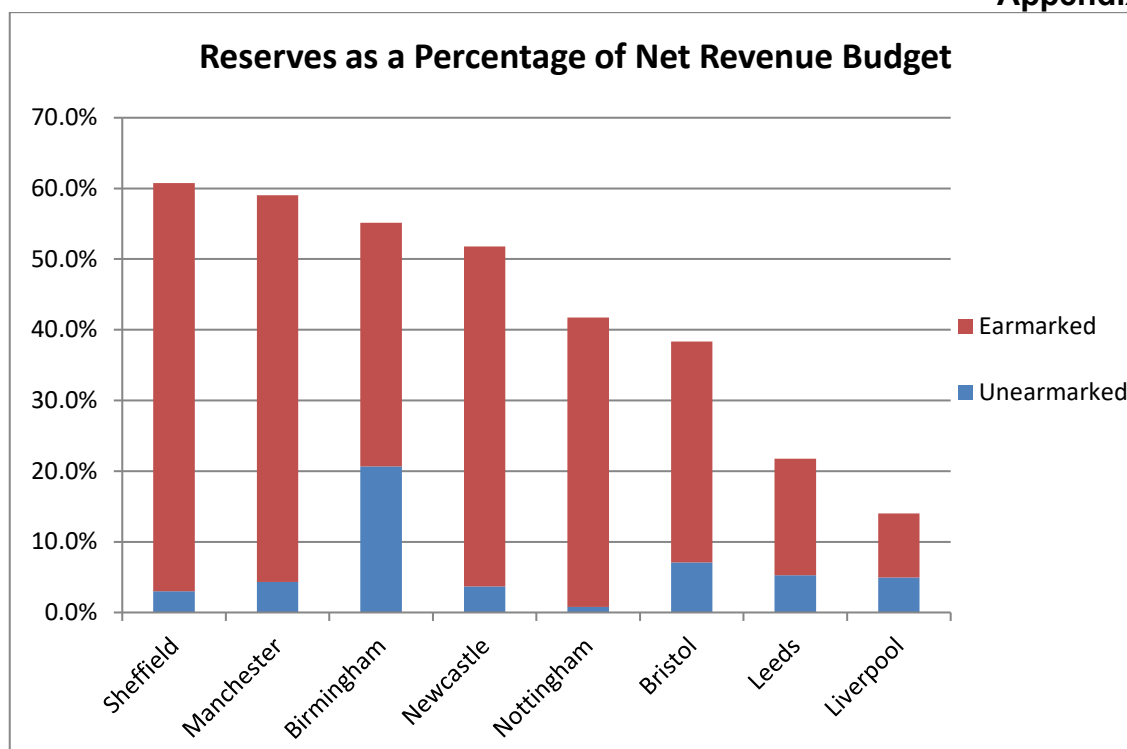
Assessment of levels of reserves

28. The purpose of general revenue reserves is to provide funding for any unforeseen risks and expenditure which may arise during the year. The Council will always need a minimum level of emergency reserves.

29. The Section 151 officer has carried out an assessment of the adequacy of the level of reserves held by the Council in light of the principal risks it faces. There is no overall formula that can calculate what the level of reserves should be; it is a matter of judgement based on the known risks, budgetary pressures and local factors.

30. While the maximum total financial impact of these risks far exceeds the reserve held, the overall likelihood of all these risks being incurred in any one year is low and therefore, it is not deemed prudent, nor offers best value to hold sufficient reserves to cover all eventualities.

31. The graph below shows a comparison of both earmarked and un-earmarked reserves as a percentage of Net Revenue Budget in relation to other major cities.



N.B Reserve levels based on the latest published Statement of Accounts - Nottingham (2020/21), Birmingham (2021/22) and everyone else (2022/23). NRB data based on 2023-24 RA data.

32. Based on the latest data available SCC has the second lowest un-earmarked reserves of all core cities at 3.0% of Net Revenue Budget (NRB). However, once Earmarked Reserves are added on SCC has the highest level of the 8 core cities with 60.8% of NRB.
33. Sheffield's reserves fell by £16.4m last year (2022/23) and the Net Revenue Budget continues to rise year on year, driven by inflation and other cost pressures. SCC had reserves totalling 72.2% of NRB at this stage last year so this is an 11.4% reduction.
34. The same trend can be seen across almost all Local Authorities. The evidence shows that whilst Sheffield's 'reserves to NRB' ratio is falling, it is not falling as fast as other Core Cities in similar situations. This is due to the prudent financial management of reserves over the past few years and a commitment to minimising the use of reserves to fund day to day activity.
35. This does not mean that Sheffield is doing better than everywhere though. There are now clear divides in authority types when it comes to reserves levels. On average Shire Districts (who have suffered far fewer cuts than Metropolitan Districts over the last 15 years) still hold reserves at 115% of their NRB.
36. Overspends and budget gaps have seen the Council use £56.7m of reserves over the last 3 years. Future over spends or budget gaps would require further use of earmarked reserves, leaving the Council exposed to greater risk.

37. Several Local Authorities have recently declared a Section 114 notice (declaring themselves unable to fund the required expenditure) and according to the Local Government Association “almost one in five council leaders and chief executives in England think it is very or fairly likely that they will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running”.
38. Sheffield City Council is not at imminent risk of a section 114 notice, but the Council will need to continually assesses its reserves position, balancing the need to retain sufficient reserves to meet future risks, with a plan to utilise any reserves that are not needed.

Recommendations

39. The Director of Finance & Commercial Services recommended during the 2024/25 budget process that:
- The General Fund Balance be maintained at around £15.1m, and broadly in line with the recommended minimum level of 3% of the Council’s net spending, regarded by most Chief Finance Officers in the Audit Commission’s research as a prudent level for General Fund reserves. This will be reviewed in 2024/25 as the Councils Net Revenue Budget increases.
 - Notice must be given to the significant external risks to Local Authorities budgets for example, the cost pressures in social care, insufficient subsidy to cover Housing Benefit payments and the continuing impact of high inflation on council wide expenditure.
 - The position is not yet critical, but stringent monitoring will be essential to ensure that reserve levels are adequate to cover future expected pressures in the medium term.

CITY OF SHEFFIELD
CALCULATION OF RECOMMENDED COUNCIL TAX FOR 2024/25 REVENUE BUDGET

The Council is recommended to resolve as follows:

1. It be noted that on 13th January 2024, the Council calculated the Council Tax Base 2024/25

(a) for the whole council area as:

146,974.6320 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")); and

(b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix 6c.

2. Calculate that the Council Tax requirement for the Council's own purposes for 2024/25 (excluding Parish precepts) is:

£ 284,036,674

3. That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:

(a) **£ 1,697,056,646** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) **£ 1,412,343,205** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) **£ 284,713,441** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31B of the Act).

(d) **£ 1,937.1604** being the amount at 3(c) above (Item R), all divided by item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).

(e) **£ 676,767** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix 5b).

(f) **£ 1,932.5558** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. To note that the Police and Crime Commissioner and the Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table overleaf.

5. **£ 40,940,889** The amount set by the authority at 2 above, under section 30 of the Act, includes an amount attributable to the adult social care precept.

6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.

Sheffield City Council (non-parish areas)

	Valuation Band							
	A	B	C	D	E	F	G	H
Sheffield City Council	1,288.37	1,503.10	1,717.83	1,932.56	2,362.01	2,791.47	3,220.92	3,865.11
South Yorkshire Fire & Rescue Authority	56.70	66.15	75.60	85.05	103.95	122.85	141.75	170.10
South Yorkshire Police and Crime Commissioner	167.36	195.25	223.15	251.04	306.83	362.61	418.40	502.08
Aggregate of Council tax requirements	1,512.43	1,764.50	2,016.58	2,268.65	2,772.79	3,276.93	3,781.07	4,537.29

Bradfield Parish Council

	Valuation Band							
	A	B	C	D	E	F	G	H
Sheffield City Council	1,288.37	1,503.10	1,717.83	1,932.56	2,362.01	2,791.47	3,220.92	3,865.11
Bradfield Parish Council	28.49	33.24	37.99	42.74	52.24	61.73	71.23	85.48
South Yorkshire Fire & Rescue Authority	56.70	66.15	75.60	85.05	103.95	122.85	141.75	170.10
South Yorkshire Police and Crime Commissioner	167.36	195.25	223.15	251.04	306.83	362.61	418.40	502.08
Aggregate of Council tax requirements	1,540.92	1,797.74	2,054.57	2,311.39	2,825.03	3,338.66	3,852.30	4,622.77

Ecclesfield Parish Council

	Valuation Band							
	A	B	C	D	E	F	G	H
Sheffield City Council	1,288.37	1,503.10	1,717.83	1,932.56	2,362.01	2,791.47	3,220.92	3,865.11
Ecclesfield Parish Council	20.38	23.78	27.17	30.57	37.36	44.16	50.95	61.14
South Yorkshire Fire & Rescue Authority	56.70	66.15	75.60	85.05	103.95	122.85	141.75	170.10
South Yorkshire Police and Crime Commissioner	167.36	195.25	223.15	251.04	306.83	362.61	418.40	502.08
Aggregate of Council tax requirements	1,532.81	1,788.28	2,043.75	2,299.22	2,810.15	3,321.09	3,832.02	4,598.43

Stocksbridge Town Council

	Valuation Band							
	A	B	C	D	E	F	G	H
Sheffield City Council	1,288.37	1,503.10	1,717.83	1,932.56	2,362.01	2,791.47	3,220.92	3,865.11
Stocksbridge Town Council	22.56	26.32	30.08	33.84	41.37	48.89	56.41	67.69
South Yorkshire Fire & Rescue Authority	56.70	66.15	75.60	85.05	103.95	122.85	141.75	170.10
South Yorkshire Police and Crime Commissioner	167.36	195.25	223.15	251.04	306.83	362.61	418.40	502.08
Aggregate of Council tax requirements	1,534.99	1,790.82	2,046.66	2,302.49	2,814.16	3,325.82	3,837.48	4,604.98

7. The Council's basic amount of Council Tax is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, therefore no referendum is required.

Council Tax Schedule 2024/25	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Sheffield City Council	1,288.37	1,503.10	1,717.83	1,932.56	2,362.01	2,791.47	3,220.92	3,865.11
South Yorkshire Fire & Rescue Authority	56.70	66.15	75.60	85.05	103.95	122.85	141.75	170.10
South Yorkshire Police and Crime Commissioner	167.36	195.25	223.15	251.04	306.83	362.61	418.40	502.08
Total charge for non-parish areas of Sheffield	1,512.43	1,764.50	2,016.58	2,268.65	2,772.79	3,276.93	3,781.07	4,537.29
Bradfield Parish Council	1,540.92	1,797.74	2,054.57	2,311.39	2,825.03	3,338.66	3,852.30	4,622.77
Ecclesfield Parish Council	1,532.81	1,788.28	2,043.75	2,299.22	2,810.15	3,321.09	3,832.02	4,598.43
Stocksbridge Town Council	1,534.99	1,790.82	2,046.66	2,302.49	2,814.16	3,325.82	3,837.48	4,604.98

Parish Council Precepts

Parish Council	2023/24			2024/25			Council Tax Band D Increase as %age
	Tax Base	Council Tax Income (£)	Council Tax Band D (£)	Tax Base	Council Tax Income (£)	Council Tax Band D (£)	
Bradfield	5,973.09	255,277	42.7378	6,040.61	258,162	42.7378	0.00%
Ecclesfield	9,346.90	274,756	29.3954	9,391.56	287,111	30.5712	4.00%
Stocksbridge	3,868.34	130,921	33.8443	3,885.25	131,494	33.8443	0.00%
Total	19,188.34	660,954	105.98	19,317.42	676,767	107.15	

Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and The Annual Ethical Investment Strategy For 2024/25

Executive Summary

Introduction

Treasury Management fulfils several key roles that link the Revenue Budget and the Capital Programme. In line with the CIPFA definition of Treasury Management, these roles include:

- ensuring that cash flow is adequately planned for and cash is available when needed
- investing surplus funds in line with the authority's risk appetite
- the funding of the Council's capital programme
- the effective control of the risks associated with those activities

The 2024/25 Treasury Management Strategy Statement (TMSS)

Section 2, highlights that the TMSS covers both capital issues and treasury management issues as required by the Local Government Act 2003, the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code, Department for Levelling Up, Housing and Communities (DLUHC) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

This section also reports on the Council's response to requirements under the above codes in relation to training and the use of Treasury Management Consultants.

Capital Prudential Indicators

Section 3, shows how the Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the *Capital Prudential Indicators*, which are designed to assist members' overview and confirm capital expenditure plans.

The Council's Borrowing Need (Capital Financing Requirement)

Section 4, explains the Council's Capital Financing Requirement (CFR), the second Prudential Indicator, being the total historic capital expenditure that has not yet been paid for; either from revenue or capital resources and is a measure of the Council's underlying need for borrowing.

Any new capital expenditure not immediately paid for, from grants, capital receipts or revenue contributions, will increase the Council's overall CFR.

The Council's CFR is expected to remain fairly stable over the next few years based on the Council's approved capital investment plans; moving from £1.59bn in 2022/23 to £1.57bn in 2027/28. The narrative behind this is that General fund CFR reduces and the HRA CFR increases reflecting the forecasts for future capital expenditure. See section 4.1.

Minimum Revenue Provision (MRP)

Section 5 sets out the MRP policy for the 2024/25 financial year, which outlines how the Council will set aside some of its revenue resources as a provision for reducing the underlying need to borrow (as identified by the CFR). The core requirement is that:

- The Council has an approved policy for calculating MRP (this policy)
- The Council sets aside an amount which is deemed to be prudent, having regard to DLUHC's statutory guidance.

The MRP policy for 2024/25 is unchanged from 2023/24. Under International Financial Reporting Standards (IFRS) 16, the requirement to show the principal elements of leases as MRP will be applied from 2024/25.

Application of Resources

Section 6 outlines how the Council uses resources other than borrowing temporarily to finance capital expenditure. This allows the Council to remain "under borrowed" - meaning that we have not yet fully externally borrowed sufficiently to fund the CFR.

A consequence of being under borrowed is that the Council has less cash available to invest. However, as we receive lower interest on our investments than we pay on borrowing, this approach is financially advantageous.

Current Debt Portfolio

Section 7, explains that the new forecast for borrowing to be taken is based on funding expenditure in the Capital Programme, whilst broadly maintaining a sustainable under-borrowed position.

In addition to external borrowing, PFI Liabilities are forecast to fall over the forecast period as payments are made.

Treasury Indicators

Section 8 sets out the Treasury Indicators that assess the affordability of planned capital expenditure and its effect on the Council's overall finances.

This main body of the report details the indicators for:

- Revenue cost as a proportion of net revenue
- Limits to borrowing activity

Full Council are asked to approve the Treasury indicators within this section.

Borrowing Strategy

Section 9 covers increased borrowing rates and the Council's relatively strong cash balances support continuing the Council's under-borrowed position in anticipation of lower rates in future.

Treasury Limits on Activity

Section 10 highlights the boundaries and limits imposed in relation to variable rate exposure and maturity profiles.

Debt Rescheduling

Section 11 notes that during 2023/24 one of the Council's LOBO loans was repaid, no other rescheduling of the Council's debt was undertaken, though the risk of further calls on LOBOs is being considered.

Annual Ethical Investment Strategy

Section 12, covers Council's Annual Ethical Investment Strategy that aims to ensure investment decisions comply with its investment priorities (Security, Liquidity and Yield), and do not contradict the Council's ethical values.

Investment Strategy

Section 13 explains the distinction between Treasury and other investment types, the considerations in making short and long term decisions, as well as limits for investment over 12 months.

Section 1 – Introduction

Key Messages

Treasury Management fulfils several key roles that link the Revenue Budget and the Capital Programme. In line with the CIPFA definition of Treasury Management, these roles include:

- ensuring that cash flow is adequately planned for and cash is available when needed
- investing surplus funds in line with the authority’s risk appetite
- the funding of the Council’s capital programme
- the effective control of the risks associated with those activities

1. The Council operates a balanced revenue budget, which should mean that cash raised will meet its cash requirements, over the medium term. A key role of the treasury management operation is to ensure that cash flow is adequately planned for and available when needed. Surplus cash is invested in low-risk counterparties and instruments in alignment with the Council’s risk appetite. The security and liquidity of the portfolio of investments are our primary concerns before considering investment return (yield).
2. Another primary function of Treasury Management service is the funding of the Council’s capital programme. The capital plans provide a guide to the borrowing needs of the Council, informing longer term cash flow planning to ensure that the Council can meet its capital spending obligations. The management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. On occasion any loans or credit liabilities previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“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.”

3. Accordingly, this document provides a strategic framework for the achievement of the following objectives:

Borrowing

- Proposed levels of borrowing are sustainable and affordable.
- The expected costs are well-matched to the relevant revenue streams to maximise budgetary certainty.
- Financing is readily available when required for major capital expenditure.

- The most economical sources of borrowing for a given situation are identified and made use of.

Investments

- Security: Public funds are not lost.
- Liquidity: Cash is available when required for essential expenditure.
- Yield: Returns are maximised to maintain, so far as the above constraints allow, the spending power of public funds held by the Authority.

Effective Balance Sheet Management

- A sustainable and prudent balance is struck between the use of cash balances in lieu of external borrowing and any potential risks of refinancing.
4. The Council is currently required to receive and approve several reports each year, incorporating a variety of policies, estimates and actuals.
- These reports include:
- Prudential and Treasury Indicators and Treasury Strategy (this report) which covers Capital and Treasury Management issues (see section 8).
 - A mid-year Treasury Management report –to update Members with the progress, amending prudential indicators as necessary, and advise whether any policies require revision.
 - Annual Treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
5. The above reports are required to be adequately scrutinised before being recommended to Full Council. This role is undertaken by the Strategy & Resources Policy Committee and the Finance Committee

Section 2 - The 2024/25 Treasury Management Strategy Statement (TMSS)

Key Messages

The TMSS covers both capital issues and treasury management issues as required by the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

This section also reports on the Council's response to requirements under the above codes in relation to training and the use of Treasury Management Consultants.

6. The TMSS covers capital issues:
 - The capital plans and the Prudential Indicators.
 - The Minimum Revenue Provision (MRP) policy.
7. The TMSS covers treasury management issues:
 - The current treasury position.
 - Treasury Indicators which limit the treasury risk and activities of the Council.
 - Prospects for interest rates.
 - The borrowing strategy.
 - The investment strategy.
 - Policy on borrowing in advance of need.
 - Debt rescheduling.
 - Creditworthiness policy; and
 - The Council's policy on use of external service providers.
8. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training. This especially applies to members responsible for scrutiny.
9. The Finance Committee and Chairs / Spokespeople for all other Committees will be offered treasury management training. This may be delivered by officers or the Council's treasury advisors, Link, during the year. Further internal and external training will be considered as necessary.
10. The training needs of treasury management officers are also periodically reviewed. During the year officers attended workshops, seminars and conferences provided by CIPFA, the Council's treasury management consultants and other relevant organisations.
11. The Council uses Link Asset Services as its external treasury management advisors.

12. The Council recognises that responsibility for treasury management decisions always remains with the Council and will ensure that undue reliance is not placed upon our external service providers.
13. It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources.
14. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

Section 3 – Capital Prudential Indicators

Key Messages

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the *Capital Prudential Indicators*, which are designed to assist members' overview and confirm capital expenditure plans.

15. This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the budget cycle. The table below shows total capital expenditure. The comparison to last year's TMS figures show material slippage in the 2022/23 programme, with higher expenditure in future years due to higher Housing expenditure.
16. The figures below are for approved capital schemes only and as such represent the minimum expected expenditure.

Capital Expenditure	2022.23 Actual £'m	2023.24 Forecast £'m	2024.25 Budget £'m	2025.26 Estimate £'m	2026.27 Estimate £'m	2027.28 Estimate £'m
ADULT HEALTH & SOCIAL CARE	8.1	6.2	0.0	0.0	0.0	0.0
COMMUNITIES, PARKS & LEISURE	21.4	25.9	2.5	0.0	0.0	0.0
ECONOMIC DEVELOPMENT & SKILLS	0.4	1.1	1.9	0.0	0.0	0.0
EDUCATION, CHILDREN & FAMILIES	13.6	22.5	4.5	0.0	0.0	0.0
HOUSING	57.5	73.4	104.8	147.4	159.0	129.2
STRATEGY & RESOURCES	5.0	5.9	0.1	0.0	0.0	0.0
TRANSPORT, REGEN & CLIMATE	95.6	88.4	68.2	3.3	0.0	0.0
WASTE & STREET SCENE	0.1	0.9	0.0	0.0	0.0	0.0
CORPORATE TRANSACTIONS	0.0	0.0	0.0	0.0	0.0	0.0
Total	201.7	224.3	182.1	150.7	159.0	129.2
Previous TMS (23/24)	234.0	214.1	126.9	135.0	121.7	
Change	-32.3	10.2	55.2	15.7	37.3	

17. The Council's Capital Strategy and Capital Programme provides more detail on the key investment priorities aligned to the Council's overall corporate objectives and are available from the Council's Website.
18. In addition to the table above, the Council may also invest up to a limit of £10m per year in loans to local enterprises, local charities, wholly owned companies, and joint ventures as part of a wider strategy for local economic growth.
19. The Council may also make commercial investments, and these will be reported via the Capital Strategy as they are non-treasury investments. There are currently no plans to make investment of this type, not least because following recent Central Government rule changes, making these investments potentially limits our ability to access PWLB borrowing.
20. The table below summarises our capital expenditure plans and how these plans are being financed by capital or revenue resources.

21. Any capital expenditure not funded by grants, receipts, or revenue contributions, results in a need for borrowing.

Capital Expenditure:	2022.23 Actual £'m	2023.24 Forecast £'m	2024.25 Budget £'m	2025.26 Estimate £'m	2026.27 Estimate £'m	2027.28 Estimate £'m
Capital expenditure:						
Non-housing	£144.3	£151.0	£77.3	£3.3	£0.0	£0.0
Housing	£57.5	£73.4	£104.8	£147.4	£159.0	£129.2
Total	£201.7	£224.3	£182.1	£150.7	£159.0	£129.2
Financed by:						
Capital Receipts	£64.1	£16.5	£9.5	£9.6	£15.1	£1.5
Capital Grants & Contributions	£16.9	£93.5	£77.1	£14.3	£4.2	£4.1
Revenue Contributions	£61.7	£40.7	£55.5	£91.0	£97.7	£103.7
Net borrowing need for the year	£59.0	£73.6	£40.0	£35.8	£42.0	£19.9
Fund Split						
General Fund	£59.0	£57.5	£10.6	£0.4	£0.0	£0.0
HRA	£0.0	£16.1	£29.4	£35.4	£42.0	£19.9
Total	£59.0	£73.6	£40.0	£35.8	£42.0	£19.9
Previous TMS (23/24) General Fund	£78.0	£56.0	£0.0	£0.0	£0.0	N/A
Previous TMS (23/24) HRA	£19.0	£34.8	£65.8	£65.8	£0.0	N/A
Change General Fund	-£19.0	£1.5	£10.6	£0.4	£0.0	-
Change HRA	-£19.0	-£18.7	-£36.4	-£30.4	£42.0	-

22. Capital Receipts and grants are anticipated to be an important but declining source of funding for the Council's capital investment programme.
23. Forecast borrowing is materially down on 23/24 forecasts, General Fund appears to slip to future years, but HRA is down in most years.
24. The significant use of revenue resources to fund capital expenditure primarily relates to the use of revenue reserves and rental income raised in the Housing Revenue Account (HRA) to fund capital works on the Council's housing stock and acquisitions to meet the Council's housing ambitions.
25. As in previous years, judicious use of borrowing to support capital investment remains a prudent financing option whilst borrowing costs remain very low (in historical terms).
26. The above financing need excludes other long-term liabilities, such as Public Finance Initiatives (PFI) arrangement. No new PFI assets are expected to be acquired during the term of this strategy.

Section 4 – The Council’s Borrowing Need (Capital Financing Requirement)

Key Messages

The Council’s Capital Financing Requirement (CFR), the second Prudential Indicator, is the total historic capital expenditure that has not yet been paid for; either from revenue or capital resources and is a measure of the Council’s underlying need for borrowing.

Any new capital expenditure not immediately paid for, from grants, capital receipts or revenue contributions, will increase the Council’s overall CFR.

The Council’s overall CFR is expected to be stable over the next few years based on the Council’s capital investment plans. However General Fund CFR is forecast to reduce from 26/27 due to lower levels of capital expenditure and receipts expected from Heart of the City Phase II.

27. The following table shows projections for the Council’s CFR:

Capital Financing Requirement	2022.23 Actual £'m	2023.24 Forecast £'m	2024.25 Budget £'m	2025.26 Estimate £'m	2026.27 Estimate £'m	2027.28 Estimate £'m
CFR non-housing	£1,246.06	£1,266.46	£1,229.10	£1,179.72	£1,131.75	£1,083.49
CFR housing	£345.81	£361.89	£391.25	£426.59	£468.56	£488.48
Total CFR - Year End	£1,591.87	£1,628.35	£1,620.36	£1,606.30	£1,600.31	£1,571.97
In Year Movement in CFR	£20.58	£36.48	-£8.00	-£14.05	-£6.00	-£28.34
<u>Movement in CFR represented by:</u>						
Expenditure not funded by grants, receipts, or contributions	£59.03	£73.59	£40.03	£35.78	£42.00	£19.94
- MRP/VMRP and other movements	-£38.45	-£37.11	-£48.03	-£49.84	-£48.00	-£48.28
In Year Movement in CFR	£20.58	£36.48	-£8.00	-£14.05	-£6.00	-£28.34

28. The CFR does not increase indefinitely. Statute requires the Council to charge an amount each year in its revenue budget known as the Minimum Revenue Provision (MRP). This charge mimics depreciation, reduces the CFR and ensures the Council has enough cash to repay its debts. This is why the non-housing figure above reduces (MRP is higher than new expenditure).
29. The CFR also includes other long-term liabilities such as PFI arrangements. Whilst these form part of the CFR, and therefore the Council’s borrowing requirement, these types of arrangements include a borrowing facility which means the Council is not required to borrow separately for these schemes. At the end of 2024/25 the Council will have £281.9m (2023/24 £301.5m) of such arrangements within the CFR.

Section 5 - Minimum Revenue Provision

Key Messages

Each year the Council sets out its MRP policy, which outlines how the Council will set aside some of its revenue resources as a provision for reducing the underlying need to borrow (as identified by the CFR). The core requirement is that:

- The Council has an approved policy for calculating MRP (this policy)
- The Council sets aside an amount which is deemed to be prudent, having regard to the DLUHC statutory guidance.

The MRP policy for 2024/25 is materially unchanged. Changes under Accounting Standard IFRS16 to show principal elements of leases as MRP are adopted for 2024/25, but the impact of this is presentational, having immaterial impact at a strategic planning level.

This report recommends the Council approves the MRP statement in this section.

30. For capital expenditure incurred before 1st April 2008, or which in the future will be Supported Capital Expenditure (expenditure which receives income support from government), MRP is charged on a flat line basis over fifty years. This will ensure that all debt associated with Supported Capital Expenditure is fully provided for up to the Adjustment A level that is required by government within fifty years and better aligns the charges we make to the General Fund with the funding we receive from government.
31. Adjustment A is a device for achieving neutrality between the old and new MRP systems. This was an amount calculated at the start of the new system in 2004 and is not subsequently varied.
32. The above approach is a prudent way of ensuring the Council pays down debt in good time. If changes to the policy create over-provisions, the over-provision will be recovered over a prudent period; ensuring that at no point the resultant MRP charge is negative.
33. Going forward, changes to the guidance prevents over-provisions arising from the change in MRP policy from 2018/19 onwards.
34. The Council will apply Voluntary Revenue Provisions (VRP) to realign overall charges to the 'regulatory method' where it is considered prudent to do so.
35. From 1st April 2007, the MRP on all unsupported borrowing has been based on the 'asset life method'. This means that MRP is based on the estimated useful life of the assets created.
36. The Council may adopt an annuity profile for MRP charges where it is more reflective of how the acquired assets depreciate. This method still charges full MRP over the asset life, but cost will be weighted to later years.

37. Adoption of this approach will be considered on a scheme-by-scheme basis and will only be used where adoption will result in costs being better aligned to the benefit flows that will accrue from the investment.
38. There is no requirement for the HRA to make a minimum revenue provision, but there is a requirement for a depreciation charge to be made. The HRA may opt to make voluntary revenue provisions where it is prudent to do so.
39. Where appropriate, the Council will defer the MRP related to specific projects until the asset(s) for the project become(s) operational. This is known as an MRP holiday and will allow the Council to align borrowing repayments to the economic benefit generated from those assets.
40. The Council will also withhold MRP payments related to the acquisition of assets purchased under compulsory purchase orders (CPO) where there is a commitment to pass these assets and costs onto a development vehicle.
41. Where capital loans are provided by the Council under section 25 of the 'The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003', the Council will, where it is prudent to do so, align MRP profiles to loan repayments. This will ensure the Council does not unnecessarily charge amounts to its revenue budget.
42. The Council can at times receive capitalisation directives from the Secretary of State. Where this is the case, the Council's policy will be to provide for MRP as the capitalisation is defrayed, rather than on initial recognition. The 'asset life' approach will be taken to providing for MRP on capitalised spend, where there is no discernible asset life the Council will opt for a 20-year life.
43. In line with DLUHC guidance and to mitigate the impact of the move to IFRS on the Council's revenue account, it is the policy of the Council to make an annual MRP charge equal to the portion of the PFI unitary charge or lease payment taken to the Balance Sheet to reduce the liability.
44. During 2024/25, the Council will implement the new leasing accounting standard (IFRS16) resulting in more leased assets being recognised on the balance sheet which will impact on the Council's CFR. This will lead to, an increased MRP charge (replacing the revenue impact of the principal element of the lease payments, so the impact is only presentational) though the impact is expected to be minimal.
45. A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory MRP, VRP or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent.
46. For these sums to be reclaimed for use in the budget, each year this policy must disclose the cumulative overpayment.

47. Where revenue funds are identified as being available to make VRP payments by a service, advice is to use the surplus to offset in year capital expenditure, if possible, before allocating funds to reduce existing MRP costs.

Section 6 - Application of Resources

Key Messages

The Council uses resources other than borrowing temporarily to finance capital expenditure. This allows the Council to remain “under borrowed” - meaning that we have not yet externally borrowed sufficiently to fund fully the CFR.

A consequence of being under borrowed is that the Council has less cash available to invest. However, as we receive lower interest on our investments than we pay on borrowing, this approach is financially advantageous.

48. The application of resources (capital receipts, grants, revenue reserves) to finance capital expenditure will have an associated impact on investment balances, unless resources are supplemented each year from new sources, such as asset sales or the receipt of other grants. This is simply because as receipts, reserves, and grants are spent, there is less cash available to place on deposit.
49. Detailed below are estimates of the year end balances for each resource and anticipated cash balances. This includes the new borrowing forecast in **Section 7**. New borrowing is required as reserves are forecast to reduce, and Capital expenditure is incurred.

Core Funds and Expected Investment Balances	2022.23 Actual £'000	2023.24 Forecast £'000	2024.25 Budget £'000	2025.26 Estimate £'000	2026.27 Estimate £'000	2027.28 Estimate £'000
Year End Resources:						
Cash backed reserves*	546.1	494.4	476.3	464.1	454.5	447.3
Capital Receipts	9.8	8.8	7.9	7.1	6.4	5.8
Provisions	21.8	21.8	21.8	21.8	21.8	21.8
Total Core Funds	577.7	525.0	506.1	493.0	482.7	474.9
Working Capital	162.5	125.0	112.5	101.3	91.1	34.6
(Under)/over Borrowing	-371.3	-464.4	-413.1	-377.2	-361.9	-324.0
Expected Investments	368.8	185.5	205.5	217.1	211.9	185.5

**Most of these reserves are earmarked for future spend, and do not represent available surplus for revenue budget purposes.*

50. The above table shows that the Council plans to remain ‘under-borrowed’ throughout the period, but at reducing levels. This means that we have not yet taken loans to finance all our borrowing needs.
51. Instead, the Council has used its own cash balances that it does not need immediately. These balances include grants received in advance, reserves and provisions being held over for future spend, and capital receipts that have yet to be deployed.

52. Operating in this manner is a good fit for our wider operating environment, it is cheaper to use our own cash balances than use external loans at more expensive rates, this does not provide us with an incentive to hold cash on deposit.
53. This approach also minimises our counterparty risks, as it reduces the amount of cash we invest in counterparties (i.e., banks and pension funds). Following the financial crash in 2008, the Council remains cautious about where it invests.
54. Whilst an under-borrowed position has yielded significant savings over the past few years, it does expose the Council to a level of risk around interest rates changes.
55. Should interest rates increase markedly from the current levels, it could cost the Council more by not taking out fixed interest borrowing now. However, interest rates are forecast to fall slightly in coming years. As a counterincentive, increasing our borrowing before we would use the resulting cash, would incur significant interest costs. Ultimately this is a judgement call.
56. Accordingly, it is important that the Council continues to manage this risk and retain exposure at a level we think is appropriate. To provide a balanced approach to this risk, and to keep the under-borrowing position at a sustainable level, the Council intends to take sufficient additional loans over the forecast period to bring enough cash into the Council to offset the outflows principally associated with our programme of capital investments, and to reduce the under-borrowed position.
57. Treasury Officers will continue to monitor the financial markets to ensure our cash management plans are properly aligned to the Council's investment decisions and the ongoing risks in the wider economy.

Section 7 - Current Debt Portfolio

Key Messages

The new forecast of borrowing to be taken is based on funding expenditure in the Capital Programme whilst broadly maintaining a sustainable under-borrowed position. 2023/24 saw larger than average debt repayment due to the £18m Commerzbank LOBO being repaid.

From 2024/25 external debt is expected to increase by £173m (net). PFI Liabilities are expected to fall over the forecast period as payments are made.

58. The Council's debt portfolio position is outlined below. The table below shows forecast external debt against the CFR, which represents the Council's need to borrow for capital purposes.
59. Comparing actual debt to the CFR highlights any under or over borrowing.

Current Portfolio Position	2022.23 Actual £'m	2023.24 Forecast £'m	2024.25 Budget £'m	2025.26 Estimate £'m	2026.27 Estimate £'m	2027.28 Estimate £'m
External Debt						
Loans at 1st April	898.4	900.4	862.4	925.4	967.0	995.3
Loan Repayments	-8.0	-38.0	-12.0	-18.4	-11.7	0.0
New Loans Taken	10.0	0.0	75.0	60.0	40.0	40.0
PFI liabilities at 1st April	340.8	320.1	301.5	281.9	262.1	243.0
Expected change in PFI liabilities	-20.7	-18.6	-19.7	-19.8	-19.0	-19.8
Actual Gross Debt at 31st March	1220.5	1163.9	1207.3	1229.1	1238.4	1258.6
The Capital Financing Requirement	1591.9	1628.4	1620.4	1606.3	1600.3	1572.0
Authority Under/(Over) Borrowing	371.3	464.4	413.1	377.2	361.9	313.4
HRA under/ (over) borrowing	67.8	101.9	71.3	48.1	51.3	43.8
GF Under / (Over) Borrowing	303.5	362.5	341.8	329.1	310.6	280.2
	371.3	464.4	413.1	377.2	361.9	324.0

60. To reduce the risks associated with under borrowing, new external debt is expected to be needed over the forecast period. Interest rates expected to begin easing by mid-2024 therefore it remains prudent to delay borrowing where possible.
61. This analysis shows that the Council complies with the requirement to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year or the estimates of any additional CFR for 2023/24 and the following two financial years.
62. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

Section 8 - Treasury Indicators

Key Messages

The Treasury Indicators assess the affordability of planned capital expenditure and its effect on the Council’s overall finances.

This section details the indicators for:

- Revenue cost as a proportion of net revenue
- Limits to Borrowing activity

This report recommends the Council approves the Treasury indicators.

63. Revenue cost as a proportion of net revenue is monitored both with and without PFI cost and revenue included.

64. The net revenue for the General Fund consists of the money we have available from grants, Council Tax, and other sources that are without restriction. and can be spent as the Council sees fit.

65. The General Fund Ratio forecasts to peak in 2024/25 then fall over the period as debt are repaid and net revenue increases (ignoring effect of inflation).

66. HRA cost also rises over the forecast period due to significant capital expenditure.

67. Including PFI:

Ratio of Financing Costs to Net Revenue Stream:	2022.23 Actual	2023.24 Forecast	2024.25 Budget	2025.26 Estimate	2026.27 Estimate	2027.28 Estimate
General Fund	16.8%	16.2%	17.2%	16.8%	15.7%	15.2%
HRA	7.9%	7.7%	8.7%	9.8%	10.5%	10.9%

68. Excluding PFI:

Ratio of Financing Costs to Net Revenue Stream:	2022.23 Actual	2023.24 Forecast	2024.25 Budget	2025.26 Estimate	2026.27 Estimate	2027.28 Estimate
General Fund	6.7%	6.5%	8.0%	8.2%	7.7%	7.5%
HRA	7.9%	7.7%	8.7%	9.8%	10.5%	10.9%

69. This reveals several issues:

- Fluctuations in income and costs arising from PFI arrangements make a significant difference to the above ratios.
- We anticipate incurring more borrowing costs (interest and MRP costs) in the future than we do now. But for General fund this is broadly in line with expected increases in revenue.
- The revenue income streams used for this calculation increase very modestly.

- General Fund sees a significant jump in 2024/25 as the reduction for reprofiling MRP ends (adding £5m to MRP cost).
70. These ratios should not be viewed in isolation from other sources of information, such as the balanced Revenue Budget and Capital Strategy.
71. The increase in General Fund financing costs primarily relates to the Council's investment in the HOTC II scheme.
72. These investments will not only help to deliver a revived retail area, to enable the city centre to compete with out-of-town alternatives and regional competition but will also keep businesses in the city and attract new business rate payers.
73. Despite this indicator showing borrowing costs increasing as a proportion of net revenue (when excluding PFI), the forecast level of borrowing remains affordable and is indicative of sound long-term strategic decisions taken by the Authority.

Limits to Borrowing Activity

74. The operational boundary is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be higher or lower depending on the levels of actual debt and the ability to fund under borrowing by other cash resources.
75. The following table shows the Council's estimates for its operational boundary, which in future years builds in both planned (i.e., known schemes) and makes some allowance for future capital expenditure and an estimate of the likely impact arising from the change to lease accounting due to IFRS 16:

Operational Boundary	2022.23 Actual £'m	2023.24 Actual £'m	2024.25 Proposed £'m	2025.26 Proposed £'m	2026.27 Proposed £'m	2027.28 Proposed £'m
Loans	£1,240	£1,320	£1,400	£1,420	£1,450	£1,460
Other Long Term Liabilities	£400	£321	£302	£282	£262	£243
Lease Arrangements	£10	£10	£10	£10	£10	£10
Total	£1,650	£1,651	£1,712	£1,712	£1,722	£1,713

76. The authorised limit on external debt represents a control on the maximum amount of debt the Council can legally hold. Under Section 3 of the Local Government Act 2003 this limit is agreed by Full Council and cannot be revised without that body's agreement.
77. The Council is required to ensure that total capital investment remains within sustainable limits and that the impact upon its future council tax and council rent levels is acceptable.
78. The CFR is deemed affordable as any increases to it come through the Capital Programme. Limits are set slightly above this to allow some contingency for new schemes or increases to costs for existing ones. It

remains unlikely that external loans would reach these limits as this would assume all capacity to borrow internally from reserves was gone.

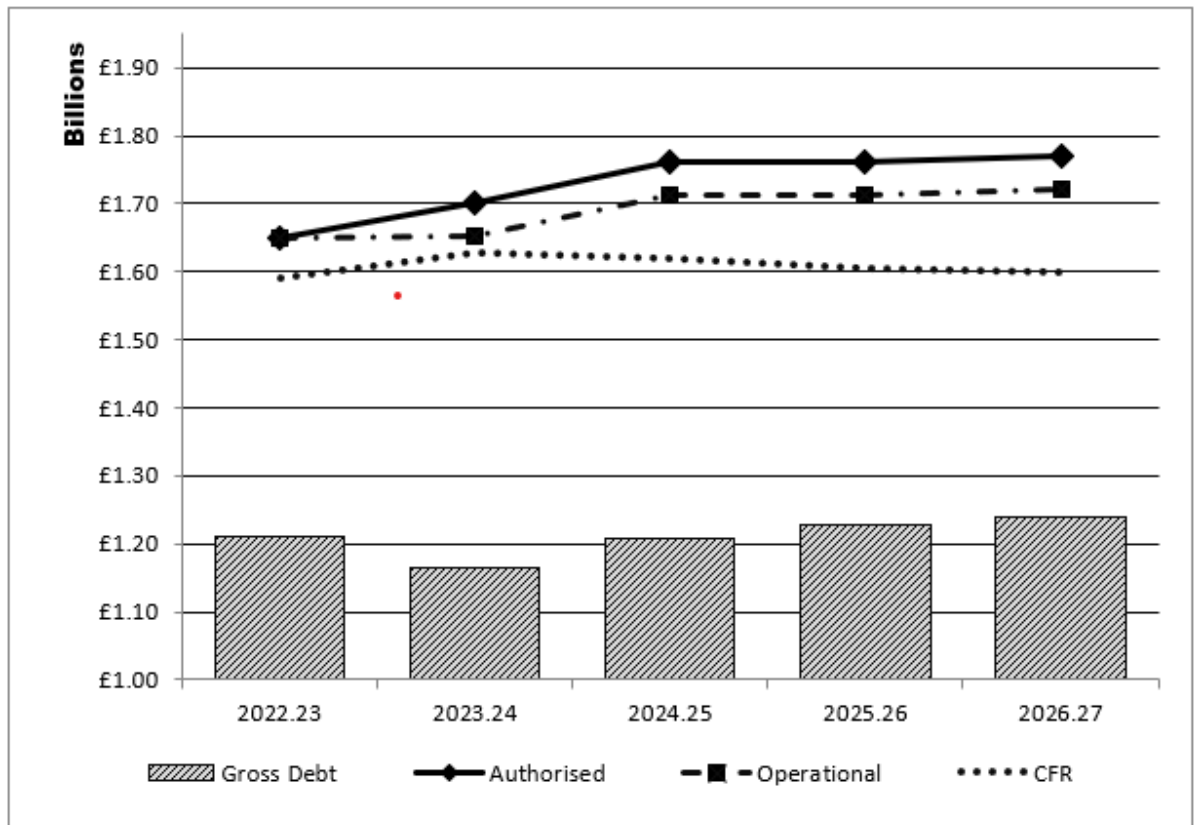
79. The authorised limit reflects the level of external debt which is still affordable though not desirable due to the impact on revenue budgets. External debt will not rise above this limit without approval.

Authorised Limit	2022.23 Actual £'m	2023.24 Actual £'m	2024.25 Proposed £'m	2025.26 Proposed £'m	2026.27 Proposed £'m	2027.28 Proposed £'m
Loans	£1,240	£1,370	£1,450	£1,470	£1,500	£1,510
Other Long Term Liabilities	£440	£321	£301	£281	£261	£241
Lease Arrangements	£10	£10	£10	£10	£10	£10
Total	£1,690	£1,701	£1,761	£1,761	£1,771	£1,761

80. The government removed the HRA debt cap in the October 2018 budget giving the Council more freedom to borrow to help address the city's housing needs. However, as the HRA is self-financed, any additional borrowing must remain prudent, affordable, and sustainable. Consequently, the operational and authorised limits below have been established which also forms part of the overall limits above.
81. The Housing Service has ambitious plans to expand housing stock over the term of the HRA Business plan. The limits below provide headroom to borrow should other sources of income fall short of target or costs rise significantly, and the CFR end up being higher than anticipated.

HRA Debt Limit	2022.23 Actual £'m	2023.24 Actual £'m	2024.25 Proposed £'m	2025.26 Proposed £'m	2026.27 Proposed £'m	2027.28 Proposed £'m
HRA Authorised Limit	£388.3	£425.0	£530.0	£550.0	£600.0	£630.0
HRA Operational Limit *	£388.3	£410.0	£515.0	£530.0	£580.0	£610.0
HRA CFR	£345.8	£364.8	£399.7	£440.1	£483.7	£522.8
HRA Headroom **	£42.5	£60.2	£130.3	£109.9	£116.3	£107.2

82. The above limits, the CFR and the underlying gross debt can be compared on the graph below:

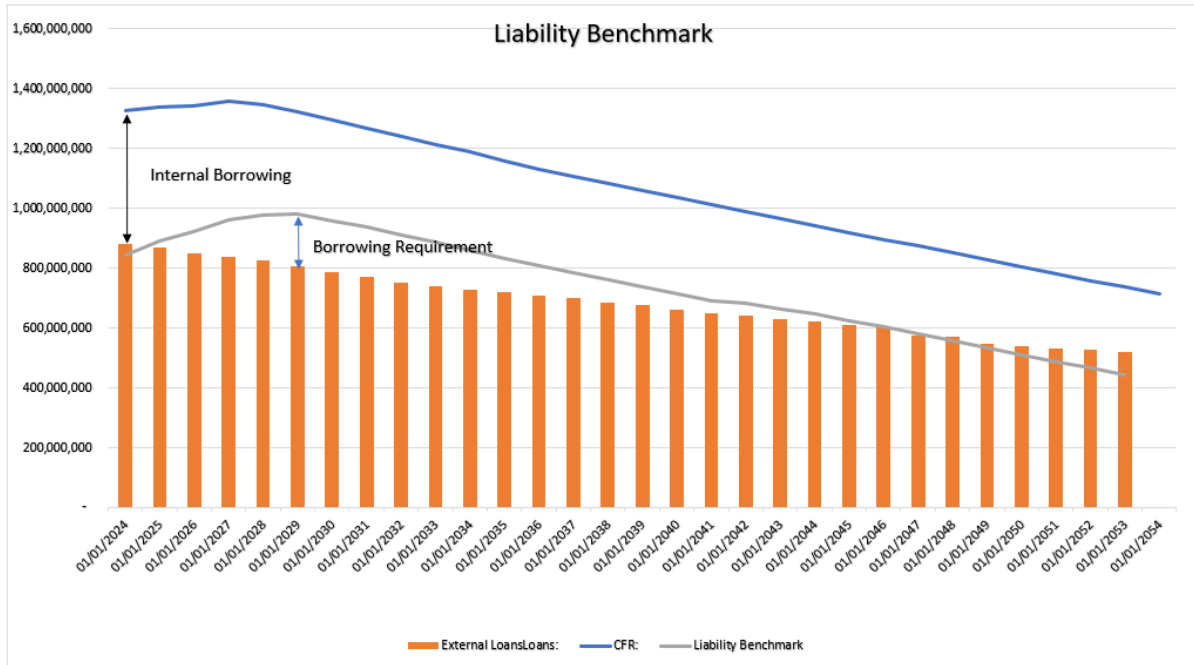


83. The authorised limit is higher than the gross debt to allow us to deal with planned capital expenditure, future capital expenditure over and above the current planned capital expenditure, and any opportunities that may arise in-year to restructure contracts.
84. However, the projected CFR and gross debt figures represent current planned expenditure only and not potential pipeline projects that have yet to be approved.

Liability Benchmark

85. This is a new reporting requirement and is used to demonstrate how effectively we are using internal resources to replace borrowing. It works by assuming all reserves should be used in place of external borrowing. The benchmark is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.
86. Where the Liability Benchmark line is less than the external loans column (e.g. 2023/24) we have theoretically over borrowed, in this case due to strong reserves.

87. Where the Liability Benchmark exceeds the External Loans there is a need to borrow, reserves are no longer sufficient to cover the under borrowing position. This chart intentionally excludes the new borrowing identified in Section 7.1 to further demonstrate the need for external loans.



Section 9 - Borrowing Strategy

Key Messages

Increased borrowing rates and the Council's relatively strong cash balances support continuing the Council's under-borrowed position around current levels.

The HRA has an ambitious capital programme that will require borrowing for.

88. The Council is currently maintaining an under-borrowed position and plans to do so while this position remains prudent. This means that the capital borrowing need (CFR) has not been fully funded with loans and other credit arrangements, such as PFI arrangements.
89. Instead, cash supporting the Council's reserves, balances and working capital has been used as a temporary measure. However, these balances are expected to fall gradually, which in turn increases our exposure to interest rate risk.
90. In accordance with the view taken in previous years, the Council recognises the inherent risk in operating this strategy. Whilst the current low borrowing rate period continues, the Council intends to maintain the position at its current levels, or to modestly increase it.
91. Conversely, if there is a significant risk that the cost of borrowing is likely to increase beyond that currently, then the Director of Finance & Commercial Services will consider taking on more fixed-rate loans whilst interest rates are still lower than they would be in future years.
92. The Borrowing Strategy may be impacted by changes in the economic environment. For example, borrowing may be taken earlier if the chance of interest rates increasing rises. A detailed economic review can be seen at the end of this appendix in Note 1.
93. Additionally, the risks impacting on interest rates can be seen in Note 2 alongside the forward forecast for several relevant interest rates.
94. The Municipal Bond Agency lends to local authorities The Council may consider making use of this new source of borrowing, as and when appropriate.

Section 10 - Treasury Limits on Activity

Key Messages

This section highlights the boundaries and limits imposed in relation to variable rate exposure and maturity profiles.

95. There are three debt related treasury activity limits. The purpose of these limits is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance.
96. The indicators are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
 - Upper limits on fixed interest rate exposure. This is like the previous indicator and covers a maximum limit on fixed interest rates.
 - Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.
97. The Council is asked to approve the following Treasury Indicators and limits:

Limits on interest rate exposure based on net debt	2023.24 Forecast	2024.25 Budget	2025.26 Estimate	2026.27 Estimate	2027.28 Estimate
	Upper	Upper	Upper	Upper	Upper
Fixed interest rates (%)	100%	100%	100%	100%	100%
Variable interest rates (£'m)	£160	£162	£162	£162	£162

98. The above table indicates our desire not to increase the number of variable rate loans we have beyond our current floating-rate lender option buyer option (LOBO) bank loans. The increases in variable rate limits above are exclusively from existing LOBO loans that are entering their call period.

Maturity structure of fixed interest rate borrowing:	2024.25	
	Lower	Upper
Under 12 months	1%	5%
12 months to 2 years	2%	5%
2 years to 5 years	4%	8%
5 years to 10 years	12%	20%
10 years to 20 years	16%	20%
20 years to 30 years	8%	20%
30 years to 40 years	26%	30%
40 years to 50 years	24%	25%
Over 50 years	7%	15%

99. The above table shows the Council's desire to avoid having too many loans maturing in any one period; but retain flexibility over the term of any new borrowing to take advantage of the yield curve.
100. The Council currently expects most of its loans to mature in the longer term, supporting the HRA business plan and aligning maturities to our CFR profiles to avoid over-borrowing situations.

Maturity structure of variable interest rate	2024.25	
	Lower	Upper
Under 12 months*	0%	100%
12 months to 2 years	0%	0%
2 years to 5 years	0%	0%
5 years to 10 years	0%	0%
10 years +	0%	0%

101. The above table is reflective of our floating-rate LOBO bank loans. The bank has the option to re-set the interest rate on these loans, (typically every six months) at which point we have the option to repay early. One LOBO was repaid in 2023/24, each opportunity to repay comes with benefits and associated cash flow and borrowing implications.
102. As the Council then has the option to accept the rate or repay these loans without penalty, we are required to show them as maturing within 12 months for the purposes of this indicator. The actual contracted term of these loans is more than 40 years.
103. The Council will not borrow more than, or in advance of, its needs purely to profit from the investment of the extra sums borrowed.
104. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

105. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Section 11 - Debt Rescheduling**Key Messages**

No Loans have been rescheduled however, during 2023/24 one LOBO loan has been repaid early. The repayment was £18m and because the loan was 'called' by the lender, no premium was due on repayment. No Further rescheduling has taken place.

106. Rescheduling generally is the lengthening of terms on existing debt. This remains unlikely in the foreseeable future. However changes to the debt profile have taken place in 2023/24 with the repayment of the LOBO mentioned above. The lender offered rates with an increase of over 1% which enabled us to repay without penalty. PWLB rates were lower than the newly offered rate but due to high balances no new debt was taken.
107. Approval by the Head of Accounting would be sought prior to any rescheduling or repayments.

Section 12 - Annual Ethical Investment Strategy

Key Messages

This section sets out the Annual Ethical Investment Strategy that aims to ensure investment decisions comply with its investment priorities (Security, Liquidity and Yield) and do not contradict the Council's ethical values.

108. The Council's investment policy has regard to Central Government's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code") and internal policies such as the Ethical Procurement policy.
109. The Council's investment priorities will be security first, portfolio liquidity second and then return (yield). This ensures we do not chase yield at the expense of the security of our investment.
110. The Council only invests in a limited number of financial institutions and does not hold equities (shares) or other forms of investments in listed companies.
111. Investment of the Council's pension contributions to the Local Government Pensions Scheme is carried out by South Yorkshire Pensions Authority in accordance with its own rules for investing, and the Council has no direct control over these decisions.
112. In any event the Council will not knowingly invest directly in businesses whose activities and practices are inconsistent with the Council's values. To that end, the Council commits not to hold any direct investments in fossil fuels, tobacco, arms companies or, to the best of our knowledge, companies involved in tax evasion or grave misconduct.
113. In accordance with the above guidance from Central Government and CIPFA, and to minimise the risk to investments, the Council applies minimum acceptable credit criteria to generate a list of highly creditworthy counterparties for inclusion on the lending list.
114. The criteria applied can be seen in Note 4.
115. This approach also enables diversification of counterparties and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short-Term and Long-Term ratings.
116. Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate.
117. The assessment will also take account of information that reflects the opinion of the markets.

118. The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch (or Equivalent). These are included in Note 5 at the end of this appendix.
119. The creditworthiness methodology (see section 16 below) used to create the counterparty list fully accounts for the ratings, watches, and outlooks, published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency.
120. Using these ratings services, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically.
121. The intention of the strategy is to provide security of investment and minimisation of risk. The strategy also enables the Council to operate a diversified investment portfolio to avoid an over concentration of risk.
122. Investment instruments identified for use in the financial year are listed under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices.
123. Environmental, Social and Governance (ESG) measures on investments is considered but priority is still given to Security, Liquidity and Yield. Quantifying ESG is difficult as there are no industry standards to compare against or assess the impact.
124. During the 2023/24 financial year we made one ESG investment with Standard Chartered Sustainable deposit as well as lending to several other Local Authorities who will have significant social impacts.

Section 13 - Investment Strategy

Key Messages

This section highlights the distinction between Treasury and other investments, the considerations in making short and long term decisions, as well as limits for investment over 12 months.

125. DLUHC and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, as managed by the Treasury Management Team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.
126. When considering its investments, the Council will consider:
- Its longer-term cash balances. This is cash available for use in the medium to long term, and comes from reserves, grants and receipts that are yet to be spent.
 - Short term cash flow requirements that arise on a daily or weekly basis.
 - Expectations on interest rates. Important when determining a required rate of return on the Council’s investments.
127. The Bank Rate is forecast to increase to fall from its current level of 5.25% during 2024/25. It is expected to fall back steadily as inflation reduces in the UK. Base rate forecasts can be seen below at Note 1.
128. The Council has defined the list of types of investment instruments that the Treasury Management Team are authorised to use. There are two lists in appendix Note 3 under the categories of ‘specified’ and ‘non-specified’ investments.
- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - Non-specified investments are those with less high credit quality, may be for periods more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
129. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next few years are as follows:

Year	2023.24	2024.25	2025.26	2026.27	2027.28
Proposed Returns	5.00%	4.50%	3.20%	3.00%	3.00%

130. The Council does not typically place deposits with maturity dates in excess of 12 months, but should it do so the monetary value of those deposits will not exceed:

Sums invested greater than 365 days	2023.24	2024.25	2025.26	2026.27	2027.28
	£'m	£'m	£'m	£'m	£'m
Maximum Amount	£60	£60	£60	£60	£60

131. The Council is asked to approve the above treasury indicator and limits.
132. We will use the 3-month SONIA (Sterling Overnight Index Average) rate as a benchmark for its investment returns.
133. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

Notes

Note 1 - Economic Backdrop (source: Link Asset Management Services)

The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Gilt yields and therefore borrowing costs remained elevated as inflation continually surprised to the upside.
- CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).

The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.

The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England interest rates to have peaked at the current level of 5.25% and to begin falling during 2024/25. Mortgage rates are already falling in expectations of these cuts

Cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual

average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

CPI inflation declined to 3.9% in November, below expected levels of 4.3%

In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.

Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

PWLB RATES

The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.6% to 5.2%.

Generally, it is thought markets have already built in nearly all the effects on gilt yields of the likely movement in Bank Rate and the current inflation outlook.

The overall balance of risks to economic growth in the UK is to the downside.

Interest Rate Forecasts

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

Link provided the following forecasts in November 2023. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Early 2023/24 saw increases to the interest rate environment to counter high inflation. This has been caused by runaway food and energy cost increases, war in Ukraine, supply chain problems from Brexit and covid. It is hoped that the end of 22/23 will see interest rates peak and gradually fall during the next few years as inflation returns to more usual levels.

Note 2 - The Balance of Risks to the UK Economy

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England acts too quickly, or too far**, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, Israil/ Palestine, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- **The Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- **The Government** acts too quickly to cut taxes and/or increases expenditure considering the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

Note 3 - Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Specified Investments

All such investments will be sterling denominated, with maturities up to a maximum of one year, meeting the minimum 'high' quality criteria where applicable.

The following specified investment instruments, along with their minimum credit rating, have been outlined below:

	* Minimum credit criteria / colour band	** Max % of total investments / £ limit per institution	Max Maturity Period
DMADF – UK Government	UK sovereign rating	100%	6 months
UK Government Gilt	UK sovereign rating	100%	12 months
UK Government Treasury Bills	UK sovereign rating		12 months
Bonds issued by multilateral development banks	AAA	100%	6 months
Money market funds CNAV	AAA	100%	Liquid
Money market funds LVNAV	AAA	100%	Liquid
Money market funds VNAV	AAA	£30m	Liquid
Ultra-Short Dated Bond funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond funds with a credit score of 1.5	AAA	100%	Liquid
Local authorities	N/A	100%	12 Months
Term deposits with banks and building societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use

	* Minimum credit criteria / colour band	** Max % of total investments / £ limit per institution	Max Maturity Period
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use

Non-Specified Investments

These are any investments which do not meet the specified investment criteria. Non-specified investments are typically viewed as being riskier than specified investments.

A maximum of £60m will be held in aggregate in non-specified investments.

A variety of investment instruments are outlined below. The Council has selected these instruments based on their high credit quality.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	* Minimum credit criteria / colour band	** Max % of total investments/ £ limit per institution	Max. maturity period
UK Government gilts	UK sovereign rating	100%	5 years
UK Government Treasury blls	UK sovereign rating	100%	5 years
Local authorities	N/A	100%	5 years
Gilt funds	UK sovereign rating	100%	5 years
Banks	Purple Yellow	100% 100%	2 years 5 years

Accounting Treatment of Investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Note 4 - Creditworthiness Approach

The Council applies the creditworthiness service provided by Link Asset Services.

This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's.

The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies.
- Credit Default Swaps spreads to give early warning of likely changes in credit ratings.
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads.

The product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

The Council will therefore use counterparties within the following durational bands:

Colour Band	Duration
Yellow	5 years *
Dark pink	5 years for Ultra-Short Dated Bond Funds, credit score of 1.25
Light pink	5 years for Ultra-Short Dated Bond Funds , credit score of 1.5
Purple	2 years
Blue	1 year (applies to nationalised or semi-nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Whilst the above gives the council scope to invest for periods of more than 12 months, the Council does not expect to do so during 2023/24.

There are currently no investments over 1 year, the limits will not be exceeded without updating this Strategy and appropriate Committee approval.

Link Asset Services' creditworthiness service uses a wide array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue significance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of short-term rating F1, and a long term rating A.

There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

	Colour (and long-term rating where applicable)	Money and / or % Limit	Time Limit
Banks *	Yellow	100%	5 years
Banks	Purple	£30m	2 years
Banks	Orange	£30m	1 year
Banks – part nationalised**	Blue	£50m	1 year
Banks – UK only	Red	£20m	6 months
Banks – non-UK	Red	£15m	6 months
Banks	Green	£10m	100 days
Banks	No colour	Not to be used	
Council’s banker in the event of the bank being ‘no colour’	-	100 %	5 days ***
DMADF	UK Sovereign Rating	100%	6 months
Local authorities	n/a	£30m	5yrs
Money market funds CNAV****	AAA	100 %	liquid
Money market funds LVNAV*****	AAA	100 %	liquid
Money market funds VNAV*****	AAA	£30m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	100 %	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	Light pink / AAA	100 %	liquid

* Please note: the yellow colour category is for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt.

** When placing deposits with part nationalised banks the Council will take care to review when it expects the UK Government to divest its interest in the institution, and the impact this move would have on the Council’s view of the institutions security.

*** To cover period to next working day allowing for weekends and bank holidays e.g. Easter.

**** CNAV refers to Constant Net Asset Value Money Market Funds when investors will be able to purchase and redeem at a constant Net Asset Value (£1 in / £1 out).

***** LVNAV refers to Low Volatility Net Asset Value Money Market Funds when investors will be able to purchase and redeem at a stable Net Asset Value to two decimal places, provided the fund is managed to certain restrictions.

***** *VNAV refers to Variable Net Asset Value Money Market Funds where the price may vary.*

All credit ratings will be monitored weekly.

The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service.

If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings, the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis.

Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service.

The Council will also use market data and market information, information on government support for banks, and the credit ratings of that supporting government.

The Council has determined that it will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AA- from Fitch (or Equivalent).

This is not an appropriate measure for Money Market Funds.

Investments and therefore risk are spread globally in the very highest quality investments, therefore reliance will be given to their credit rating as per the specified investments table in Note 3.

Note 5 - Approved Countries for Investments

This list is based on those countries which have sovereign ratings of AA- or higher, (showing the lowest rating from Fitch, Moody's and S&P) which also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating**AAA**

Australia
Denmark
Germany
Netherlands
Norway
Singapore
Sweden
Switzerland

AA+

Canada
Finland
U.S.A.

AA

Abu Dhabi (UAE)

AA-

Belgium
U.K.
France

Pay Policy Statement

Background

1. Sheffield City Council is required under Sections 38 – 43 of the Localism Act 2011 to publish its pay policy; Sheffield City Council has routinely, on an annual basis, published data on all posts which have remuneration above £50,000.
2. The Council continues to monitor closely its senior management posts and keeps the structure under review to ensure it continues to be fit for purpose.
3. This policy statement does not cover or include staff employed by schools and is not required to do so.
4. This policy statement is required to be considered and approved by full Council at the Council meeting.

Definition of Chief Officers Covered by this Policy Statement

5. This policy statement covers the following posts, full details of these posts is attached at **Annex 1**.
 - a) **Head of the Paid Service**, which in Sheffield City Council is the post of the Chief Executive
 - b) **Monitoring Officer**, which in Sheffield City Council is the post of the General Counsel
 - c) **Statutory Chief Officers**, which in Sheffield City Council are the posts of:
 - i) Strategic Director of Adults Care and Wellbeing (Director of Adult Social Services under LASSA 1970)
 - ii) Strategic Director of Children's Services (Director of Children's Services under Children Act 2004)
 - iii) Director of Finance and Commercial Services (Chief Finance Officer under Sec 151 of LGA 1972)
 - iv) Strategic Director of Public Health and Commissioning (Director of Public Health under National Health Service Act 2006)
 - d) **Non-statutory Chief Officers** (those who report to the Head of Paid Service)
 - e) **Deputy Chief Officers** (those who report to Statutory or Non-Statutory Chief Officers)

Pay Policy Statement

6. Sheffield City Council's aim on matters of remuneration is to have in place an approach that enables the authority to:
- Recruit and retain people with the skills and expertise to deliver high quality services to the citizens of Sheffield City Council;
 - Manage employee remuneration in a manner that is fair, transparent and reasonable;
 - Take account of national and regional pay policy and market trends in the context of local government;
 - Have a framework for managing the range of pay across the Council's workforce, this is known as pay ratios;
 - Have simple uniform packages across all employment groups and to manage pay matters within national guidelines and agreements;
 - Protect and remunerate low paid employees at appropriate levels and this includes the Council's commitment to the Living Wage, and;
 - Protect jobs and services for as long as reasonably possible and this includes a prudent, affordable and fair approach to pay.

Policy on Remunerating Chief Officers

7. Sheffield City Council's policy is to pay Chief Officers' basic annual salary; Chief Officers' salaries do not attract enhancements or bonus of any kind. There are no additional enhancements to redundancy payments, pension contributions or pension payments outside of the Council's normal arrangements for all Sheffield City Council employees. Travel and other expenses are paid through the normal authority procedures.
8. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time. Grading decisions are determined through a process of Job Evaluation which assesses the key factors of each role. The Chief Officer Grading Structure is attached as **Annex 2**.
9. Recruitment to a Chief Officer post is undertaken by the Senior Officer Employment Committee which is a committee of the Council; membership is agreed by Council on an annual basis. A recommendation for appointment to the post of Chief Executive must be approved by Full Council; all other appointments at this level are made by the Senior Officer Employment Committee and reported to Full Council.

10. All posts will be advertised and appointed to at the appropriate approved salary for the post in question, unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package may be appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
11. The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The authority will also apply any pay increases that are because of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
12. The authority will not make additional payments beyond those specified in the contract of employment unless varied by the appropriate authority decision making process.
13. The Council sets and makes payment to the Returning Officer for the management and administration of local elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections (including Chief Officers) dependent on their role.
14. It should be noted that any fees payable for duties in connection with Parliamentary elections, election for Police and Crime Commissioners or referenda are recouped from Central Government subject to a prescribed aggregate maximum amount and are not funded by the Council.
15. The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
16. The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

Policy on Exit Costs – Voluntary Early Retirement / Voluntary Severance

17. The financial criteria for release under VER/VS is as follows:

Pay back within 2 years

Pay back extended to 2.5 years in exceptional circumstances

18. Decisions on whether to approve VER/VS in individual cases are made by a Chief Officer Panel consisting of the Director of People and Culture in consultation with the Director of Finance and Commercial Services and General Counsel.
19. When making decisions this Panel will have regard to the 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 and supplementary Guidance, which was issued in 2013.

Policy on Remunerating the Lowest Paid in the Workforce

20. The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or because of authority decisions, these are incorporated into contracts of employment. The lowest pay point in this authority is Grade 1, point 2; this relates to an annual salary of £22,366 and can be expressed as an hourly rate of pay of £11.59 (April 2023 to March 2024).
21. A decision was taken at Cabinet on 16 January 2013 to uplift the pay of employees earning less than the nationally recognised Living Wage and align this with the Living Wage Foundation rate.
22. From April 2024 this will increase to £12.00 per hour. The payment will be made as a supplement which will be reviewed on an annual basis.
23. Pay rates are increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

Remuneration ratios

24. The requirement for the Policy also reflects the concerns over low pay highlighted in Will Hutton's 2011 Review of Fair Pay in the Public Sector. This stated that the ratio between the highest paid salary and the median average, should provide a pay multiple of no more than 20:1. It is not a requirement to publish this ratio as part of the Council's Pay Policy Statement, but is a requirement of the Local Government Transparency Code 2014. Currently in this authority the ratio between the highest salary (£213,454) and the average median salary (£31,364) is 6.8:1. This demonstrates the authority's commitment to a fair approach to pay.

Approval of Salary Packages in Excess of £100k

25. The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post (not including schools) that is more than £100k will be considered by full Council. The salary package will be defined as base salary, any fees, routinely payable allowances, and benefits in kind that are due under the contract.

Flexibility to Address Recruitment Issues for Vacant Posts

26. In most circumstances, the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

Amendments to the Policy

27. As the policy covers the period April 2024 to the end of March 2025, amendments may need to be made to the policy throughout the relevant period. As the Localism Act 2011 requires that any amendments are approved by the Council by resolution, proposed amendments will be reported to the Strategy and Resources Policy Committee for recommendation to the Council.

Policy for Future Years

28. This policy statement will be reviewed each year and will be presented to full Council each year for consideration to ensure that a policy is in place for the authority prior to the start of each financial year.

Jane English
Director of People & Culture
January 2024

Annex 1 – Chief Officer Posts

None of the Post holders listed below receives an honorarium payment for increased duties and responsibilities. Nor do any receive a payment related to joint authority duties. The following table sets out pay as of 01/04/2024 using the Chief Officer pay scale as of 01/04/2024 together with any market supplements. Any pay award during 24/25 would be applied as agreed.

Status	Post	Base Salary (£)	Other Payments
Head of Paid Service	Chief Executive	213,454	The Returning Officer's fee is based upon that payable at a national election and is variable dependent upon the type of election taking place.
Monitoring Officer	General Counsel	97,396	Election duty fees are in accordance with normal authority procedures.
Statutory Chief Officers which in Sheffield City council are the posts of:	Strategic Director of Children's Services (Director of Children's Services under Children Act 2004)	162,027	
	Strategic Director of Adults Care and Wellbeing (Director of Adult Social Services under LASSA 1970)	125,690	
	Director of Finance and Commercial Services (Chief Finance Officer under Sec 151 of LGA1972)	128,617	
	Strategic Director of Public Health and Commissioning (Director of Public Health under NHS Act 2006)	130,461	

Non-Statutory Chief Officers (those who report to the Head of the Paid Service) which in Sheffield City Council are the posts of:	Executive Director Neighbourhood Services	164,111	
	Executive Director City Futures	164,111	
	Chief Operating Officer	143,566	
Deputy Chief Officers (those who report to Statutory or Non-Statutory Chief Officers) which in Sheffield City Council are the posts of:	Reports of Strategic Director of Children's Services		
	Director of Children and Families	117,855	
	Director of Education and Skills	111,960	
	Reports of Strategic Director of Adults Care and Wellbeing		
	Deputy Director of Adults Wellbeing and Care	89,731	
	Chief Social Worker Officer	76,570	
	Assistant Director Adult Future Options	76,570	
	Assistant Director Access, Mental Health and Wellbeing	82,017	
	Assistant Director Living and Ageing Well (North)	82,017	
	Assistant Director Living and Ageing Well (South)	82,017	
	Assistant Director Care Governance and Financial Inclusion	82,017	
	Assistant Director Commissioning and Partnerships	78,384	
	Reports of Director of Finance and Commercial Services		
Head of Accounting	78,384		

	Head of Finance and Commercial Business Partnering	82,017	
	Head of Revenues and Benefits	70,030	
	Head of Procurement	65,385	
	Senior Finance Manager – Audit and Risk Management	59,825	
	Reports of Strategic Director of Public Health and Commissioning		
	Director of Integrated Commissioning	97,396	
	Assistant Director - Public Health	94,221	
	Public Health Principal	68,483	
	Consultant in Public Health, Health Protection	90,198	
	Assistant Director - Public Health	92,592	
	Reports of Executive Director Neighbourhood Services		
	Director of Parks Leisure and Libraries	97,396	
	Director of Street Scene and Regulation	97,396	
	Director of Housing	106,960	
	Director of Operational Services	97,396	
	Director of Communities	96,162	
	Reports of Executive Director City Futures		
	Director of Economy, Skills and Culture	97,396	
	Director of Investment, Climate Change and Planning	106,580	

	Director of Regeneration and Development	97,396	
	Reports of Chief Operating Officer		
	Director of People and Culture	130,000	
	Director of Policy and Democratic Engagement	97,396	Election duty fees are in accordance with normal authority procedures
	Director of ICT and Digital Innovation	96,162	
	Director of Organisational Strategy, Performance & Delivery	Vacant	

Annex 2 - Chief Officer Grading Structure

Grade Description	Spinal Point	Pay Award for 01/04/2024 not agreed yet
DG 7	1	65,385
	2	66,937
	3	68,483
	4	70,030
DG 6	1	76,570
	2	78,384
	3	80,198
	4	82,017
DG 5	1	87,585
	2	89,731
	3	91,879
DG4	1	94,022
	2	96,162
	3	97,396
DG3	1	99,784
	2	102,177
	3	104,568
	4	106,960
DG2	1	109,581
	2	112,271
	3	115,029
	4	117,855
DG 1	1	122,847
	2	125,690
	3	128,861
	4	131,910
	5	135,027
EXECUTIVE DIRECTOR	1	135,915
	2	142,977
	3	150,022
	4	157,070
	5	164,111
Chief Executive		213,454

Equality Impact Assessment Number 2594

Proposal name - Sheffield City Council 2024-25 Revenue Budget

Start date 18/01/2024

Part A - Initial Impact Assessment

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

- This Equality Impact Assessment (EIA) considers possible areas of impact of savings proposals that contribute towards the Council's 2024-25 Revenue Budget. These are impacts on people interacting with the Council directly or indirectly (referred to generically in current EIA terminology as 'customers') and people employed by and working for the Council (referred to as 'staff').
- This EIA provides a broad overview only, reflecting our initial understanding and assessment of impacts. These assessments may change as proposals develop further and services introduce budget saving implementation plans. Some proposals may be subject to the outcome of further consultation or the further analysis of other evidence.
- This EIA does not cover all proposals and all possible impacts but seeks to highlight some likely areas of impact. It does not include proposals where impacts are considered to be none or very limited at this stage. However, such proposals will also continue to be monitored.
- Individual EIAs are carried out for all savings proposals. These will include specific analysis and detail of proposals. They are iterative, meaning they are subject to development and review as more detail and information becomes known and proposals take shape.
- The purpose of individual EIAs is to assess how these proposals could affect people and communities and to identify any ways to reduce (mitigate) any negative impacts. Some mitigations may include:

For proposals to reduce posts and staffing costs:

- Seeking to avoid compulsory redundancies by deleting vacant posts and offering voluntary early retirement (VER) and voluntary severance (VS) schemes, ahead of Managed Employee Reduction (MER), redeployment and employee support schemes.

For proposals to reduce or end service provision:

- Scheduling or delaying the change/closure, if possible, to enable people affected to access alternatives and, where viable, working with individuals to identify other/new options and signposting people.

For proposals to reduce contract fees/prices:

- Dialogue with organisations affected to understand the implications and options for alternative funding; scheduling, or delaying the change, if possible, to manage the impact on organisations, their staff and clients; and signposting to sources of support and advice.

For proposals to increase fees and charges:

- Applying concessions where possible and applicable.

Consultation, and other forms of engagement, provide further mitigation and may enable proposals to be confirmed or developed, or require them to be changed. Proposals to make service improvements will, where possible, aim to benefit from the insights of customers or staff.

Proposal type: Budget **Entered on Q Tier?** Yes

Year of proposal (s): 2024/25

Decision Type: Council

Lead Committee Member: Cllr Tom Hunt

Lead Director for Proposal: James Henderson

Equality Lead Officer: Adele Robinson

Officer filling in this EIA form: Ed Sexton

***Equality Objectives covered (all):**

- Understanding Communities
- Workforce Diversity
- Leading the city in celebrating & promoting inclusion
- Break the cycle and improve life chances
- Becoming an Anti-Racist organisation and city

*note that the Equality Objectives will be updated in 2024.

Portfolio, Service and Team

Lead Portfolio All **Is this Cross-Directorate?** Yes

Is the EIA joint with another organisation (eg NHS)? No

Consultation

Is consultation required?

- Yes

Analysis of consultation

A consultation combining the Council Plan 2024-28 and Council Budget 2024-25 was run between 21 December 2023 and 26 January 2024. The aim was to consider the Budget within the context of the Council's longer-term strategy.

As in previous years, the consultation focused on an online survey, alongside consultation sessions held with organisations from the voluntary, community and faith sector and members of Sheffield Chamber of Commerce. Submissions were also received from individual organisations, including Disability Sheffield.

Response rate

The online survey had 269 responses. Just over 800 people clicked on the survey or other links/information and 2,000 people made at least one single visit to the site. The online survey was supported by a social media campaign and e-newsletter alerts to citizens that are registered to receive them. The response rate was up by almost 40% on the year before.

Profile of respondents

More detailed information is shown in Annex A. In summary, this shows:

- A high response rate from people in older age groups – 42% of all online respondents were aged 65 and over (compared to around 17% aged 65 and over living in Sheffield according to the 2021 Census)
- An above average response rate from unpaid carers – 18% of all online respondents were unpaid carers (compared to 10% in the 2021 Census)
- An above average response rate from disabled people – 27% of all online respondents had a disability (compared to 21%)

There is a correlation between each of the above, (i.e. statistically, more older people have a disability and/or caring responsibilities).

The figures also showed:

- A low percentage of people from Asian/Asian British, Black/Black British, Mixed/Multiple Heritage and other ethnic groups – less than 4% of online respondents (compared to 2021 Census population data of 21%).
- A slightly above average response rate for Lesbian, Gay and Bi (LGB) respondents of over 7% (compared to 4% in the 2021 Census).

All other response rates were broadly in line with Census population data.

Responses

Feedback on the proposals is summarised in more detail in the Budget Report. A clear majority of respondents either fully agreed or mostly agreed with each policy committee's spending priorities, proposals to raise Council Tax (including the Social Care Precept), and the approach to raise fees and charges. The percentage who agreed was higher in each case compared to last year. However, feedback included evidence of financial impacts, as well as other comments in support of or against the proposals.

In terms of equalities:

- There was very little differentiation in feedback across different protected characteristics and equality groups – however, some low percentage returns, in particular for under the Age category for younger people, and Race, makes some analysis limited.
- The notable protected characteristic where there was a clear difference was Disability, which a significant minority (27%) of respondents declared. When asked in the survey if they agreed or disagreed with policy committee, council tax or fees and charges proposals, in each case, respondents with a disability were less likely to agree.
- Further work is needed to understand possible reasons for this, and to ensure there is engagement, communication and monitoring.

Overall conclusions

Online engagement has limitations but it is an increasingly accessible method for many people – this is suggested in part by the large percentage of people in older age groups and people with disabilities who responded to this consultation. However, some population groups were not well-represented in profile of respondents – this is most evident amongst people from Black, Asian and Minoritised Ethnic communities and younger people.

The length of the survey, which started with questions about the Council Plan, may have influenced the final response rate. Many more people accessed the consultation webpage and opened the survey than submitted a completed response. There was, however, a 40% response increase compared to last year.

Response rate is also influenced by the subject matter of consultations and other engagement, and not only online access. This is shown in part by response rates to other recent online consultations.

However, the overall effectiveness of the consultation will be assessed. This will need to include options for ways to reach under-represented population groups. The full analysis of the consultation will help to inform decision-making. Some proposals will also be subject to their own individual consultations.

Are Staff who may be affected by these proposals aware of them? ● No

Are Customers who may be affected by these proposals aware of them? ● No

If you have said no to either, please say why:

Notification of the 2024-25 Budget and individual savings proposals is subject to the timing and requirements of the Council's governance processes.

Initial Impact

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

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

Identify Impacts

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

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

Does the proposal have a cumulative impact? Yes

- Year on Year Community of Identity/Interest Geographical Area

If yes, details of impact:

The 2024-25 Revenue Budget is affected by numerous individual savings proposals, many of which have cumulative impacts:

Year-on-year:

- This includes proposals for further service reductions continuing from previous years or which are expected to have future impacts.

Across a community of identity/interest:

- This includes proposals the effect of which are exacerbated by other factors affecting the same groups of people and communities.
- A very significant example is the cost-of-living crisis. Beyond its very widespread consequences, in equality terms there are significant impacts in particular in relation to poverty and financial inclusion, health and wellbeing, disability, age, race and sex.
- A large proportion of proposals for 2024-25 involve increasing fees and charges. As highlighted below, this will have a cumulative impact on people.

Does the proposal have a specific geographical impact across Sheffield?

- No

All areas of Sheffield are affected by the Revenue Budget. Indirectly, proposals with financial impacts will have a disproportionate impact on areas of higher deprivation. Individual proposals affecting certain local areas are considered in their own EIAs.

Local Area Committee Area(s) impacted

- All

Initial Impact Overview

As in previous years, our approach to budget savings is, where possible, to begin with areas with the least direct impact on people, and where there are opportunities to re-shape services and any ongoing investment and funding. We are seeking to continue to do this, but it has an impact on what the Council can continue to deliver.

Proposals in 2024-25 with limited expected impacts:

- A large number of savings proposals are based on maximising income from external grants and partner organisations. Other proposals are themed around increasing service effectiveness, and reducing non-staffing costs and unused budgets. Where reducing staff costs is the approach proposed, in all cases this is being pursued by measures that do not directly affect current staff (for example, not filling vacancies).
- Proposals involving all the above approaches are generally assessed as having no impact or limited impact on people in 2024-25. However, the development of individual EIAs, and monitoring of all proposals agreed during the year, would be required to provide continual assessment and response.

Proposals with some or high expected impacts:

- Other proposals are based around reducing costs and contract prices, and these are more likely to impact people – in different ways – as indicated below.
- The most significant area of impact is for proposals to increase fees and charges, which apply in different policy committees and for Council Tax. Increasing household costs during a cost-of-living crisis will have direct and indirect impacts.
- The full EIA that follows below considers different protected characteristics and equality groups/interests to assess where impacts may be most felt. There will be impacts for those in greatest need. The Council will need to work closely with organisations that provide expertise and representation of different interests – this includes poverty and financial inclusion, disability and race, as well as other protected characteristics quality areas.
- The development of proposals and individual EIAs need to identify ways to mitigate these impacts where possible – for example, concession schemes or supportive debt recovery measures. Monitoring of all proposals agreed during the year is also required to provide continual assessment and response.

Initial Impact Sign Off

Based on the information is a Full impact Assessment required? ● Yes

Has this been signed off by an Equality Lead Officer? ● Yes

Date agreed 13/02/2024

Name of EIA lead officer Adele Robinson

Part B - Full Impact Assessment

Poverty & Financial Inclusion

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified. It is initially expected that reductions in staffing levels can be achieved through delaying or reducing recruitment to vacant posts or voluntary employee schemes.

Several customer proposals are likely to have a direct or indirect financial impact, which are being explored further in individual EIAs. This mainly relates to increases in fees and charges.

Raising income by increasing fees and charges:

- This approach is being proposed across policy committees in 2024-25. It enables the Council to offset inflationary costs and to maintain and enhance services. However, asking people to pay more for services during a cost-of-living crisis will inevitably have an impact.
- Some population groups are more likely to be impacted by poverty, such as disabled people, unpaid carers, women and lone parents. Areas of higher deprivation are also more affected, and this disproportionately includes people from Black, Asian and Minoritised Ethnic communities.
- Many fees and charges have not been raised for some time, which has helped to limit household financial burdens to some extent. However, this means that the effect of increases in 2024-25 may be felt all the more, including for people least able to afford to pay more. Wherever possible, compensatory schemes and other concessions are in place to mitigate impacts for people.
- The proposed increase in Council Tax, including the adult social care precept, to reduce the need for further budget reductions and to protect adult social care services, will have a universal impact. The council tax reduction scheme provides some mitigation, particularly for pension-age households. The hardship scheme provides additional financial support for working-age households on lower incomes.
- Other proposals would also have a general effect across the population – for example, in Communities, Parks & Leisure. Some others have more specific impacts on different protected characteristics – for example, Adult Health & Wellbeing (age and disability) and Housing (race).
- Policy committee proposals likely to have a financial impact on people on some level include:

Adult Health & Wellbeing

- Annual Uplift to Contributions
- Citywide Care Alarms Debt Repayment

- Market Sustainability and Improvement Fund

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges

Housing

- Gypsy and Traveller sites pitch fees

Strategy & Resources

- Customer Services – Register Office fee increase

Waste & Street Scene

- Markets 5.4% uplift in fees and charges
- Environmental Regulation – increase in charges
- Waste & Street Scene general fees increase

Some proposals may also have the effect of enhancing individual income. Plans to support more people to live at home with more independence following stays in hospital or other care settings could enable access to benefits and other income sources:

Adult Health & Wellbeing

- Promoting independence post discharge
- Mental Health – Promoting Independence
- Making best use of commissioned services (*somewhere else to assess*)

Age

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their age – for example, changes to staff teams or working arrangements that affect younger workers or older workers in different ways. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals are likely to impact in relation to people's age, either directly or indirectly, including proposals that cover:

Adult Health & Social Care (older people)

- Annual Uplift to Contributions
- Promoting independence post discharge
- Market Sustainability and Improvement Fund
- Making best use of commissioned services (*somewhere else to assess*)

- Citywide Care Alarms Debt Recovery

Adult Health & Social Care (working-age people)

- Mental Health – Promoting Independence

Adult Health & Social Care (younger people)

- Adults Future Options – people with complex needs
- Adult Future Options – Continuing Healthcare funding

Communities, Parks & Leisure (affecting all ages – older people living on state pension, working-age people relying on benefits and young people with lower-than-average earnings could be particularly impact)

- Increase in Bereavement Services Sales, Fees and Charges (potential for a further disproportionate impact for older people)
- Increase in Medico Legal Services sales, fees and charges (potential for a further disproportionate impact for older people)
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Education, Children & Families

- Reduction in spend on Barristers and Independent Experts

Housing

- Gypsy and Travellers Pitch Fees (affecting all ages but with the potential for a disproportionate impact on younger people and older people)

Strategy & Resources

- Maintained and Academy Schools Servicing – fee increase (indirect impact on children and younger age people)
- Customer Services Contact Centre savings (affecting all ages but with the potential for a limited disproportionate initial impact on older people)

Council Tax (including the adult social care precept) increase.

Disability

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of a disability – for example, changes to staff teams or working arrangements that affect younger workers with different disabilities in different ways. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals are likely to impact in relation to people's disability, either directly or indirectly, including proposals that cover:

Adult Health & Social Care (including older people who may also have a condition classified as a disability)

- Annual Uplift to Contributions
- Promoting independence post discharge
- Making best use of commissioned services (*somewhere else to assess*)
- Market Sustainability and Improvement Fund
- Citywide Care Alarms Debt Recovery
- Mental health – promoting independence
- Adults Future Options – people with complex needs

Communities, Parks & Leisure (increases in fees and charges could affect disabled people disproportionately because of lower-than-average earnings and increased costs/bills associated with disability, notwithstanding any concessions that may be available):

- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Strategy & Resources

- Customer Services Contact Centre savings (with the potential for a limited disproportionate initial impact)

Council Tax (including the adult social care precept) increase.

Health

Does the Proposal have a significant impact on health and well-being? ● Yes

Staff ○ No

Customers ● Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their condition – for example, changes to staff teams or working arrangements that affect workers with different conditions in different ways. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Although it is initially expected that reductions in staffing levels can be achieved through deletion of vacant posts and voluntary employee schemes, the effects of introducing formal schemes and/or reducing capacity can be a source of stress and anxiety for employees. Resources including the Employee Assistance Programme and Mental Health Support Service will need to be made available to employees.

Customer impacts are identified and explored in individual EIAs. Many proposals are likely to affect people's health and wellbeing, either directly or indirectly, including proposals that cover:

Adult Health & Social Care

- Annual Uplift to Contributions
- Promoting independence post discharge
- Making best use of commissioned services (*somewhere else to assess*)
- Market Sustainability and Improvement Fund
- Citywide Care Alarms Debt Recovery
- Mental health – promoting independence
- Adults Future Options – people with complex needs
- Adult Future Options – Continuing Healthcare funding

Communities Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Housing

- Gypsy and Travellers Pitch Fees

Waste & Street Scene

- Markets 5.4% uplift in fees and charges
- Environmental Regulation – increase in charges

Council Tax (including the adult social care precept) increase.

Race

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their race or ethnicity. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals may have impacts relating to race, either directly or indirectly. This includes proposals to increase in fees and charges – people from Black, Asian and Minoritised Ethnic communities, in very general terms, disproportionately may have lower-than-average earnings and higher risk of not accessing some services:

Adult Health & Social Care

- Annual Uplift to Contributions
- Mental health – promoting independence
- Adults Future Options – people with complex needs

Communities, Parks & Leisure

- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Housing

- Gypsy and Traveller sites pitch fees

Strategy & Resources

- Customer Services – Register Office fee increase
- Customer Services Contact Centre savings (with the potential for a disproportionate initial impact for people whose first language is not English)

Waste & Street Scene

- Markets 5.4% uplift in fees and charges
- Environmental Regulation – increase in charges
- Waste & Street Scene general fees increase

Council Tax (including the adult social care precept) increase.

Sex

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their sex – for example, changes to staff teams or working arrangements that affect women differently to men. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Many proposals may have impacts relating to sex, either directly or indirectly. This includes proposals that have an impact on income, household budget-management or caring responsibilities, which have a disproportionate impact on women:

Adult Health & Wellbeing

- Annual Uplift to Contributions
- Citywide Care Alarms Debt Recovery
- Market Sustainability and Improvement Fund

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges

Housing

- Gypsy and Traveller sites pitch fees

Strategy & Resources

- Customer Services – Register Office fee increase

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

- Environmental Regulation – increase in charges
- Waste & Street Scene general fees increase

Council Tax (including the adult social care precept) increase.

Carers

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their caring responsibilities – for example, changes to staff teams or working arrangements. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals are likely to affect unpaid carers, either directly or indirectly, including proposals that cover:

Adult Health & Social Care

- Annual Uplift to Contributions
- Promoting independence post discharge
- Making best use of commissioned services (*somewhere else to assess*)
- Mental health – promoting independence
- Adults Future Options – people with complex needs

Communities, Parks & Leisure

- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges
- Increase in Parks & Countryside Service sales, fees and charges

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

Council Tax (including the adult social care precept) increase.

Sexual Orientation

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their sexual orientation. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals may affect people from the LGB community, either directly or indirectly, including:

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges

- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges

Strategy & Resources

- Customer Services – Register Office fee increase

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

Council Tax (including the adult social care precept) increase.

Gender Reassignment

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of their gender identity. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals may have impacts relating to gender identity, either directly or indirectly. This includes proposals to increase in fees and charges – transgender people disproportionately may have lower-than-average earnings and higher risk of not accessing some services:

Adult Health & Social Care

- Annual Uplift to Contributions

Communities, Parks & Leisure

- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Strategy & Resources

- Customer Services – Register Office fee increase

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

Council Tax (including the adult social care precept) increase.

Pregnancy/Maternity

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of pregnancy or maternity – for example,

changes to staff teams or working arrangements. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals may affect women who are pregnant or new mothers, either directly or indirectly. Factors including maternity costs, reduced earnings and/or single parenthood, could all have an exacerbating affect:

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges

Strategy & Resources

- Customer Services – Register Office fee increase

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

Council Tax (including the adult social care precept) increase.

Religion/Belief

Impact on Staff No

Impact on Customers Yes

No specific impacts on Council staff are identified at this stage. However staff could experience additional impacts as a result of religion or belief (or none) – for example, changes to staff teams or working arrangements. Individual EIAs will need to assess this and identify mitigations. The Employee Equality Network also helps to provide staff with a voice and support.

Customer impacts are identified and explored in individual EIAs. Some proposals are likely to affect people on grounds of religion or belief, either directly or indirectly. These include proposals supporting community inclusion:

Adult Health & Social Care

- Promoting independence post discharge
- Making best use of commissioned services (*somewhere else to assess*)
- Mental health – promoting independence

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges
- Increase in Bereavement Services Sales, Fees and Charges
- Increase in Medico Legal Services sales, fees and charges

Cohesion

Staff No

Customers Yes

Customer impacts are identified and explored in individual EIAs. Some proposals may affect cohesion, either directly or indirectly, including:

Adult Health & Wellbeing (proposals that promote inclusion and community presence)

- Promoting independence post discharge
- Mental Health – Promoting Independence

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget

Housing

- Gypsy and Traveller sites pitch fees

Voluntary, Community & Faith sectors

Impact on Staff No

Impact on Customers Yes

Customer impacts are identified and explored in individual EIAs. Some proposals are likely to affect the organisations in the VCF sector, either directly or indirectly, including some proposals that may have a financial impact on people or increased demand within the VCF sector, including:

Adult Health & Wellbeing

- Promoting independence post discharge
- Mental Health – Promoting Independence
- Annual Uplift to Contributions
- Citywide Care Alarms Debt Recovery

Communities, Parks & Leisure

- Increase in Parks & Countryside Service sales, fees and charges
- Leisure Review Budget
- Increase in Libraries, Archive & Information Services sales, fees and charges

Housing

- Gypsy and Traveller sites pitch fees

Waste & Street Scene

- Markets 5.4% uplift in fees and charges

Council Tax (including the adult social care precept) increase.

Armed Forces

Impact on Staff No

Impact on Customers Yes

Customer impacts are identified and explored in individual EIAs. There may be indirect impacts on serving or ex members of the forces from some proposals in Adult Health & Social Care, and fees and charges proposals relating to Communities, Parks & Leisure, Waste & Street Scene and Council Tax. More work needs to be done across the Council to improve customer monitoring for this population group.

Care Experienced

Impact on Staff No

Impact on Customers Yes

Customer impacts are identified and explored in individual EIAs. The category of care experienced was formally recognised by the Council in late 2023 and more work needs to be done across the organisation to improve awareness and customer monitoring for this population group. There may be indirect impacts from some proposals in Adult Health & Social Care, and fees and charges proposals relating to Communities, Parks & Leisure, Waste & Street Scene and Council Tax.

Partners

Potential effects of the proposals on partner organisations are identified in individual EIAs. These are likely to include:

- Providers of home care and nursing/residential care, and NHS organisations (Adult Health & Social Care)
- Independent traders and leisure providers (Communities Parks & Leisure)
- Organisations paying business rates (Economic Development & Skills)
- Legal firms (Education, Children & Families)
- Schools (Strategy & Resources)
- Organisations subject to fees (Waste & Street Scene)

Action Plan and Supporting Evidence

What actions do you need to take following this EIA?

Feedback from the consultation will be analysed and used to inform final decision-making in relation to the 2024-25 Revenue Budget.

This EIA will be reviewed and updated to reflect the final decision. The detail of further equality analysis and development will take place through individual EIAs.

What evidence have you used to support the info in the EIA?

- Ongoing analysis which is informing individual proposals
- Sheffield City Council workforce data

- External sources of data of Sheffield, including 2021 Census data

Detail any changes made as a result of the EIA

The impact and changes as a result of EIAs are more likely to be demonstrated in the individual EIAs which sit beneath this overarching document.

Following mitigation is there still significant risk of impact on a protected characteristic? ● Yes ○ No

People living in poverty and financial hardship

Sign Off

EIAs must be signed off by an Equality lead Officer. Has this been signed off?

● Yes ○ No

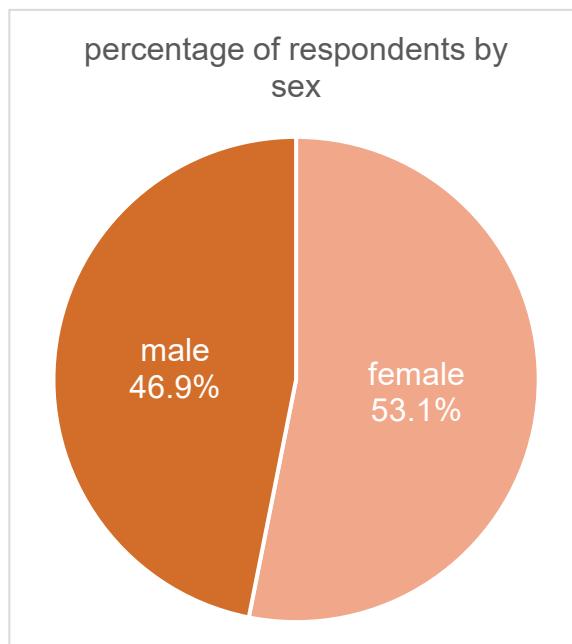
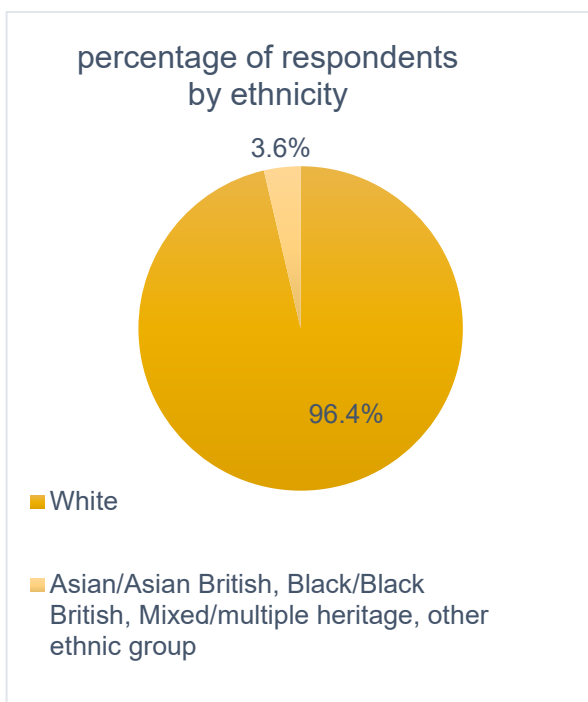
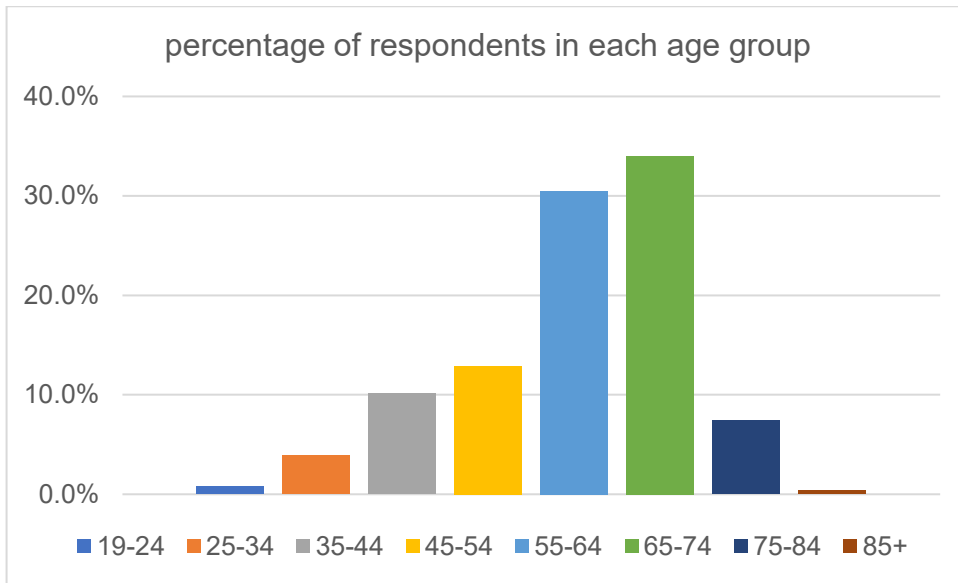
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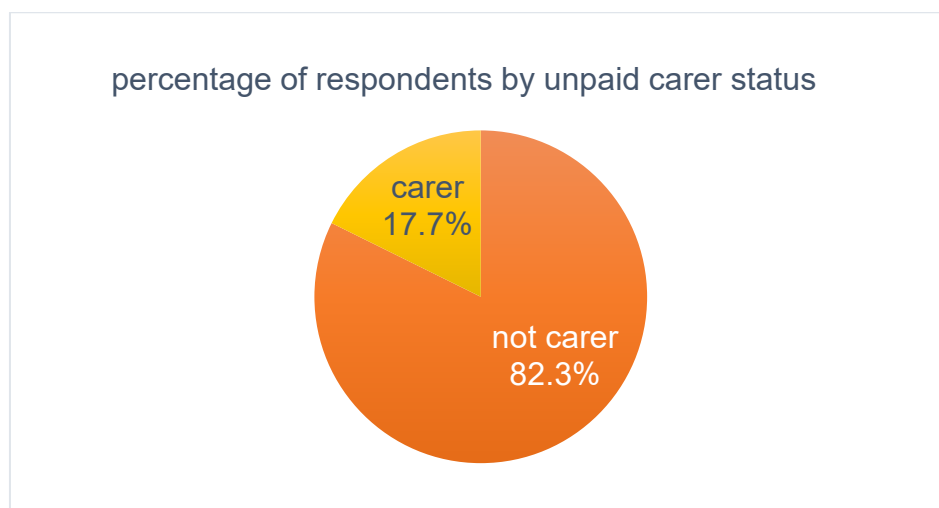
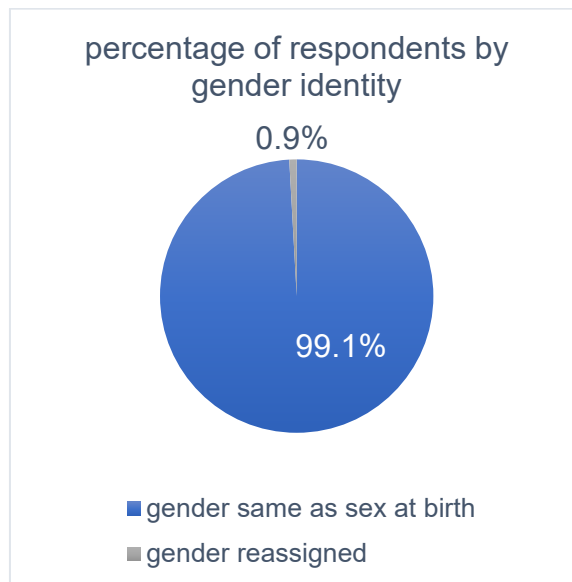
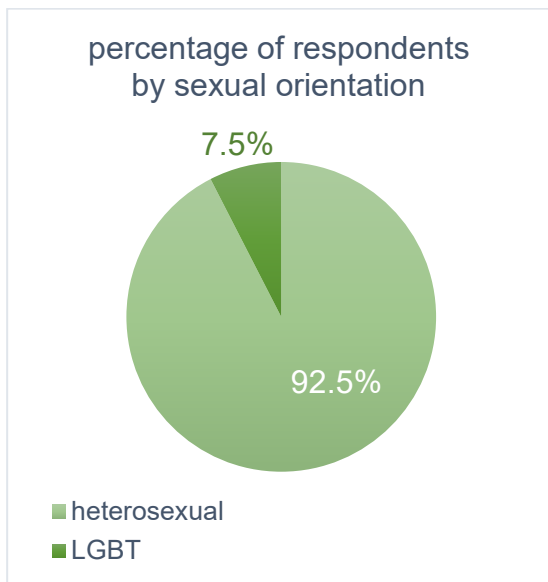
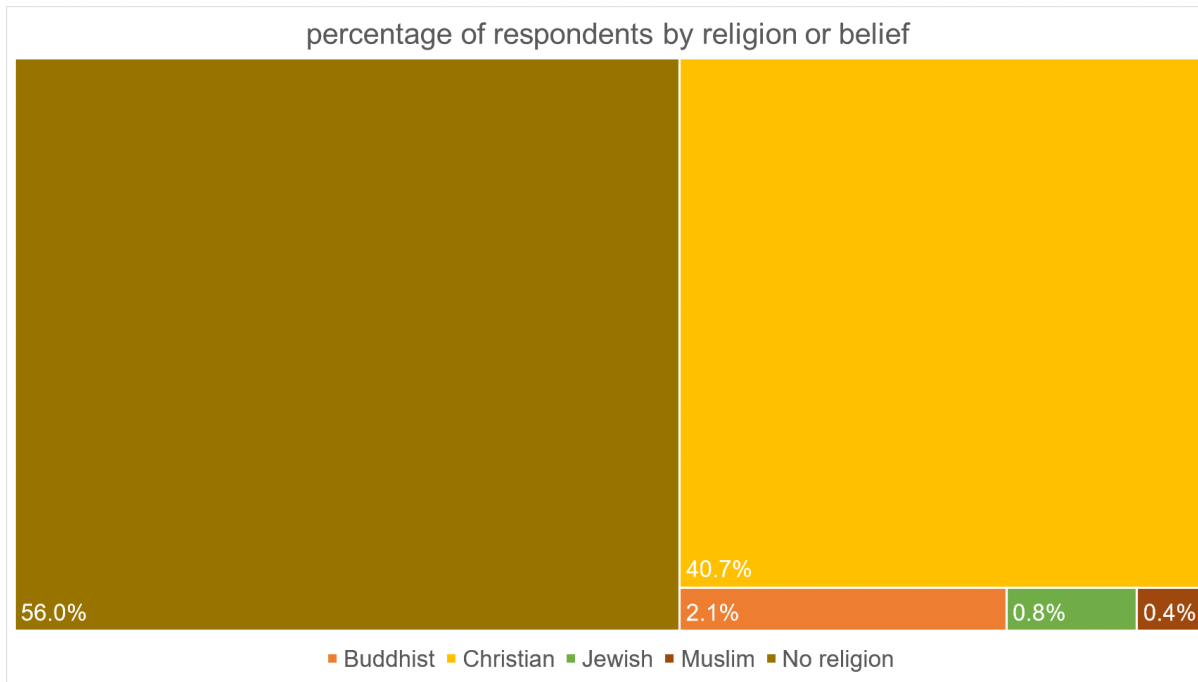
Name of EIA lead Officer Adele Robinson

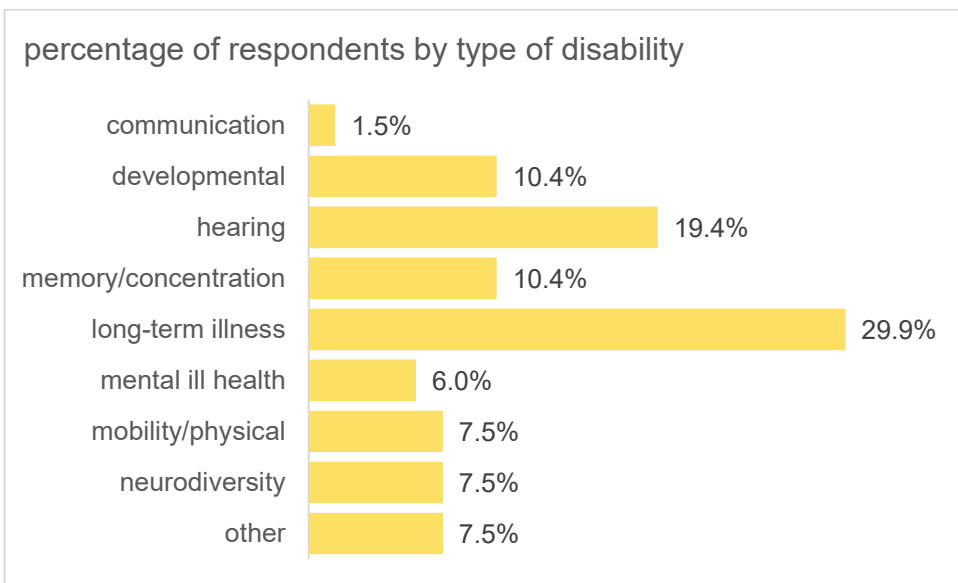
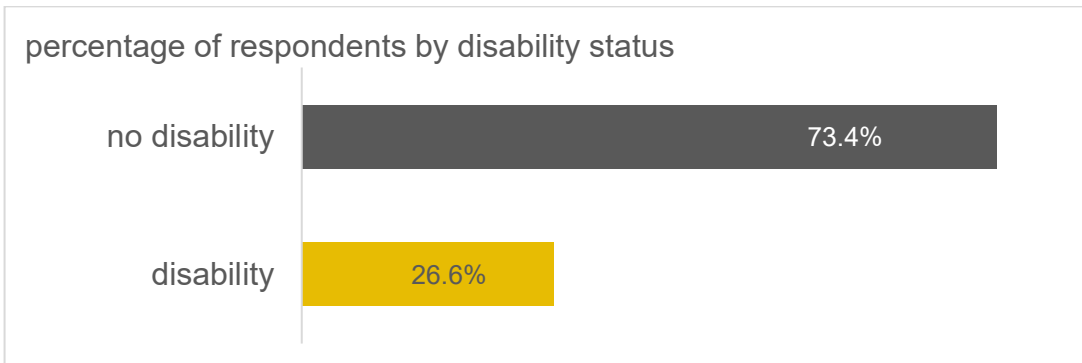
Review Date 18/07/2024

Annex A

Equality profile of survey respondents







2024/25 Revenue Budget savings proposals and Equality Impact Assessment references

ID	Saving proposal	EIA
1	Living and Aging Well – Annual Uplift to Contributions	2378
2	Living and Aging Well – Promoting independence post discharge	2379
3	Living and Aging Well – Making best use of commissioned services	2381
5	Adult Future Options – Budget Adjustments	2382
6	Mental Health – Promoting Independence	2383
7	Care Governance – Additional income	2386
9	Living and Aging Well – Fair Cost of Care Grant	2536
10	Living and Aging Well – Market Sustainability and Improvement Fund	2536
11	Adult Future Options – Physical Disability ASC Grant	2536
12	Adult Future Options – Learning Disability Social Care Grant	2536
13	Mental Health – Social Care Grant	2536
14	Commissioning and Partnerships – Social Care Grant	2536
101	Adults Future Options – Complex Needs	2540
102	Living and Aging Well – Making best use of commissioned services (S2A)	2380
113	HRA contribution to Housing Growth delivery team	2579
117	Increase in profit share income from Sheffield Housing Company	2579
121	Savings in the Citywide Housing staffing budget	2404
125	New Income - Pro-rata allocation of Social Care Funding	2548
127	Additional Income from Partners	2549
128	External Funding Bids	2549
132	Grant maximisation – Cash replacement from Shared Prosperity project	2551
134	Reduction of contribution to Red Tape Sheaf	2575
135	Grant Maximisation Family & Community Staffing	2551
136	Grant maximisation – 100 Apprentices Project	2551
137	Recruitment – Lifelong Learning & Skills	2552
145	Gypsy and Travellers Pitch Fees	2411
151	Business Support – realignment of Budget	2550
152	Fieldwork Budget – realignment of Budget	2550
153	Reduction in spend on Barristers and Independent Experts	2553
154	Stradbroke non-staffing budgets	2550
160	Increase in Bereavement Services Sales, Fees and Charges	2512
161	Increase in Libraries, Archive & Information Services sales, fees and charges	2542
162	Increase in Medico Legal Services sales, fees and charges	2514
163	Increase in Parks & Countryside Service sales, fees and charges	2101
164	Reduction of subsidy grant to Sheffield City Trust (SCT)	2520
167	Reprofiling of Prudential Borrowing	2526
169	ICT Applications	2527
211	Business Rates	2407
215	Sustained improvement in Highways Maintenance	2522
216	Unused historic Director Training budget	2521
217	Unused historic Bus Lane budget	2521
218	Customer Services – Contact Centre savings	2509

Appendix 9

ID	Saving proposal	EIA
227	Customer Services – Register Office savings (fee increase)	2572
229	Customer Services – Register Office savings (increase in income)	2572
230	Customer Services – Register Office savings (staff saving)	2572
233	Surplus revenue from road traffic schemes	2428
240	Communities Staffing Pressure Mitigation	2570
241	New grant funding for Communities	2571
243	Maintained and Academy Schools Servicing – fee increase	2578
252	City Centre Management 5.4% uplift in fees and charges	2568
253	Markets 5.4% uplift in fees and charges	2144
254	Environmental Regulation – increase in charges	2569
255	Adult Future Options – Continuing Healthcare funding	2535
257	Leisure Review Budget	2520
258	Waste & Street Scene general fees increase	2595
262	Living and Aging Well – Citywide Care Alarms Debt Recovery	2534

Tax Strategy

Introduction

Whilst not statutory, it is good practice for the Council to have a strategy for managing its tax affairs

The Tax Strategy of Sheffield City Council sets out the overall framework for the Council's management of its tax affairs, including compliance, policies and procedures, tax risk, tax planning and relationship with the tax authorities.

The Council is a Local Government body. It is exempt from Corporation Tax and is a Section 33 Body under the VAT Act 1994, which entitles it to recover VAT attributable to non-business activities and to exempt business activities, providing this is an insignificant proportion of the total tax incurred.

Whilst not required to publish its Tax Strategy, the Council chooses to do so, as it wishes to demonstrate transparency in its commitment to managing its tax affairs, taking into consideration its public purpose and balancing the interests of its stakeholders.

This strategy will be reviewed on an annual basis and presented to the Director of Finance and Commercial Services for approval.

Governance

The Council has a governance framework which should minimise the tax risk.

The Council's governance framework and overall management of tax risk is the responsibility of the Director of Finance and Commercial Services. The Council's governance framework comprises the systems, processes and values by which the Council is directed. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. Specific controls and procedures are in place at an operational level, to ensure compliance with relevant tax legislation and to mitigate tax risk.

Internal Audit provide an independent assurance that underpins good governance. Internal Audit are required to undertake an effective internal audit to evaluate the effectiveness of its risk management, internal control and corporate governance processes.

Overriding Principles

We will manage our tax affairs efficiently and will follow the letter and spirit of the law.

In line with the Council's governance framework and consistent with its wider values, the Council is committed to being fully compliant with all tax laws, rules and regulations.

It will conduct its tax affairs in an open, honest and timely fashion. The Council will not seek to gain a tax advantage through tax avoidance but will seek to manage its tax affairs in an efficient manner, whilst following both the letter and the spirit of the law.

In order to achieve this, the Council undertakes to:

- Take all reasonable steps to ensure that it is fully compliant with tax legislation and pays the right amount of tax at the right time.
- Lead by example and demonstrate good practice in our tax conduct across our activities.
- Ensure that all tax returns to HMRC shall be completed accurately and in a timely manner within the defined timescales established by HMRC.
- Maintain an open, honest, and collaborative relationship with HMRC.
- Respond to all queries and enquiries in a timely fashion.
- Where the correct tax treatment is ambiguous and where it is appropriate to do so, take the appropriate external advice and act in accordance with that advice, making disclosures to the tax authorities as appropriate.
- In cases of dispute, act transparently and fairly, aiming to resolve the dispute in a manner that preserves good working relationships.

Management of Tax Risk

There are three broad categories of tax risk which are impossible to completely eliminate.

Tax risk falls into three broad categories:

Compliance Risk

- Procedures or processes are deficient in ensuring that the right amount of tax is paid at the right time.

Transactional Risk

- Transactions are entered into without fully considering and evaluating the immediate or wider tax implications.

Reputational Risk

- The wider damage that risks may have on the Council's relationship with its stakeholders, including the tax authorities, staff, and the general public.

It is impossible to completely eliminate tax risk in an organisation of this size and complexity. With careful management, the incidence and impact of tax risks can be significantly reduced.

Policies and Procedures

The Council has established policies and procedures to ensure effective tax management.

The Council has a number of policies and procedures covering various aspects of its financial management. All such policies and procedures are formulated to ensure that the Council is fully compliant with its tax obligations. Such procedures are subject to regular review to ensure that they are, and remain, fit for purpose. These policies and procedures are detailed within the [Financial Regulations](#) (Link to be amended when Full Council agenda published) and are reviewed on an annual basis

The Council has regular support from its external tax advisor PricewaterhouseCoopers, which includes access to a fast response helpline, as well as regular VAT and Employment Taxes Forums for Local Government.

For large, complex or unusual transactions the Council will engage additional specialist legal and tax advice when required, to ensure that the tax implications are identified and fully considered before approval is given. Sheffield City Council has engaged the services of PricewaterhouseCoopers to assist in specialist advice.

Sheffield City Council recognises fraud is extremely difficult to eliminate even in a low-risk environment. To tackle this, all middle managers and above are required to do mandatory Fraud prevention training which is reviewed on a regular basis to ensure that it is relevant, appropriate and comprehensive.

Attitude to Tax Planning and Tax Risk

The Council has a low-risk attitude to tax planning and risk

The Council will claim such reliefs and incentives as it is properly entitled to and will take reasonable steps to minimise its tax liabilities, where it is appropriate and responsible to do so.

The Council has a low risk appetite in relation to tax matters and does not use artificial tax structures or undertake transactions whose sole purpose is to create an abusive tax result. When evaluating tax planning the Council's reputation and corporate and social responsibilities are always considered.

As a Council we will not use offshore vehicles for the purchase of land and property to reduce stamp duty payments.

We are committed to ethical procurement within Sheffield City Council and will use our spending power to drive ethical standards and social outcomes with our procurement.

Corporate Criminal Offence (CCO)

The CCO legislation is designed to prevent tax evasion	<p>The Criminal Finances Act 2017 introduced new corporate criminal offences of failing to prevent facilitation of UK and foreign tax evasion. These new offences came into effect in on September 30, 2017.</p> <p>Sheffield City Council has numerous policies and processes in place to protect against CCO. There are procurement and purchasing policies such as the Financial Regulations and standing orders as well as other organisational policies such as the Officers Code of Conduct.</p> <p>Sheffield City Council and its appropriate officers will take all reasonable precautions to prevent the facilitation of UK and foreign tax evasion and will report where necessary to the appropriate authorities.</p>
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Relationship with Tax Authorities.

We will be open, honest and transparent in all dealings with HMRC	<p>The Council is transparent about its approach to tax and where it is appropriate to do so will discuss the interpretation of tax legislation with HMRC, in real-time, particularly where the tax treatment is unclear.</p> <p>HMRC will be kept up to date regarding major changes or transactions within the business, so that any potential tax risks can be addressed at an early stage.</p>
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Monitoring and Review

The strategy will be reviewed on an annual basis.	<p>The Tax Strategy is subject to annual review by Officers and submitted to the Director of Finance and Commercial Services when a significant change in policy is proposed.</p> <p>Regular Internal and External Audits of all systems and policies takes place. Improvements to policies and procedures are made where necessary.</p> <p>This document will be reviewed in line with the financial regulations and published as part of the annual budget process.</p>
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Glossary of Terms

Term	Definition
Abbreviations	<p>The symbol 'k' following a figure represents £thousand.</p> <p>The symbol 'm' following a figure represents £million.</p> <p>The symbol 'bn' following a figure represents £billion.</p>
Business Implementation Plans (BIPs)	<p>These show what activities will be provided in 2023/24 for a specified cash limit budget. They also include details of the service pressures and savings to be delivered. Services and Portfolios are required to develop these as part of the Council's Business Planning process.</p>
Business Rates	<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>
Capital Expenditure	<p>Expenditure that is incurred to acquire, create or add value to a non-current asset.</p>
Capital Financing Requirement (CFR)	<p>It measures an authority's underlying need to borrow or finance by other long-term liabilities for a capital purpose.</p> <p>It represents the amount of capital expenditure that has not yet been resourced absolutely, whether at the point of spend or over the longer term. Alternatively, it means capital expenditure incurred but not yet paid for.</p>
Capital Receipts	<p>The proceeds from the sale of capital assets which, subject to various limitations, e.g. Pooling Arrangements introduced in the Local Government Act 2003, can be used to finance capital expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing.</p>

<p>Collection Fund</p>	<p>A fund administered by the Council recording receipts from Council Tax, NNDR and payments to the General Fund.</p> <p>All billing authorities, including the Council, are required by law to estimate the year-end balanced on the Collection Fund by 15th January, taking account of various factors, including reliefs and discounts awarded to date, payments received to date, the likely level of arrears and provision for bad debts.</p> <p>Any estimated surplus on the Fund must be distributed to the billing authority (the Council) and all major precepting authorities (Police, Fire and MHCLG) in the following financial year.</p> <p>Conversely, any estimated deficit on the Fund must be reclaimed from the parties.</p>
<p>Contingency</p>	<p>A condition which exists at the Balance Sheet date, where the outcome will be confirmed only on the occurrence of one or more uncertain future events not wholly within the Council's control.</p>
<p>Council Tax</p>	<p>A banded property tax that is levied on domestic properties. The banding is based on assessed property values at 1st April 1991, and ranges from Band A to Band H. Around 60% of domestic properties in Sheffield fall into Band A.</p> <p>Band D has historically been used as the standard for comparing council tax levels between and across local authorities, as this measure is not affected by the varying distribution of properties in bands that can be found across authorities.</p>
<p>Council Tax Support (CTS)</p>	<p>Support given by local authorities to low income households as a discount on the amount of Council Tax they have to pay, often to nothing. Each local authority is responsible for devising its own scheme designed to protect the vulnerable.</p> <p>CTS replaced the nationally administered Council Tax Benefit.</p>
<p>Credit Risk</p>	<p>The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.</p>
<p>Debt (Bad/Doubtful)</p>	<p>A Bad Debt is a debt that the Council has written off and has deemed uncollectable.</p> <p>A Doubtful Debt is a debt the Council expects to become a bad debt.</p>

Department for Levelling Up, Housing and Communities (DLUHC)	<p>This is the new name for what was the Department for Communities and Local Government (DCLG), which became MHCLG post Jan 2018.</p> <p>DLUHC is the levelling up rebrand (September 2021).</p>
Designated Areas	<p>These are specific parts of the city referred to as the New Development Deal and Enterprise Zone. They are significant because any growth in business rates above the “baseline” established in 2013/14 can be retained in full locally, rather than half being repaid to Government.</p>
Equality Impact Assessment (EIA)	<p>A process designed to ensure that a policy, project or scheme does not discriminate against people who are categorised as being disadvantaged or vulnerable within society.</p>
Full Time Equivalent (FTE)	<p>FTE refers to a unit that measures the workload of an employee. 1.0 FTE is equivalent to a full-time employee.</p>
General Fund	<p>The total services of the Council except for the Housing Revenue Account and the Collection Fund, the net cost of which is met by Council Tax, Government grants and National non-domestic rates.</p>
Hereditament	<p>A non-domestic property occupied by a business that is liable for business rates.</p>
HR1	<p>Each local authority is required to submit an HR1 form to inform the Government of potential redundancies in the organisation.</p> <p>The Redundancy Payments Service then collects the information and distributes it to the appropriate government departments and agencies who offer job brokering services and/or training services.</p> <p>This happens so that the government can discharge its obligation to these employees.</p>
Looked After Children (LAC)	<p>Children in public care, who are placed with foster carers, in residential homes or with parents or other relatives.</p>
Least risk basis calculation	<p>The relevant discount rate used for valuing the present value of liabilities is consistent with that used under the most recent valuation but removing the allowance for asset out-performance. In addition, the basis contains a full allowance for the market implied rate of inflation.</p>

Mazars	<p>The Mazar's ruling otherwise known as "Staircase Tax", refers to the separating of hereditaments down to smaller hereditaments if they are connected by communal areas to move between floors or offices.</p> <p>The Mazar's ruling is currently under review by the Government.</p>
Minimum Revenue Provision (MRP)	<p>The minimum amount charged to an Authority's revenue account each year and set aside as provision for credit liabilities, required by the Local Government & Housing Act 1989.</p>
Precepts	<p>The amount levied by another body such as the South Yorkshire Police Authority that is collected by the Council on their behalf.</p>
Private Finance Initiative (PFI)	<p>A contract in which the private sector is responsible for supplying services that are linked to the provision of a major asset and which traditionally have been provided by the Council. The Council will pay for the provision of this service, which is linked to availability, performance and levels of usage.</p>
Provisions	<p>Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.</p>
Public Works Loan Board (PWLB)	<p>A government agency, which provides loans to authorities at favourable rates.</p>
Remuneration	<p>All sums paid to or receivable by an employee and sums due by way of expenses allowances, as far as those sums are chargeable to UK income tax, and the money value of any other benefits received other than in cash.</p> <p>Pension contributions payable by either employer or employee are excluded.</p>
Reserves	<p>Result from events that have allowed monies to be set aside from decisions causing anticipated expenditure to be postponed or cancelled, or by capital accounting arrangements.</p>
Revenue Expenditure	<p>Expenditure incurred on the day-to-day running of the Council, for example, staffing costs, supplies and transport.</p>
Revenue Support Grant (RSG)	<p>This is a government grant paid to the Council to finance the Council's general expenditure. It is based on the Government's assessment of how much a council needs to spend to provide a standard level of service.</p>

Specific Government Grants	These are designed to aid services and may be revenue or capital in nature. They typically have specified conditions attached to them such that they may only be used to fund expenditure which is incurred in pursuit of defined objectives.
Spending power	<p>DLUHC measures the impact of government funding reductions against local authorities' combined income from both government funding and council tax. This combined measure of income is called revenue spending power.</p> <p>NB: in a press release from the Chartered Institute of Public Finance & Accountancy (CIPFA), re the Local Government Finance Settlement, CIPFA made the following notable comment:</p> <p><i>"CIPFA's measure of funding used in this analysis is "unfenced spending power". This is funding that councils have available to meet their priorities and fund existing staff and commitments and which is not already ring-fenced for other use. This includes Revenue Support Grant (RSG), retained business rates, council tax and several special grants that authorities are free to spend as they wish. In contrast DCLG's measure also includes Public Health Grant (which can only be spent on public health matters) and the Better Care Fund (which is largely NHS money or budgets that local authorities have pooled with the NHS, and can only be spent on priorities agreed with local NHS managers)."</i></p>
Under-borrowed	The Council's use of its own cash surpluses rather than external debt, resulting in a level of external debt below the authorised limit.
Unsupported (Prudential) Borrowing	Borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.
VCF	Voluntary, Community and Faith Sector



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www.sheffield.gov.uk

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Report to Policy Committee

Author/Lead Officer of Report:

Liz Gough | Head of Business Partnering

Tel: 0114 20 57303

Report of: Philip Gregory
Director of Finance and Commercial Services

Report to: Strategy and Resources Committee

Date of Decision: 21 February 2024

Subject: Capital Strategy and Budget Book

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>(still to be finalised)</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:-				

Purpose of Report:

This Capital Strategy and Budget Book 2024-2054 provides a snapshot of our capital programme for the period 2024-2029, together with the background and context for our capital investment over this period and for the next thirty years.

Recommendations:

The Strategy and Resources Committee is recommended to pass to Full Council:

- That it approves the contents of the Capital Strategy and the specific projects included in the years 2024/25 to 2028/29;
- That block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate Member approval as part of the monthly monitoring procedures; and
- That it approves the proposed Capital Programme for the 5 years to 2028/29 as per Section F of the Capital Report.

Background Papers:

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

Capital Strategy and Budget Book 2024/25 - 2054

Lead Officer to complete:-					
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Finance: Liz Gough Head of Business Partnering</td> </tr> <tr> <td style="padding: 2px;">Legal: David Hollis General Counsel</td> </tr> <tr> <td style="padding: 2px;">Equalities & Consultation: Forms part of approval for individual capital schemes which are brought forward separately</td> </tr> <tr> <td style="padding: 2px;">Climate: Climate Impact Assessments are conducted for individual capital schemes which are brought forward separately</td> </tr> </table>	Finance: Liz Gough Head of Business Partnering	Legal: David Hollis General Counsel	Equalities & Consultation: Forms part of approval for individual capital schemes which are brought forward separately	Climate: Climate Impact Assessments are conducted for individual capital schemes which are brought forward separately
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Climate: Climate Impact Assessments are conducted for individual capital schemes which are brought forward separately					
	<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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">SLB member who approved submission:</td> <td style="padding: 2px;">Philip Gregory Director of Finance and Commercial Services</td> </tr> </table>	SLB member who approved submission:	Philip Gregory Director of Finance and Commercial Services		
SLB member who approved submission:	Philip Gregory Director of Finance and Commercial Services				
3	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Committee Chair consulted:</td> <td style="padding: 2px;">TBC</td> </tr> </table>	Committee Chair consulted:	TBC		
Committee Chair consulted:	TBC				

4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Philip Gregory	Job Title: Director of Finance and Commercial Services
	Date: 21 February 2024	

1. PROPOSAL

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code governs how the Council manages its finances. Councils are required to produce a Capital Strategy which:

- sets out a high-level view of how capital investment, capital financing and treasury management activities contribute to the provision of services; and
- provides an overview of how the associated risks are managed.

The Capital Strategy and Budget Book discharges this obligation. It does not bring forward any specific schemes for approval.

BACKGROUND

Each year, the Council produces a Capital Strategy and Budget Book. Our overarching approach to our capital spend for the next five years is set out in this document, split by Policy Committee.

The document also sets out:

- an indicative 10-year investment pipeline, setting out potential projects which we should prioritise seeking funding for; and
- a 30-year 'horizon scan' which, although largely speculative, provides some key pointers on the City's direction of travel over the coming decades and where investment may be required.

Again, these are both split by Policy Committee.

This document also sets out the full existing capital programme at appendix C2 for approval.

All proposed projects contained within this Capital Strategy will be brought forward for individual approval in the usual way.

2. HOW DOES THIS DECISION CONTRIBUTE?

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

3. HAS THERE BEEN ANY CONSULTATION?

Any appropriate consultation will be carried out as part of individual projects, which will be brought forward for approval in the usual way.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

Equality Implications

Any Equality implications are the responsibility of the service area under which the approval falls. Equality Impact Assessments will be completed for each individual project as part of our usual governance processes.

Financial and Commercial Implications

This report does not approve any new schemes or allocations of funding. These will be brought forward for separate, individual approval in the usual way.

There are also no changes proposed to our Investment Strategy.

There are therefore no financial or commercial implications arising directly from this report.

Legal Implications

The Chief Finance Officer has several responsibilities for which the authority should have regard. These include:

- Reporting on the robustness of estimates in determining the budget requirement and the adequacy of reserves.
- Producing a balanced Capital Budget
- Having due regard towards the interest of Council Tax payers, eliminating discrimination and advance equality of opportunity to all.
- Being satisfied that the Council can continue to meet its statutory duties.

Legal implications of capital schemes will again be considered on a per project basis. There are therefore no legal implications arising directly from this report.

Other Implications

Human Resources Implications

None

Environmental Implications

None arising directly from this report. The climate implications of individual schemes will be considered before they are brought forward for individual approval in the usual way.

Contractual Implications

None. Schemes will be brought forward for individual approval in the usual way.

5. ALTERNATIVE OPTIONS CONSIDERED

None. It is a requirement for all local authorities to produce a Capital Strategy.

6. REASONS FOR RECOMMENDATIONS

Approval of the Capital Strategy and Budget Book will endorse the Council's proposed approach to capital investment for the next five years and will approve the capital programme to date set out at Section F.

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CAPITAL STRATEGY

and BUDGET BOOK

2024- 2054



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A EXECUTIVE SUMMARY

A succinct summary of our overall position and Committee priorities.

Welcome to Sheffield City Council's Capital Strategy.

Last year, we spent £190.6m of taxpayers' money on projects which invest in our City and its residents. Improving our housing, investing in our communities, making our roads safer, helping people remain independent – to name but four.

This document sets out what we achieved last year and what we want to achieve over the years to come.

It's a long document which every local authority is required to produce. But we want to share what we do with our residents so we can be open and transparent about how we spend public money and why we make the decisions we do.

What is 'capital' spending?

Capital spending – as opposed to **revenue** spending – pays for assets, such as buildings, roads and council housing - and for major repairs to them. Revenue spend pays for the day-to-day running costs of council services.

This Capital Strategy provides a high-level, longer-term view of the Council's ambitions for capital investment which reflect investment needs of our great City.

1.1 Headline summary of capital programme and levels of spend

2023 has been another challenging year. As the effects of the Covid-19 pandemic continue to subside, the war in Ukraine and global uncertainty ripples throughout supply chains, driving up prices and causing delays to capital schemes. Climate change is accelerating; the window for us to effect meaningful change continues to diminish.

The pressures on local authority budgets have been in the news recently. The Council's budgetary position is no different. We have been remarkably successful in securing external funding to support capital projects. But our internal funds alone cannot come close to addressing the issues this Council – and the wider City – needs to tackle.

We will of course continue to spend our resources as effectively as we can to improve our resilience and sustainability for the long term. The Council will respond swiftly and with flexibility, reprioritising programmes to meet emerging needs and trends to support the City and its communities.

And as ever, we will strive to deliver the best possible value to the taxpayer.

Snapshot of our financial position

The Council is currently in an extremely challenging financial position, particularly on the revenue budget. This impacts on our capital spending.

Wherever we can, we will invest capital monies to avoid recurring revenue expenditure elsewhere in the Council. This should help our budget position in the longer term.

But our capital funds are also limited. Our Corporate Investment Fund (CIF) is a finite pot of money and calls on these funds vastly exceed the sum available. Our Housing Revenue Account – which pays for Council housing – is under pressure. If we borrow money to invest, the repayments need to be made from revenue budgets – which are themselves under pressure. Continuing to secure external funding is critical to our ability to invest in our City.

We have been successful in securing several programme-specific grants, such as those to invest in our communities, our City centre, and to address climate change. To take advantage of these funds, we will accelerate the development of ‘oven-ready’ schemes, so we are able to respond swiftly to funding opportunities.

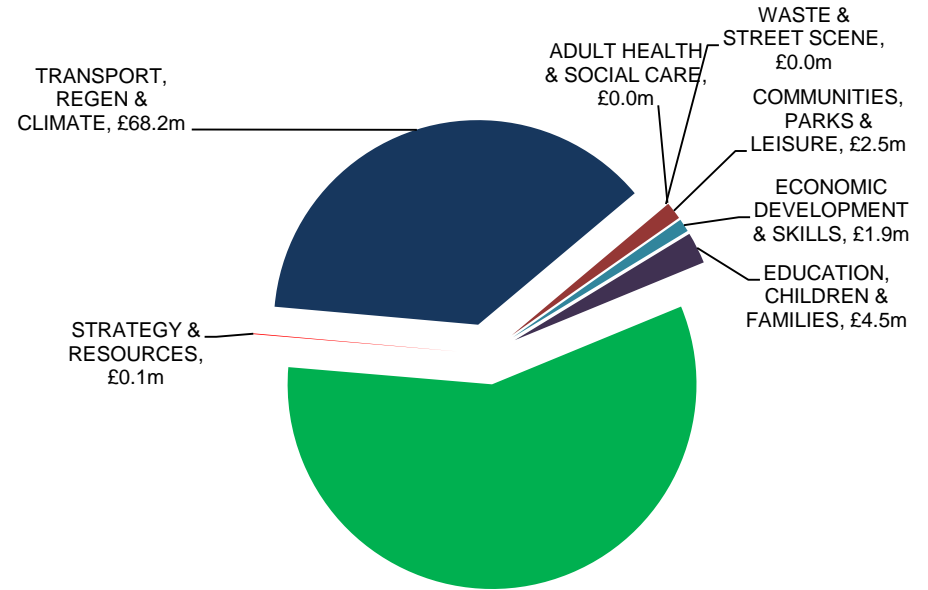
The scale of the challenge is immense. We are an ambitious Council: ambitious to lead the City in its efforts to tackle climate change, ambitious for good jobs and opportunities for our citizens, ambitious to build a destination City where everyone can thrive. We need to carefully prioritise our activities, using our new, four-year proposed Corporate Plan to inform these priorities and drive progress.

We need to maximise every funding opportunity we have to deliver the very best for the people of Sheffield.

Our Capital Programme Priorities for **next year** are overleaf:

Capital Programme Committee Priorities | 2024/25 | £182.1m

Transport Regen & Climate	£68.2m
Housing	£104.8m
Communities Parks & Leisure	£2.5m
Education Children & Families	£4.5m
Adult Health & Social Care	£0m*
Economic Development & Skills	£1.9m
Strategy & Resources	£0.1m
Waste & Street Scene	£0m**



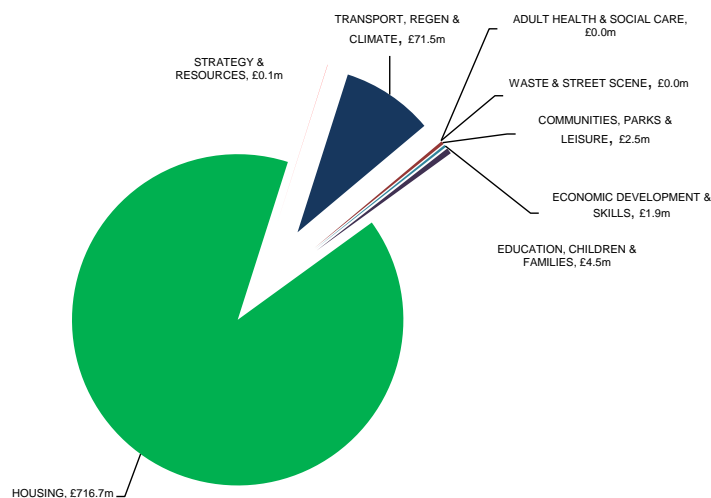
*Budget for Adult Health & Social Care currently under review based on Disabled Facilities Grant Activity

**No future projects currently allocated to Waste & Street Scene

Our Capital Programme Priorities for the **next five years** are overleaf:

Capital Programme Committee Priorities 2024/25 to 2028/29 | £797.3m

Transport Regen & Climate	£71.5m
Housing	£716.7m
Communities Parks & Leisure	£2.5m
Education Children & Families	£4.5m
Adult Health & Social Care *	£0m
Economic Development & Skills	£1.9m
Strategy & Resources	£0.1m
Waste & Street Scene **	£0m



*Budget for Adult Health & Social Care currently under review based on Disabled Facilities Grant Activity
 **No future projects currently allocated to Waste & Street Scene

These amounts represent headline figures for existing commitments within the Capital Programme and those currently within the approvals process. They do not, however, include allocations for potential pipeline projects which have not yet received approval or funding. This is why Housing appears disproportionately large – we have our own Housing Revenue Account funding (from rents), whereas many other areas of spend are dependent on external grant funding which has not yet been confirmed.

1.2 How this document is structured

This document is long. We want to be open and transparent about what we're spending and why – but for an organisation the size of the Council, there's a lot of information to share.

To make this clear and understandable, this document is split into the following sections:

- Section A: this **red section** is an Executive Summary that sets out the whole of the Capital Programme, summarising our areas of spend.
- Section B: the **yellow section** sets out the background to the Capital Programme, together with key financial information and how we ensure the Programme is delivered effectively.
- Section C: the **green section** sets out our overarching approach to sustainability and climate change; a cross-cutting priority which impacts every project we undertake.
- Section D: the **blue sections** set out the key investment priority principles for each of the eight Policy Committees, together with the highest value existing projects and high-level, potential ‘investment pipeline projects’ – some of which may be brought forward for approval following feasibility and consultation. These sections also set out potential developments over the next 30 years, together with some key challenges faced by each Policy Committee and how we are addressing them.
- Section E: the **purple section** provides background information relating to Corporate Investment Fund, together with our investment proposals.
- Section F: the **turquoise section** sets out a full list of projects in the Capital Programme for approval.

1.3 The Policy Committee areas in more detail

This section takes each of the priority areas (contained at sections B1-8) in turn, for the period 2024-2025.

1.3.1 Transport, regeneration & climate change: £68.2 million (m)

This Committee supports investment into Sheffield’s infrastructure. We want a City that’s easier to get around and better to navigate; a City that promotes active travel to its citizens. A City which attracts its residents to its centre; a destination for surrounding areas which builds on its proud heritage but is a forward looking, sustainable destination of choice. A City which is mindful of its environmental impact; a City which recognises the Climate Emergency and continually strives to do better to minimise its environmental impacts for the benefit of not only its residents, but the wider World.

1.3.2 Housing: £104.8m

This Committee exists to ensure the Council supports its aspiration to deliver – directly or indirectly - high quality, energy efficient housing for its citizens. It has two key areas of focus:

- **Housing growth** - this focuses on not only building new Council houses through its Stock Increase Programme (SIP), but also facilitating the delivery of housing through other routes to ensure sufficient housing stock for our residents.
- **Housing investment** - this area ensures existing Council housing is well maintained and as energy efficient as possible to minimise residents' cost of living.

1.3.3 Communities, parks and leisure: £2.5m

This Committee pulls together capital investment priorities from several areas. Investment in leisure facilities, crematoria and Sheffield's precious green and open spaces is now combined with an emerging priority of investing specifically in young people in our communities, centred on bids to the Youth Investment Fund.

1.3.4 Education, children & families: £4.5m

This Committee ensures the Council supports children, young people, and their families. Every single person in Sheffield should be able to achieve their full potential. But not all children and young people have the start in life that they deserve, and there are increasing numbers of vulnerable children whose safety we have serious concerns about. Despite huge strides over recent years, substantial educational inequalities remain in the City and are likely to have been exacerbated by the pandemic. This will be a key focus for our work.

1.3.5 Adult health and social care

Disabled Facilities Grant (DFG) is provided from government and is ringfenced to fund equipment and adaptations identified by Occupational Therapists for adults and children living in their own occupied, private rented or registered provider homes. Increasingly, because of demand and inflation, the available budget for DFG is under significant pressure. Measures have been introduced to ensure DFG is used as efficiently and as effectively as possible to benefit the people of Sheffield. Despite pressures, good progress has been made on the DFG waiting list. A forward look to the 2050s covers two key areas where future capital resourcing would make a significant impact on the long-term sustainability of adult health and social care in Sheffield:

- **Older adults** – residential care
- **Working age adults** - supported living and short breaks

1.3.6 Economic development & skills: £1.9m

Our ambition is for Sheffield to be a flourishing, sustainable and inclusive City economy which creates opportunity, good jobs and better jobs for Sheffielders. As a strong partner alongside businesses, we want a City with a dynamic environment for development and enterprise with a culture of businesses able to start-up, scale up and innovate here in Sheffield.

A significant amount of the activity under the Economic Development and Skills area is revenue investment, rather than Capital. However, as we move forward with ambition on Advanced Manufacturing Innovation District (AMID), Business Support, Decarbonisation, Skills and Culture we expect there will be an increase in capital requirements and opportunities for capital bids, to add to the City's assets and underpin the capital infrastructure in these areas.

1.3.7 Strategy & resources: £0.1m

One of this Committee's roles is to oversee investment into Sheffield City Council's portfolio of around 807 establishments and 873 buildings, as well as land, assets, and monuments. This does not include Council Housing and Schools. These establishments are physical assets which need to be properly maintained to ensure they continue to function as efficiently and effectively as possible, comply with our statutory obligations and to support our delivery of a wide range of services. We have significant backlog maintenance and we will need a radical approach to ensure our corporate estate is sustainable in the medium to long term.

The Fleet Investment Programme commenced during 2019/20. By the end of 2023/24 we will be on track to replace almost a third of our fleet with 397 cleaner more efficient vehicles, including 42 fully electric vehicles. This has been a significant challenge during the last 2 years due to Covid-19 related supply chain issues. In the 4th year of the programme, we are looking to replace even more vehicles and plant to further reduce our emissions and maintenance costs.

1.3.8 Waste & street scene: £0m

The potential projects for future investment straddle the Waste and Street Scene Policy Committee (changes to the Energy Recovery Facility and household waste recycling centre) and the Transport, Regeneration and Climate Change Committee (District Energy Network development).

Two of the projects (Energy Recovery Facility and Waste Collection Changes) are driven by legislative changes so we have a clear mandate to implement. The Recycling Centre and District Energy Network projects reflect investments in the City's infrastructure to reduce our carbon impact.

1.4 How we will deliver these priorities

Two key cross-cutting themes run as a golden thread throughout our capital programme delivery:

- **Sustainability** is at the heart of our decision-making process. Over £169m of projects in our current capital programme have a direct or indirect impact on the City's sustainability, resilience, and carbon impact.

Whether delivering electric vehicle charging points, promoting active travel, or further improving the environmental performance of our built assets, consideration of each project's impacts on 'net zero' is now embedded in our business cases. We're mindful of our environmental impact and have been investing for several years to begin to mitigate this.

But there is always more we can do. We look forward to hearing the views of our residents and businesses on how we can do more to create a sustainable city for the future.

Further details on our approach to sustainability are set out at sections B1.6 and C.

- **Ethical procurement practices** drive real social value for our City and maximise the benefits for the communities we serve.

We have a strong tradition of delivering contractual employment and skills outputs for the communities we serve, and coupled with our focus on sustainability, we're driving social value through our contracts. We support our local economy wherever we can, prioritising Sheffield's businesses whenever we can legally do so. We promise to do what we can to keep Sheffield's economy moving, promoting the use of British Steel.

See section 11 for more details on our progress in this area.

But underpinning this, **effective governance by Members and Officers** is the bedrock upon which the successful delivery of the Capital Programme is based. Robust priority setting and effective funding strategies - coupled with sound project and programme management – are key building blocks for successful delivery. See sections 9-14 more information on how we achieve this.

1.5 Purpose of this Strategy

- Set out the Council's key priority areas for capital investment;
- Provide an overview of current and anticipated specific projects included in the years 2024 to 2029, together with an overview of anticipated developments and challenges up to 2054;

- Set out the overall shape of the current Capital Programme for the 5 years to 2029 (at Section F) for approval. Block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate approval as part of the monthly approval cycle;
 - Set out our principles for how we invest in non-cash assets and how we use our capital receipts; and
 - Provide background to our Corporate Investment Fund Policy at Section E.
-

Cllr Tom Hunt | Leader of Sheffield City Council | February 2024

B BACKGROUND AND KEY FACTS

The policy environment, how we fund the programme and how it is managed.

The Council's capital programme for 2024-29 totals £797.3m. We will ensure we spend this money in the best way possible to deliver the most benefits for the City's residents and the communities we serve.

This section B is split into three parts:

- **The policy environment:** this sets out the background and context to our Capital Programme – the key factors that shape what we do, how we do it and who we do it with
- **The financial context:** this sets out how we pay for our Capital Programme – where the money comes from and the principles which underpin how we spend it
- **The governance:** this sets out how we ensure our Capital Programme is well run – how Members are engaged, how we ensure we're spending money on the right things and buying them in the most efficient way that benefits our City.

This section will address each of these areas in turn.

A The Policy Environment

The background and context to our Capital Programme – key factors that shape what we do, how we do it and who we do it with.

1 The policy environment: external

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code governs how the Council manages its finances. Councils must produce a Capital Strategy which:

- sets out a high-level view of how capital investment, capital financing and treasury management activities contribute to the provision of services; and
- provides an overview of how we manage the associated risks.

This Strategy takes a 30-year view of capital investment. The 5-year Capital Programme is supplemented by a 10-year 'investment pipeline', setting out potential projects or areas of activity for which we should prioritise seeking internal or external funding. This is then supplemented by a 30-year 'horizon scan' which, although speculative, provides some key pointers on the City's direction of travel over the coming decades.

Our Capital Strategy is shaped by several central government policies:

1.1 Devolving of capital spending allocations

Over recent years, many capital spending decisions have been devolved to City Region authorities and Local Enterprise Partnerships (LEPs). The Council anticipates that the trend to devolve capital allocations to regional and sub-regional bodies will accelerate.

1.2 Creation of revolving investment funds

The Council has seen a shift towards capital funding of economic regeneration projects which generate a financial return to repay the initial investment and create a revolving investment fund. For example, the Council has intervened to ensure regeneration schemes like 'New Era' and Heart of the City take place successfully, where the benefits of increased business rates or council tax repay the cost of that intervention many times over.

1.3 Rewarding economic development

We can no longer rely on historical levels of revenue support grant from Government. Places are increasingly reliant on their local tax base. This means that Sheffield needs a growing, resilient local economy that provides the income streams which can be re-invested – in things that promote new growth and in wider social and environmental goals. Funding streams that reward economic development - such as Community Infrastructure Levy – have been created.

Furthermore, we expect to see the creation of UK funds which focus upon investment, job creation and economic growth (including improving transport links). We anticipate that the Sheffield City Region Mayoral Combined Authority (SYMCA) will remain the principal body to seek and allocate this funding across the South Yorkshire authorities.

1.4 Austerity and the wider economy

The ongoing austerity programme has reduced resources by over 50% since 2010. The impact of the Government's austerity programme on the rest of the non-housing programme has not only led to less capital funding but is also reducing Revenue Budget funding. This has limited the scope for additional revenue contributions to the Capital Budget and to fund the revenue implications of capital decisions (such as Minimum Revenue Provision and Interest costs).

Uncertainty surrounding the wider economy – including the impacts of inflation and higher interest rates – means we must plan to continue to deliver more, to more people, with ever-decreasing resources.

The Council is not immune from the cost-of-living crisis. Inflation impacts all our costs. The wider challenges in the revenue budget impact on our ability to fund prudential borrowing, as we fund the repayments from revenue budgets. This puts further curbs on our capital spending power at a time of increasing demand.

1.5 Self-financing Housing Revenue Account (HRA)

The self-financing regime for the Housing Revenue Account (HRA) has historically provided for a relatively well-funded programme of investment in existing and new Council housing stock. However, the recently announced reductions in the permitted level of annual increases – together with the cost inflation seen over recent years – is putting considerable pressure on this source of funding at a time when our ambitions to build new council housing and improve the environmental performance and physical condition of our existing stock are increasing. These pressures are compounded by our continually losing stock through the 'Right to Buy' initiative, which continually reduces our rental base.

We want to increase the number of new Council houses and invest more money in upgrading our existing stock. But we must take tough decisions. We simply cannot afford to do everything we want to do ourselves.

The HRA 'debt cap' has been removed, which allows us more freedom. But we must still apply the principles of prudence, affordability, and sustainability (from the Prudential Code for Capital Finance in Local Authorities).

1.6 Climate Emergency

Sheffield City Council has declared a Climate Emergency. As part of our commitment to work towards Sheffield becoming 'zero carbon' by 2030, currently over £169m of projects are directly or indirectly related to sustainability and minimising our impacts on climate change. New projects which help us tackle this challenge will continue to be brought forward.

As well as directly funding projects relating to sustainability, central government has also introduced funding streams to support our work in this area. Grants which contribute to the costs of electric vehicle charging points, grants to support energy efficiency in our housing stock and corporate estate, and funds to improve air quality through reducing emissions from Sheffield's bus fleet are coupled with our own investments to match-fund these grants when required. We are working with local businesses to help them trial and make the transition to electric vans. Similar pilots are underway with electric taxis. The scale of this challenge is considerable, and we all have our part to play.

We now actively consider the sustainability implications of all our projects across all Programme areas and will continue to improve our work in this area. We have embedded Climate Impact Assessments into our standard operating processes, and we'll continue to engage with stakeholders throughout the City so we can work together to tackle not only our carbon emissions, but also improve our resilience to the effects of climate change.

1.7 The push to build new homes

Central government has announced new powers for councils to borrow money to build a new generation of council houses. Sheffield is already building new council properties and a Housing Growth Delivery Plan – amongst other initiatives - is now in place to stimulate the wider market. The Council is considering how best to use these new powers to increase the supply of housing in the City. It is clear that we cannot meet the scale of this challenge alone. We will work with partners across the City to increase our supply of housing – particularly affordable homes.

1.8 The drive towards academies

Education policy now mandates that all new schools should be academies. This transfers maintenance responsibilities away from the Council's Local Education Authority (LEA) role. It will also subsequently reduce central grant funding (which is formula-driven based on pupil numbers). However, the LEA still retains responsibility for ensuring sufficient school places.

1.9 Streets Ahead

The Streets Ahead programme is providing massive investment in the City's roads and street lighting, funded via a Private Finance Initiative (PFI) and Council investment. This expenditure now sits outside the capital programme – we made the final capital contribution to the initial core investment period in 2017/18.

2 The policy environment: internal

Several current or anticipated locally developed policies will impact upon our Capital Strategy over the coming years. At the time of writing, these include the Council's new proposed Corporate Plan, proposed Local Plan, Treasury Management Strategy, Corporate Asset Management Strategy, Land and Property Plan, Infrastructure Delivery Plan, Infrastructure Funding Statement and Medium Term Financial Strategy.

We will review this Capital Strategy at least annually to ensure it supports the aims and objectives set out in those documents.

Further details on specific capital financing policies are provided at section 4 below.

3 Working in partnership

We will work proactively and in partnership with other public, third sector and private organisations - both locally and nationally - to deliver the best possible outcomes for the citizens of Sheffield, whilst ensuring that we remain accountable and responsible for the activities we deliver.

The Council must build effective partnerships to deliver its ambitions for the City, including:

- **Sheffield City Region Mayoral Combined Authority (SYMCA)**

We continue to work closely with SYMCA to push for greater control over the things that matter to Sheffield and the wider City Region, with a focus on skills, transport, and jobs. The devolution deal unlocks further investment monies for our region, and we will continue to lobby hard to get the best possible deals for Sheffield from the funding allocations.

- **Core cities throughout the North**

We are working with other northern cities with the hope of unlocking additional funding to drive economic growth. We are focussing particularly on opportunities for investment in transport to make Sheffield a more attractive place to live, work and invest.

- **Health and social care**

We are collaborating with our partners in this area to take advantage of joint investment opportunities, co-location and more efficient working.

- **Other public sector partners**

We participate in a Strategic Estates Group which brings together the Integrated Care Board, NHS Property Services and both Universities to consider the establishment of integrated public sector hubs, mapping existing estates and developing proposals to improve utilisation to deliver ever-increasing value to the public purse.

- **Other private sector partners**

To be ambitious for Sheffield, we must all work together to drive our City forward. An example of this is our work to improve the City's sustainability through our Green City Strategy, which requires both public and private sectors to work together to create an environment where sustainable development can thrive and we can tackle the threats from the Climate Emergency.

B The Financial Context

How we pay for our Capital Programme – where the money comes from and the principles which underpin how we spend it

4 Our key capital planning and investment principles

4.1 Capital planning principles

We will use our capital spending to support the delivery of the Council's aims and objectives. We must also ensure we comply with all the rules and regulations which govern how local authorities can spend public money. To this end, we will always ensure that:

- Capital planning is **integrated into the Council's overall strategic planning**, ensuring capital activities are considered in relation to the Council's overall corporate plans, its revenue budget, its financial strategies and our strategic goals
- We **maximise the external funding** of capital investments wherever possible to maximise the availability of the Council's scarce funds to support agreed activity, using our scarce funds as 'match' funding to lever in external investment
- Our capital investments are **affordable, sustainable, and prudent** (ensuring compliance with the CIPFA Prudential Code)
- Our capital projects **deliver value for money**, by ensuring that our governance processes for the appraisal and approval of capital projects are robust and challenging
- We ensure **effective risk management** through our governance, in accordance with best professional practice set out in the Treasury Management Code of Practice.

4.2 Investment principles for Non-Cash investments (Land and Property, Loans to third parties and Equity Investments)

4.2.1 Land and property

CIPFA define investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income-driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

Some local authorities are speculatively investing monies in land and commercial property outside of their local areas – or other initiatives - purely to generate a return. This has led to several well-publicised issues in recent years when these investments have not paid off.

Sheffield City Council has made no such investments to date and currently has no intention to do so in the future. We will only acquire investment property when there is an ongoing service objective (such as the regeneration of our City).

4.2.2 Loans to third parties and equity investments

The Council has the discretion to make loans and equity investments for several reasons - primarily for service delivery, economic development, or regeneration. However, such investments are limited and only granted in exceptional circumstances.

In making loans, the Council is exposing itself to the risk that the borrower defaults on repayments. Therefore, in making these loans, the Council must therefore ensure they are prudent and has fully considered the risk implications of not only the individual loan, but also that the cumulative exposure of the Council is proportionate and prudent.

The Council will ensure that a full due diligence exercise is undertaken and, where appropriate, adequate security is in place. The business case will balance the benefits and risks.

4.3 Risk appetite

The Council's risk appetite to any such investments is low. Risk taken to date and going forward on such investments has been at the amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time. Risk will always exist in some measure and cannot be removed in its entirety.

A risk review is embedded within the **Investment Strategy Principles** below and will be considered in line with the risk management strategies we have in place. This risk review is commensurate with the Council's low risk appetite.

4.4 Investment Strategy Principles

Sheffield City Council will invest in Land and Property and provide loan / equity investments to third parties when:

- The **primary purpose of the investment is to benefit the people of Sheffield** – for example through regeneration or redevelopment – rather than income generation for its own sake;
- The investment **supports the delivery of an existing Council policy or strategy**;
- The investment will take place **within Sheffield City Council's boundary**;
- The investment adheres to **clear criteria** set for investment decisions and risk management both individually and cumulatively;

- A **full risk and return analysis of the investment** has been completed and Members and senior officers are content that any risks are appropriate for the Council to take and proportionate to the potential benefit being delivered;
- The investment has been taken through Sheffield City Council's **robust and transparent governance** procedures and been subject to **robust decision making and scrutiny** prior to approval;
- The investment would be subject to **ongoing monitoring and management** with reporting by exception to Full Council when necessary; and
- The loan to a third party/equity investment complies with the new, international obligations on **subsidy control**.

The government has also published reforms to the Public Works Loan Board intended to prevent the trend of some local authorities taking on debt to buy assets primarily for income. Sheffield has not done this and will adhere to the principles set out above.

4.5 New CIPFA guidance

CIPFA has recently issued new guidance which introduces a new requirement that every local authority sets a limit that cannot be exceeded for commercial income as a percentage of net service expenditure.

As set out above, our Heart of the City II investments are for regeneration purposes (as opposed to commercial activity) and are therefore not within the scope of this requirement. However, we do have some commercial income generated from commercial property rents, which is considered acceptable as the main purpose of Heart of the City II is regeneration.

We will therefore set a limit of commercial income not exceeding 3% of net budget. This is linked to the level of un-earmarked reserves maintained by the Council and enables us to subsume any shortfall in income in-year without affecting service delivery. We can then amend budget plans for the following year to account for the anticipated reductions in income, but also ensure the un-earmarked reserves are repaid to the required level, as determined by the Section 151 Officer.

5 Size and shape of the capital programme

The capital programme over the 5 years (2024-29) shows a broadly balanced position, with proposed expenditure totalling £797.3m. The full programme is set out at Section F.

Wherever possible, attempts are made to match the timing of the receipt of resources and the incurrence of expenditure to protect the Council's cash flow position. Where the levels of expenditure are significant, individual management arrangements are put in place to mitigate the impact as far as possible. The Director of Finance and Commercial Services oversees these (in conjunction with the respective Head of Service).

The funding of the programme comes from a diverse range of resources, such as government grants, other grants, and contributions from other public bodies or third parties, capital receipts, prudential borrowing and revenue contributions to capital. Section 6 overleaf contains further detail. The majority falls within either prudential borrowing or contributions from the revenue account to the capital programme, which together represent £632m (79.3 %) of the overall programme value.

The 2023/24 programme was set in March 2023, and at the time totalled £214.3m. This has been revised in-year. The effect of outturn slippage from 2022/23, in-year additions, variations slippage and re-profiles result in a current approved programme for 2023/24 of £246.7m (as at 31 December 2023). The Council's current anticipated capital investment profile for existing commitments (excluding potential pipeline projects) is:

	Committee area	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/29 (£m)	TOTAL (£m)
1	ADULT HEALTH & SOCIAL CARE *	0.0	0.0	0.0	0.0	0.0
2	COMMUNITIES, PARKS & LEISURE	2.5	0.0	0.0	0.0	2.5
3	ECONOMIC DEVELOPMENT & SKILLS	1.9	0.0	0.0	0.0	1.9
4	EDUCATION, CHILDREN & FAMILIES	4.5	0.0	0.0	0.0	4.5
5	HOUSING	104.8	147.4	159.0	305.5	716.7
6	STRATEGY & RESOURCES	0.1	0.0	0.0	0.0	0.1
7	TRANSPORT, REGEN & CLIMATE	68.2	3.3	0.0	0.0	71.5
8	WASTE & STREET SCENE **	0.0	0.0	0.0	0.0	0.0
	TOTAL	182.1	150.7	159.0	305.5	797.3

*Budget for Adult Health & Social Care currently under review **No future projects currently allocated to Waste & Street Scene

6 How the capital programme is funded

The funding of the programme comes from a diverse range of resources. The table below gives a breakdown of how the overall Capital Programme is currently funded:

	Source of funding	2024/25		2025/26		2026/27		2027/29		Total	
		£m	%	£m	%	£m	%	£m	%	£m	%
1	Borrowing	40.0	22.0	35.8	23.7	42.0	26.4	60.2	19.7	178.0	22.3
2	Capital receipts	9.5	5.2	9.6	6.4	15.1	9.5	27.0	8.8	61.1	7.7
3	Government grants	38.8	21.3	2.7	1.8	0.0	0.0	0.0	0.0	41.5	5.2
4	HRA Contribution to Capital	55.5	30.5	91.0	60.4	97.7	61.5	209.8	68.6	454.0	56.9
5	Other grants and contributions	35.9	19.7	11.6	7.7	4.2	2.6	8.6	2.8	60.3	7.6
6	Community Infrastructure Levy	2.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.3
7	TOTAL	182.1	100.0	150.7	100.0	159.0	100.0	305.5	100.0	797.3	100.0

A further breakdown of each of these funding sources is set out overleaf.

6.1 Revenue budget contributions to Capital

The Council can use revenue resources to fund capital projects directly. However, ever-increasing pressures on the Council's revenue budget have reduced the scope of this. Revenue contributions to capital now largely reflect the contribution to the Housing Capital Programme of £454m.

6.2 Prudential borrowing

Prudential borrowing is used where no external funding is available to fund schemes which will generate a Revenue Budget saving. This saving then repays the principal debt and interest. The Council can often borrow funds at lower cost than its commercial sector partners because of its perceived higher credit rating. It therefore makes sense to inject such capital where there is a potential economic benefit.

Under the rules of the Prudential Code 2004 (revised in 2017), the Council has the power to finance capital schemes using prudential borrowing (borrowing that does not attract financial support from the Government, which is also known as ‘unsupported borrowing’). The principles for entering into such borrowing were approved by Cabinet on 22 September 2004, and generally relate to ‘invest to save’ schemes (including land assembly and funding for major capital projects). These principles remain in accordance with the Prudential Code for Capital Expenditure for Local Authorities, namely that they adhere to the principles of affordability, sustainability, and prudence.

It remains the Council’s current view that its best overall financial interest is served by substituting prudential borrowing for leasing. It is considered that borrowing in lieu of leasing can be undertaken as an element of ‘invest to save’ (where it is considered to be more cost effective over the whole life of the asset when compared to leasing) and can be contained within an overall annual limit established for such borrowing. However, this type of borrowing does have revenue implications for the Council in the form of financing costs, which include interest payable and an allocation for repayment of debt (‘Minimum Revenue Provision’) because of the borrowing.

Included within the 23/24 Capital Programme are the following amounts of prudential borrowing for projects funded in whole or part from prudential borrowing (last year’s figures shown in (brackets)):

Project	Total Project Value £m
Heart of the City II	£10.645 (£38.060)
New Council housing	£29.386 (£34.834)
TOTAL	£40.031 (£90.084)

Any amendments to these limits will be approved by Finance Committee in line with the Prudential Code. There are other commitments outside of the capital programme and these are set out in the Revenue Budget report.

We expect the Heart of the City II programme to be fully completed in 2024/25. Most of the site is within the New Development Deal (NDD) area, where the Council can retain 100% of business rates above an agreed baseline. The uplift in the business rates is ring-fenced to the Heart of the City II scheme and contributes to the ongoing funding of the scheme.

The Council can borrow (using its prudential borrowing powers) to invest in the development of the scheme and will, in part, use the increase in retained business rates from the completed scheme to repay borrowing. £20m of the external grant funding has been secured to reduce prudential borrowing requirement. Capital receipts from a sale of Heart of the City II assets have also been applied to reduce the debt.

Based on the Exit Strategy for the scheme, we assume that most of the Blocks will be sold once completed and fully let. Capital receipts will be used to repay the debt (as previously stated in Cabinet reports). However, it was also agreed that the actual Exit Strategy will be considered for each of the Blocks individually on completion, considering the current economic outlook, real estate market conditions, market evidence, the Council's overall borrowing levels, and a wider commercial estate position. The Blocks could therefore be retained if that is determined to be the most appropriate course of action.

6.3 Government Grants

The largest proportion of external grant funding comes as grant allocations from Government departments. Although many of these grants are to support specific areas of investment, the Government removed capital ring-fencing in 2010. This enabled local authorities to prioritise grants to support local needs, pressures, and statutory responsibilities.

Capital Grant funding falls into two main categories: recurring annual allocations and project specific grants:

- The **major recurring allocations** relate to funding for schools' places and maintenance, Disabled Facilities Grants and Local Transport. Programmes of work are developed to obtain maximum impact from the funding received.
- In relation to **project specific grants**, officers usually bid against advertised funding streams following consideration of the terms by the Council's External Funding Team and its legal advisers. Requests to enter into funding agreements are considered by our Finance sub-committee prior to acceptance of the grant. Increasingly this funding is being channelled through the South Yorkshire Mayoral Combined Authority.

We endeavour to maximise our project specific grants to support our priorities, and we work in effective partnership to secure these. We have been successful in securing funds to improve the energy efficiency of council housing and our corporate buildings, together with investment into Attercliffe and several interventions in the City centre, amongst others. We have also been successful in our funding bids to rebuild several schools. In the new landscape, the Council must work across sectors and boundaries to drive collaboration and maximise our chances of success.

Sources of grant funding continue to evolve, with increased roles for:

- **Local Enterprise Partnerships** – working as part of Sheffield City Region, these are local, business-led partnerships between local authorities and businesses which play a role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs; and
- **Education and Skills Funding Agency** – this body provides direct support and grants to specific free school and academy build projects, as well as funding education and skills projects for children, young people, and adults.

6.4 Capital receipts

Capital receipts fall into two broad categories:

1. Those generated from the sale of land and buildings falling within the Housing Revenue Account (HRA) and council houses under Right to Buy schemes. There are legislative provisions in place governing the use of these receipts restricting it to investment in housing.
2. Those generated from the sale of general (non-HRA) Council assets. These funds are those over which the Council has full discretion over how to use and are incorporated into the Corporate Investment Fund.

These capital receipts can be reinvested in the Capital Programme or be used to reduce the Council's borrowing liability. Any projects in the Capital Programme funded by capital receipts can only be undertaken if the receipts are realised.

The receipts from the sale of surplus assets are used to fund the Corporate Investment Fund (CIF) – see Section E. This allows Members at their discretion to undertake projects for which there is no external funding. We often need to provide 'match' funding to secure project-specific external grants; the CIF can fund this. We also use it as a strategic reserve to cover to emergencies such as the total loss of a key piece of infrastructure e.g. as occurred in the 2007 floods.

As external funding sources reduce because of austerity cutbacks, the CIF assumes a greater significance in funding the Capital Programme. However, the CIF is only forecast to fund 2.1% of the Capital Programme. Its spending power is dwarfed by the HRA or Prudential Borrowing, for example.

But the Corporate Investment Fund is under pressure. Rising construction prices have presented real challenges bringing schemes in within budget – despite extensive value engineering. Our Accommodation Review is likely to require investment of over £200m – a sum which will not be able to be funded from the disposal of assets alone. The sheer scale of the climate emergency facing the City will require significant investment which we simply do not have. Every Committee area in this Capital Strategy has projects and programmes which will require investment over the next ten years. And we need to invest in organisational transformation.

We simply do not have sufficient funds to deliver our investment aspirations. But we must have maximum flexibility to use our monies where they can do the most good.

These huge challenges will require a balance of allowances for both risks and opportunities. The Council must maintain a prudent level of reserves to mitigate infrastructure failures, grant claw back, match funding requirements or project overspends. There is the potential opportunity to invest in growth (in accordance with our Capital Planning and Investment Principles set out at 2.4 above),

which could potentially create new revenue streams for the Council. But our key principle is ensuring our statutory obligations are met. This is no small ask in the current financial climate.

We will therefore take a balanced approach, ensuring adequate investment and reserves levels to mitigate risk and ensure our infrastructure remains fit for purpose and safe to use. In addition, an assessment of the Council's dependence on profit-generating investments (and the borrowing capacity allocated to funding these activities) to achieve a balanced revenue budget will be disclosed over the life cycle of the Medium-Term Financial Strategy.

6.5 Community Infrastructure Levy (CIL) / Section 106 (s.106) contributions

Elements of the Capital Programme are funded by contributions from private sector developments and partners. CIL supplements the current s.106 (Town and Country Planning Act 1990) arrangements.

CIL allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed because of development. This includes new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces, and leisure centres.

The Council has used CIL to develop strategic infrastructure projects such as roads and flood defences (such as the development of the Bus Rapid Transit North link and the Lower Don Valley Flood Defence Scheme). Further strategic infrastructure spend commitments via CIL will be informed by the Infrastructure Delivery Plan (IDP) which feeds into the Local Plan. The IDP identifies the strategic projects we should be delivering to manage impact of future growth on our infrastructure. We will always seek to use our funds most effectively to drive best value and reduce costs to taxpayers.

CIL Regulations now encourage more use of s.106 and introduce the ability to use both CIL and S.106 in delivering infrastructure priorities. Previously, the Regulations restricted this. Further details on the implications of this are given at Section E. However, broadly speaking, this is good news which enables us to pursue s.106 agreements on sites that will also be making a CIL contribution.

CIL and s.106 contributions are held in the Corporate Investment Fund (see Section E).

6.6 Private Finance Initiative (PFI) / Public Private Partnership (PPP) funding

Like many other councils, Sheffield has historically made use of government funding through the above schemes when this was often the only source of funding available. This includes some schools, waste management facilities, office buildings and, most recently, the Streets Ahead programme. Both main national political parties have signalled that new PFI / PPP initiatives are to end, and no further new funding will be allocated through this route.

Sheffield currently does not fund any PFI payments out of capital.

7 Capital financing strategies and associated policies

Several strategies and policies relate directly to capital financing:

7.1 Treasury Management Strategy

Treasury management is defined by CIPFA as: “The management of the organisations’ borrowing, investments and cash flow; its banking, money market and capital transactions; the effective control of the risk associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The nature and scale of the Council’s capital programme means that it is a key factor in the Council’s Treasury Management Strategy. This includes the need to borrow to fund capital works.

The Council has operated within the CIPFA Prudential and Treasury Management Codes since their inception. The Codes contain a requirement for the Council to agree an annual Treasury Management Strategy, which is approved by the Executive and Council as part of the budget process. This defines the types of investments the Council will make during the year, together with the framework for decision-making around new debt. Treasury management decision-making and monitoring is devolved to various bodies and officers, with responsibility for the delivery of the treasury management function delegated to the Director of Finance and Commercial Services.

We also have regard to the Department of Levelling Up, Homes and Communities (DLUHC) Investment Guidance and are aware of the importance of security, liquidity, and yield in treasury management investment decisions.

Interim and outturn monitoring reports are provided to the Finance Sub-Committee throughout the year.

7.2 Asset sales and capital receipts

All land and buildings which are surplus to existing use will be reviewed by the Head of Property before any Executive decision is made. This will be in accordance with the ‘Sheffield Land and Property Plan’. Any reuse or disposal must provide best value in supporting the Council’s objectives. Any exceptions to this must be agreed by Finance Committee.

As a general principle, land no longer required for its existing use should be declared surplus so that options for its future use or sale can be considered by the Head of Property and relevant Members prior to proceeding for formal decision. Ongoing surveys of

our corporate estate have been commissioned to support and evidence this process. In the context of ever-increasing budget pressures, difficult decisions will need to be made which balance the budget challenges and the needs of local communities.

The Council also encourages community involvement in the delivery of local public services using the Council's assets. The Council may therefore be prepared to sell or lease Council assets at less than best value to third sector organisations which have the capabilities to use the assets to provide agreed services in accordance with the arrangements set out for Community Asset Transfers of property. This will however reduce the capital receipts available to fund other Council needs and priorities, and therefore robust governance is in place to identify proposals which have a strong strategic alignment to the Council's priorities and a good chance of success.

Capital receipts will be used to finance capital expenditure, including capitalised revenue costs under the Government's capital receipts initiative. They are also used for debt redemption in accordance with the Council's Minimum Revenue Provision (MRP) Policy. They form part of the Corporate Investment Fund and are therefore subject to the governance for that Fund (see Section E). This year, we are also seeking approval from Full Council to request permission from the Department of Levelling Up, Homes and Communities (DLUHC) to use capital receipts for organisational transformation purposes. This will give us more flexibility to use our funds in the most effective way possible.

7.3 Prudential borrowing and debt; revenue budget implications

Local authorities may borrow to finance capital expenditure. The affordability of debt is the key constraint. The Council has used its prudential borrowing freedoms actively and successfully to deliver key outcomes (such as regeneration – for example, by its work to regenerate the City Centre as part of the Heart of the City II project). It continues to be an important way of funding our priorities where external funding cannot be obtained. The cost of borrowing is usually recharged to the borrowing service, thus recognising that borrowing is not a key asset, but has a revenue cost.

In approving the inclusion of schemes and projects within the Capital Programme, the Council ensures all the capital and investment plans are affordable, prudent and sustainable. In doing so, the Council will consider the arrangements for the repayment of debt, through a prudent MRP policy in line with MRP guidance produced by DLUHC.

The Council sets and monitors prudential indicators to manage its debt exposures. Forecast borrowing costs (including interest and repayment charges) are expected to peak in 2025/26 at 18.2% of net revenue (including PFIs) or 8.45% (excluding PFIs), before falling slightly in subsequent years.

The Treasury Management Strategy (TMS) sets out how the Council's borrowing will meet the prudential code and good practice to ensure borrowing does not exceed permitted limits. However, an overarching consideration of affordability of these costs must be addressed (given the Council's immediate and medium-term budget constraints). This assessment of affordability in relation to the total cost of borrowing for capital projects forms part of the Section 151 Officer's review of the sustainability of budgets and level of

reserves. Details of both the TMS and the Section 25 review of the sustainability of budgets and level of reserves can be found in the 2024/25 Revenue Budget report.

The Council will ensure the most cost-effective financing arrangements for the Capital Programme as a whole. Where possible, the Council aims to maximise the use of balance sheet assets so we can utilise cash balances derived from working capital and reserves, rather than borrowing externally.

We will also calculate the financing costs and interest payable for every individual scheme which is funded this way before any borrowing is sanctioned. This forms an integral part of the business case for each project.

The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and medium-term financial plans. This enables Members to consider the consequences of capital investment alongside other competing priorities for revenue funding. As part of the appraisal process, the financing costs of prudential borrowing may be charged to portfolio budgets.

Different arrangements apply to Housing Revenue Account (HRA) borrowing. We have a self-financing HRA over a 30-year investment period. The HRA plans new prudential borrowing of £156.7m in the next 5 years (23/24 to 27/28) in accordance with our approved HRA Business Plan. HRA resources can only be applied for HRA purposes, and HRA receipts may only be applied to affordable housing, regeneration, or housing-related debt redemption. This is different from external borrowing, as they are under-borrowed. The Council will need to externalise some of this debt over the next few years.

We assume the Public Works Loan Board will be our primary source of borrowed funds, although we will maintain a watching brief over other sources of funding to ensure we deliver best value for money for local people.

7.4 Debt repayment

The Prudential Code requires the Council to make an annual Minimum Revenue Provision (MRP) for the repayment of debt. This revenue provision spreads the cost of repaying the debt for an asset over the useful economic life of the asset (in accordance with DLUHC guidance). This is done in accordance with the annual MRP Policy Statement which is approved by Council each year as part of the budget process.

MRP replaces other capital charges (such as depreciation) in the statement of accounts. It has an impact on the Council's revenue outturn. It will increase and decrease throughout the capital programme and is sensitive to both expenditure and funding changes. Careful consideration is therefore given to this when considering prudential borrowing as a funding source – it bears a real cost.

C The Governance

Ensuring our Capital Programme is well run – how Members are engaged, how we spend money on the right things and buy them in the most efficient way that benefits our City.

8 The foundations of good governance

We maintain assurance of our capital investment priorities and projects through effective governance which runs throughout the organisation. This is underpinned by two key principles which drive everything we do:

- **Ensuring Members' leadership and engagement**

Elected Members are responsible for setting the strategic direction for the Council. Our move to a Committee-based system of governance has increased Members' scrutiny and engagement of decision making. Therefore, in addition to setting the Council's approach through key strategies and policies, they are also responsible for signing off capital projects at key checkpoints:

- ✓ Endorsement at 'project mandate' stage by the relevant Policy Committee or Full Council (by way of this Strategy)
- ✓ Consultation and endorsement of the relevant Policy Committee Chairs at 'outline business case' stage
- ✓ Formal approval at Finance Committee.

The ability for Members to inform – and be kept informed – of the capital programme is vitally important. They need to 'own' the capital programme, understanding the risks and opportunities facing the City. We must set the right priorities, so we invest public money in the right areas.

- **Delivering real value for Sheffield people**

Value for money (VFM) is a key component of all capital projects. All projects must evidence economy, efficiency, and effectiveness. Projects must demonstrate that there is a valid business need, that all potential options to address the need have been considered and that the option selected is the most efficient and effective way of achieving the Council's aims.

We have therefore built this into our core operating model and ensure VFM in five ways:

- ✓ The 'Capital Approval Process'

- ✓ Effective financial appraisal
- ✓ A fit-for-purpose commercial strategy
- ✓ Robust project, cost and contract management
- ✓ Proactive risk management.

The next five sections (9-13) take each of these in turn, with section 14 dealing with budget variances (or ‘slippage’).

9 The ‘Capital Approval Process’

In accordance with good project management practice, the Council requires several “checkpoints” at which the validity of the project is tested:

- an **initial business case** to set potential parameters to the project and to test assumptions – often an ‘options appraisal’ to ensure that it’s the right project and create an evidence base to inform how we will deliver the project.
- an **outline business case** which will set out the benefits of the project against our strategic objectives. It also sets out the commercial case, together with delivery and procurement recommendations for the project.
- a **final business case** once the procurement has been completed, showing all the anticipated project costs, actual benefits as the project progresses to delivery.

We have modelled each of these business cases on the Treasury’s standard **‘Five Case’ model**, to ensure we are considering:

1. The **Strategic Case** – making the case for change and demonstrating how the project provides a strategic fit for the Council and aligns with the new proposed Corporate Plan
2. The **Economic Case** – identifying the proposal which provides the best public value (including environmental and social considerations)
3. The **Commercial Case** – demonstrating viable, efficient procurement and a sound deal between the public and private sectors
4. The **Financial Case** – demonstrating the affordability and funding of the project – both for the up-front capital investment and the ongoing revenue running costs
5. The **Management Case** – demonstrating that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme.

The business cases are supported by a range of supplementary documents, including Climate Impact Assessments, Equality Impact Assessments, Commercial Strategy documents and General Data Protection Regulation (GDPR) Impact Assessments (if required).

We review the content of our business cases regularly to ensure they remain up to date and reflect lessons learned.

Each of these business cases goes through a rigorous project evaluation and challenge at several stages as projects are brought forward for approval each month:

- by **Business Case Review Group** – an initial review of the draft Business Case (and supporting documents) by a forum made up of Officers from the Finance Business Partnering Team (Finance and Procurement), Capital Delivery Service and the Sustainability Team – a ‘high-level’ review to ensure the projects appear to meet the Council’s objectives, are affordable with the budget in place, are deliverable within the timescales with the right procurement route, and take account of the results of the Climate Impact Assessment
- by **Programme Groups** – these Officer Groups (made up of broader representatives from the relevant Service areas, Finance, Procurement and Capital Delivery Service) mirror the Policy Committee structure. They review and endorse the business cases, ensuring they meet the aims set out in this Capital Strategy. They also review emerging risks, issues and opportunities for their Policy Committee area
- by **Capital Programme Group** – this Officer Group (made up of predominantly Head of Service leads for each of the Service areas) reviews and endorses the suite of projects being brought forward for approval this month, together with consideration of the overall performance of the Capital Programme, slippage, risks, issues and opportunities.
- by **Policy Committee lead Members** who have early sight of proposed projects at monthly ‘Knowledge Briefing’ sessions for each Policy Committee
- by **Finance Committee Members** through the Finance Committee suite of meeting who then formally approve each scheme.

Embedding a capital governance process ensures that we use our scarce resources in the most effective way – on the projects that make the most difference, are funded and procured cost-effectively and deliver the greatest benefits for Sheffield people.

10 Effective financial appraisal

Investible propositions and funding strategy

It is the responsibility of the commissioning Service to satisfy itself that it is bringing forward investible propositions for approval. That said, robust challenge takes place at each of the Officer and Member fora above to ensure that the projects are contained within this Capital Strategy and are aligned with the Council’s priorities and proposed Corporate Plan.

Funding strategy options are robustly evaluated to ensure the most effective use of the Council’s resources.

Ensuring affordability

We will never bring a project forward for approval unless we have confidence that any resulting contract is fully funded. In this challenging financial climate, we also ensure that the revenue implications of capital projects are fully considered.

We will not bring capital projects forward for approval when ongoing revenue funding streams have not been identified and agreed.

11 An fit-for-purpose commercial strategy

Getting the right procurement strategy

We conduct robust options appraisals at both initial and outline business case stages to determine the most efficient and effective procurement route. We focus on how to most appropriately incorporate the principles and deliver the outcomes of the government's 'Construction Playbook'. This requires us to take a strategic approach to our procurement to drive the best possible outcomes for the Council and the wider City, including ensuring we:

- Use clear and appropriate **outcome-based specifications** that are designed with the input of industry to ensure we drive continuous improvement and innovation.
- Favour **longer term contracting** across portfolios (where it is appropriate), developing long-term plans for key asset types and programmes to drive greater value through public spending.
- **Standardise designs, components and interfaces** as much as is possible to improve quality, safety, performance and reduce environmental impact.
- **Drive innovation** and Modern Methods of Construction (where appropriate), through standardisation and aggregation of demand, increased client capability and setting clear requirements of suppliers.
- Create sustainable, win-win contracting arrangements that **incentivise better social, economic and environmental outcomes**, improve risk management and promote the general financial health of the sector.
- **Embed social value**, through improved quality, safety, performance and reduced environmental impact at the heart of programme delivery.

We will continue to embed these core principles over the coming year, building on them further with the implementation of the new Procurement Act 2023 in the latter part of 2024. We also anticipate a further iteration of the Construction Playbook in 2024.

Keeping the pound local and safeguarding jobs

We have introduced measures to prioritise Sheffield-based contractors and then contractors within the Sheffield City Region within the fullest extent permitted by law. This keeps money in our local area. We will do everything we can within the law to support local supply chains and local businesses to maintain the resilience of our economy and build back better from the challenges we currently face.

We particularly want to support local small to medium sized enterprises (SMEs) and social interest companies who contribute so much to the fabric of our City.

We also use regional frameworks and dynamic purchasing systems (DPSs) whenever we can to maximise the benefits of our spend to the Sheffield City and Yorkshire regions (whilst minimising both our internal costs and the administrative burden on contractors). We often need quick routes to market, and using frameworks and DPSs addresses this need (whilst also forming part of 'best practice' procurement strategies).

We are one of the founder members of the YORhub suite of construction frameworks (YORbuild, YORcivil and YORconsult) covering Yorkshire and the Humber. These frameworks exist to maximise the benefits we can deliver to the communities we serve.

We also regularly use – amongst others - the Efficiency North frameworks and Dynamic Purchasing Systems. Born out of Sheffield City Council some years ago, Efficiency North is a social interest company based in Sheffield whose values align with what we're trying to achieve for the City.

We want to make it easy for local companies to do business with us, and we will continually challenge how we do things to minimise the barriers they may face.

Upskilling our local economy through our procurement activity

The Council has required 'employment and skills' outputs from its construction contracts for the last 13 years. This has been a real success story for our City. Over the last year, we have worked with contractors to deliver over 235 work experience opportunities, nearly 50 project-initiated apprenticeships, over 6,500 upskilling opportunities and over 800 new employment opportunities through our capital programme – as well as over £25m of committed wider social value for the City.

Our Lifelong Learning and Skills Team will also work with businesses to signpost them to training and development to enable them to grow their businesses in key areas. And we will do what we can to ensure we links this with tendering opportunities in our Capital Programme - particularly in relation to growing the green economy.

Promoting British Steel

We have signed up to the 'British Steel Charter' to maximise our use of British steel in our construction projects and – although we don't use much steel – in 2024-25 we will investigate the feasibility of tracking how much of the steel we use is made in the UK and, more specifically, in Sheffield. We make it clear in our tender documents that we want to prioritise the use of British Steel to the fullest extent permitted by procurement law.

Ensuring a fair deal for construction workers

We are signatories to the 'Construction Minimum Standards Charter', which promotes fair working practices for those in the construction industry.

Ensuring effective safeguarding and combatting modern slavery

We have recently introduced provisions relating to safeguarding in our tender documents, and this year we will build on these to ensure these provisions are strengthened where the risk level requires it.

We're also introducing new requirements to help us combat the scourge of modern slavery. We know that the construction industry is a key risk area and we will be piloting a new approach to help our contractors tackle this.

Embedding wider social value and community wealth building

This year, we are redoubling our efforts to maximise the wider social value arising from our construction activity. Building on our strong track record for employment and skills, we are seeking wider social value outcomes from more of our contracts to drive the biggest benefits for the communities we serve.

Equality, diversity and inclusion (EDI)

Equality Impact Assessments are required for every single capital procurement we undertake. We need to understand the impacts of projects on our diverse communities and ensure that benefits are maximised and barriers minimised.

But we understand that EDI goes much further than this. We will act on the findings of the Sheffield Race Equality Commission and, in the first instance, will work with the Business Sheffield group to ensure that we are minimising the barriers that minority ethnic businesses can face.

Promoting sustainability and meeting net zero

Procurement and Capital Delivery Service colleagues are working together to pilot a more detailed climate options appraisal, which clearly sets out the carbon impacts of design choices at options appraisal stage. This builds on the standard practice of requiring Climate Impact Assessments for every capital project.

In short - we will maintain an unrelenting focus on doing things better and driving greater benefits for the City. We will listen to and act on feedback to ensure we're doing everything we can to maximise the benefits from our construction procurement activity.

12 Robust project, cost and contract management

Project, cost and contract management is carried out by our Capital Delivery Service (CDS). An ISO9002 accredited Service, their role is to work closely with both their clients and the Finance Business Partnering Team to ensure projects are procured and delivered successfully.

The **Programme Management Office** (PMO) within the Capital Delivery Service (CDS) provides information and guidance to continually strengthen project management skills within the Council. They ensure that lessons learned are fed back across the wider Council so we can continually improve our performance.

Cost management is an integral part of all CDS delivered projects. A CDS Cost Manager is assigned to all projects, and an integral part of their role is to monitor and control contractor payments. This includes robust assessments of works completed and claims for payment submitted by contractors.

All CDS Cost Managers and Project Managers are experienced in **contract administration**, including managing changes or variations to contracts, which is always done in accordance with the terms of the relevant contract.

During the construction / delivery of the project there are a number of mechanisms for **monitoring and managing Contractor performance**. Project Highlight reports are prepared monthly and regular site progress meetings are held and minuted. Inspections are undertaken on progress by either a Clerk of Works or other technically competent officer, and valuations and cost reports are prepared monthly.

From beginning to end, CDS acts as a 'centre of excellence' for the delivery of the Council's capital schemes.

13 Proactive risk management

Major capital projects require careful management to mitigate the potential risks which can arise. The effective proactive monitoring, management and mitigation of these risks is a key part of managing the Capital Strategy.

13.1 General Risks – Identification and Mitigation

General risks are those which are faced because of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control, but mitigations have been developed as part of the business planning and governance process. Four key risks are set out below, along with key mitigations:

A Interest Rate Risk

At the time of writing, the Council is planning to externally borrow around £165m as set out in this Capital Strategy over the next three years. This will cover new capital investment and ensure internal borrowing is maintained at a sustainable level. Whilst the Council tends to borrow at fixed rates, interest rates in themselves are variable and a rate rise could mean that there would be an increase on the cost of servicing future debt to a level which is not affordable. To mitigate this, the Council has used interest rate forecasts which include a prudent provision against interest rate rises. In the event that interest rates rose beyond this forecast, the revenue cost to the Council would increase. A rise of an extra 1% in the interest rate would cost an extra £1.65m by the end of the 3-year period.

B Inflation Risk

Construction inflation impacts on the affordability of the capital programme. The construction market remains volatile. Whilst some material costs have begun to fall, availability challenges are keeping prices more generally high.

Construction costs are impacted by the economic landscape, interest rates, inflation and market demand. And whilst some are predicting a 12% recovery in the construction market due to strong development pipelines, increased materials costs will require mitigation. In 2021, steel prices rose by 77.4%, whilst timber prices rose by 80% in the first half of that year. And despite some recent trends hinting at a decrease in these prices, they remain stubbornly high.

A recent study revealed that 25% of construction business in the UK were experiencing skilled labour shortages, and resultant wage increases – whilst a good thing for the workers – impact construction costs.

The Council has encountered delays to existing projects on site due to materials and labour shortages. Contractors remain ever more selective about the opportunities they tender for, leading to poor returns and an even more challenging market.

Tender returns are still containing more qualifications, sometimes lacking fixed prices and transferring risks back to the Council. And the impact of rising prices and delays on projects on site gives rise to contract disputes as contractors seek to recover losses.

This situation is far from unique to Sheffield. We're taking several steps to address these challenges:

- Inflationary impacts continue to be built into the construction estimates / cost plans using relevant indices as usual - but we will now also include an additional inflation price risk of up to 5%, which will be included in the construction estimate / budget to reflect the possibility of higher tender returns.
- We will adopt a more flexible approach during the tender process if contractors are struggling to offer a fully fixed price on projects with longer programmes – whilst ensuring a level playing field for all tenderers.
- Clients should further increase their contingency to allow for additional price risks once on site. The standard project specific items should still be included in the priced risk register but an additional inflation / price risk should also be included to cover Contractor's seeking to recover losses through claims.

Together with the price risk included in the construction sum, this should mean a significant risk total is included.

Previous Capital Strategies have referred to prices levelling off, pressures easing and a 'return to normal'. But it instead appears as if this is the 'new normal'.

C Change in Law Risk

Capital schemes need to comply with the latest law and regulations which can change leading to an impact on construction costs. This is mitigated by awareness of pipeline legislative changes and through contingencies.

D Market Health / Commercial Values

The Council's Capital Programme relies on commercial activity as a key supporting strategy. This involves generation of income from property letting, generation of capital receipts from property sales (in some cases post development), attracting developers to projects based on a potential share of profits and other revenue/capital financial flows.

In some cases, it is likely that the Council will commit to large projects, property acquisitions or other forms of expenditure based on further business case assumptions about the market value of future asset or economic values. Should market movements mean that these assumptions are inaccurate, then the Council may suffer financially. This risk can be mitigated through carefully testing assumptions and allowing for contingencies in projects where necessary.

13.2 Management of Project Risks

Project risks are those which relate to the delivery of capital projects which in many cases can be controlled, influenced, or directly mitigated in ways other than making contingencies available. These risks would mostly be related to unforeseen project delays and cost increases which could arise from a range of circumstances. The effective management of these risks is primarily linked to the following five key strategies:

A Supplier Financial Stability

Construction companies and developers contracting with the Council would, if they experience financial instability, pose a significant risk. They may not be able to raise finance to cash flow operations. Insolvency processes could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget. The Council could also suffer direct financial loss and any defects may not be resolvable as anticipated. To mitigate this, the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible. Furthermore, the Council only pays contractors in arrears, minimising its exposure to this risk. That said, we have revised our financial evaluation processes this year in line with government guidance to ensure we do not unwittingly discriminate against new, often smaller businesses who may not be able to evidence long-term financial stability. This maintains a balance of encouraging new entrants to the market whilst effectively managing risk.

B Effective Business Case Development

This is set out at section 9 above.

C Risk Registers

Projects are required to maintain a risk register. Risk registers are aligned with general guidance on risk review. We have now introduced costed risk registers on projects managed by the Capital Delivery Service. This enables us to maintain appropriate levels of contingency.

D Highlight reporting

Monthly highlight reports are created for all projects to flag progress and risks of projects to Programme Groups, Project Sponsors and, ultimately, Policy Committees and Strategy & Resources Committee.

E Appointment of professional team

This ensures timely delivery of projects and robust planning and review. The Capital Delivery Service has a team of professionally trained project managers. Qualified roles are in place for key surveying and financial planning roles to give assurance on quality of work and project assumptions.

14 Budget variances and slippage

Historically, there has always been an underspend against the approved capital programme. The risk of slippage is present in all capital programmes, bearing in mind the size and complexity of the schemes. Subject to Finance Committee approval, funds are rolled forward into the next year to complete projects.

Slippage reflects re-profiling of funding or delays in physical progress of a project. It impacts not only our financial position, but also the services we provide:

- **Reputational damage** – if projects are not delivered as publicised, this can cause both internal and external damage to the Council's reputation. It means we haven't been able to deliver what we said we would do for Sheffield residents.
- **Financial planning** – inaccurate profiling makes it difficult for us to plan new investments and determine our borrowing requirements.
- **Revenue budget** – whilst slippage can have a positive effect through reducing our borrowing costs, it can also increase our costs when capital investment should result in reduced revenue running costs which are then delayed. There is also the risk that interest rates could rise in the intervening period, increasing our borrowing costs.
- **Construction inflation** – project delay can lead to increased tender costs as time progresses in a growing market. This is a high risk as supply chains and working practices continue to be impacted by the fallout from Covid-19 and the war in Ukraine.
- **Ancillary costs and consequential works** – delays to, for example, new school buildings can result in temporary accommodation being required at additional cost and disruption. Delays to planned maintenance can cause additional costs for short-term revenue repairs and increase the cost of the capital replacement in the longer term due to asset deterioration and the urgency of the repair.

Continually reducing the levels of slippage in the capital programme is a key priority for the Council. Spend on delivery demonstrates that projects are being delivered on the ground for the benefit of our residents. The current financial climate is placing unprecedented pressures on our – and our supply chain's – ability to deliver. We continue to learn from our experiences to respond with innovation and flexibility to tackle the issues we face.

What causes budget variances and slippage?

- **The Covid-19 pandemic and war in Ukraine** – whilst project delays due to sickness have fallen substantially, issues with the supply chain, rising costs and availability of materials remain. We hope the situation will improve over the next 12 months.
- **Delays in planning consent** – this can be lengthy and must follow due process.
- **Timing of third party funding contributions** – slippage can occur when a project is entered onto the capital programme and funding is then delayed.
- **Tender returns and value engineering** – if tender returns exceed budget, this can require a lengthy period of redesign, costing and validation to bring a scheme back within budget. This was identified as a risk two years ago and has materialised each year since.
- **Access issues** – if a delivery window is missed (such as school holidays), this can result in significant slippage until the next available window.
- **Final accounts and snagging** – where these are not resolved in a timely manner, we may need to retain monies for final payments and resolution of defects.
- **Project planning** – optimism bias, and the fact that funding may need to be made available if risks (such as planning consent) do not materialise, can lead to delivery slippage.

We've been taking action to tackle these issues over recent years with good success. We've provided clear guidance for project managers in how to forecast expenditure more accurately so we are all clear on what can be delivered and when. This remains a work in progress and we will redouble our efforts to improve our performance here this year.

'Slippage' and 'reprofiling'

In 2017/18, we confirmed the definitions of 'slippage' and 're-profiling' to draw a clear distinction between the two – they are not the same thing. This makes it easier to understand the difference between us proactively planning and re-evaluating projects and programmes, and responding to events which blow us off course. This helps transparency and clarity when interrogating the reasons behind levels of spend which may change from those originally planned:

- **'Slippage'** relates to spend below budget, which reflects a scheme in delivery falling behind programme. Stakeholders need to understand the reasons for this and take remedial actions to try and bring the project back on track.
- **'Re-profiling'** is the re-allocation of budget between years for projects which are not yet in delivery. Budget allocations are being moved which could be due to several reasons. For example, further feasibility work could be required to be undertaken, or further funding sought. Or we could minimise risk to Council taxpayers by splitting a project into a series of projects to spread delivery risk, such as on Heart of the City II.

Current levels of slippage and reprofiling

As at 31 December 2023, the value of **net slippage** approved to date is £26m which largely relates to challenges facing schemes delivering regeneration activity - including Levelling Up Fund and Future High Streets Fund funded projects.

£51.9m of allocations have been **re-profiled** - i.e. moved from current year into future years for schemes not yet in the delivery phase. These relate to revisions in the delivery timescales of the Housing Investment and Housing Stock Increase Programmes and land acquisitions for regeneration purposes.

Work is ongoing to benchmark our financial performance. Whilst it remains difficult to ensure we are 'comparing apples with apples', Sheffield appears to perform well against other comparable authorities.

C SUSTAINABILITY AND CLIMATE CHANGE

How we will navigate our way towards 'net zero' and adapting to climate change

1 Background and context

This year has seen continuing increases in the frequency of climate related disasters around the world, including flooding, wildfires, drought, and extreme heat. While progress was made at COP28 in some areas, the goal of limiting global warming to 1.5°C is hanging by a thread. The need to act remains urgent.

Sheffield experienced its own extreme heat event in July 2022, as well as extreme rain and wind events throughout the winter of 2023/4. This has included flooding events in February 2022 and October 2023 and notable surface water flooding events in August 2022 and June and July 2023. We have now operated the Lower Don Valley flood gates 5 times in the last 2 years.

In the face of these challenges, we have begun to build on the '10 Point Plan for Climate Action' (adopted in March 2022), which has seen the beginning of the development of decarbonisation routemaps for the City.

The decarbonisation routemaps define our vision and objectives for achieving net zero by 2030, outlining key actions that the Council and other partners will be taking over the next few years to move us forward and enable us to accelerate decarbonisation in the years to come. In July 2023, the first two decarbonisation routemaps were approved for 'Our Council' and 'The Way We Travel'. Future routemaps to be developed will cover:

- Our Businesses and Economy
- Our Homes
- Energy Generation and Storage
- The Way We Use Our Land
- What We Eat, Buy and Throw Away

Respect for the planet and our ambitions to achieve net zero by 2030 are key considerations of our Council Plan, adopted in December 2023. These are woven throughout the plan with a commitment to work towards creating a successful, accessible City which prospers - whilst protecting the environment for future generations.

Under this Capital Strategy, we will continue to bring projects forward which help us meet the significant challenge of responding to the climate emergency through investment in our domestic and non-domestic property, renewables capacity, transport network and land. We will focus on the wider positive benefits, increasing our resilience as a City and helping all our citizens to adapt and thrive.

2 Where we are now

In December 2023, our first Annual Climate Progress Report was published. This provided an update on progress against the net zero target, together with activity during 2022/23. The Report highlighted the scale and pace required to achieve net zero within the next seven years. The Climate Progress Report was followed by the publication of a suite of statements from all Policy Committees, committing to act to tackle climate change through their work programmes and identifying current items which can play a part.

We've continued to undertake Climate Impact Assessments (CIAs) on all capital projects throughout the Capital Gateway Process. All capital development has an impact on climate and the tool is helping us to deliver projects in a way which reduces upfront impacts and significantly reduces the lifecycle impacts of new build. CIAs cover:

- building construction and use
- demand for and type of transport
- renewable energy generation and energy efficiency
- potential for climate awareness-raising
- use of resources, products, and services
- production of waste
- land use and biodiversity
- climate resilience and adaptation
- impacts on sustainable businesses and green skills development.

Since June 2022, CIAs have been carried out for a variety of projects including housing, transport, parks, and schools, ensuring consideration is given to lower impact options. As carbon measurement techniques gradually develop and evolve nationally, we will be able to improve our data and begin to measure more accurately the likely emissions arising from our projects. We are currently delivering over £169m of projects with a direct, positive impact on sustainability.

The Council's financial position is extremely challenging. The resources we have available within our existing budgets to drive this forward are extremely limited. We are proactively engaging and exploring innovative funding options to close this gap. This includes a combination of bidding for central government's funds, the UK Infrastructure Bank, the private sector, and other patient capital opportunities, and partnering with social and community enterprises such to help resource our ambitions.

Our investment strategy will help us to prioritise and identify funding and investment routes for our decarbonisation programme. Revenue funding is required to commission feasibility and commercial business case development, and we will be seeking a budget to fund this activity. This work will enable the Council to pursue external capital investment, as several core cities are already on this pathway and actively engaging with funders and investors.

Whilst the focus of most of the Council's work to date has been on reducing our greenhouse gas emissions, work is now taking place to understand the implications of the changing climate on the Council and on the City. It is likely that the increasingly extreme weather will increase demands on some services, particularly Highways, Parks and Countryside, Flood and Water Services and adult social care services. It will potentially increase both revenue and capital costs, with storm damage restitution providing very significant challenges. Flood and Water Services have seen increasing frequency of flood events, with the Lower Don Valley flood gates being closed five times between February 2022 and January 2024. They have only previously been closed three times since the scheme's completion in 2017.

All services are being supported to consider and plan to be resilient in the face of the changing climate. This work may bring to light additional capital requirements. The suitability of buildings for use in increasingly extreme heat, and the potential risk to the structural integrity of buildings and highways due to increasingly frequent and varied extreme weather events (drought, followed by flood, followed by extreme cold) all have potential capital implications. Designing capital projects with future weather in mind – such as high levels of insulation, natural cooling, natural flood management and rainwater harvesting - may have up-front initial cost implications. But these interventions may result in buildings which have lower maintenance costs in the long term, as well as health and wellbeing benefits.

3 A snapshot of key projects

Our £3.5 million Local Renewable Energy Programme is now up and running. This will deliver increased renewables capacity on Council-owned buildings that will also benefit community users, such as schools, libraries, and community spaces. This Fund has contributed to the delivery of six self-contained single person dwellings using low energy modular construction system and will be Sheffield's first "net zero in operation" council homes.

We are continuing to deliver energy efficiency improvements to Council homes through a range of projects, including external wall insulation (which is supported by Social Housing Decarbonisation Funding (SHDF)). We are also exploring opportunities for Energy Company Obligation (ECO) 4 funding to help address some of our worst energy-performing homes. We will be undertaking a pilot of smart monitoring technology in homes that will be used to assess the impacts of retrofit and help households optimise their energy usage, reducing costs and creating a more comfortable, healthier environment.

In the private sector we are delivering Homes Upgrade Grant (HUG) 2 and ECO4 'Flex' schemes. Over the coming year we will be working on prospects for a one-stop-shop, retrofit accelerator project in the 'able-to-pay' space.

Our 'Connecting Sheffield' programme continues to deliver a £50m+ programme of active travel and public transport improvements across the City. We're also installing charging points for electric vehicles (EVs) to encourage air quality improvements and this summer approved a strategy for wider roll out of EV charging across the city.

We're continuing to work with the Government's Department for Energy Strategy and Net Zero (DESNZ) on a Heat Network Zoning Pilot Programme and Advanced Zoning Programme. This has identified areas where existing or new heat networks can provide the lowest cost, lowest carbon form of heat to large domestic, industrial, commercial, and public sector buildings. We were successful in securing revenue funding from DESNZ Heat Network Delivery Unit (HNDU) to undertake techno-economic feasibility studies on opportunities to expand existing networks, the results of which will inform future investment and financing routes.

The City's £100m+ Flood Protection Programme continues, building on the success of the Lower Don Valley Scheme (which has prevented flooding on at least 3 occasions since completion in 2017). In October 2023, we completed Phase 1 of the Upper Don Scheme on the Loxley. This prevented flooding in October 2023.

We have completed a demonstrator project on nature-based flood risk reduction solutions on Limb Brook, in partnership with the Environment Agency and Sheffield and Rotherham Wildlife Trust. We are looking to expand nature-based solutions to other areas of the City and are seeking funding for this.

Our programme will move on now to the next phase of the Upper Don. This will open up key investment and housing in the Neepsend and Shalesmoor areas and across the Sheaf and Porter Catchments. Significant funding has been secured from Defra Flood Risk Grant - but funding gaps remain to secure the delivery of these projects.

4 How we will engage with the wider City

Sheffield has a vast range of people and organisations with a wealth of skills, knowledge, experience, and passion for acting on climate change. Many more want to act but may not have the skills or confidence to do so.

We held a second City-wide climate engagement event in Autumn 2022 to bring City partners together to showcase the exciting work already being done, identify where we can better work together and accelerate the pace of action. The development of the decarbonisation routemaps has included consultation and engagement throughout. It will continue to do so - as will work on adapting to climate change. Individual projects will also involve engagement and consultation with people, businesses, and organisations (as appropriate), as well as empowering people and communities to take action themselves to both reduce their emissions and to be prepared for the changing climate.

We have been working in partnership with Defra and the Environment Agency on flood awareness campaign work to encourage sign-up to flood warnings, and to educate residents and businesses on flood resilience actions. During 2023, the City Goals

consultation - involving the Council and City partners - has delivered a large-scale engagement process and has demonstrated that tackling the climate and nature emergency and protecting future generations is important to Sheffielders.

D CAPITAL STRATEGY SPLIT BY POLICY COMMITTEE

This section sets out the strategic context for capital investment in each of the Policy Committee areas.

This section covers each of the following Policy Committee areas in turn (in no particular order):

- D1 Transport, regeneration & climate change
- D2 Housing
- D3 Education, children & families
- D4 Communities, parks & leisure
- D5 Adult health & social care
- D6 Economic development & skills
- D7 Strategy & resources
- D8 Waste & street scene.

Each section is first broken down by themes of activity within each Policy Committee area – such as Transport, Regeneration and Climate Change. Each section follows the same format, covering the following five key areas:

- 1) **Background and context**
This sets the strategic context for each area; key policy drivers and strategic goals we wish to achieve.
- 2) **How do these activities contribute towards ‘net zero’?**
This sets out how we are promoting positive impacts and minimising negative ones.
- 3) **Projects completed in 2023/24**
This sets out the projects which have fully completed by the ‘lock down’ date of this Strategy – 31 December 2023.
- 4) **Current projects already in delivery**
Ongoing projects which have not completed as at 31 December 2023. These are projects which have had an outline business case approved and full funding is in place; these projects are either out to tender or contracts have been awarded and the work are – or almost are – on site. Unless otherwise indicated, this section does not include a number of projects which are only at feasibility stage – many feasibilities are funded through revenue until the options appraisal has been

completed. Projects only formally enter the capital programme once Members have agreed to progress the project and allocated capital funding.

5) Potential investment pipeline for the next ten years

This sets out our potential ‘investment pipeline’ – key projects, themes of activity or funding streams we will need to pursue over the coming years. It is subject to continual review and can be amended at any time by each Policy Committee.

6) Our forward look to the 2050s

A section for ‘horizon scanning’. Whilst necessarily more speculative due to the longer timeframe, we need to start thinking about managing our assets and investing our capital over a longer timeframe – such as the lifespan of each asset.

7) Key challenges and how we are addressing them

A section that sets out how we are tackling – or proposing to tackle – some of the largest impediments to our success.

Each Policy Committee area effectively ‘owns’ its part of the Capital Strategy. Although the formal approval of all capital schemes rests with the Finance Committee, each Policy Committee will revisit its priorities and investment pipeline throughout the year.

D1 TRANSPORT, REGENERATION & CLIMATE CHANGE

Fit-for-purpose transport infrastructure which encourages other means of transport than the car. A thriving City Centre which is a destination of choice for residents, businesses and visitors alike. Delivering our net zero commitments to mitigate the worst impacts of climate change.

Directors: William Stewart (Investment, Climate Change & Planning) | Sean McClean (Regeneration & Development)

This Committee supports investment into Sheffield's infrastructure. We want a City that's easier to get around and better to navigate; a City that promotes active travel to its citizens. A City which attracts its residents to its centre; a destination for surrounding areas which builds on its proud heritage but is a forward looking, sustainable destination of choice. A City which is mindful of its environmental impact; a City which recognises the Climate Emergency and continually strives to do better to minimise its environmental impacts for the benefit of not only its residents, but the wider World.

The Capital Strategy for this Committee area is split into three key areas of focus:

- A. Transport
- B. Regeneration; and
- C. Climate Change.

This section will address each of these areas in turn.

1 Background and context

The key principles which underpin our investment strategies are set out in Sheffield's Transport Strategy. This is further complemented by the regional and national transport agenda, whereby improvements in sustainable and inclusive connectivity will be key to ensuring a strong recovery from the Covid-19 pandemic.

The 'Way we travel' Transport Decarbonisation Routemap - adopted by the Council in June 2023 - further reinforces the approach and actions required to provide the services and infrastructure to support a Net Zero transport network in the City. On a practical level, the publication of government advice around sustainable transport infrastructure design and implementation, the consultation on long standing requests for legislative changes to highway powers to Highway Authorities outside of London and the funding allocations for transport further outline an ongoing commitment to transport improvements.

On a local level, the City's Transport Strategy outlines the policy position for this investment:

A City that's easier to get around

- Faster, better integrated and simpler bus services
- Securing the future of Supertram and supporting its expansion
- New mass transit routes and services creating more public transport capacity for a growing City
- An inner ring road that has more capacity and is easier to cross into the City centre

A better connected Sheffield

- Faster, longer and more frequent train services to other cities and to the rest of the City region
- A transformed Sheffield Station bringing High Speed rail services into the heart of the City
- Improved major road network, keeping Sheffield connected to motorways, airports, and other cities

A safer and more sustainable Sheffield

- Sustainable safety, safe walking and cycling as standard
- Improved air quality and working to manage congestion

- Improving poor health and poor access to jobs and services

All our projects are focused upon delivering these priorities for the City.

It is the Council's ambition that public transport, cycling, and walking are natural choices for making journeys within our City, whether this be to the local shops or for journeys to work. We believe that by working closely with our communities, the third sector, and the wider public and private sector, a strong basis for achieving our sustainable transport ambition can be developed, and ultimately delivered.

The Council wants to support the transformation of local areas through this ambition to promote sustainable forms of transport. Making the change away from private car ownership will tackle congestion, improve physical and mental health through mobility, support local economies whilst being a fundamental cornerstone to achieving local and national climate change resilience. Specifically, capital delivery of an improved and seamlessly connected active travel network will see employers benefit from a healthier workforce, whilst at the same time creating more opportunities by delivering thriving streets which are made more accessible with reduced severance caused by car movements.

As this ambition is bold and will require a significant change in behaviour, the Council has previously undertaken public consultations to inform our approach. Specific questions were asked about people's perceptions of active travel, the barriers of use and associated expected outcomes and benefits.

The Big City Conversation survey covered a wide range of Council functions to help understand from the public's perspective what the Council should be prioritising and investing in. The findings from this survey identified that traffic congestion, poor air quality and the need to improve local streets are all key areas of public concern. This further outlines the importance of the investment associated with the Transforming Cities Fund and implementation of the Clean Air Zone and wider Clean Air Plan measures. Investment in active travel and public transport should be positively received. Further work to ensure that our consultation and engagement provides an opportunity for local views at an early stage of project development, and that benefits of schemes are communicated in a meaningful way at an individual and community level as well as at a City level is underway.

Realising the Council's ambition to create an environment without reliance on the private car will take sustained investment in supporting infrastructure. It will take long-term transport planning and will require a change in attitudes, specifically amongst, businesses, communities, and individuals.

2 How do these activities contribute to 'net zero'?

Transformation of our transport system to achieve net zero emissions mobility is one of the most significant challenges the City and the country faces in the prevention of extreme climate change and the achievement of environmental sustainability objectives. Yet transport decarbonisation also offers us a powerful opportunity to achieve positive change at a global scale, improving the quality of mobility for all is an outcome we should pursue as part of decarbonisation. This has been clearly recognised in the Pathways to Zero report, but also more strategically through the Department for Transport and Transport for the North Decarbonisation Plans.

The 'Way we travel' Transport Decarbonisation Routemap, reinforces the scale of the challenge and changes required to address emissions from transport across the City. The immediate actions over the next 2-3 years are set out in the Routemap as is the wider approach required to provide the services and infrastructure to support a Net Zero transport network in the City and support alternatives to individual motorised journeys. For example, the Connecting Sheffield investment programme is seeking the designing and delivering public realm enhancements with a movement strategy that improves integration of transport modes and supports the behavioural shifts needed to encourage more people to travel using sustainable modes. This will inherently alter how we use carbon in the transport system.

The decarbonisation agenda creates a fantastic opportunity to drive other beneficial outcomes, from better connected communities to cleaner air for Sheffield. Transport is becoming a flywheel for change, not only within the transport sector itself, but by catalysing wider change in energy systems and other operational functions of the Council. This includes the roll out of electric vehicles for the in-house fleet, but also how charging points are deployed across the Council's estate, such as housing provision, car parks and the highway itself.

Transport decarbonisation is about far more than vehicle choice and modal mix. System-wide decarbonisation is also about the carbon implications of transport infrastructure design, construction, and operation. In particular, minimising embodied carbon in both infrastructure and vehicles must be tackled to achieve credible, comprehensive transport decarbonisation, as is operational emission reduction across supply chains.

3 Projects completed in 2023/24

	Project and total value	Impact
1	Broadfield Road junction (£4m)	Remodelled junction to improve bus journey times and reliability
2	Clean Air Zone Implementation (£4.3m)	Infrastructure to implement Clean Air Zone Charging

3	Electric Vehicle Charging Points (4 x schemes) (£2.2m)	Provision of electric vehicle charging infrastructure
4	16 x 20 MPH Zones (£1.6m)	Improved road safety
5	Various Road Safety Schemes (£2.1m)	Improved road crossings and pedestrian accessibility measures
6	Kelham Parking Scheme (£0.5m)	Regulated parking improvements
7	City Centre Bike Hub (£0.4m)	New cycle storage and maintenance facilities

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Clean Air Zone Grants HGV / Bus /Coach	£6.4m	2023/24 – 2024/25	Increase in CAZ compliant vehicles
2	20 MPH Zones x 6 sites	TBC at feasibility stage only	2023/24 – 2024/25	Improved road safety
3	Transforming Cities Kelham Island and Neepsend Connecting Sheffield	£16m	2020/21 – 2024/25	Bus and Active Travel improvements
4	Transforming Cities City centre Connecting Sheffield *	£14m (estimate only still at design stage)	2019 – 2024/25	Improved Cycle Connectivity across city centre including major public realm enhancement. Improved bus infrastructure
5	Transforming Cities Attercliffe to Darnall Connecting Sheffield *	£18m (estimate only still at design stage)	2020/21 – 2024/25	Bus and Active Travel improvements
6	Transforming Cities South West Bus Corridors Connecting Sheffield *	£1.4m (estimate only still at design stage)	2020/21 – 2023/24	Bus and Active Travel improvements
7	Transforming Cities Magna Tinsley Connecting Sheffield *	£5.4m (estimate only still at design stage)	2020/21 – 2024/25	Creation of a joined-up cycle network from Meadowhall to Rotherham via Tinsley. Also, access to new tram stop at Magna.

	Project	Budget (£) (all years)	Year(s)	Outputs
8	Transforming Cities Nether Edge Connecting Sheffield *	£12.5m (estimate only still at design stage)	2020/21 – 2024/25	Creation of a cycle route from Sharrow Lane Crossroads to the City centre and the Broomhall
9	Shalesmoor Gateway *	£22.5m (estimate only still at design stage)	2021/22 – 2025/26	Remodelled junction to improve bus journey times and reliability and introduce access improvements to the wider area.
10	A625 Safer Roads Scheme	£1.4m (estimate only still at design stage)	2023/24-2024/25	Suite of safety improvements on route

*Transforming Cities Fund Schemes (with the exception of Transforming Cities - Kelham Island and Neepsend Connecting Sheffield) and Shalesmoor Gateway Scheme currently approved for feasibility works only, budgets shown are indicative for full project delivery awaiting confirmation of external funding.

5 Potential investment pipeline over the next 10 years

The transport investment landscape is changing radically, with Department for Transport (DfT) guidance specifically highlighting the need for a step change in both active travel provision and bus priority. Funding criteria is moving away from the previous ‘predict and provide’ ethos of road capacity enhancements, with a clear focus on how highway schemes must demonstrate a benefit for public transport and provide improvements to pedestrian and cycling facilities. This follows the backdrop of the need to manage the demand of private car trips, related to the decarbonisation and environmental initiatives.

In addition to this, the Levelling Up agenda places transport and connectivity at the heart of economic recovery post Covid-19. Therefore, the focus on the next 10 years’ of pipeline transport projects is how interventions can support the City’s regeneration aspiration, linked to the emerging Local Plan objectives and where congestion and modal shift is currently restricting growth. Improved journey time reliability and improving access from growing neighbourhoods to jobs, education and training as well as improving conditions for business through effective network management are critical outcomes to be achieved.

The design of new transport schemes will seek to introduce a safer approach to scheme implementation from the outset. This will follow the Safe Systems Approach which is being proposed by the South Yorkshire Safer Roads Partnership. The standards for providing the correct type of infrastructure are established, with new guidance now in place from the Department for Transport. This will contribute towards an inclusive transport network and improve health outcomes.

There is a need for greater monitoring and evaluation post scheme implementation. This will ensure the benefits of investment in transport infrastructure continue year after year and we will seek to understand the impacts of the project as well as highlight where

retrospective improvements can be made. This will also include how we plan for the introduction of alternative fuel and automotive technologies where appropriate.

	Priority	Impacts
1	City Region Sustainable Transport Settlement (CRSTS)	The CRSTS is the capital funding allocation for all transport spend. The allocation and settlement will contain the next 5 years allocation of the Integrated Transport Block, as well as the final year instalment of the Transforming Cities Fund and the future 5-year major scheme transport funding. This fund will therefore deliver the day-to-day improvements on the local network, as well as provide the funding for larger scale strategic interventions. This will build upon the work currently in progress to further develop a joined up and seamless network.
2	Active Travel Fund and Mini Holland	The Active Travel Fund and Mini Hollands schemes will deliver the national commitment to travel behavioural change at a local level. Active Travel is a regional priority through the South Yorkshire Mayor and the Active Travel Commissioner. The impacts of this will be providing the correct infrastructure, with supporting revenue activity to promote walking and cycling as an attractive travel alternative.
3	Electric Vehicle Charging	There are several outstanding issues related to the delivery and management of electric vehicle charging infrastructure. Challenges around third-party venture, including private sector mobilisation are yet to be understood, as well as some of the practical issues like cables on the highway and the management of kerbside availability. Ensuring that we consider opportunities for commercial investment in public EV charging in the City to maximise value for money from Government grant funding opportunities and minimise the maintenance liabilities on the future highway assets will be essential. A City concession partner opportunity is currently in development. This will be aligned with the submission of funding bids to the Government’s LEVI Fund. The impact of this approach, will be a programme of work which seeks to ensure that Sheffield isn’t left behind in this revolution and there will be a network across the City that serves the needs of the population.
4	Infrastructure investment	Continued investment in the maintenance of the transport system will ensure its safe and secure purpose. The other element to this is making sure that effective monitoring and evaluation takes place to inform future schemes and develops a strong case for further investment through local, regional, and national funding sources.
5	Improving Air Quality and supporting the decarbonisation of the transport system	Decarbonisation and a move towards a sustainable City is very much at the forefront of funding decisions. Schemes must contribute towards both reducing carbon through design as well as delivering schemes that support the transition to a low carbon future. The impact of this will inevitably be a cleaner, greener, and more efficient living environment, that supports the needs of residents and business.

6 Our forward look to the 2050s

By 2050, the transport network is predicted to be a very different offer. Innovate UK have recently published a paper regarding how the transport system could look in 2050 and what investment needs to take place to get there. There is much uncertainty on the transport system, with travel habits altering substantially through different working patterns and consumer habits post Covid-19.

The 2050 vision of transport enables the movement of people and goods from one location to another through seamless, safe, net zero, connected, cost effective, accessible, and reliable means. However, there are attitudinal, technical, and economic challenges to be addressed. Understanding these will be paramount to any progress being made.

The way people travel and behave will change and this will be accelerated by advances in technology that will improve transport services, reduce costs, and revolutionise business models. We expect to see an increase in the use of most travel modes, a push for travel reduction, and a trend towards alternative forms of mobility. There will be some shifts in travel use between modes - such as less bus use and more use of shared services - and some shift from road and rail freight to short-sea shipping. Walking and cycling are expected to grow, as is the use of electric bicycles and scooters. However, it is difficult to predict transport use beyond 2025 because of the large number of variables in future scenarios. The growth in transport is a challenge to plans to reduce carbon emissions. We expect to see efforts directed towards demand reduction, zero emission technologies, and a shift away from more polluting modes of transport.

Improved communicators and data connectivity will create opportunities for greater efficiency, new services for travellers (access to information, fares, and ticketing), and new business products and amenities. We expect all road vehicles to be capable of fully cooperative driving by 2050. Road maintenance, traffic planning and routing, traffic management, refuelling systems, freight operations, train operations and air traffic management will all benefit significantly.

The move to net zero by 2050 will require a complete shift from fossil fuels to sustainably produced electricity, hydrogen, and other alternatives. Fossil fuels will still be the dominant energy source in 2025, and even 2030. However, electric will need to be the dominant by 2050 if we are to achieve net zero. We also expect hydrogen to be a significant fuel for heavy goods vehicles, buses, and aircraft by 2050.

Connectivity and autonomy will make road vehicles smarter, create opportunities for new services such as last-mile delivery by drone and deliver fully autonomous urban transport. Certain predictions anticipate that the urban transport system, air transport, rail freight and 90% of motorway HGVs will be fully autonomous by 2050.

Advances in technology and new government policies will transform business models and lead to bundling of services, better use of resources and mass customisation. The growth of online retail, improved logistics, use of drones, greater understanding of insurance and risk and improved connectivity will all have an impact on business models.

Regionally, the implications of investment taken - or not - by national bodies in the Sheffield area will have major bearing over the next 20 years. Recent announcements from DfT on the Integrated Rail Plan for the North have concluded with a poor rail offer for the City with minimal investment in inter-regional rail connectivity for Sheffield. This demonstrates another setback for rail provision on a strategic level, with the likely impact being the retention of private cars trips for journeys to Leeds, Manchester and the Midlands area and with associated impacts on the potential agglomeration benefits to our City and regional economy.

On a more local level, the Amey PFI contract will have expired and decisions around future highway maintenance would need to have been resolved. This is large undertaking and has the discharge of several statutory functions attached to the decision. Although there are many more years left on the contract, it would be prudent to begin exploring the implications of this as soon as possible.

The continued operation of Supertram is a key risk over the coming years, as the significant asset replacement programme is yet to be approved. From March 2024 Supertram operations will transfer from Stagecoach to a NewCo as part of bringing the Tram back to public operation and ownership under SYMCA. The tram is clearly an asset for the City and the wider region, and the failure to operate is a major economic, social and environmental risk. To help address this, the City is seeking to work with the South Yorkshire Mayoral Combined Authority to outline a support package, both in terms of how the capital costs for asset renewal can be funded but also setting out a clear Vision for the future of Tram with future extensions and operating models developed.

The bus network is undergoing fundamental change following the introduction of the Bus Service Act (2017) and the requirement for a change of operating model. An Enhanced Partnership is currently in place, but SYMCA are currently exploring the potential for a Franchised network. However, currently with the commercial revenue risk of bus operations falling to private bus companies - and the need for SYMCA to fill appropriate gaps in service provision through supported (publicly funded) services - there is the potential for systemic changes to the bus network.

Currently with the reductions in Central Government funding support for bus services, further commercial reductions are planned with increasing pressure on the public purse to offset the impacts of cuts. Ensuring that bus networks are operating as efficiently as possible and targeting infrastructure improvements, including bus priority measures, will be one way of potentially attracting more patronage but also reducing operational costs. The need to invest in appropriate infrastructure to drive efficient operations will be essential.

The resilience of the transport network, particularly in relation to flooding and the environmental challenges of climate change, is a major feature for 2050. How we design, maintain, and operate transport functions in response to these implications will need consideration. This is already happening to some extent, with schemes like Grey 2 Green and the proposed Connecting Sheffield work. Highway designers are considering how greenery, biodiversity and sustainable drainage can be integrated into design solutions. These changes - when combined - will provide an extra level of protection of the highway and improve resilience.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Lack of appropriate funding to develop 'pipeline' schemes identified in the Sheffield Transport Strategy	Without development funding we will not be able to develop a business case for projects to effectively secure external funding to assist in delivering our Transport Strategy adopted in 2019. This has the potential impact on the Council's ability to develop significant infrastructure projects that are required to support the City's Housing and Economic ambitions. The opportunity to use revenue funding allocated to the development of CRSTS programme (once these schemes reach SOBC approval) to then develop future pipeline schemes is currently being pursued.
2	Ongoing maintenance of the highway infrastructure (commuted sums)	Agreement on way forward required to provide confidence in our ability to address infrastructure required to support economic growth. There are constraints on the majority of Sheffield City Region (SCR) funds and Government funds that mean these cannot be used to fund the commuted sums associated with projects. This acts as a constraint, as either Local Transport Plan (LTP) funding or local revenue funding needs to be identified to pay the commuted sum. Wherever possible, we seek to reduce the upfront cost of the commuted sum through design and aligning projects to Amey's programmed maintenance work, but these opportunities are limited following the Core Investment Period. A review of commuted sum liabilities will be undertaken for all projects at an early stage of project development to inform implications on future programmes.
3	Transforming Cities Fund (TCF) constrained timescales – still subject to decision	Ongoing engagement with key stakeholders and the public to clearly articulate the programme of work and its benefits. There has also been discussion around design and build contracts to ensure that the programme of works is delivered on time and within budget. Each scheme has been designed to be scalable, therefore opposition and scope creep can be managed within the programme. Confirmation that programme funding will be considered across TCF and CRSTS funds has recently been received which provides some flexibility to funding pressures.
4	Public engagement and acceptability	As described in point 3, funding for major transformative projects has stringent funding deadlines which are controlled by associated legal agreements. With all projects of this nature, consultation needs to be meaningful and engaging with the public and stakeholders is critical to obtaining success and delivering a project that meeting competing demands and expectations. Doing this under funding specific deadlines means a focused approach to obtain and address any matters arising. This has been mitigated through Transforming Cities Fund (TCF) by using new ways of consultation and setting a new blueprint for consultation procedures, including specific communications resource.
5	HS2 and the Integrated Rail Plan for the North (IRP)	The IRP has published several future rail investments that do not include the transformational improvements for Sheffield. The commitments in the IRP are still yet to be fully understood, however, the challenge is how to reverse some of these omissions from the IRP and secure rail improvements for the City. Further work to influence the High Speed Rail study to Leeds study which will include reference to the Leeds-Sheffield connectivity challenge is to be undertaken over the next 12-18mths.

6	Post Covid-19 bus and tram market recovery and operating model	<p>The impact of the removal of the Bus Recovery Fund is potentially going to result in reduced bus services. This will need to be brought into the spotlight and highlighted in respect of other improvements to the bus offer, including our existing capital investment.</p> <p>Continued engagement in the BSIP development will be critical to understand the local authority commitments as well as how we can harness SYMCA funding for these projects. This will feed into discussions with the operators around their investment packages to support the capital investment.</p> <p>The SYMCA budget setting process for 2023/24 and beyond will need to consider these funding risks as a key issue.</p>
7	Ceasing operation of Supertram	<p>There is an immediate focus to work with the other South Yorkshire Local Authorities on the funding position and how to mitigate the risk of not renewing the Supertram asset. In the first instance a business case to fund the major maintenance of the network is to be submitted to the Department for Transport in late 2023 will be critical, and in the longer term a 'vision piece' around future expansion is critical for wider partner buy in.</p>

Director: Sean McClean | Director of Regeneration & Development

1 Background and context

Heart of the City II is one of Sheffield's key regeneration projects being delivered by Sheffield City Council. The scheme will contribute positively to social and economic terms, making the City centre a more dynamic place to live **and work**.

In addition to encouraging new retailers to the City Centre, the scheme is providing Grade A office space (including the City's first 'net zero' carbon in-use office accommodation), a 4* hotel, new homes, restaurants and cafes, leisure destinations and stunning public realm - including the new Pounds Park right in the City Centre. These all create the type of high-quality place-based regeneration of the City Centre that helps attract jobs and investment.

The scheme brings together the old and the new, maintaining the existing street patterns and balancing heritage with striking new architecture and unique outdoor squares and spaces. Rooted in the City's unique character, it will help knit together The Moor, the Devonshire Quarter and the regeneration scheme underway on Fargate and at Castlegate - providing a new home for Sheffield's cultural, commercial, and creative trailblazers.

Sheffield has significant assets that will continue to provide opportunities for development, investment, and growth to produce sustainable regeneration activity to support the City and region. We have been working with partners to create investable propositions around these assets:

- The City Centre Vision, will create a thriving City centre, with a strong focus on housing-led growth in the City centre, alongside catalytic employment projects like West Bar and Castlegate, and the ongoing development of Heart of the City II
- District centres and communities.

We will work alongside South Yorkshire Mayoral Combined Authority and will also seek to partner with the public and private sector partners, including the Sheffield Property Association, Chamber of Commerce, University of Sheffield, Sheffield Hallam University and Homes England. This will maximise our effectiveness and ability to unlock funding opportunities.

2 How do these activities contribute to ‘net zero’?

Wherever possible the development will be to the lowest environmental impact including:

- Retaining as much existing building as possible
- Buildings designed to meet Building Research Establishment Environmental Assessment Method (BREEAM) rating of excellent
- Connection to District Heating network
- Use of photovoltaic arrays at rooftop level
- H1 office development has achieved an “excellent” five-star NABERS UK rating, putting Elshaw House in the top 1% of office buildings in the UK.

3 Projects completed in 2023/24

	Project and total value	Impact
1	Former JLP Building Asbestos Strip-out and enabling works (£3m)	Stripped out and safe building enabled for future development.
2	HoCII Block G ‘Pound’s Park’ (£7.5m)	Delivery of City Centre Park
3	Upper Don Valley Flood Scheme (£10.6m)	Comprehensive linear flood defence to three discrete flood ‘cells’ within an area at high risk of flooding on the River Loxley (a tributary of the River Don) and at the confluence of the Loxley and the River Don.

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	HoCII Block H1 Leah’s Yard	£12m	2021-2025	Bringing back into life an iconic heritage building. Operator now secured.
2	HoCII Block H - Formerly Henrys, now Elshaw House, Cambridge Street Collective and Bethel Chapel	£57.9m	2021-2025	Increased leisure offers in the city in a cutting-edge food hall concept combined with further grade A Zero

	Project	Budget (£) (all years)	Year(s)	Outputs
				Carbon office space attracting inward investment and Jobs. Food Hall operator now secured.
3	HoCII Block A 'Radisson Blu / Gaumont Building'	£48.6m	2021-2024	Development of mix of Hotel, Leisure unit. Hotel pre-let to Radisson Blue.
4	HoCII Infrastructure & Public Realm	£1.4m	2018-2024	Improved street grid and high-quality public spaces and public art.
5	HoCII Block G Development Plots	£0.9m	2021-2025	Remainder of Block G site to be sold as development plots for private development of commercial space
6	Future High Streets Fund Public Realm	£14.5m	2022-2024	Improved City Centre Public Realm & Infrastructure
7	Future High Streets Fund Events Central (refurbishment element)	£6.6m (current approval but increase anticipated)	2022-2024	A new cultural venue that will host up to 184 events annually, attracting a total of 55,600 attendees
8	Future High Streets Fund Front Door Scheme	£3.7m	2022-2024	Landowners to benefit from grant assistance to repurpose vacant/underused space for new work and residential accommodation. The public investment will secure £26.1m of private sector investment for improvements to existing buildings on Fargate and High Street
9	Levelling Up Fund - Attercliffe - Centre for Child health technology *	£8.8m	2022-2025	4100 m2 Floorspace, 100+ jobs, healthcare facility
10	Levelling Up Fund - Attercliffe - Connection and Movement *	£4m	2022-2025	2 Improved tram stops, 5km of highway improved Secure storage for 100 bikes Site preparation for Innovation centre
11	Levelling Up Fund - Attercliffe - Adelphi Square *	£4.2m	2022-2025	1200m2 Floorspace improved 2 heritage buildings saved
12	Levelling Up Fund - Castlegate – Castle Site *	£15.7m	2022-2025	Site preparation 8120sq m public realm

	Project	Budget (£) (all years)	Year(s)	Outputs
13	Levelling Up Fund - Castlegate Harmony Works *	£1.7m	2022-2025	Collaborative music and education centre 200m2 commercial space
14	Stocksbridge Towns Fund Community Hub *	£11.7m	2022-2026	30,000 sq. ft. Community hub containing a modernised library service.
15	Stocksbridge Towns Fund Place Making *	£5.5m	2022-2026	400 sq. meters of new public realm and public spaces
16	Stocksbridge Towns Fund Shop Fronts Arcade *	£0.6m	2022-2026	Improved shop frontages
17	Stocksbridge Towns Fund High St Accessibility *	£0.35m	2022-2025	Improved accessibility to high street services and a wayfinding scheme
18	Stocksbridge Towns Fund Sports Pavilion *	£0.7m	2022-2025	Improved sporting facilities
19	Stocksbridge Towns Fund Oxley park Improvements	£0.7m	2022-2024	A new skate park and an improved footpath network, connecting the leisure centre directly to the park
20	Stocksbridge Towns Fund Bus Improvements	£0.7m	2024/25	A new local bus service
21	Stocksbridge Towns Fund – Sports Grants	£0.2m	2024/25	Grants to Rugby & Football Clubs to improve sporting facilities

*Elements of Levelling Up Fund & Stocksbridge Towns Fund schemes show indicative budgets awaiting formal submission of Business Cases / confirmation of tender prices.

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	City Centre Vision and Catalyst Sites	Development and delivery of the City Centre Vision and progression of catalyst sites.	TBD
2	Parkwood	Creation of a country park in the City and improved access to an investment site for an adventure operator	Gain Share
3	Sheaf Valley Masterplan	Regeneration of key City Centre site	TBD
4	Heeley	Creation of community workspaces, hubs and public realm improvements	TBD

6 Our forward look to the 2050s

With a population set to increase to over 600,000 by 2043, it is important that the City fulfils its role as an economic driver for the City Region, presenting opportunities for growth and renewal. Sheffield should be seen as the place to live, work and play, with a successful City centre, and vibrant and thriving district centres serving their local communities. Across the City there will be a need to accommodate a wide range of activities and amenities which encourage footfall and provide a reason for people to visit the City centre and their district centres.

The City centre itself will become an important driver of housing growth. Bringing more people into city centres - and creating new city centre neighbourhoods - will support other components that will develop as city centres transform from places traditionally associated with employment and retail into a broader offer to benefit the wider economy.

Delivering this strategic vision will not happen if we rely solely on market forces. Public sector intervention will be needed, working alongside strategic partners and key stakeholders. Key areas of investment in transforming the City will include:

- Placemaking, public realm and 'grey to green' type initiatives
- Providing a diversified City centre offering
- Creating sustainable communities across the City
- Infrastructure

- Transport and active travel
- Homes of a variety of types and tenures
- New office developments and places to work
- Culture, arts and leisure
- City centre animation and Outdoor City.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Managing costs within budget and keeping to programme in an increasingly challenged construction sector with inflationary and supply pressures	Review and manage procurement routes to secure most competitive appointments. Pass risk on to the contractors when/where appropriate. Strong project management.
2	Changing UK retail market leading to lack of demand for physical retail space alongside more aggressive commercial terms being demanded.	Constant review of leasing strategy, focussing on elements that cannot be digitised such as experiential retail, food and drink, and competitive socialising. Targeting the right mix of international, national, and local brands who are adapting their business models to suit the changes in shopper behaviour and the digital world.
3	Changing requirements for office space following the Covid-19 pandemic and the move to hybrid working.	Continual review of emerging trends.
4	Lack of revenue funding for early development and feasibility works for capital projects.	Corporate Investment Fund to ensure investment in development of projects that are best aligned to Member priorities and strategic objectives for the City. Feasibility funding held to be utilised for project and bid development.
5	Availability of match funding for capital investments.	As above - and continue to explore and identify options for external funding.
6	Uncertainty about future availability of Central Government funding and the replacement of European funding	Work with European funding partners to maximise current opportunities for funding, minimising risk of clawback and keep implications of Brexit under scrutiny. Work closely with the SYMCA to maximise access to Government funding.

Director: Wil Stewart, Director of Investment, Climate Change & Planning

1 Background and context

The Council has continued to make progress towards its goal of becoming a net-zero organisation and City by 2030 through a range of activities and programmes.

In July, the Transport Regeneration and Climate Policy Committee agreed our first tranche of decarbonisation routemaps, setting out actions that the Council will take to decarbonise the way it works and operates (alongside wider plans to decarbonise how residents and visitors travel within the City).

As noted in last year's Capital Strategy, the transition towards a net-zero City and Council will require significant long term financial resources, as well as an acceleration in both the pace and scale of investment being made. It will also mean the Council using its (limited) resources to leverage and attract considerable private sector investment into the City.

Two areas that demonstrate this well are energy generation and storage, and housing decarbonisation. These are covered by our second tranche of routemaps. The costs associated with decarbonisation in these two areas is well-beyond the resources of local government and will require new approaches to be adopted.

As part of our work to establish the investment requirements of the energy transition, the Council has secured internal funding from our 'Gainshare' funding to develop a Local Area Energy Plan (LAEP), to be developed over the next 12 months. This Plan will set out the most effective route to transition our City's energy system to net-zero, helping to identify the interventions for investment that will be required from both the public and private sectors.

The Council will need to continue to invest in other feasibility studies and develop outline business cases and project proposals, that enable us to secure much greater investment and funding such as private sector capital (see next section). The Council will continue to seek additional resource over the next 2-3 years to fund this activity, as well as seeking further allocations of capital funding to enable the transition to net-zero carbon to move forward.

2 How do these activities contribute to 'net zero'?

The activities delivered through this programme constitute the Council's core climate action programme. But there will also be a wide range of other programmes and investment that are being delivered across other parts of the organisation that will contribute positively towards our climate goals. Since last year, we have developed the Climate Oversight Board that brings together Directors from across the organisation to ensure that climate is embedded into all our activities and that opportunities are maximised.

Part of this work will include refining our investment opportunities in areas such as neighbourhood decarbonisation, taking a place-based that brings together some of the challenges such as financing large-scale domestic retrofit, energy provision and vehicle recharging.

The £3.5m Local Renewable Energy Programme is helping to progress our understanding of opportunities to expand heat networks in the City. This includes investigating the potential to utilise waste industrial heat, to be captured and then re-used to heat homes and buildings in the City. Combined with the heat network zoning pilot - a government-funded study to establish how new legislation can support the expansion of heat networks - this area has the potential to also support the creation of new job opportunities directly in the City. In addition, a portfolio of community-assets has been surveyed over the last 9 months to identify the most suitable locations to invest in local renewable energy.

Revenue funding is being sought to support the activities identified in section 1 (Feasibility and scoping studies, primarily related to renewable energy opportunities and energy system resilience), as well as revenue to support wider engagement activity. There is also a role for the Council's city partners in climate change mitigation projects. Work to develop collaborative strategies and joint funding opportunities is underway, as there is a need for City-wide strategy that recognises that the Council is just one of a range of partners and institutions that will need to develop and invest in projects over the coming years.

3 Projects completed in 2023/24

None.

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Community Renewable Energy Fund	£3.5m	2022-2025	A range of community renewable energy projects

5 Potential investment pipeline over the next 10 years

The transition to net zero will require significant capital investment. This level of investment is beyond the reach of public finances, particularly at a local government level. Sheffield - along with other cities - is exploring alternative approaches to secure investment, such as with the UK Infrastructure Investment Bank or partnerships such as the Cities Commission for Climate Investment (3Ci) - an innovative collaboration of local government and the private sector. The Council has already put forward a proposal to 3Ci as part of its Net zero neighbourhoods programme, which aims to create a 'pitch-book' to be shared across government departments and potential investors.

Further work and revenue funding will be required to develop a robust investment pipeline for the City.

Revenue funding is required to commission feasibility and commercial business case development. Capital funding will then be needed to develop a series of pilot projects and investable propositions that build credibility and capability within the Council. A revenue budget of **£1-2m** will be needed to develop the programme and a capital allocation of **£5-10m** over the next 10 years is needed to invest in projects around the City.

Our existing capital programmes are also being flexed wherever possible to support this agenda. But whilst additional capital investment will be sought, match-funding may be required to support funding applications.

6 Our forward look to the 2050s

We must prepare for the significant climate risks associated with changes to our weather, particularly if the goal of limiting global warming to 1.5°C is missed. Meteorological Office data forecasts predict that the City will face very significant climate risks, including heat wave, fire and drought, as well as increased risk of flood. An increasing demand for energy, combined with other external factors may lead to further price increases and potential power shortages. Our work to develop resilient and decarbonised energy systems is of particular importance.

The Council is already participating in a Yorkshire and Humber Climate Commission programme which is supporting Local Authorities to develop Climate Adaptation Plans. But significantly more investment will be required to ensure that the Council and wider City is prepared for potential impacts. This includes both revenue as well as capital funding required to develop and deliver climate-resilient infrastructure across the City.

Adaptation costs for infrastructure must be built into our programmes now, and plans for mitigating the social / health impacts will also need to be developed as projects and programmes are designed.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	No revenue funding – unable to undertake further engagement activity with stakeholders	Seek Flexible Development Funding (FDF) and other sources of revenue.
2	No revenue funding – unable to undertake feasibility or scoping studies, required to provide commercial investment case, funding bids etc.	Seek Mayoral Combined Authority (MCA) place-based revenue.
3	Future energy system resilience – unknown risks to future growth sites / EV / Residential / Commercial / Industrial.	Funding has been secured from Place Feasibility Fund from the Gainshare pot. Initial planning work is progressing and we are awaiting the appointment of resources.
4	Climate Resilience Plan - no plan in place – risk to City / businesses / residents – insufficient resources to complete this.	Seek MCA place- based revenue and private sector capital. Capital funding requirements to follow.
5	No capital to deliver schemes which are identified in 2, 3 and 4 above.	Seek capital funding as soon as feasibilities completed – including a potential request to the Corporate Investment Fund. Develop investable propositions to attract institutional and private sector investment.

D2 HOUSING

Increasing the City's stock of new housing – for both rent and sale - through delivery by the Council, the Council's Joint Venture, Registered Providers or private developers. Ensuring the Council's existing housing stock is well maintained for our tenants.

Directors: Janet Sharpe, Director of Housing | Sean McClean, Director of Regeneration & Development

Sheffield City Council wants to deliver – whether directly or indirectly - high quality, energy efficient housing for its citizens. It has two key areas of focus:

- A. **Housing growth:** building new Council houses through its Stock Increase Programme (SIP) and facilitating the delivery of housing through other routes to ensure sufficient high-quality housing stock for our residents; and
- B. **Housing investment:** ensuring existing Council housing is well maintained and as energy efficient as possible to minimise residents' cost of living and ensure a safe living environment.

This section will address both these areas in turn.

Head of Service: Kerry Bollington

1 Background and context

Sheffield is England's fourth biggest city. In mid-2018, around 583,000 people lived in the City and by 2043 this is projected to increase to around 648,000. Over 60,000 students now live in the City. In common with other UK cities, there are very significant disparities in the housing market. The City offers some of the highest quality and most affluent neighbourhoods in the country, but it also has some of the most deprived areas: 8 wards fall into the 10% most deprived in the U.K.

Sheffield currently faces significant housing challenges. We recognise that developing new homes in Sheffield is not without challenge: an industrial past combined with topographical challenges and segmented land ownership can mean development - particularly on brownfield sites - will not always come forward through market forces alone. We have to do things differently.

The emerging Sheffield Plan illustrates a spatial strategy which supports around 35,500 new homes over the next 17 years, of which over half will be in the City centre and half in the suburbs. Whilst the City is delivering against its current housing need target of around 2,000 units per annum, one of the biggest challenges we face is our ability to deliver our affordable housing need of around 900 new affordable homes each year.

The Council's response to this challenge is the planned delivery of the new Housing Growth Plan 2024+ - and our continued commitment to partnership working across the sector through our Sheffield Housing Growth Board (chaired by the Council's Chief Executive).

The Housing Growth Plan 2024+ will focus on the short, medium, and longer-term housing growth plans for the City over the next 17 years (in alignment with the Sheffield Plan). The plan will feature the Integrated Affordable Housing Programme and The City-Wide Housing Growth Plan. These are supported by the emerging Housing Strategy, the City Centre Strategic Vision, and the Sheffield Land and Property Plan.

The Sheffield Housing Board is a joint executive of Homes England, Sheffield Property Association, and representatives of Registered Providers and housing associations who, by working together, will focus efforts on achieving housing targets and implementing key placemaking, environmental, and carbon reduction principles.

2 How do these activities contribute to 'net zero'?

The Council will encourage high quality construction and architecturally sound designs in new developments. We also support the retrofit of existing buildings where conversion and reuse is being considered. Encouraging higher density developments - both in the City centre and beyond - and investing in infrastructure and place-based design, will encourage lifestyles that are less carbon-intensive.

New homes built through the Council's own stock increase programme (SIP) help move Sheffield City Council along the path to carbon neutrality. Prior to the 2021 Building Regulations update to Parts L and F, our thermal performance was higher than the statutory requirements. We achieved this by employing a 'fabric first' strategy of construction techniques and fitting mechanical ventilation and heat recovery (MVHR) units. These recover heat from outgoing stale ventilation air and use it to warm incoming fresh air, saving energy and making the dwellings healthier by doing so.

For new properties subject to the 2021 Building Regulations update, we will be removing fossil fuel use by eliminating gas boilers in favour of electrical alternatives (such as air-source heat pumps). We will also be further improving the thermal performance of our windows and doors, increasing our construction air tightness requirements, and providing EV chargers in line with Regulations. The proposed 2025 Building Regulations update (to meet the Future Homes and Building Standards) will also require the addition of solar panels and battery storage to reduce electricity bills and demand on the grid. In 2029 - in readiness for hitting the Council's net-zero target of 2030 - our plans are to introduce further increased air tightness requirements in construction.

To future proof our current new builds for future electrification of heat and hot water, the master planning of estates and designs of each building will ensure the predominate roof plane of each house or communal building faces south or south-west. This will allow easy and effective future fitment of photovoltaic (solar) panels to generate solar power for each dwelling. Internally, additional space will be allowed for future fitting of electrical gear, hot water storage cylinders and battery storage. Pipework and radiators will be sized to allow for future low temperature systems aligned with electrification.

To further reduce environmental impacts, we have introduced a Biodiversity Net Gain on all developments of +10% and are also including sustainable drainage systems in our plans.

3 Projects completed in 2023/24

	Project and value	Impact
1	Newstead Enabling Works - £4m	Major groundworks to prepare site for housing development

2	'Move On' Accommodation - £1.7m	9 New Housing Units
3	Owlthorpe Shared Ownership Acquisitions £2.6m	15 New Housing Units
4	Local Authority Housing Fund Acquisitions (Refugee Scheme) - £8m	Approximately 55 units acquired
5	General Council Housing Acquisitions - £2.1m	Approximately 20 units acquired
6	Infield Land Apartments Acquisitions - £0.8m	6 x New Housing Units
7	Main Road / Whitwell St. Acquisitions - £1.2m	6 x New Housing Units

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Corker Bottoms General Needs Acquisitions	£8.3m	2022-24	47 New Housing Units
2	Main Street Hackenthorpe Acquisitions	£4.5m	2023-25	15 New Housing Units
3	Handsworth General Needs Acquisitions	£4.7m	2022-24	28 New Housing Units
4	Local Authority Housing Fund 2 Acquisitions (Refugee Scheme)	£3.1m	2023-24	Approx 20 units acquired

5 Potential investment pipeline over the next 10 years

The Housing Growth Plan 2024+ will feature The Integrated Affordable Housing Programme and The City-Wide Housing Growth Plan. The table below illustrates the currently known capital asks of Sheffield City Council. All the workstreams in the Plan are seeking capital and revenue asks from several external sources to support the delivery of new homes in Sheffield.

Planned and Potential Integrated Affordable Housing Programme Capital asks over the next 10 years

	Workstream	Value	Year(s)	Funding source(s)	Outputs	Outcomes for Sheffield people
1	Newstead OPIL	£27.0m	2024/25-2027/28	Housing Revenue Account	Approximately 70 OPIL units to enable older people to continue to live independently	Increased specialist council housing stock to improve quality and choice of homes available to address housing register demand
2	Newstead General Needs	£27m	2024/25-2026/27	Housing Revenue Account	Approximately 77 units of Council housing	Increased general needs council housing stock to improve quality and choice of homes available to address housing register demand
3	Bolehill View General Needs	£8m	2024/25-2026/27	Housing Revenue Account	Approximately 36 general needs units	Increased general needs council housing stock to improve quality and choice of homes available to address housing register demand
4	Algar General Needs	£34m	2025/26-2028/29	Housing Revenue Account	Approximately 90 general needs units	Increased general needs council housing stock to improve quality and choice of homes available to address housing register demand
5	Viking Lee General Needs	£34m	2027/28-2029/30	Housing Revenue Account	Approximately 90 general needs units	Increased general needs council housing stock to improve quality and choice of homes available to address housing register demand
6	Scowerdons General Needs	£26m	2024/25-2029/30	Housing Revenue Account	Approximately 68 general needs units	Increased general needs council housing stock to improve quality and choice of homes available to address housing register demand
7	Scowerdons Shared Ownership	£10m	2024/25-2029/30	Housing Revenue Account	Approximately 27 shared ownership units	Increased housing stock to improve quality and choice of homes available to address need for new homes
8	Stock Increase Programme 1 - SCC Acquisitions	£88m	2024/25-2029/30	Housing Revenue Account	Over 437 new build units acquired directly from developers	Increased affordable housing and tenure mix

9	Stock Increase Programme 2 - Continuation	TBC	2028/29 onwards	Housing Revenue Account	Determine and deliver the level of stock increase required to maintain the HRA business plan and spend restricted funding	Increased affordable housing
10	Small Sites	TBC	2024/25 onwards	TBC	Disposal of SCC owned small sites outside of the Stock Increase Programme but suitable for affordable housing units	Increased affordable housing
11	SCC Owned Sites – Affordable Housing Delivery Pipeline	TBC	2024/25 onwards	TBC	Explore the potential for affordable housing delivery on SCC owned land	Increased affordable housing
12	Registered Providers – Affordable Housing Delivery	TBC	2024/25 onwards	TBC	Continue to work with and build relationships with RP's, intervening where required to ensure affordable housing viability	Increased affordable housing
13	Specialist accommodation	TBC	2024/25 onwards	TBC	Scope our future needs for specialist accommodation (e.g. OPIL and Temporary Accommodation) and consider delivery route.	Increased specialist provision to meet needs identified in Strategies currently under development.

City Wide Housing Programme over the next 10 years

	Workstream	Value	Year(s)	Funding source(s)	Outputs	Outcomes for Sheffield people
1	Strategic Site Assembly in priority locations	£10.0m	Ongoing	Corporate Investment Fund (revolving brownfield fund – sales of previous acquisitions will replenish fund)	Ha TBC of brownfield land acquired to increase pipeline	Regeneration of City centre neighbourhoods and creation of new homes to meet demand
2	Catalyst Housing Sites: <ul style="list-style-type: none"> • Moorfoot • Neepsend • Furnace Hill • Sheffield Station Priority housing sites sites: <ul style="list-style-type: none"> • Central area; and • Outside central area 	£100m	2023/24 onwards	SYMCA Brownfield Housing Fund and successor funds Homes England	Site assembly and preparation to enable private sector delivery of c 7,000 homes	Kickstart creation of sustainable neighbourhoods in the City centre, and enable housing on priority sites Citywide

6 Our forward look to the 2050s

Long term, our ambition is to create neighbourhoods that are of mixed types and tenures, that provide well-designed, high quality new homes catering for all segments of the community including young professionals, families, the elderly, and downsizers. This will create a more balanced, diversified residential population and achieve vibrant, sustainable communities. The investment in housing should be coupled with the provision of supporting services, facilities, and amenities to support local communities.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p>Funding challenges</p> <p>RTB 141 spending rules changes</p> <p>Homes England Affordable Housing Programme funding restrictions</p> <p>Responding to declaration of Climate Emergency and meeting requirements of Future Homes Standards Building Regulations changes</p> <p>Sourcing, obtaining, appropriating, and purchasing land required to maintain delivery of affordable homes</p> <p>Maintaining strategic requirements and statutory obligations i.e. Nationally Described Space Standards, adaptability, specialist and supported accommodation</p> <p>Meeting political desire to increase number of SCC units whilst balancing HRA Borrowing versus income and associated risks</p> <p>Absorbing changes in construction market conditions – price increases</p>	<p>Close monitoring of legislation changes with ability to quickly model the impact and flex programme accordingly</p> <p>Continue with ongoing land assessments and work with Property to identify SCC land opportunities initially and pick up market opportunities</p> <p>Close monitoring of programme, financial reporting suit and funding matrix</p> <p>Close monitoring of programme, financial reporting suit and funding matrix</p> <p>Include current industry inflation models in SIP refresh and HRA Business Plan, update models when new tenders take place and continue to work on discovering and using efficient delivery models as per point 1 above</p>
2	<p>Future design challenges</p> <p>Reducing Embodied Carbon in Design,</p> <p>Future Homes Standard Government implementation 2025 via Building Regulations update</p> <p>Sheffield’s Climate Emergency Declaration – Carbon Neutral City by 2030</p> <p>Balancing political priorities, budgets and legislation with strategic housing requirements</p>	<p>Continue with New Build Carbon Assessments at early development stage to inform decisions and outcomes. Design team already working on new ideas to reduce embodied carbon in design and specification</p> <p>Consult with different frameworks and contractors to assess and find the most efficient ways to deliver the programme incorporating the Future Homes Standard. Current SCC new build standard already partly way to delivering the required standard</p> <p>On top of the above actions, work with Transport Planners to deliver sustainable transport and EV charging strategies for Housing in line with government guidance</p> <p>Review design and space standards for all types of new build to ensure correct standard is achieved that matched strategic priorities and Local Plan aspirations</p>

3	<p>Site assembly challenges</p> <p>Key sites in priority locations under a variety of ownerships</p> <p>Existing businesses require relocation</p> <p>Designation of land for housing in Local Plan will increase 'hope value' of landowners</p>	<p>Homes England acquisitions team engaged to assemble catalyst sites</p> <p>Support businesses in finding suitable alternative premises</p> <p>Comprehensive master planning will help establish clear basis for land assembly, helping to achieve purchases by agreement</p>
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Head of Service: Dean Butterworth | Head of Housing Investment

1 Background and context

This priority covers housing investment and asset management priorities for our Council-owned properties within the context of the wider Housing Revenue Account (HRA) business plan. The Council wants to deliver well-maintained homes that are safe and decent which will improve the quality of our existing homes and tenants' lives. We also want to minimise the volume of (comparatively expensive) responsive repairs.

The refreshed capital programme proposals have considered:

- The application of inflationary factors anticipated over the next 5 years
- Ongoing works identified through our in-house Repairs and Maintenance Service
- Priorities identified working with local neighbourhood teams
- The current position on investment needs through the decent homes' standards.

The investment proposals will need to be agile and consider - as a minimum - the following emerging challenges which, whilst rightly delivering benefits for our tenants are likely to also have significant cost implications, creating further pressure on our Housing Revenue Account (HRA) funds:

- **The Building Safety Act**

On 1st October 2023, the new regime of the Act came into law, including changes to the requirements for higher-risk buildings, increased responsibilities for building owners, and changes to the fire safety legislation.

- **Stock Condition, Energy and Housing Health and Safety Rating (HHSRS) Surveys**

Over the next 2 years, we will be boosting our current stock data information through procuring additional external surveying resources to provide either new or updated information on 15,000 properties. This will further inform investment priorities for the housing stock in the future.

- **Changes to the Decent Homes Standard proposed by Government (Decent Homes Standard 2)**

The Decent Homes Standard (DHS) was established in 2003, setting an initial target for housing quality to be achieved by the end of 2010. It continues to apply as a performance measure in England. Its objective was to improve housing stock and to provide better accommodation standards for tenants. Given that the definition of a 'decent home' has not been updated since 2006, the government is now reviewing the Standard's requirements. The consultation on this has now closed and the new standards are anticipated to be published in summer 2024.

- **Net Zero Carbon**

There will be some challenges in meeting EPC C for all housing Stock and achieving the longer-term Net Zero Carbon ambitions set by the Council.

- **Addressing Damp and Mould concerns**

Housing conditions specifically relating to damp and mould information will be through the ongoing internal and external surveying resources where there are specific patterns that would link.

Council tenants should live in safe, warm, secure, and modern properties in attractive neighbourhoods. These overarching principles inform our investment priorities. Keeping our residents safe, we are putting in place over the next five years **several fire prevention and fire safety measures for high rise blocks** and high-risk properties and **upgrading electrics** within our homes. We are nearing the completion of the installation of fire suppression systems on four single staircase high rise tower blocks. Work on developing the fire safety work proposals to the remaining high-rise blocks during 2022 is ongoing and we will be consulting with residents of these blocks into 2024/25. The proposals will include closing waste chutes in tower blocks, **providing modern day waste facilities** and **installing fire doors** to flats and communal landings.

We will continue planned work programmes already identified as priorities with tenants, such as **roofing, windows and doors, kitchens, bathrooms, and heating**. These activities contribute towards maintaining homes to the government decent homes standard. The consultation on the social housing white paper commissioned a review of the Decent Homes standard has now closed, and the new revised standards are anticipated to be published in summer 2024. On publication, we will need to revisit our level of compliance against any new decency standards and check that our investment plans are fit for purpose.

2 How do these activities contribute to 'net zero'?

We will also continue to increase the number of homes in the Council's stock and develop a clear plan for neighbourhood environmental improvements across the City. A key priority for Sheffield is working towards the net zero carbon target for 2030, and we will be investigating the contribution we can make in Council housing to reduce the carbon emissions in our stock.

Our current funded investment plans aim to bring all homes to EPC level C by 2030. We have been successful in obtaining grant funding to support this target through the SHDF 2.1 (Social Housing Decarbonisation Funds Wave 2.1) and further pipeline bids for external grant funding through ECO4, Home Upgrade Grant Phase 2 and Social Housing Decarbonisation Fund Phase 2.

Currently within the 5-year housing investment plan 2024 to 2029, there is £80m funding that will contribute to reducing carbon emissions and improving the energy efficiency in the Council stock. When compared with other peer social landlords, the energy efficiency of the Council stock is very good, but we know we need to do more. Our plans include bringing the estimated 6900 homes that are below EPC level C up to a minimum of EPC level C by 2030. Sheffield is going beyond the government guidance on this (which is that all social housing must meet this standard by 2035).

The Housing Service will support carbon reduction through:

- Improving the fabric of homes
- Reducing energy consumption in homes
- Reducing or removing fossil fuels where practicable
- Improving ventilation in homes to reduce or eliminate mould and/or damp.
- Providing energy efficiency advice to customers
- Generating renewable electricity
- Delivering net-zero ready Council homes (for when the grid decarbonises) from 2025/6 onwards, and will go further to deliver net-zero properties by 2030 and
- Undertaking a second pilot on installation of Solar PV on several blocks of flats and houses where roofing works in planned in the programme.

Each of the above actions are being adopted in varying scales. The most significant areas of investment with developed delivery plans are several external wall insulation projects. These homes are some of our worst performing homes that also require remedial works to property structures. We will continue to prioritise other investment in energy efficiency homes on a 'worst first' basis.

Across the council housing stock, 99% of homes have their heating and hot water supplied by gas boilers. Since 2008, we have installed 'A-rated' energy efficient boilers in approximately 33,000 homes. In addition, we have 130 community heating boiler schemes powered by gas that will need replacing in the next 5 years. These are currently less efficient than new products on the

market. We have identified several community heating sites that require boiler updates, and the proposals will reduce carbon emissions at those sites.

The investment we have made in heating has already led to a significant reduction in emissions. We are now revisiting our heating strategies and will be bringing forward revised strategies in 2024. We recognise the need to reduce our reliance on gas, but we do anticipate that gas boiler replacement will still figure in some way in any revised heating plans for at least the next 5-10 years. The heating obsolescence within the housing stock will require replacement before technologies – such as hydrogen or air source heat pumps - are able to deliver viable and affordable solutions on some of our archetypes. There are also technical and spatial reasons why gas will still be the most viable solution for some sites. However, we will ensure that any new gas boilers have higher levels of efficiency and are combined with other measures so that a net reduction in carbon emissions is still achieved overall.

For each project we bring forward we will look at all options and weigh up the social, financial, and net zero issues and benefits. For example, nationally an important concern amongst social landlords is that the switch to electric heating at this time will place additional financial burdens on those already in fuel poverty. Our future plans for net zero need to ensure that proposals do not increase fuel poverty amongst council tenants through the works that may be proposed, particularly in the current climate of global increases in energy prices.

Estimates of the cost of the net zero challenge for the housing stock indicate that it cannot be funded from a balanced HRA business plan. External grant funding or increases in income will be needed to support further investment beyond the current plans. The Net Zero Carbon Road Map is currently being finalised by our strategic partners is anticipated to inform the investment options and solutions available to the us and of the likely costs. The outcome of this work and its implications will be reported to the appropriate Council Committees.

3 Projects completed in 2023/24

	Project and value	Impact
1	Single Staircase Tower Blocks (SSTB's) - £11.6m	4 Tower Blocks Fire and Health & Safety Measures
2	Manor House Older Persons Independent Living Fire Prevention works - £0.5m	Fire safety works installed – safer accommodation

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Heating Breakdowns	£3.2m	2023-25	Ongoing programme of heating breakdown replacements
2	EWI Package 2	£13.2m	2022-26	117 Airey properties refurbished
3	EWI Package 3	£11.9m	2022-25	External Wall insulation to 255 non-traditional properties
4	Electrical Upgrades Phase 2	£21.8m	2021-27	18,000 properties included for electrical rewiring
5	Private Sector Homes Upgrade Grant 2	£4.1m	2023-25	Energy efficiency works to private sector housing via grant regime
6	Adaptations (ongoing programme)	£10.7m	2023-26	2,400 properties anticipated to receive adaptation works
7	Stairlifts (Adaptations)	£1.5m	2022-25	631 stairlifts installed

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	External Fabric Upgrades	Render, improved cladding, external wall insulation solutions, roofing / rainwater goods, replacement of windows and doors – Warm and weathertight homes	Housing Revenue Account (HRA) / External Grant funding
2	Asbestos Works	Ongoing Surveys and Removal Works – Safe Homes	HRA
3	Fire Safety – High, medium and low-rise flats, sundry properties and Older Persons Independent Living (OPIL) Schemes	New sprinkler and fire suppression systems, new compliant fire doors to individual flats and communal areas as required to meet the Building Safety Regulations - Safe homes	HRA

4	Environmental Works (including Boundary Walls and Fencing)	Attractive and safe environment around homes	HRA
5	Door Entry Upgrades	Replacement of old systems and door upgrades providing safe and secure homes	HRA
6	Community (District) Heating	Boiler and network upgrades, new radiators and insulation – efficient and warm homes	HRA
7	Gleadless Valley Regeneration	A range of work to regenerate housing and HRA owned land. This includes refurbishment, remodelling and replacement housing, environmental and green space improvements	HRA
8	Lifts	Replacement lifts across the housing assets estate – Well maintained facilities	HRA
9	Waste Management	Accessible and clean waste facilities that support recycling.	HRA
10	Carbon Reduction Projects	Energy efficient homes	HRA / External Grant funding where available
11	Edward Street Flats Refurbishment	Warm, weathertight and safe homes	HRA
12	Internal improvement works	Replacement of kitchens, bathrooms and electrical upgrades to provide modern and safe homes.	HRA
13	Adaptations and Access	Meeting our obligations under the Equality Act 2010 to provide accessible homes.	HRA

6 Our forward look to the 2050s

Investing in stock condition surveys has allowed us to build an asset management database of stock needs beyond 2050. Regular updates to the data will build confidence when further reviews are undertaken. Lifecycle modelling within the database indicates that typically the existing stock of around 38,400 will require annual investment of £50m per annum (unadjusted for inflation) to stand still. To maintain the existing Decent Homes Standard, investment in elements such as kitchens, doors, bathrooms, heating, windows, and doors will need a significant slice of the investment plan. The new build housing currently in progress will also require further capital investment as the stock ages.

By 2053, elements of fire safety work currently in progress will need to be replaced - as will new heating solutions if we are aiming to meet the challenges of net zero by 2030. These items of investment are not one-off costs to homes.

Most of the housing stock in 2053 will be 80-110 years old and inevitably will require substantial investment. This may not be sustainable or adequate to meet the housing needs of the City. Appraisals of the housing stock at an estate and property type basis will need to be proactively undertaken and it is likely that regeneration in some areas is the right solution for the City. This will require funding through a structured investment programme.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Construction industry cost inflation and increase in interest rates	Modelling inflation / interest rates through the asset management database and Housing Revenue Account (HRA) Business Plan and the effect of changes on the programme. Reviewing levels of contingency and risk at project level. Maximising economy of scale principles through smart procurements. Reprogramming works to maximise advantage of gaps in trade work in the construction industry.
2	Fire Safety legislation and skills shortages	Work with the South Yorkshire Fire and Rescue Service, Fire Safety Board, government bodies to ensure the full implications are understood and planned for. Investment in staff recruitment and training.
3	Social Housing White Paper indicates greater regulation of the social housing sector	Prioritising investment in safety compliance works and decency works. Increasing tenant engagement and scrutiny role.
4	Increase in the number of 'right to buys' which reduces the levels of Council-owned stock	Modelling within business planning to mitigate funding pressures; build and acquire new Council houses (see 'Housing Growth' section) and maximising grant from the Government to reduce costs for the HRA Business Plan.
5	Funding to achieve net zero in housing	Complete roadmap work to have certainty on the funding needed and maximise grant bid submissions for Sheffield City Council
6	Lack of trained / accredited skilled personnel within Sheffield City Council and contractors in the field of retrofit work	Investing in staff training and working with government and contractors to develop the skills and knowledge in the sector

B3 EDUCATION, CHILDREN & FAMILIES

We want all people in Sheffield to feel safe, happy, healthy, and independent: to love living here. We want them to have access to a wide range of educational opportunities to support and enable them to achieve their full potential.

Director: Meredith Dixon-Teasdale (Strategic Director of Children's Services)

This Committee ensures the Council supports children, young people and their families. It has six key areas of focus:

1. Giving everyone the best start in life
2. COVID-19 recovery for children and young people
3. An exemplar in children's services and support our Children Looked After to achieve their full potential
4. Delivering effective Special Educational Needs and Disabilities (SEND) services
5. Reducing exclusion in all its forms
6. Maintaining schools to ensure they are safe, warm, and dry.

Every single person in Sheffield should be able to achieve their full potential. However not all children and young people have the start in life that they deserve, and there are increasing numbers of vulnerable children whose safety we have serious concerns about. Despite huge strides over recent years, substantial educational inequalities remain in the city and are likely to have been exacerbated by the pandemic – this will be a key focus for our work.

As in the rest of the country, we face a significant and unresolved crisis in children's social care, with the complexity and demand for services increasing, an increasingly stretched workforce, and a decade-long underfunding of services by central Government.

In the longer term, we want people to be able to take charge of their wellbeing and support them to stay fit and healthy throughout their lives, so fewer people reach crisis point. That should mean more children able to live safely at home, more children who have had an excellent start in life, more people with physical and learning disabilities able to play a full part in society. This does not mean that we will stop being a council that provides excellent quality care and support for those who need it – that will always be a core part of who we are – but if we are able to make that shift it will result in fewer people needing that intensive support.

A significant element of our Capital Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. Over the years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary. These are shining examples of the new education facilities available to Sheffield children.

Our capital investment strategy is currently centred on four key areas:

- A. **Building condition** of our school estate
- B. **Basic need** – ensuring there are enough mainstream school places to meet demand
- C. **SEND sufficiency** – ensuring the right provision in the right place for pupils with special educational needs and disabilities
- D. **Children Looked After** – ensuring the right facilities are in place for children in residential care.

This section will address each of these areas in turn.

A Building condition – maintaining our school estate

Head of Service: Mark Sheikh | Head of Business Strategy

1 Background and context

The Council has a responsibility to ensure the school estate for which it is responsible - i.e. community schools - is fit for purpose. The backlog of maintenance remains significant. However, progress is being made with a programme of projects to address key issues, prioritised through a survey programme and funded by the annual Schools Condition Allocation (SCA) of capital grant funding. The need far outweighs the funding allocated annually and continues to present a significant challenge. The maintenance backlog is estimated at £45m for 64 maintained schools.

It is important to maximise all capital grant funding available to the Council. This includes successful application to the Department for Education School Rebuilding Programme to rebuild Brunswick, Pipworth, Lydgate Junior, Carfield, Ballifield, and Lowfield Primary schools. The Capital Strategy has been amended to reflect this new investment programme.

2 How do these activities contribute to ‘net zero’?

The primary environmental impacts of this area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements. The scale of this challenge cannot be underestimated. Further information is contained in the ‘Essential compliance and maintenance’ priority later in this Strategy.

3 Projects completed in 2023/24

	Project and value	Impact
1	Nether Green Junior Roof - £2.2m	Safe secure and water tight building
2	Waterthorpe Roof - £0.3m	Safe secure and water tight building
3	Abbey Lane RAAC Roof planks - £0.62m	Safe secure and water tight building
4	FRA Works x 4 sites - £1.6m	Fire safety enhancements to properties
5	Heating Programme x 5 sites - £1m	Warm / energy efficient buildings

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Window and Door Replacement works 2 x sites	£0.95m	2023-25	2023-25
2	FRA Works x 4 sites	Costs TBC at feasibility stage only	2023-25	Fire safety enhancements to properties
3	Roofing works 3 x sites	Costs TBC at feasibility stage only	2023-25	2023-25

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	Building Condition	Programme of repairs and upgrades to a range of schools. Maintaining schools to ensure they are safe, warm, and dry. This includes ongoing monitoring of asbestos, radon gas and RAAC.	Capital Grant – Education and Skills Funding Agency

2	School Rebuilding Programme	Programme to rebuild schools in the highest condition need. Providing new state of the art buildings that are built to meet net zero targets	Department for Education funded project
3	PfI Expiry	Programme to revert asset control to the relevant responsible body, either Academy Trust or Local Authority, for the first 6 schools built via PfI contract. The contracts expire in 2026.	
5	School Condition Survey Programme	Programme of ongoing school condition surveys of all maintained schools across the school estate to inform prioritisation within the capital programme.	Revenue funded

6 Our forward look to the 2050s

We envisage a critical tipping point in building repairs will be reached if a target baseline on mounting backlog of maintenance is not set and achieved. The condition of our school estate continues to decline, with insufficient funding to tackle the backlog of maintenance and repairs.

There is also a possibility that all schools could be transferred to Academy status.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Backlog maintenance is currently estimated at £45m for 64 maintained schools.	Prioritise repairs on a 'worst first' basis, whilst aggregating requirements wherever possible to maximise efficiency of delivery. Continue to lobby DfE for additional funding. Consider making funding requests to the Corporate Investment Fund to tackle this backlog, Opportunities for SCC Schools to be included in DfE funded significant refurbishment and rebuild programmes will be maximised
2	Existing resources of around £3m annually are largely absorbed by reactive maintenance and essential programmes such as Fire Risk mitigation. Using current SCA allocation it would take us over 12 years to fully implement lifecycle maintenance.	
3	Annual reduction to the Building Condition Grant allocated to Local Authorities as more schools' transfer to Academy Status. Demands on the capital budget will also decrease proportionately. However, significant challenges relating to the condition of the primary estate remain.	

B Basic need – ensuring sufficient mainstream places

Head of Service: Matthew Peers, Head of Commissioning – Education and Childcare, Integrated Commissioning Service

1 Background and context

A significant element of our Capital and Growth Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. In previous years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary.

The total funding available to support any primary and secondary expansions as outlined in the expansion strategy (approved by the Committee in July 2023) is approximately £31.8m. For the primary school projects, we estimate that approximately £2.6m will be utilised for the expansion proposals. For the secondary expansions, we cannot provide any estimates until the Capital Delivery Service have undertaken site-based feasibility studies at several schools. Assuming the costs of primary places are as initially estimated, this leaves £29.2m for secondary places. The above capital will be supplemented by any Section 106 developer contributions secured as part of the Local Plan.

Solutions to meet demand for school places may be temporary or permanent, depending on whether the demand is sustained for five+ years or only required for one or two years. Over the next five years we estimate we need to provide the following mainstream school places:

Year	Planning Area	Number of Forms of Entry	Number of Places	Funding
2024/25	5 (East)	0.5 (permanent)	105 (15 x 7)	We estimate that approximately £2.6m will be utilised for the Primary expansion proposals.
2024/25	2 (North)	0.33 (permanent)	70 (10 x 7)	

Year	Planning Area	Number of Forms of Entry	Number of Places	Funding
2024/25	1 (Southwest)	2 (permanent)	300 (2 x 30 x 5)	Assuming the costs of primary places are as initially estimated above, this leaves £29.2m for secondary places.
2024/25	5 (East)	2 (permanent)	300 (2 x 30 x 5)	
2024/25	2 (Northwest)	1 (permanent)	150 (1 x 30 x 5)	Funding for school places up to 2024/25: £9.8m of Basic Need funding for the purposes of school places expansion is due to be received by the Council this year for the creation of school places up to 2024/25. Existing commitments from this and

2025/26	NA	NA	NA	<p>balance brought forward from previous years leaves £5.7m available for investment. Please note: the planned expansions in 2024/25 are likely to exceed the £5.7m capital available, so funding available for future years (2025/26 onwards) will need to be utilised. We are unable to provide accurate estimates of the total Capital requirement until the Council's Capital Delivery Service have undertaken site-based feasibility studies.</p> <p>Funding for school places from 2025/26 onwards: £26.09m of Basic Need funding for the purposes of school places expansion from has been announced. This funding would be used to support any building refurbishment, temporary or permanent expansion projects</p>
2026/27	3 (North)	1 (temporary)	30 (minimum)	
2027/28	1 (Southwest)	2 (temporary)	60 (minimum)	
2027/28	7 (South)	2 (temporary/permanent)	300 (2 x 30 x 5)	
2028/29	1 (Southwest)	3 (temporary)	90 (minimum)	
2028/29	5 (East)	2 (temporary)	60 (minimum)	

Any expansions are subject to change dependent on the forecast position.

The Department for Education's formula for funding the creation of new secondary school places grants approximately £22k per place. The £29.2m that is estimated to be remaining following primary school expansions, therefore, would be expected to deliver 1,327 places. Current estimates of secondary places required are between 1,050 and 1,500, dependent on assessments into current capacity of existing sites. This would indicate that funding allocated is of a reasonable magnitude to accommodate the likely expansion requirements. However, until detailed feasibility work is completed on specific sites these figures only represent an estimate based on average costings. Once the figures for secondary expansions are confirmed, this will be presented to the Finance Committee and processed as part of the business cases for individual expansion projects as they progress.

Primary Sufficiency

Most of our primary schools will be experiencing falling rolls and have surplus places due to a period of low birth rates. We are working with the sector to manage this decline in demand and remain sustainable. Since the 2012 peak, births have been falling resulting in an increasing number of surplus places across Sheffield's primary schools since 2015/16. This has begun to impact on some schools' budgets and continues to worsen with each year's lower cohort. Reception cohorts are expected to continue to decrease, reaching a low point in 2025/26.

However, there are some pockets of primary place deficits, especially in areas where there has been regeneration and substantial new housing development. Increased demand for Primary places in Planning Areas 2 (North) and 5 (East) as new housing developments are completed and homes occupied, means that intervention is necessary to ensure that children can access a place at a local school within statutory walking distance (2 miles) of their home. Two small projects are therefore being considered for small scale expansions to meet localised demand in these areas. Section 106 monies are available to contribute towards these projects, however until feasibility studies are complete, we will not know if the Section 106 funding will cover all the costs, so other funding will be required.

Secondary Sufficiency

Following the 2022/23 data review, forecasts are showing a sustained deficit of secondary school places from 2024/25 up until the end of the decade. This recent citywide data review forecasts another peak year in 2027/28. Increased housing developments within specific planning areas, including those within the city centre, and increasing inward migration are leading to high levels of population change throughout the forecast period.

We estimate we will need to build a minimum of approximately 7 Forms of Entry / 1,050 places (7 x 30 places x 5 year groups = 1,050) and potentially up to a maximum of approximately 10 Forms of Entry / 1,500 places (10 x 30 places x 5 year groups = 1,500) to address the forecast deficits. However, we will need to keep reviewing the data as forecasting is relatively dynamic and housing, inward migration, and other factors will influence the total number of places needed.

Without intervention, there will be a sustained shortfall of secondary school places across specific areas of the city from 2024/25 until the end of the decade and beyond. Further additional capacity, via temporary and permanent refurbishment and/or new build expansions, is needed to accommodate the demand.

- Planning Area 1 (Southwest) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) will be required from 2024/25.
- Planning Area 5 (East) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) will be required from 2024/25, rising to a one off peak of 4 Forms of Entry in 2028/29, before dropping back to 2 Forms of Entry.
- Planning Area 2 (Northwest) – approximately 1 Form of Entry / 150 places (1 x 30 places x 5 year groups = 150) will be required from 2024/25.
- Planning Area 7 (South) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) may be required from 2027/28.
- Planning Area 3 (North) – potential need for a temporary expansion of approximately 1 Form of Entry / 30 places (1 bulge class only) for 2026/27.

After 2028/29, surpluses are then forecast to develop across the city and we will need to plan for this, so we make effective use of the school estate. For example, we may seek to utilise surplus space for Post 16 or SEND provision, and there may be a capital requirement for this.

New Housing

Sheffield's Local Plan aims to deliver 2,100 new homes per year between 2019 and 2039. We need to plan for and potentially provide additional primary and secondary places where new housing developments increase the pupil yield. We will seek to maximise developer contributions where additional school places are necessary, but other funding may also be required.

2 How do these activities contribute to 'net zero'?

Climate Impact Assessments are completed for all school expansion proposals. Expanding schools in areas of high demand means children can access a local school and thus reduces travel needs. The Capital Delivery Service, Finance and Commercial Services and the Sustainability Team will ensure that climate impacts are considered and mitigated wherever possible.

3 Projects completed in 2023/24

	Project and value	Impact
1	Silverdale School Expansion - £7.5m	Permanent expansion to accommodate additional 60 mainstream pupils per year group plus additional Post 16 and SEND places
2	King Ecgbert School Expansion - £6.5m	Permanent expansion to accommodate additional 47 mainstream pupils per year group plus additional Post 16 and SEND places

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Manor Lodge Primary School Expansion	£1.25m	2022/23 – 2024/25	Permanent expansion to accommodate additional 15 pupils per year group
2	Wharnccliffe Side Primary School Expansion	£1.47m	2022/23 – 2024/25	Permanent expansion to accommodate additional 10 pupils per year group

5 Potential investment pipeline over the next 10 years

Priority / Project		Impacts	Potential funding source(s)
1	Statutory Delivery of mainstream school places	Expansion of secondary school places within the city, particularly in the East and Southwest for sustained peaks in demand. Further expansions outlined above are also being explored. Expansion of primary school places within the city, particularly in localised hotspots of high demand.	Department for Education (DfE) / Education & Skills Funding Agency (ESFA) / Sheffield City Council Section 106 funding to be utilised where possible
2	Post 16 Sufficiency Review	Potential consideration of capital investment to support Post 16 sufficiency depending on outcome of review.	DfE / ESFA / Council

6 Our forward look to the 2050s

- Local Plan ambition to deliver 2,100 new homes per year between 2019 and 2039 – we need to analyse the plans and calculate likely pupil yield as we may need to provide additional primary and secondary school places where pupil yield is increased.
- Uncertain migration patterns as a result of Brexit, climate change and continued significant global events such as Ukraine, Hong Kong and Afghanistan, impacting demand for school places.

7 Key challenges and how we are addressing them

Challenge		Actions to address
1	School Places: The Local Authority has a statutory duty to provide sufficient pupil places. However, there is a risk that the Basic Need capital grant allocated to support expansion projects will be insufficient – the allocation for the city is fully committed until 2024/25.	An ongoing review of all pupil places. A review of the current 3% uplift in secondary forecasts. Continue to raise the profile of statutory duties and to lobby national government.

	The DfE provide updated capital allocations annually. We are expecting the next funding allocation confirmation in Spring 2024. We will then receive the funding allocation in 2026/27.	The Local Plan has improved our opportunities to secure developer contributions through Section 106.
2	Post 16 Capital: Following Post 16 Sufficiency Review there may be insufficient capital to intervene in the market if required.	Ongoing capital discussions linked to sufficiency review and any future Post 16 capacity fund that may be implemented by DfE to support capital investment and growth of Post 16 places.
3	Inward Migration: High levels of inward migration into the city, both from within the UK and overseas. Increasing inward migration trends will lead to higher than forecast pupils within the city, across all year groups.	Review of migration trends and population changes across the city. A review of the current 3% uplift in secondary forecasts.

Director: Joe Horobin, Director of Integrated Commissioning

1 Background and context

Under the 2014 Children and Families Act, the Local Authority has a statutory duty to provide sufficient school places for children and young people with special educational needs and disabilities (SEND). Since 2014, Sheffield has seen significantly increasing demand for specialist places for children and young people with SEND.

Since 2018, the number of special school places in Sheffield has been increased by 20%. Looking ahead, continued pressure is expected, with 300 additional special places forecast to be needed in the next five years (there are currently approximately 1500).

This rising demand presents key risks, include the potential for an increase in high-cost independent placements due to lack of physical capacity in Sheffield. Capital investment must be managed carefully, as the allocation from the Department for Education does not appear to be sufficient.

To do this, strategic work is focusing on long-term sustainable solutions, this includes focusing on mainstream, developing special free school bids to provide sustainable special school places, and improving post 16 provision.

2 How do these activities contribute to 'net zero'?

The primary environmental impacts of this priority area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements.

For SEND, a key contributor is the significant use of buses and taxis outside the Council's own fleet for transportation for SEND pupils. These issues are being considered when identifying the location of new schools and targeting activity in mainstream – to reduce travel across the city.

3 Projects completed in 2023/24

	Project and value	Impact
1	Malin Bridge Integrated Resource (IR) - £0.5m	20 Integrated Resource places
2	Stannington Infant IR - £0.36m	10 Integrated Resource places
3	Greenhill Primary IR - £0.15m	12 Integrated Resource places
4	Hallam Primary IR - £0.08m	16 Integrated Resource places
5	Adaptations – £0.1m	Ensure children’s access to education

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Special Free School 2	£0.8m (contribution to DfE delivered scheme only)	2026-27	80 special school places for SEMH
2	The Sheffield College Peaks Campus Post 16 SEND Provision	TBC (feasibility on-going)	2024-25	Up to 300 post 16 SEND places
3	Primary Integrated Resource Growth	£0.8m	2024-25	77 Primary Integrated Resource Places
4	Secondary and Post 16 Integrated Resource Growth	£1m	2024-25	73 Secondary and Post 16 Integrated Resource Places

Capital values shown are subject to change.

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	Integrated Resource (IR) and Special Led Hub Growth	Double number of IR places in the city – 300 place increase, reduce demand on special through mainstream places. Some places may be delivered via special led hubs which see a special school satellite based in a mainstream.	High Needs Capital
2	Joint Special Free School bid with Barnsley	100 additional special school places for children with complex autism. Profile of school matched to high-cost independent settings to reduce expenditure on independent and out of area places.	High Needs Capital
3	Alternative Provision Free School bid	100 new alternative provision school places – places will be designed to prevent exclusion and escalation of needs to settings such as Social, Emotional Mental Health special school or independent places.	High Needs Capital
4	Relocation of Kenwood School	Need to relocate as Moncrieffe and Kenwood buildings not suitable in long-term. Impact of high quality local special school provision, possible capital receipt from Moncrieffe and Kenwood.	High Needs Capital Capital receipt
5	Reconfiguration of Special Schools to support sufficiency	Changes in the presenting needs of children and young people with SEND mean that some special schools may need capital investment to reconfigure spaces to better meet the needs of young people and provide places.	High Needs Capital
6	Adaptations	Accessible maintained schools for children with complex needs.	High Needs Capital

6 Our forward look to the 2050s

It is likely that pressure relating to SEND will continue for the foreseeable future, growth in demand for SEND places is currently bucking wider trends such as falling birth rates. This doesn't appear likely to change in the immediate future.

The national policy direction in this area is unclear, The Government has produced a Green Paper, with a greater emphasis on inclusion, but the timing of implementation is not clear. A possible change of Government in 2024 may also impact on the policy direction in this area.

The legacy of Covid-19 in relation to SEND should become fully apparent in the next few years. There is a risk of greater demand relating to SEND, due to significant periods of missed school, as well as other factors such as family loss and trauma.

Despite the uncertainty, through all our work we are looking to bring the SEND system onto a stable footing, with a clear focus on delivering sustainable, long-term schemes, whilst managing day to day pressures.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	High demand for SEND places	Development of integrated resources and special led hubs to meet need earlier in mainstream settings. Long term sustainable developments to increase special places in a controlled manner – Free School bids, post 16.
2	Insufficient capital funding from the Department for Education	Strategic modelling of capital funding demands for next five years. Close working with corporate colleagues to identify opportunities to exploit other funding sources outside DfE to meet needs of SEND and the city.
3	Below average mainstream inclusion	Working with Education and Skills on Inclusion Strategy and Belonging. Working with sector to understand barriers to inclusion and address. Strategic emphasis on mainstream through developments of integrated resources.

Director: Sally Williams, Director of Children and Families

1 Background and context

We want to be an exemplar in children’s services and support our Children Looked After to achieve their full potential. Underpinning this are five key sufficiency principles:

1. Children stay at home, wherever it is safe to do so.
2. Children are reunified with their families wherever it is safe to do so
3. Where children cannot live at home they live with connected carers
4. Only when children cannot live with connected carers they live in family-based care (foster care) which might be foster care or adoption
5. Only when children cannot live in family-based care, they live in high quality residential placements that meet their specific needs

As part of our strategic response to sufficiency, we need maximise the use of family-based care and have appropriate access to the necessary amount of residential provision, including our own in-house residential provision. This will enable Council to meet its statutory duty ‘to secure, so far as reasonably practical, sufficient accommodation for looked after children [in their local authority area] in order to enable a child to stay at the same school and near to family where contact can easily take place’ (Section 22G, The Children Act 1989).

Nationally, numbers of Children looked after (CLA) are increasing. At the end of March 2022, they stood at 82,170 - up 2% on 2021. As a result of successful early intervention and a strong edge of care response, Sheffield has lower rates of CLA than both national and statistical comparators. We have 55 looked after children per 10,000 children, our statistical neighbours have 94 looked after children per 10,000 children and nationally the rate is 70. However, we are seeing increased complexity and need across our looked after children cohort.

There is a clear increase in demand for residential placements for children with increased complexity, who we struggle to find suitable placements for in private sector accommodation. Over the last 24 months we have experienced increasing challenge in sourcing placements for young people with a high complexity and levels of need, making matching children in larger homes unrealistic and unsafe. Young people who have high levels of complexity are often rejected by private providers as too complex, or, if accepted, there are swift placement breakdowns. The unit cost of in-house provision is heavily influenced by occupancy levels which averaged 74% in 2021/22 and 2022/23.

There is a clear business case for a change to the children’s social care residential estate, moving towards smaller homes with higher occupancy rates which are able to meet the needs of our most complex children. However, challenges around the revenue costs of existing in-house residential provision make the case for prudential borrowing very challenging.

To ensure that we develop in-house provision that meets the long-term needs of Sheffield children in the complex financial climate we will:

- undertake a full assets review, looking at the disposal of existing provision which does not meet service need
- refine the current residential estate
- develop a refined workforce strategy, strategically placing children’s homes close enough together to maximise workforce/management oversight to ensure best value for money.

This approach will maximise funding for any potential development opportunity, and best enable us to access prudential borrowing, external grants or the Council’s Corporate Investment Fund as appropriate. Changes to our internal residential estate will be done in several stages.

2 How do these activities contribute to ‘net zero’?

First and foremost, buildings to increase provision of children’s social care residential placements within the City will reduce the need for out-of-city travel.

The main climate impacts associated with increasing Sheffield’s children’s homes residential estate are the building construction specification, including energy efficient design and impact of materials used. It is proposed to take a ‘fabric first’ approach to ensure the building envelope is as efficient as possible. Air source heat pumps will be considered for heating, which will have a significant impact on carbon emissions (especially as grid electricity decarbonises more and more over time).

We will trial methodologies to investigate the embodied carbon of materials used in construction as any design develops and understand the scope to use lower embodied carbon materials used where possible. Full Climate Impact Assessments - specifying suitable mitigation measures - will of course be conducted as projects move into more detailed business case and design.

3 Projects completed in 2023/24

	Project and value	Impact
1	Aldine House Improvements (Security upgrades and Corner infill) - £0.9m	Improved facilities and additional teaching space

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	2/3 bed smaller group living children's home for young people with complex needs	£590K	22/23/24	Deliver a new build 2-bedroom children's home that can scale up to provide support for 3 young people with additional vulnerabilities

5 Potential investment pipeline over the next 10 years

	Priority	Impact	Potential funding source
1	Extend current provision to open 1 bed children's home/unit on site for children with complex disabilities.	<ul style="list-style-type: none"> Ensure we fulfil our statutory duty Provide much needed capacity in the estate for highly complex children and young people who require a solo placement Reduce reliance on independent provision Stabilise placement overspend Care for young people in Sheffield, reducing out of city placements 	<p>Current external placement costs for residential placements for children with very complex disabilities exceed the cost of renovation of this property.</p> <p>Therefore the immediate costs will be met by the sufficiency budget</p>
2	2 bed children's home for young people with complex need.	<ul style="list-style-type: none"> Improve our placement choice for children and young people Increase the number and range of local, in city care placements, including 	Department for Education (DfE) capital match funding, in conjunction with a proposal to utilising

		<p>improved occupancy across existing residential estate</p> <ul style="list-style-type: none"> • Care for young people closer to home • Support a return for children and young people to Sheffield in line with their Care Plan • Reduce reliance on independent provision • Stabilise placement overspend • Alleviate future year pressures • Provide stability for children and young people • Ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination 	<p>land value and identified capital funding via the Corporate Investment Fund.</p>
3	<p>2 bed placements for children with exceptionally complex needs requiring smaller group living.</p> <p>We anticipate opening one two-bedroom home in phase one. Upon completion - and review of need and market - it is likely that we will seek to open another two bed provision during phase two.</p>	<ul style="list-style-type: none"> • Meet our sufficiency duty • Increase the number and range of local, in-city care placements, including improved occupancy across existing residential estate • Care for young people closer to home • Support a return for children and young people to Sheffield in line with their Care Plan • Reduce reliance on independent provision where this does not best meet need • Stabilise placement overspend • Alleviate future year pressures • Provide stability for children and young people • Ensure that children and young people's Care Plans are progressing - particularly in relation to step-across into fostering, with residential being an intervention not a destination 	<p>Current revenue costs for in-house placements are high as a result of low occupancy rates and young people who cannot be placed in private provision – this makes the comparison of in-house and private delivery costs misleading.</p> <p>If in-house residential delivery costs can be reduced, or if the external residential costs continue to increase, then there may be a case for prudential borrowing against savings to the placement budget.</p> <p>Alternative Corporate Investment Fund (CIF).</p>
4	<p>Loans for carers who provide family-based care, to support maintaining placements, or</p>	<ul style="list-style-type: none"> • Increase number of stable placements for young people in family-based care. 	<p>The cost of this measure is anticipated to be met by diverting funding from the placement budget by</p>

	<p>increasing the number of children that a carer is able to provide a placement for.</p>	<ul style="list-style-type: none"> • Reduce the use of Independent Fostering Agencies (IFAs) and residential placements where the barrier to family based care is the home • Maximise available beds from our current foster carer cohort. • Under the scheme carers may apply for a loan to extend or adapt their home to support additional foster / Special Guardianship Order (SGO) placements or prevent placement breakdown. Loans are secured as a legal charge for 5 years, after which the loan will not be repaid if conditions have been adhered to. 	<p>reducing the need for IFAs and residential placements.</p> <p>There may also be a case for prudential borrowing when the loan prevents an inevitable movement of the child into a residential setting.</p>
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6 Our forward look to the 2050s

It is difficult to predict longer-term changes in the area of Children Looked After. However, we anticipate we will not be immune from the Council-wide challenges of maintaining our corporate estate and achieving net zero.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p>Increased complexity - there is an increased demand for placements that meet the needs of looked after children with very complex needs, including increasingly poor emotional wellbeing among young people, presenting with complex and challenging behaviours, requiring placements that provide an intensive trauma informed approach and young people with extremely complex learning difficulties and disabilities.</p>	<p>Long-term sustainable developments that provide care closer to home.</p> <p>Increased sufficiency will reduce the reliance on the external placement market.</p> <p>Ensure children in residential care have the same access to reunification opportunities as children in family-based care settings.</p>
2	<p>Lack of market capacity - the capacity in both the in-house placements and the independent sector has not kept pace with demand. This has resulted in reduced choice of placements and therefore proportionately more young people being placed in residential accommodation and proportionately fewer children placed in foster</p>	<p>Consider development of further in-house provision realigned to meet the needs of our cohort.</p>

	<p>families. This can be further impacted by providers exiting the market leaving the LA in a position to identify alternative provision at little or no notice.</p> <p>The Placements Team are searching for a high number of placements from the external sector, competing with other Local Authorities.</p>	<p>Current residential overspend to be addressed through review and realignment of staffing structures.</p> <p>A clear business case approach to capital investment will focus on ensuring the impact of any changes is effectively monitored and achieving the outcomes set out.</p>
<p>3</p>	<p>A 'dysfunctional' market - the Competition and Markets Authority (CMA) report, March 22, confirms that the market in care placements has become increasingly 'broken'. It found:</p> <ul style="list-style-type: none"> • a shortage of appropriate places in children's homes and with foster carers, • children are not getting the right care from their placement, • children are being placed too far away from where they previously lived, • children being placed away from their siblings • lack of placements means that high prices are often being paid by local authorities. • the total income of the largest 20 providers was more than £1.6bn. • the top 10 children's homes providers make up 33% of private homes • the top 10 providers of children's social care placement made more than £300m in profits in the last year. <p>Currently 83% of the children's residential care market is owned and operated by the private sector.</p> <p>The recently published Independent Review of Children's Social Care May 2022 identified</p> <ul style="list-style-type: none"> • Weak Oversight - the Competition and Markets Authority (CMA) has expressed concern about the risk of unmanaged exit by large children's home providers due to their levels of debt and dominance of the market. • High cost and Profiteering - the average operating profit made by private residential children's home providers has increased over time. The CMA found that profits in the children's residential home sector increased from £702 to £910 per child per week, between 2016 and 2020 averaging 22.6%. 	

D4 COMMUNITIES, PARKS & LEISURE

Improving people's quality of life by investing in local communities. Every part of our City should have a clean physical environment with well-maintained green and open spaces, sports, leisure and library facilities that are accessible to all. We also want to see happy, safe young people who have the start they need for the future they want.

Lead Directors: Lisa Firth (Culture and Environment) | Lorraine Wood (Communities)

This Committee area pulls together capital investment priorities from several areas. Investment in leisure facilities and green and open spaces is now combined with the priorities for delivering service for our communities, including investing specifically in young people in our communities, centred on bids to the Youth Investment Fund.

This section of the Capital Strategy is therefore split into two main areas:

- Parks, leisure and libraries; and
- Communities

This section will address both these areas in turn.

Heads of Service: Ruth Bell (Parks and Countryside) | Tammy Barrass (Sport, Leisure and Major Events) | Ellie Fraser (Bereavement and Coronial Services) | Hilary Coulson (Libraries, Archive and Information)

1 Background and context

Parks, Leisure, and Library Services deliver a range of services, with the aim of making Sheffield a place where people choose to live, work, visit and invest. We work with a range of partner organisations to deliver Sheffield's sporting, physical activity, parks & countryside, events, libraries and archive services and facilities. We also look after bereaved families through our Bereavement Services and work with the South Yorkshire West Senior Coroner to provide the medico legal centre and coroner's court.

A key role of the service is to ensure that public health is integrated into every area of the Council and ensuring that the importance of taking a public health approach is fully embedded within all policy and procedure.

The Service will be underpinned by several principles which will be considered in designing, planning and delivering all the work that we do:

- **Community involvement and engagement**

This is critical to delivering facilities and services which meet the needs of our residents. We know that communities have a vital role to play in making all our services a success and we will continue to work closely with community partners and residents to ensure they are able to contribute and get involved in the way that best suits them and to help us deliver services in the way they want to receive them.

- **Carbon Net Zero**

Our role is to reduce our own emissions and to do what we can to enable change across the City. We will contribute towards this through the investment, refurbishment and rebuild of our sport and leisure facilities and through work to encourage active travel alongside developing our green spaces and natural habitats to address our nature emergency. The natural environment will be at the centre of our decision making.

- **Covid-19 Recovery**

The pandemic has changed people's behaviour relating to how they want to get active, it has left an impression on the physical activity, sport and leisure sector and has further exacerbated the inequalities that were already present. We will ensure our facilities, green spaces and library services are re-shaped to enable our communities to recover from these impacts.

- **Levelling Up**

We know it is easier to be active and access services in some communities than others. Tackling inequalities in access to facilities and services and focusing resources in the areas where they can have the biggest impact on health and wellbeing outcomes will be at the forefront of our planning. Collaboration is at the heart what we do and is essential to the successful delivery of our ambitions. We will work with all partners and citizens; providing leadership and support where it's needed and enabling others to deliver in their areas of expertise.

- **Inclusivity**

Ensuring everyone in our communities and neighbourhoods can access facilities and services that enable them to benefit from active lifestyle, green spaces and libraries and have an opportunity to attend events, whatever their age, ability or background. And when needed, our Bereavement and Coronial Services will provide a compassionate, dignified and efficient service for the bereaved and their families.

- **Equality, Diversity and Inclusion**

The Race Equality Recommendation 5: Celebrating Sheffield through Sport and Culture, Past, Present and Future and the associated actions 28,29 and 30 set out how Sheffield can design sporting and cultural activity, events and investment that promotes antiracism and increases representation of Black, Asian and Minoritised Ethnic groups both in terms of participation and delivery of our sport and cultural services.

As a starting point, our teams are working alongside colleagues across the region to tackle racism in sport, encouraging sport and community organisations to ensure their values, practice and conduct align to an anti-racism pledge. A working group, including professional Sports Clubs, Local Authorities, Active Partnerships and Sports Charities have come together to address racism which unfortunately still exists within community sport across the country. The Sheffield Sport, Leisure and Health team have contributed toward a collective commitment to tackling racism and created an 'Anti-Racist Pledge', which organisations across the sport and community environment will be invited to pledge their commitment to. Organisations across Sheffield will be invited to pledge their support and more importantly, ensure sport and physical activity is a safe space for everyone. We will continue to champion and support organisations to work towards:

- Being open and responsible
- Being strong Allies
- Creating change locally
- Enabling communities
- Developing a more reflective workforce
- Delivering activity inclusively

Project funding is primarily from contributions from developers (which must be spent on green spaces), Public Health monies (committed to reduce health inequalities in green spaces) and external funding (through bidding processes such as National Lottery Heritage Fund).

2 How do these activities contribute to 'net zero'?

Investment in our leisure facilities will not only improve the financial viability and long-term sustainability of our services, ensuring that facilities are up to date, relevant and based on evidenced need. It will also support delivery of the Council's commitment to the climate emergency by improving the environmental sustainability of facilities.

For example, we know that swimming pools utilise a significant amount of energy. The water needs to be constantly heated, circulated and filtered. We will look at options to improve energy efficiency, such as installing systems to control the flow of water through pumps which can help to cut down on the power used. Further detailed work will be undertaken to inform an Environmental Impact Assessment for each site. But we envisage that investment in new facilities will improve energy efficiency and enable more environmentally friendly management.

The cremators at City Road Crematorium were recently replaced after they were unable to meet the latest environmental standards and became difficult (and increasingly expensive) to maintain. The replacement of this important facility helps ensure that Sheffield has an appropriate, sustainable cremation service in the City that caters to the needs of bereaved families.

In partnership with the Football Foundation, the Woodbourn Road project will enable us to undertake research into recyclable carpets with organic infill materials. Although a range of materials are available, we have limited experience of them in the UK climate and on pitches with high levels of use. The Woodbourn Road Testbed Project will enable us to test the performance, durability, longevity and availability of a range of sustainable pitch surfaces. Investing into a multi-pitch site for the purpose of 'real-life' research of different pitch systems would provide a unique opportunity to gather objective 'live' performance data. The Sheffield Test Hub would provide a platform for innovation and incentivise the industry to push forward with better performing and more environmentally sustainable artificial pitches. In partnership with the Football Foundation, the Woodbourn Road project will enable us to undertake research into recyclable carpets with organic infill materials. Although a range of materials are available, we have limited experience of them in the UK climate and on pitches with high levels of use. The Woodbourn Road Testbed Project will

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Across our green and open space activity:

- Quality recreational spaces locally reduce the need to travel further afield to access the great outdoors.
- Habitat enhancement works within green and open spaces including quality management of woodland estates, tree planting, meadow creation, peatland restoration in the eastern moors, wetland management and creation all contributes to carbon capture.
- Improved health and wellbeing through access to local natural sites and recreational spaces reduces demands on NHS and Health Service resources.
- Active travel is encouraged and where possible supported as part of improvement projects within green and open spaces.

Within our Library estate many of our buildings are older and requiring maintenance. We will work with others across the Council as we review our community buildings to ensure these are fit for purpose and sustainable, acting as a focal point for local communities to come together as well as providing access to books, computers, and community events.

3 Projects completed in 2023/24

	Project and value	Impact
1	General Cemetery Phase 2 £3.5m	Addressed structural / infrastructure repair issues. Conserved and interpreted heritage of the site Create a safe and more accessible public park
2	Parkwood Springs Active Urban Country Park £1.1m	Improved sporting facilities Improved recreational facilities Toilets and refreshments provision
3	Ecclesfield Park – Site wide improvements (and Hollinsend Park – tennis renewal) £0.5m	2 x Tennis court provision 1 MUGA reprovision Play improvements

		Access and environmental improvements
4	Skye Edge Playing Fields £0.2m	Access controls and improvements to make the site feel safe and useable
5	Woodbourne Road Football Hub Project £3m	Refurbishment of Woodbourn Road Stadium and 3G pitches including 3G pitch sustainability pilot
6	Forge Dam Pond Restoration £0.8m	Improved quality of site and accessibility infrastructure Heritage infrastructure restoration – support civic pride. Improved opportunities to engage in physical activity to support health and wellbeing
7	New entrance at Hillsborough Library £0.34m	Easier access to the library for families, particularly those with prams and buggies. Better access to the library for people visiting the nearby café.
8	Frecheville Park. Recreational improvements including play and ball court. £0.14m	Renewal of play facilities Gym creation and environmental improvements
9	Ellesmere Park Public Health Improvements £0.24m	New playground equipment Refurbished Basketball Court Landscaping Improvements

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Parkwood Springs Active Park Work Packages 3 and 4	£0.22m	2023/24-24/25	Site access & infrastructure improvements; boundary works, signage, access routes and paths
4	Small scale playground & recreational improvements and feasibility works at around 14 sites	£0.43m	2023/24-24/25	Improved health and wellbeing. Increase in community pride and value. Increased number of users of site. Raise the overall quality of the sites.

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	Leisure Investment Review	<p>Improve core sport and leisure facilities so they are modern, welcoming, inclusive, and meet the needs of everyone in Sheffield helping more people to be more active which will benefit health and wellbeing and contribute to reducing health inequalities.</p> <p>Investment in facilities will support Climate Action by contributing to carbon net zero targets</p>	Will include SCC reserves and borrowing, external grants / investments
2	PlayZones (multi-use games areas enhancement and creation)	Enhancement of quality of sites, and the 'ball court' recreational provision at several public open spaces across Sheffield. This will benefit the health and wellbeing of communities across Sheffield. Community Engagement underway to support 'Test and Learn' applications at Ecclesfield Park and Jubilee Site.	Football Foundation S106 Public Health
3	Football Foundation Portfolio of Projects	Invest in improvements to pitches and ancillary facilities at keys sites across the City, as outlined in the Playing Pitch Strategy, improving the quality of the sites and providing improved opportunities to improve health and wellbeing through sport and physical activity. Sites include Parson Cross Park, Bents Green Playing Fields, Mather Road Recreation Ground, Coleridge Road Pitches and Stocksbridge 3G pitch.	S106 Football Foundation
4	Green and Open Space Improvement Projects (see Green and Open Spaces Priority)	Improve the quality, accessibility, biodiversity and recreational value of green and open spaces across Sheffield to support health and wellbeing and contribute positively to the climate & ecological emergencies. The aim within the next 10 years will be to ensure all sites are managed to a good level of quality - the Sheffield Standard. And that there are sites of exceptional quality for communities across Sheffield – assessed by Green Flag award scheme.	Public Health Funding, S106, CIL Revenue Contribution, Capital Receipts, Local Fundraising, External Funding Streams, BNG
5	Refurbishment and new investment in cemetery infrastructure e.g., review of chapel locations and other income generating opportunities	Investment in existing and new infrastructure to improve our offer to bereaved families as they say goodbye to loved ones at a variety of sites across the City. Improving and modernising our offer to the bereaved helps improve mental health and wellbeing across the City whilst having the potential for new income generating opportunities.	Income from fees
6	Review of burial provision across the City leading to new cemetery space and associated infrastructure	Existing burial provision is running low. New burial space is needed across the City to ensure people can have access to burial space which is suitable and accessible.	TBC

7	Review of (and increase in) body storage capacity	Ensure that the Senior Coroner and associated coronial teams can maintain the dignity of the deceased and provide an appropriate and scalable service to the bereaved following sudden and unexpected deaths. To develop Sheffield as the Regional Centre of Excellence and ensure it can respond to winter pressures, a mass fatality incident and pandemic or post-pandemic demands.	TBC
8	Bents Green Playing Field Pavilion, pitches and access Improvements	Redevelopment of the currently disused pavilion on the playing field site for football and cricket and wider community use, along with wider site improvements that aim to increase accessibility to and from the site as well as site safety, deliver the aims of the Playing Pitch Strategy and improve the health and wellbeing of communities.	Football Foundation, Pitch Compensation funding
9	Access and environmental improvements including Biodiversity Net Gain and Nature Recovery investment.	This will make a positive contribution to the climate & ecological emergencies. Enhancements and developments of Nature Recovery Networks will also contribute to enhancing green links important for ecological resilience and active travel networks development (important for health and wellbeing and net zero ambitions)	s.106 and Public Health Funding, developer contributions, Defra, Natural England, Utilities & Infrastructure companies
10	New park and new recreational facilities developments	Improve the quality, accessibility, biodiversity and recreational value of green and open spaces across Sheffield to support health and wellbeing and contributes positively to the climate & ecological emergencies.	s.106, Public Health and Stocksbridge Towns Fund (and possibly further external funding), developer
11	Better Parks investment – to provide quality P&C services and support income generation targets. A key project currently in development is the Hillsborough Park Activity Hub.	Improve the quality, affordability, accessibility and provision of attractions and services that support the health and wellbeing of communities across Sheffield.	Prudential borrowing, LTA, private investment, Sport England plus other external funding.
12	Parson Cross Sports Hub	Continue with improvements to Parson Cross Park and Pavilion to develop sports, social, alternate provision and youth provision of building including the completion of a Cruyff Court and delivery of Phase 2 pavilion works to reconfigure changing provision, so it meets modern standards, develop social space and provide toilet facilities for site users.	S106, possible Football Foundation The Cruyff Foundation
13	Sports Improvements Projects	Work with partners on a range of sport pitch and ancillary facility improvements aimed at improving site quality and access and providing opportunities for communities to get active. Including new Non-Turf Cricket Pitch (NTP) plus renovations to the grass wickets at Topley Bents Green;	S106. External funding sources tbc

		resurfacing of kick about pitch at Tinsley Green and improving the pitch at Wadsley Park Village.	
14	Burngreave Cruyff Court	Deliver a Cruyff Court at Osgathorpe Park in Burngreave to create a high quality, lit playing surface.	Cruyff Foundation, Local CIL
15	Hillsborough Library Entrance Improvements	This project will build a new entrance and accessible toilet and changing facility at the junction of the children’s library and the back of the old hall, replacing the existing crude brick toilet block and facing the new coach house café across a courtyard which would be re landscaped to incorporate outside reading and access to story-time friendly green spaces.	ACE
16	Central Library / Graves Building	Central Library structural repairs, fire precautions, mechanical installation to provide safe premises for our customers and staff.	TBC
17	Stocksbridge Library Development	30,000 sq. ft. Community hub containing a modernised library service	Stocksbridge Towns Fund

6 Our forward look to the 2050s

- Replacement of cremators at Sheffield City Council sites (Hutcliffe Wood potentially before 2040 and City Road potentially before 2050) - cremators have an estimated lifespan of 20 – 25 years.
- Closed landfill infrastructure – the ongoing requirements to manage our closed landfill sites / leachate are being explored.
- Refurbishment of infrastructure / facilities within green and open spaces – ongoing investment will be required in sites across the City to ensure that they remain safe, accessible and appropriate for the residents of Sheffield.
- Refresh of Medico-Legal Centre – building refurbishment was last completed in 2017/18
- As part of creating a Climate and Ecologically (and flood) resilient City, the design and management of landscape scale networks of green spaces to maximise benefits for wildlife and people will be important.
- Access to high quality local green space will continue to be important for everyone and a priority for Sheffield. The spaces themselves are likely to change as we meet the challenges presented by both the climate and ecological emergencies. Those spaces will also be significant parts of the solution to these emergencies as habitats for wildlife, flood storage and alleviation and carbon sequestration. Ongoing investment in these spaces to meet changing needs will be vital. Maintenance regimes will need be adapted to remain appropriate and responsive.
- Ensuring our Library estate is sustainable and meets changing needs of communities – whilst communities will grow and change over time access to information and digital access will remain a priority as will spaces where communities can meet, and local events can take place. We will need to work with others in the Council to ensure our estate is in the right places as communities change and provides access to services near where people live and work.
- Ensuring our leisure estate is fit for purpose, sustainable and encourages residents to live healthier, more active lives.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Limited revenue funding for initial project development and feasibility work to assess things like return on investment and likelihood of achieving benefits	Ongoing review of Corporate Investment Fund priorities to ensure investment in development of projects that best fit with strategic priorities
2	Identifying and securing match funding for capital investments and complying with match funding requirements	Explore and identify options for external funding working with finance and legal services to ensure that the match funding requirements are understood and can be complied with
3	Ensuring alignment with delivery partner priorities where this is relevant	Collaborative working with delivery partners at strategic and operational levels
4	Section 106 monies are quickly becoming depleted and are likely to be exhausted by 2023.	Proactively seek alternative funding sources to replace section 106; ensure we can evidence benefits to maximise our chances of success. Progress the 'Better Parks' initiative to selectively seek out and secure appropriate increases in income (such as more and better catering opportunities, increased social value initiatives and new franchises and activities/events) on appropriate sites. We must however ensure we maintain the balance between people's desire for open green space and income generating activity.
5	Quantifying the outcomes for our communities.	This is required in order to evidence benefit to current (e.g.Public Health) and future funders. A project is underway to scope measurable metrics, such as activity levels and usage.
6	Prolonging asset life in challenging financial circumstances.	Engagement of, and consultation with, local communities at the planning stage pays dividends in reducing vandalism when the works are complete. We also often undertake improvements to sightlines and boundaries as part of our works, minimising the potential for vandalism and ensuring people feel safer using the facilities. We allocate funds for maintenance (currently five years) as part of our project approvals. And we are currently developing an asset management strategy for our play equipment to strike the right balance between efficient and effective asset management whilst ensuring that the equipment choices of funders (such as local 'Friends Of' groups) can be accommodated where possible.
7	Dealing with backlog maintenance in existing buildings	Working closely with Facilities Management as part of the accommodation review to ensure community buildings are fit for purpose and sustainable, and align with the needs of local communities

Heads of Service: Chelsea Renehan (Youth Services) | Jason Siddall (Community Safety), Carl Mullooly (LACs) | Zania Stevens (Community Services)

1 Background and context

The Communities Directorate's purpose is to:

- Engage, empower, enable, and seek the active participation of residents and community organisations and
- Work with local communities and make positive contributions to their wellbeing and sustainability so that our neighbourhoods are great places to live and thrive for Sheffielders of all ages.

'Communities' covers a wide variety of community-based functions that provide support and guidance to all members of the community. Our work covers all aspects of supporting people to live their lives well and independently; from support to new families, their children and young residents to vulnerable adults through ensuring access to inclusive services, which are co-produced and co-designed, and delivered locally. We work with individuals on a one-to-one basis, at group level and at neighbourhood level, ensuring that all experts are connected to ensure effective help and support for all residents.

Our teams:

- Local Area Committee (LAC) support
- Community Youth Services
- Community Safety
- Early Intervention and Prevention Services (Community Support Workers (inc. Team Around the Person & Family Centres)
- Cost of Living Support Hub
- Cohesion and Migration (inc. Asylum Seekers and Refugees)

We work with all Council services and many partners including the voluntary, community and faith sectors, the NHS, Integrated Care Services, South Yorkshire Police, South Yorkshire Fire Service and businesses to ensure residents live in clean, vibrant, caring communities where they feel respected and safe, engaged, empowered and enabled. Access to services is inclusive and local and provides the right support at the right time to those that need it.

Key to delivering services is to have the right community buildings in the right places where we can bring multi-disciplinary teams together to deliver individually tailored solutions that treat people holistically rather than multiple separate interventions. The

approach taken by Team around the Person (TAP) brings different services together in one place to ensure that interventions are holistic resulting in significant cost avoidance to all partners and result better health and wellbeing outcomes for those involved.

Applying this approach to wider service delivery based in neighbourhoods could result in similar positive outcomes, particularly in reducing failure demand and breaking down the barriers that result from working in silos. The purpose of LACs is to engage, empower and enable local people and local communities. Bringing services together in Locality Hubs will further develop the role of the LACs but this will depend on having the right facilities in the right places.

Youth Investment Fund

The Youth Investment Fund (YIF) is a £368m Government commitment to young people to transform and level up the out-of-school youth sector. It will provide innovative youth facilities in levelling up priority areas, and early-stage / seed resource funding to underpin them, enabling more positive activities that deliver improved outcomes for young people. Grants can be used on the cost for building, renovating or refurbishing youth facilities as well as the associated costs - although applicants must either own or have a long lease on the land or buildings proposed. The minimum application threshold is £300,000 and all projects must be fully delivered and money claimed by March 2025.

Many factors have been considered in compiling a shortlist of sites that stand the best chance of being successful. These include (but are not limited to):

- New or renewed youth facilities will significantly expand the number of universal youth activities that are carried out and the number of young people engaged.
- The investment needed is of sufficient size - funding guidance is that it would not be possible to deliver a sufficient level of additional youth services desired for a budget below £300,000 for each site.
- Priority to invest in existing Council owned buildings where these exist and are suitable with new-build only where needed or to replace an existing building that is at or near the end of its useful life.
- Areas where there is a lack of suitable community facilities and a lack of existing youth club provision. Youth services already utilise non-council community facilities in a number of locations in the City where there are few or no Council community buildings but in some areas there is a lack of locations to deliver the universal services that young people need and deserve.
- Areas of the City where there is a known need for new and/or additional activity for young people and a known demand from young people for activities.
- Prioritising locations (for example parks) where there is other investment planned that will provide additionality to YIF investment and/or there is an aspiration for new or existing facilities that can co-exist with youth facilities.
- Practicability of completion within the funding timeframe (before December 2024)

In addition to the sites submitted for Youth Investment Funding, there is also a commitment in the Youth Strategy to invest in youth facilities across the City to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces. Refurbishment grants are available from the Youth Investment Fund for up to £150,000 per site which, combined with capitalised revenue, will contribute to delivering the goal of improving and modernising youth spaces across the City.

2 How do these activities contribute to 'net zero'?

A key principle of the YIF funding is to improve the environmental sustainability of existing buildings, using modern methods of construction and retro fitting to existing buildings wherever possible. The programme will fund new buildings that are designed to minimise environmental impact (including CO2 emissions) from both the construction and operation of the buildings. Alongside this the financial sustainability of providing Universal Youth Services in the buildings will be paramount with opportunities for co-location and enterprise.

Consultation with young people demonstrates their commitment to reducing environmental impact. New and improved facilities will demonstrate how climate impact can be mitigated in everyday life and, through the informal education that is an intrinsic part of universal youth work, will inspire this generation to be able to do more, both as our future leaders and in their everyday lives, to reduce the harm done by previous generations.

We will work with colleagues and communities to support the ongoing review of community buildings. It is important that the Council has well-maintained, energy efficient Hubs in the right place for communities to fully benefit from them.

3 Projects completed in 2023/24

None.

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Youth Investment Fund – Stocksbridge Youth Club	£0.64m	2023/24-24/25	Internal Remodelling of sections of the building to improve youth activities on the site.

				<p>Internal refurbishment of the existing building including improvements to the energy performance by the addition of new M&E services and improved ventilation.</p> <p>Improvements to the building's external areas through the provision of car park resurfacing, wheelchair access and soft landscaping to consist of informal social areas that incorporate paved areas with seating & picnic benches and new wildflower/shrub & tree planting.</p>
2	Youth Investment Fund – All Saints Youth Club	£1.55m	2023/24-24/25	<p>Internal Remodelling of sections of the building to improve youth activities on the site.</p> <p>Internal refurbishment of the existing building including replacement of the kitchen and main WC facilities.</p> <p>Improved energy performance such as additional loft insulation, new double-glazed windows and solar panels</p>

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	All Saints Youth Club Refurbishment	Modernisation. Increased/improved storage access. Environmental improvements. Improved links with adjacent Ellesmere Park and its facilities.	Youth Investment Fund
2	Stocksbridge Youth Club Refurbishment	Accessibility improvements – internal and external to improve disabled access into and throughout the building. Reconfiguration of spaces. Revamped/ improved kitchen. Creation of office facilities for SCC staff working in the North of the City (including non-youth service staff). Improvements could include solar energy generation and other environmental improvements such as air-source heat pump to replace boiler. Modernisation of internal areas to generate a more inviting and useful space for young people and community organisations	Youth Investment Fund
3	Potential New build Youth and Community Centres	Potential for two new build facilities using modern methods of construction. Possible environmental factors include solar panels (orientation of roof space to maximise solar generation) and ground source heat pump. New	Youth Investment Fund

		facility will provide a community and youth space putting young people in the heart of their community.	
4	Upgrade and modernise existing youth spaces	<p>Invest in youth facilities across the City to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces. Smaller scale improvements to existing facilities</p> <ul style="list-style-type: none"> • Centre in the Park Youth Club • Darnall Education Centre Youth Club • Tinsley Pavilion Youth Club • Woodthorpe Youth Club • Osgathorpe Pavilion Youth Club • The Milan Centre Youth Club • Earl Marshall Youth Club • Herdings Youth Club • Greenhill Youth Centre 	Youth Investment Fund, Capitalised Revenue
5	Locality Hub buildings	Review the provision of community buildings to provide locations for co-delivery of services both to the individual, in terms of Health and Wellbeing and to communities as a whole leading to improved outcomes from Teams around the Person and Teams around the Place.	Potentially asset strategic review
6	Upgrade and modernise existing Family Hubs	<p>Invest in Family Hub services across the City to make safe secure and welcome. The project will result in:</p> <ul style="list-style-type: none"> • Improved IT access for services utilising the buildings • Improved accessibility • Improved internal furniture and • Reasonable adjustments made to facilitate access for all • Minor building changes to accommodate wider services such as Midwife Services <p>We will continue to adapt existing buildings improving accessibility and enabling multiagency working (which could include: IT upgrades, signage, improving building space, new furniture to ensure suitability for older children, and new equipment to support the co-location of the start for life workforce, such as desks, phone systems and sinks or specialist flooring for clinical use by midwives or health visitors)</p>	Family Hub & Start for life programme

6 Our forward look to the 2050s

We want to be ambitious and present plans which take Sheffield further towards the vision of a seamless, integrated offer of support for all residents and their neighbourhoods delivered through a locality hub model, with tailored support available for those who need it most. Continuing the opportunity to improve the lives of everyone. Working together with delivery partners and local communities to ensure everyone in every area receive the support and services they need. The evidence and best practice gathered from past programmes will inform the case for future investment and support transformation in the delivery of services across the City.

Increased delegation of powers to the Local Area Committees will lead to services being increasingly delivered locally. Applying this further, co-locating with partners, will lead to more sustainable communities and better outcomes for both individuals and their communities.

Universal youth work is a distinct educational process adapted across a variety of settings to support a young person's personal, social and educational development in order to:

- Explore their values, beliefs, ideas and issues.
- Enable them to develop their voice, influence and place in society.
- Facilitate the learning of a set of practical or technical skills and competencies that enable them to realise their full potential.

Delivering universal youth work needs the right facilities in the right places to ensure their needs are met. There will be a continuing need to modernise our estate to provide the safe spaces for our young people and to support them to achieve their life goals. Young people are our future. Investing in them, through modern youth practice in contemporary spaces is essential to these aims.

Our goal should be to ensure that our youth spaces are also spaces for the whole community bringing young people together with other members of the community. The investment plans above will make a start in this process, but long-term planning is needed to give young people and their communities to come together in one place, enhancing the longer term sustainability and cohesiveness of all the City's communities.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Ensuring that all YIF funded projects are deliverable within the funding time period.	Larger refurbishment projects have been shortlisted based on deliverability. New build projects are all utilising modern methods of construction and will utilise

		existing frameworks for procurement reducing the time needed for some elements of the programme.
2	Potential for resource implications linked to multi-site projects within the YIF funding and deadlines for completion of the work	Delivery programme for each site is realistic with all targeted to be completed before the end of 2024, at least 3 months before the funding hard stop.
3	Delivery within the timescales is dependent on being able to undertake our own internal decision making in a timely way to ensure that there are no delays to commencing the work	Advanced preparation for decision making will mean that, if we are successful, our internal decision making is planned in as part of the project programme.
4	Accommodating all users of existing facilities while the improvements take place	Advanced discussions with known users about their requirements and the options for temporary relocation for the duration of the build.
5	Ensuring support for increased youth activity and the resources to deliver these, including a known lack of trained youth workers in the City	Engagement with community groups and young people as part of the process. Training of new youth workers throughout the City to increase the pool of fully qualified youth workers.
6	Enable Family Hub model to link in with other community hub initiatives	Engage VCS and develop vision for developing network
7	Availability of facilities to deliver integrated and multi-disciplinary services to individuals and to communities	Ongoing review of community buildings and other infrastructure assets

D5 ADULT HEALTH & SOCIAL CARE

We will make optimal use of Disabled Facilities Grant to support people to be active and independent, and to live a fulfilling life at home, connected to the community and resources around them.

Director: Alexis Chappell | Director of Adult Health and Social Care

Assistant Director: Liam Duggan | Assistant Director Care Governance and Inclusion

1 Background and context

Disabled Facilities Grant (DFG) is provided from government and is ringfenced to fund equipment and adaptations identified by Occupational Therapists for adults and children living in their own occupied, private rented or registered provider homes.

Delivery and use of the DFG is governed by legislation in the Private Sector Housing Policy, the Housing Grants, Construction and Regeneration Act 1996, the Disabled Facilities Grants Delivery: Guidance for local authorities in England (2022), and Sheffield City Council's Private Sector Housing Policy.

In January 2020 changes to the local private sector housing policy were agreed to supplement the DFG legislation governed by the Housing Grants, Construction and Regeneration Act 1996. This policy change was to streamline the DFG process, pre pandemic, and to support the delivery of adaptations which the DFG team were not able to deliver through the Covid pandemic, and to enable adaptations recommended by Occupational Therapists to be delivered to people who had already waited up to 18 months for necessities of life, like a wash, or being able to get safely in and out of their home.

In accordance with government guidance, during the Covid-19 pandemic, the DFG team were only able to deliver critical need adaptations to children and adults. This subsequently resulted in both a waiting list and a DFG underspend. The DFG underspend was used to support the Integrated Community Equipment Loans contract to support hospital discharge, and City-Wide Care alarms to support digital transfer of alarm systems.

Through a programme undertaken by Occupational Therapists in the Equipment and Adaptations Team the waiting list has been reduced. For example, in 2023/24, 309 people have been assessed since April. Addressing the waiting list and the subsequent increase in provision of equipment and adaptations has in turn generated additional financial pressure on the DFG grant as opposed to previous underspend.

In July 2021 there were over 2,900 people waiting for an occupational therapist assessment - some of whom had been waiting for over 18 months. As of October 2023, there were 1,300 adults on our waiting list - with the majority waiting for 4 months or less. This is set against an 81% increase in demand. Our improvement activity is having an impact.

In 2021/22, the DFG spend on Critical Need Accelerated Adaptations Grants (AAG) was £400k. But this spend is forecast to be £2.5 million in 2023/24. This increase in demand is also placing pressure on the mandatory statutory DFG spend. This limits the funding available to meet the demand for level access showers and extensions for people needing major adaptations living in owner-occupied and private rented households.

Construction costs and building materials have also increased significantly since the pandemic. The average cost of major works has increased significantly as a result.

As the recovery plan aimed at working through the waiting list for DFG gains momentum, more equipment and adaptations are likely to be recommended to the DFG team. Due to this, it is likely that between addressing the waiting list, responding to increased demand and complexity there is a risk of an overspend on the Grant.

To respond to the financial pressure, a financial recovery plan was agreed on 16 November 2022 through the [Adaptations, Housing and Health Update to Committee](#). The Equipment and Adaptations Delivery Plan was endorsed to enable fair and equitable provision of equipment and adaptations across all tenures but within the current available resources.

Sheffield Adult Social Care [Equipment and Adaptations Eligibility Criteria](#) was approved at Committee on 19 December 2022, alongside endorsement of use of the Private Sector Housing Policy (approved at Committee on 17 November 2021) and endorsement of a scrutiny function in relation to use of the mandatory DFG grant for major adaptations and approval of any high value decisions over £50k through a budget update report to each Committee.

A [further update](#) was provided to Committee on this recovery plan in November 2023. Pre-pandemic, the team received on average 4100 applications per year (342 per month). In 2023, the service has been averaging 619 referrals per month, equating to around 7,430 each year.

The reasons for this increased demand are a 21% increase from health services for occupational therapy assessments, combined with a 177% increase in referrals from individuals.

In November 2023, further updates were also made to the [Equipment and Adaptations Eligibility Criteria](#) to provide clarity over funding routes.

Between October 2023 and February 2024 we have implemented the following provisions:

- All requests for use of the mandatory DFG grant for major adaptations which will be over £50k are subject to scrutiny by the Strategic Director and Operations Director.
- The use of Accelerated Adaptations Grant is prioritised where the costs of providing the adaptation is less than the ongoing care costs would be.
- A review of the discretionary payments, systems, and processes to maximise use of grant and efficiency of delivery.
- A review of the joint equipment provision, systems and prescribing arrangements as a partnership with health and providers.

2 How do these activities contribute to 'net zero'?

Whilst the opportunity to address net zero issues is limited when implementing small adaptations, we will wherever possible ensure that building construction specifications include energy efficient design and that we will consider the impact of materials used. As with all Council buildings, we will take a 'fabric first' approach to ensure the building envelope is as efficient as possible. The embodied carbon of materials used in construction would be investigated further as any design develops and lower embodied carbon materials used where possible.

3 Projects completed in 2023/24

	Project and value (Forecast outturn 23/24)	Impact
1	Accelerated Adaptations Grants - £2.5 m	Minor adaptations/equipment provided to support independent living
2	Mandatory Disabled Facilities Grants - £3.6 m	Major adaptations to properties to support independent living
3	Disabled Facilities Grants Top Up- £ 0.41 m	Major adaptations to properties to support independent living
4	Minor Works - £0.28m	Provision of support for minor remedial works to homes to support independent living
5	Disabled Persons Relocation Loans - £0.23 m	Provision of loans to support disabled people relocate to suitable properties to retain independence
6	Disabled Persons Home Appreciation Loan- £0.11 m	Provision of loans to undertake enhanced works to meet a disabled person's needs or pay towards the contribution towards mandatory DFG works

4 Current projects already in delivery

	Project	Budget (£) (all years) *	Year(s)	Outputs
1	Accelerated Adaptations Grants	Approx. £4.6m	Ongoing Activity	Minor adaptations/equipment provided to support independent living
2	Mandatory Disabled Facilities Grants	Approx. £0.9m	Ongoing Activity	Major adaptations to properties to support independent living
3	Minor Works	Approx. £0.2m	Ongoing Activity	Provision of support for minor remedial works to homes to support independent living
4	Disabled Persons Relocation Loans	Approx. £0.3m	Ongoing Activity	Loans to support disabled people relocate to suitable properties to retain independence

* Budget figures are annual estimates based on potential demand for services. The 2023/24 allocation of Disabled Facilities Grant from Government of £5.5m (including additional grant from government in September 2023) will not be sufficient to meet this, requiring either additional resources or review of services.

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	DFG	Efficient and effective use of DFG to maximise benefits for people of Sheffield	DFG and TBC
2	Transforming Care Homes Commissioning Strategy	Quality requirements set out for all care homes Phase 2 includes potential capital development as part of market development (2024 onwards)	TBC
3	Short Break provision	Provision of short break sites which meet the needs of people with care needs including for emergency short break provision.	TBC

6 Our forward look to the 2050s

Our forward look focuses on three key cohorts / sectors where capital resourcing would make a significant impact on the long-term sustainability of adult health and social care in Sheffield:

- **Older adults** – residential care
- **Working age adults** - supported living
- **Working age adults** - short breaks

A Older Adults – residential care

The publicly funded independent sector residential care market in Sheffield (and elsewhere) is facing two key challenges;

1. **A dependency on aging stock** that will need significant modernisation or replacement to ensure accommodation that it is fit for purpose.

There are a high number of former Council-owned residential care homes in the City which are increasingly difficult to maintain, do not meet modern design standards and expectations and will become unfit for purpose. There is also a dependency on historic buildings repurposed as care homes some years ago which are not appropriate by today's standards, and which require major investment.

Such care homes typically include shared bathrooms and toilets, small bedrooms, limited scope to use modern assistive technology and a lack of outdoor space. They tend to be isolated from their community and not conducive to a quality care offer or opportunities for social inclusion and activity. These issues create a growing risk of increasing voids / vacancies, increasing repair costs and reducing viability.

2. **Low level of Council investment in capital costs** resulting from Council budget pressures resulting from over 10 years of Government austerity.

Sheffield City Council has a relatively low fee rate for care homes and funds an annual fee increase each year following consultation with the sector. The Council's ambition is for fee levels to be sufficient to improve the wage of front-line workers to meet the Foundation Living Wage.

The Council is aware from its engagement with the sector - and from research papers - that the fee income is often required by providers to fund the servicing of debt in relation to care home financing and staffing costs. These factors together can inhibit the ability of some providers to develop long term investment plans and capital improvements.

The objectives of the Council are to develop a range of means by which it can value and support the care home provider market to meet its objectives without sole reliance on the annual fee increase.

B Working age adults - supported living and short breaks

The number of adults with disabilities requiring social care support is growing, and the rate of new requests from working age adults for adult social care support is increasing nationally.

The City must develop the right accommodation for people with disabilities now so that it is able to properly meet the housing need of the future.

Key areas of new demand which will need to be accommodated by the City in the coming years include:

- **Young people coming through the system** – there has been a significant increase in the number of people coming through to adults' services and a growing need for appropriate housing. This is the most pressing demand area for Adults with a disability
- **Increasing numbers of 30–50 year-olds living with aging parents** in the family home who are likely to need supported living accommodation in the future
- **People requiring intensive support are returning to the City from institutional care** as part of the transforming care programme. Consideration needs to be given to their housing needs as well as the housing needs of people who might be prevented from needing hospital admission in the future.

The accommodation required in the City is likely to be self-contained flats with their own front door so that people have their own tenancy. Clustered accommodation with shared some community space promotes social interaction and allows for some efficiency of care. The CQC recommends increasingly smaller cluster sizes to prevent care feeling institutional. Clusters of 6 units are ideal.

The Council's preferred model is a separation of housing / landlord from support to avoid conflict of interest and to promote transparency.

Some people with disabilities in Sheffield live in houses of multiple occupation or larger (deregistered) schemes. But these can feel institutional, can be inefficient when not fully occupied and are likely to be harder to fill in the future as younger people increasingly aspire to live independently alone.

If the Council doesn't actively plan and commission the development of the accommodation it needs to meet future need, then it will be more dependent on ad-hoc approaches from private developers. These will be less likely to deliver the accommodation needed and will typically result in higher rents and bigger clusters in smaller spaces.

C Working Age Adults - Short Breaks

Planned overnight short breaks enable unpaid carers and family members to have a break from their caring role and provide individuals in receipt of support and care to have a break away from home. Emergency overnight short breaks provide short to medium term support and accommodation options for individuals:

- in crisis
- and / or who are experiencing a breakdown in care and support, or
- where carers are unable to provide support for any reason.

They also facilitate hospital discharges, with a focus on equipping the individual with the skills to move on to a permanent placement.

For working age adults with disabilities, there have been market challenges in sourcing emergency short breaks from local providers. Individuals with needs for emergency short breaks may require not only additional support, but also an environment which is above and beyond a standard respite service - to ensure individuals cannot harm themselves or others. It can also be challenging to find appropriate locations for emergency short break sites.

This has significant cost implications. Adult care are required to fund emergency provision at a significantly higher rate than standard to address the shortfall. Subject to Member approval, a two-strand approach will be taken to remedy this:

- an overnight emergency short breaks Commissioning Strategy; and
- developing Council provision for short breaks.

Over the past year, our Transitions Service have developed a new in-house respite provision called Norfolk Lodge, which was launched in October 2023. This has presented a foundation for developing further similar respite provision. Members have been briefed on this model and development.

As a next step, the Adult Future Options Team will implement a dedicated project to build additional Sheffield City Council delivered provision as a partnership with individuals and families, partners, and colleagues across the City. This will include the development of Emergency Overnight Short Breaks, personalised to individuals' circumstances. As part of the project, proposals will be brought forward for approval which set out the investment, anticipated outcomes and impact for individuals, together with value for money efficiencies established through the project. This 'invest to save' will also include provision for a dedicated project manager to

coordinate, source and reconfigure the accommodation, including seeking the relevant planning, legal and CQC permissions required for the developments and recruitment.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
	The DFG Grant is now insufficient to meet commitments because of:	
1	Increases to building costs/ materials	<ol style="list-style-type: none"> 1. Means test for major adaptations 2. Stronger governance/ senior officer scrutiny in relation to use of the mandatory DFG grant for major adaptations and approval of any high value decisions over £50k. 3. Review of DFG spend other than use of adaptations. 4. Eligibility Criteria for equipment and adaptations agreed by Committee in December 2022 and November 2023. The Criteria sets out proposals for what will be funded, timescale for when equipment and adaptations are provided, information on funding streams and alternative provision so that we are managing our finite resources in a fair, equitable and transparent way
2	A backlog which emerged during Covid-19 because of national restrictions and the use of grant during that period to support other priorities such as hospital discharge	
3	An increase in demand and complexity	

D6 ECONOMIC DEVELOPMENT & SKILLS

We will seize opportunities to rebuild and renew our economy whilst becoming a cleaner and more sustainable City. Supporting our City centre and district centres to adapt to the changing economic circumstances to build future resilience and growth.

Director: Diana Buckley | Director of Economy, Skills and Culture

Head of Service: Ben Morley | Head of Programmes and Accountable Body

1 Background and context

Our ambition is for Sheffield to be a flourishing, sustainable and inclusive City economy which creates opportunity, good jobs and better jobs for Sheffielders. As a strong partner alongside businesses, we want a City with a dynamic environment for development and enterprise with a culture of businesses able to start-up, scale up and innovate here in Sheffield.

The last 3 years have been challenging for Sheffield businesses and the City's economy in general. The Covid-19 pandemic and more recently the cost-of-living crisis have had a significant impact on jobs, businesses and livelihoods. Structural changes in the global and national economy continue to be felt locally, such as the shift to digital in work and in retail, and increased automation. The trend of home working appears to have become a permanent feature for some sectors of the economy with knock effects such as reduced footfall numbers in the City Centre. These developments create new opportunities, but also have the potential to exacerbate existing inequalities and bring significant uncertainty to different sectors in our economy.

The process of addressing some of these trends continues, with major innovation assets focused on advanced manufacturing and life sciences. Work is underway to reinvigorate the City centre and diversify its offer by focusing on culture and entertainment as well as retail and work.

Whilst this activity must accelerate, the ability to do so has been seriously impacted upon by the cost of living crisis. Businesses are facing very significant increases in energy and other overhead costs at the same time as consumers are facing net reductions in their disposable income. Inflation is impacting on investment choices and public funding is constrained - it has never been more important for Local Authorities to invest wisely and back winners.

The Council declared a climate emergency in 2019 and a nature emergency in 2021. We have published an independent assessment of the steps needed to get to Net Zero by 2030, much of which is concerned with the fundamentals of our economy. Responding to the climate emergency gives new and unique opportunities for innovation – in manufacturing businesses, in energy

generation, in quality of housing and transformation of our transport systems – on a city scale. By creating a more sustainable economy we will support our City and its businesses to thrive. We can create community wealth by accelerating the business and economic opportunities that will arise from the move towards a low carbon future, including renewable energy, sustainable transport, smart technologies, research, and development.

Sheffield has significant assets that will continue to provide opportunities for development, investment, and growth to produce sustainable economic activity to support the City and wider region. We will be working with partners to create investable propositions around these assets:

- The developing innovation assets in the Advanced Manufacturing Innovation District (AMID), including The University of Sheffield’s Advanced Manufacturing Research Centre (AMRC) and Sheffield Hallam University’s Advanced Wellbeing Research Centre (AWRC). In July 2023, South Yorkshire was awarded Investment Zone status with a focus on Advanced Manufacturing. This will only enhance Sheffield’s innovation assets and encourage investment into the City
- The developing City Centre Strategy, to create a thriving City centre, with a strong focus on housing-led growth in the City centre, alongside catalytic employment projects like West Bar and Castlegate, and the ongoing development of Heart of the City II
- The City’s burgeoning digital and tech sectors
- The vibrancy of the City’s culture sector
- District centres and communities
- Our Universities and Colleges
- Sheffield’s unique offer as ‘The Outdoor City’, sitting within the Peak District National Park.

These assets will become the cornerstone of a City Investment Plan setting out our ambitions for the short and medium term within the context of a new City strategy – ‘City Goals’. The City Goals were commissioned by the City Partnership Board and is a genuinely collaborative process to identify the City’s priorities through extensive stakeholder and community engagement. Once agreed, the Goals will be collectively owned by the City and create a framework through which to align resources and expertise.

We will work alongside the South Yorkshire Mayoral Combined Authority (SYMCA) in delivering their Strategic Economic Plan ,and make use of ‘Gainshare’ funding to deliver our priorities. The Gainshare Programme will be overseen by the Economic Development and Skills Committee, who will monitor progress of both capital and revenue activity.

We will also seek to partner with the public and private sector partners, including the Sheffield Property Association, Chamber of Commerce, University of Sheffield, Sheffield Hallam University and Homes England. This will maximise our effectiveness and ability to unlock funding opportunities.

A significant amount of the activity under the Economic Development and Skills area is revenue investment, rather than capital. However, as we move forward with ambition on AMID, Business Support, Decarbonisation, Skills and Culture we expect there will

be an increase in capital requirements and opportunities for capital bids, to add to the City's assets and underpin the capital infrastructure in these areas.

2 How do these activities contribute to 'net zero'?

Reducing the impacts of climate change will help stabilise and mitigate significant impacts on our local economy. Supporting efforts that recognise the valuable contribution the natural environment makes will help our local economy.

Analysis shows that in 2017 the emissions from the City's commercial and industry sector contributed 801ktCO₂ - equivalent to 35% of Sheffield's emissions. Commercial buildings accounted for 54% of these emissions, whilst industrial buildings accounted for 46%. 92% of EPCs for non-domestic buildings in the City are below level B, with 57% at D or below.

To address this the following actions are in delivery:

- Continuation of Economic Renewal Fund that has previously looked to support 'green' projects in district centres.
- Continuation of a low carbon business support project support capital investment in businesses. European Regional Development Fund funding being replaced with United Kingdom Shared Prosperity Fund (UKSPF).
- Continuation of the South Yorkshire 'JESSICA' investment fund to promote low carbon development with an expectation of Excellent BREEAM rating and EPC ratings of 'A'.
- A grants programme for energy efficiency measures in community and cultural buildings.
- Implementation of the Project Feasibility Fund to develop Council-led concepts and projects in the low carbon.

There are opportunities to create a growing green sector. By embracing sustainable development, we create demand for businesses and skills in the green economy, as well as making our developments and businesses more attractive and resilient.

3 Projects completed in 2023/24

None.

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Tinsley Art Project	£0.9m	2022-2025	Art installation at Tinsley Marina
2	Sustainable Community & Cultural Assets	£2.2m	2023-2025	Grant regime to improve the energy efficiency and environmental performance of public facing buildings and spaces in across the City Region
3	Low Carbon Project	£1.1m	2023-25	Grant regime to improve the energy efficiency of Small & Medium Enterprises

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	Sustainable Community/Cultural Spaces	<ul style="list-style-type: none"> • Reduced running costs for community and cultural buildings. • Reduced CO2 emissions 	UK Shared Prosperity Fund (UKSPF)
2	Improved Growth Facilities across South Yorkshire	<ul style="list-style-type: none"> • Increased start up numbers • Growth potential for existing firms • Increased R&D • Increased GDP • Job creation 	UKSPF
3	Low Carbon and Productivity Grant programmes	<ul style="list-style-type: none"> • Reduced CO2 emissions • Job creation • Increased GDP • Firm survival rates improved 	UKSPF

6 Our forward look to the 2050s

With a population set to increase to over 600,000 by 2043, it is important that the City fulfils its role as an economic driver for the City Region, presenting opportunities for growth and renewal. We will need to be flexible and responsive to emerging funding pots to enable the continued investment in our City.

Moving to a more resilient economy will be critical for future success, ensuring that growth is both sustainable and improves the health and living standards of the people within the City. Looking forward, we want to focus on inclusive growth and ensure that the benefits of growth are shared across the City.

To aid the future vision for Sheffield, we have embarked on a new long-term goal setting process, called 'Sheffield City Goals'. This is led by the Sheffield City Partnership Board, and bring together public, private and third sector partners to work collective on a new long-term vision and set of priority actions to underpin future collaboration and investment. This will also inform the City Investment Plan which will be the bedrock of future projects for this Strategy.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Lack of long-term vision	Development of City Goals and City Investment Plan Application to the Feasibility Fund
2	Capacity to develop projects	Application to the Feasibility Fund
3	Economic performance of the region	Implement and support others to implement the City Investment Plan
4	Access to funding	Develop funding strategy alongside City Investment Plan

D7 STRATEGY & RESOURCES

Ensuring that our operational estate and vehicle fleet comply with all legal and regulatory requirements, improving their functionality for our customers and employees wherever possible and maintaining them effectively through necessary repairs, investment, and renewal. We also want to reduce our environmental impact, energy, and fuel costs by prioritising energy efficiency at every opportunity, making the best use of the latest available technologies.

Director: Tom Smith (Operational Services)

Heads of Service: Nathan Rodgers (Facilities Management) | Mick Barlow (Transport Services)

1 Background and context

Facilities Management

The operational estate of Sheffield City Council is used by both the Council and the community to provide services and achieve strategic objectives. The estate consists of around 807 establishments and 873 buildings, as well as land, assets, and monuments. It does not include Council Housing and Schools.

Proper estate maintenance is essential to ensure that the sites function efficiently, meet statutory obligations, and support the delivery of various services. If a building's infrastructure or fabric fails, it can directly impact the ability of services to meet their objectives and impede service delivery. Neglecting maintenance can lead to financial burdens, health and safety hazards and legal liabilities.

Due to insufficient funding over many years, the Council struggles to provide necessary estate maintenance. The allocated amount is not proportionate to the size and condition of the estate, which presents a significant issue. As a result, the Council cannot take a life cycle approach to estate maintenance, which could ensure that the estate is kept in reasonable condition over the long term. This lack of adequate maintenance leads to further deterioration of the estate's infrastructure and facilities, potentially impacting the quality of life for residents and visitors alike. The limited budget has been used to support compliance with legal and regulatory requirements and urgent repairs, and as a result, the general condition of the estate has deteriorated.

Based on a range of data, an estimated amount of £200m is required to address building condition needs, while £48m is required to address the most pressing condition issues. However, it is possible that the actual costs could be higher due to a variety of factors, such as increased logistics costs, a resurgence in industry workload, and higher material expenses.

As well as the funding challenges, the Covid-19 pandemic has changed how the Council, our partners, and the community use our buildings. With the rise of hybrid working and the development of online systems, the usage of many Council buildings has significantly reduced. As a result, many of our buildings are now under-occupied and underused, presenting the Council with a significant opportunity to re-evaluate the size of the operational estate and move to a more affordable and sustainable model, including adopting a life cycle approach. On the 7th of November 2022, the Finance Sub-committee approved a series of recommendations to support the resetting of our asset strategy via a Strategic Accommodation review to reflect new norms, including a 25% reduction in the size of the estate, which may need to go further depending on the results of more detailed work.

As we evaluate and adjust our operational properties to match the Council's strategic objectives, we focus on using our limited budget wisely and efficiently. In March 2023, the Finance Sub-committee approved an approach of prioritisation via an Essential Compliance and Maintenance programme to ensure our decision-making is grounded in data obtained from condition surveys and risk assessments to ensure compliance with legal and regulatory requirements while also investing in the aesthetic appearance of significant assets such as historic and sensitive buildings and maximising carbon reduction initiatives.

The Essential Compliance and Maintenance Programme has an approximate budget of approximately £8 million up to March 2028 for urgent condition and compliance items. This amount is insufficient to cover all the necessary investments, so the programme prioritises short, medium, and long-term investments alongside the Strategic Accommodation review to avoid unnecessary spending and bids for external funding to maximise carbon reduction projects.

The Essential Compliance and Maintenance Programme will provide critical information to aid decision-making to support strategic property decisions with disposals, retentions, and budget setting to arrive at an operational estate the Council can adequately maintain to support the delivery of essential services.

Fleet

In 2019/20, we initiated a six-year investment programme to upgrade our fleet and plant to a more reliable, cleaner, greener fleet. Decarbonising the fleet refers to the process of removing carbon emissions from vehicles. By transitioning to electric or hybrid vehicles, we can significantly reduce the number of harmful pollutants released into the air, which is a major contributor to poor air quality in Sheffield. This will not only benefit the environment, but it will also positively impact public health, reducing the number of deaths caused by respiratory illnesses associated with air pollution. By taking action to decarbonise our fleet, we can help create a cleaner and healthier future for Sheffield.

Unfortunately, the programme is one year behind schedule due to Covid-19 related supply chain delays. However, by March 2024, we expect to replace 62% of our fleet, which amounts to 572 vehicles/units, including 72 fully electric vehicles. This will enable the Council fleet to comply with Sheffield's clean air zone standards. We are evaluating options with our services and finance colleagues before finalising the replacement of 161 vehicles and 34 plant items due for replacement in 2024/25.

2 How do these activities contribute to 'net zero'?

The Essential Compliance schemes identified will be developed on a like-for-like replacement basis plus a 'most deliverable' green option based on the funding available to contribute towards net zero. Green technologies cannot deliver carbon savings in isolation. A 'whole building' approach is often required to achieve net zero. Due to the age and construction of a significant amount of the estate, there will be occasions where a 'gas for gas' heating replacement will be the greenest option available for the building because the replacement heating plant will be considerably more efficient than the one being replaced.

Operating a £480k ring-fenced fund within the Essential Compliance and Maintenance programme continues for energy efficiency projects to maximise opportunities. The fund has provided £1.6 million worth of projects with over 1800 tonnes of CO₂e reduction per annum. The next planned scheme is the Town Hall, which is projected to achieve a reduction of 185 tonnes of CO₂e emissions and £60k revenue savings per year starting on-site in late 2023.

Several operational community sites will be identified to install renewable technologies, focusing on solar PV and wind turbines. These projects will be financed using the £3.5 million Local Renewable Energy Fund approved by the Committee in November 2022 to implement community renewable technologies.

We have a successful track record of securing funds bid from the Public Sector Decarbonisation Scheme for the operational estate. Thanks to these funds, we have executed Heat Decarbonisation works worth £1.4 million at three sites in the city. This has resulted in a significant reduction of CO₂ emissions by 187.58 tonnes per annum and a saving of around £39k per annum in energy revenue. We surveyed 30 additional sites to expand the programme, and we are currently developing proposals for these sites to advance to the feasibility and design stage. This will allow for bidding when future funding rounds become available in 2024 and beyond.

The fleet replacement has been identified in the Council's 10-point plan for climate action: section 4, "We will work towards reducing Council emissions to net zero by 2030." By decarbonising our transport, we can improve air quality and health and reduce the number of deaths associated with poor air quality in Sheffield.

3 Projects completed in 2023/24

	Project and value	Impact
1	Transport Efficiency 23/24 £1.8m (of total budget of £2.5m)	Replacement of vehicle fleet reducing emissions and maintenance costs
2	Public Sector Decarbonisation Schemes (3 x sites) £1.4m	Implementation of energy saving measures at Acres Hill, Moor Market and Town Hall
3	Town Hall Fuel Tank Replacement £0.16m	Safe, fit for purpose emergency fuel storage to support business continuity
4	Corporate Buildings Fire Risk Assessment Works x 6 sites £0.9m	Installation of Fire Safety Compliance measures at sites
5	Town Hall Emergency Lighting £0.2m	Improvement of emergency facilities at key corporate site

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	New GP Hubs	TBC Feasibility stage only	2023-2026	4 x new GP Hubs to be leased to health care providers
2	Corporate Buildings Fire Risk Assessment Works x 2 sites	£0.1m	2021-24	Installation of Fire Safety Compliance measures at sites
3	Abbeydale Dam Repairs	£0.6m	2021-24	Enhancement of infrastructure to prevent flooding

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	Fire Risk Assessment Mitigation	Deliver suitable fire precautions identified from periodic Fire Risk Assessments to meet statutory compliance and provide safe premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing / Revenue
2	Essential Compliance & Refurbishment	Deliver a solution to identified defects from the annual compliance programme, for example, fire precautions, electrical installation, mechanical installation, structural repairs, and general refurbishment to provide safe premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing / Revenue
3	Energy Efficiency and Renewable Energy Projects	Various energy efficiency and renewable energy projects on council buildings are working towards net zero for the start of the next decade.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
4	Redecorations	Internal & external decoration to ensure our buildings are clean and provide a welcoming environment for our customers and staff	Capital Investment Fund / Prudential Borrowing
5	External Areas	Repairs to hardstanding, drainage systems, gates, etc., to ensure it is safe for customers and staff to access our buildings	Capital Investment Fund / Prudential Borrowing
6	Central Library	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
7	Town Hall	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
8	Staniforth Rd & Manor Lane Depots	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety and explore consolidation on one site.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
9	Building Energy Management Systems (BEMS)	Investing in BEMS to improve efficiency and improve the environment for building users.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
10	Abbey Industrial Hamlet	Repair the dam wall back to a decent condition to stop water escape into the adjoining listed properties.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue
11	Reinforced Autoclaved Aerated Concrete (RAAC)	A survey program is needed to identify RAAC presence in the operational estate. If RAAC is found, conduct risk assessments and either replace or manage it.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue

12	Transport	Further charging infrastructure to enable us to transition to a fully electric Fleet of vehicles in order to meet the councils net zero target Continue with the year 5 and 6 vehicle replacement strategies	Capital investment fund/Prudential Borrowing/Revenue
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6 Our forward look to the 2050s

The Covid-19 pandemic has brought about changes in the way organisations use buildings and how employees work. This means that the way the Council estate is used will be different. The Council will have more shared flexible space, with public bodies and the voluntary and private sectors. As a result, the requirements of those using the space will change. Therefore, the Council must continue to review its property requirements and factor this into future maintenance and investment programmes.

The Accommodation Review will determine which buildings the Council will require in the medium to long term. These buildings will receive focused attention in maintenance, including planned preventative and lifecycle maintenance, to ensure they are compliant and maintained to the required standard. The selected buildings will also receive the latest green technology installations and building fabric changes to support the 2030 net-zero targets.

We are making impressive strides towards the modernisation of our fleet, with a strong focus on reducing emissions. As we move towards the future, it is essential that our fleet is equipped with cutting-edge technology that ensures net-zero emissions, paving the way for a cleaner and more sustainable environment.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Continuing to obtain granular data on the Condition, Utilisation, Suitability and Quality of buildings that make up the Council's estate	We have established an ongoing rolling programme of Condition Surveys, and the first round of these has contributed to identifying schemes for the first round of the investment programme. A cyclical programme is to be established in 24/25.
2	Strategic review of the Council estate to concentrate maintenance investment in viable buildings and divest those buildings that are surplus to core delivery	Working with Members and officers in Property Services and team undertaking the accommodation review to understand and support a Corporate Asset Management Strategy.

3	Insufficient funding to adequately maintain the existing corporate estate in a satisfactory condition	Ensure resources for the next five years are used to deliver works in line with our approach set out in section one, to prioritise works based on those elements with the highest probability for failure and where the consequences of that failure would have a significant or severe impact on service. We will continue to identify additional funding and judiciously invest it to maintain the core estate in a satisfactory condition, continuing to utilise the data from the Condition Survey and Compliance programmes.
4	Insufficient funding, resources, and expertise within SCC to impact the aim of achieving Net Zero and the decarbonisation of the estate	Utilise the existing and new funding streams and opportunities to maximise the impact on decarbonisation and draw down available loan or grant funding if it becomes available. Net Zero building schemes will be developed on the shelf to enable immediate funding applications and improve delivery timescales.

D8 WASTE & STREET SCENE

Ensuring our waste and street scene services receive the investment they need to deliver high quality and efficient services to the communities we serve.

The Sheffield Delivery Plan strategic objectives include ‘strong and connected neighbourhoods which people are happy to call home’. Having efficient waste services is a key element to keeping our neighbourhoods clean and attractive; and appropriate safety measures in our public realm is a key element to people feeling safe. The Energy Recovery Facility, Recycling Centre and District Energy Network investment reflect the further objective of ‘clean economic growth’.

Director: Richard Eyre | Director of Street Scene and Regulation

Leads: Ben Brailsford, Head of Streetscene Services | Neil Townrow - Waste Strategy Officer

1 Background and context

The projects for future investment straddle the Waste and Street Scene Policy Committee (changes to the Energy Recovery Facility, waste collection and household waste recycling centre, hostile vehicle mitigation, CCTV improvement) and the Transport, Regeneration and Climate Change Committee (District Energy Network development).

Three of the projects (Energy Recovery Facility, Waste Collection Changes and Hostile Vehicle Mitigation) are driven by legislative changes so we have a clear mandate to implement. The Recycling Centre and District Energy Network projects reflect investments in the City’s infrastructure to reduce our carbon impact. CCTV equipment investment reflects our ambitions to maintain a safe City centre for residents.

2 How do these activities contribute to ‘net zero’?

The changes to waste collection services will contribute to increasing recycling and reducing the carbon impact from our waste.

The Household Waste Recycling Centre development will also contribute to increasing recycling and with the new reuse offer will actively prevent waste maximising resource/ material use. The investment in District Energy is to reduce dependency on gas and electric for heating. Whilst the National Grid continues to de-carbonise with our investment in the Energy Recovery Facility it is the most efficient heat source for the City. The network provides the opportunity for other heat sources to be added and can be future proofed in this way.

3 Projects completed in 2023/24

	Project and value	Impact
1	Musical Pocket Park (£63k)	12 Musical instruments available for public use
2	Fly Tipping & graffiti prevention (£100k)	Improved fencing, barriers and landscaping at sites across the city to reduce incidences of fly tipping.

4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	City Centre Safety	£2m	2018-25	Installation of barriers to increase pedestrian safety

5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	New Legislation: Changes to Emissions permitted from Energy Recovery Facility	Veolia are required to reduce the daily average levels of SOx (sulphur oxides) emissions from the Energy Recovery Facility. The Environment Agency has issued a new permit for the plant from December 2023. Veolia will need to retro fit the plant with the technology to neutralise the Sox emissions to the permitted levels.	Veolia capital – but borrowing costs may be higher than SCC
2	New Legislation: Changes to Waste Collection to meet new Environment Act (date to be confirmed by Government, but after Oct 2025)	Introduction of new weekly food waste collections (new collection vehicles and containers needed) Increase materials collected for recycling may mean changes to existing containers and collection vehicles. Awaiting confirmation if required to provide free garden waste collections, requiring new collection vehicles and containers.	New burdens funding from Government (but unlikely to meet full costs). Veolia can capitalise some costs – but borrowing costs may be higher than SCC
3	New Legislation: Hostile Vehicle Mitigation. Martyn's Law and the Protect Duty requires us to install physical	We have identified areas of risk in the City centre. Some measures have been implemented as part of existing capital schemes (eg Future High Street Fund, Connecting Sheffield), However there remain sites where we have temporary measures in place. Replacing these with permanent measures would have a positive	Funding sources have not been identified.

	safety measures outside buildings to ensure public safety.	impact on our revenue budget – as the temporary measures are hired in; and enable us to design appropriate measures that are in keeping with our ambitions for the City centre streetscene.	
4	New Waste Recycling Centre offering reuse opportunities and pay as you go for commercial waste	New waste recycling centre as we do not have space on our existing sites to offer the full range of materials we need to separate for recycling. We also do not have space for reuse, preventing waste or for offering services for commercial waste. We are also seeking to handle the Council’s waste through this site, such as Parks and Repairs and Maintenance again providing increased opportunity for recycling and resilience for our services.	Veolia can capitalise some costs – but borrowing costs may be higher than SCC
5	District Energy Resilience and Development	Thermal storage would offer the opportunity to increase the number of customers on the network reducing the City’s carbon footprint and resilience from gas and electric networks for heat. Further investment in pipe network would also contribute to this.	Veolia can capitalise some costs – but borrowing costs may be higher than SCC Grant Funding – but will be a max of 33% of cost
6	CCTV Camera Improvement	Our CCTV camera network is ageing and in some cases the technology is becoming obsolete. Replacing these cameras with newer technology would enable better quality imaging which will result in more effective services, and a safer City centre.	We will bid for funds through the Safer Streets Project (South Yorkshire Police) but this will not cover the full costs.

6 Our forward look to the 2050s

Our Highways Maintenance PFI Contract culminates in 2037. Capital investment is likely to be needed for depot refurbishment, including the salt dome, future schemes and operational delivery such as investment in fleet.

Our Veolia Integrated Waste Contract culminates in 2038. Capital investment is likely to be needed for exit costs of buy-back of facilities, equipment, and fleet. We may also need to invest in either a new treatment / recycling facility or alternatively require capital monies for the refurbishment of the existing facilities.

7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Energy Recovery Emissions Legislation Change	Veolia are testing a range of solutions to reduce the SOx (sulphur oxides) emissions. Meetings to take place with Veolia from September to understand options to ensure compliance with the new requirements post December 23.

2	Environment Act changes to Waste Collection	Modelling options with Veolia and externally with Local Partnerships (a government agency).
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E CORPORATE INVESTMENT FUND (CIF) POLICY

This Section E sets out our proposed policies for the Corporate Investment Fund (CIF)

1 Background

The Corporate Investment Fund (CIF) was created in 2017/18 to provide a single co-ordinated fund to prime economic and housing growth activity in the City. It's made up of a range of individual funding streams – New Homes Bonus, Community Infrastructure Levy (CIL), section 106 and elements of the old Corporate Resource Pool (CRP). It is the Council's structure for managing discretionary capital funding.

Historically, the CRP had been made up largely of capital receipts from the sale of surplus Council land and assets. It was used to fund investment needs not met by Government funding, such as backlog maintenance demands / core repairs and unplanned failures of large critical assets or other property losses caused by natural disasters (such as the floods in 2007).

CRP was also used to demolish empty properties to redevelop land for sale. This brought benefits to the Revenue Budget by reducing the costs of safeguarding vacant properties, as well as replenishing the CRP.

With the advent of the New Homes Bonus and Community Infrastructure Levy as further “unrestricted” funds available for investment at the discretion of the authority, it was decided to combine the income from these new funding streams with those previously included in the CRP (i.e. non HRA Capital Receipts). Together, these create the Corporate Investment Fund (CIF). It is therefore a blend of restricted and unrestricted funds.

The national programme of expenditure reductions has increased the importance of this facility as central government support has decreased. We may be required to use our own resources to fund essential infrastructure. And we also need to maintain sufficient funds to match - often at short notice - those available from external funders like the Heritage Lottery Fund, Sport England etc. in order to lever in funding to replace that lost from Central Government.

Demand for CIF funding vastly exceeds supply. The CIF currently represents only 2.3% of the Capital Programme.

2 Purpose of the Corporate Investment Fund (CIF)

The CIF is intended to fund investment projects which cannot attract other sources of funding. This may include maintenance of our corporate buildings, or projects which have attracted external funding but require an element of matched funding to proceed. It may provide funding for growth projects – whether as core funding or feasibility funding – which generate sustainable growth for everyone in the City. We may need to ‘underwrite’ schemes, where external funding has been promised but is not yet formally approved for acceptance. Or we may need to use capital receipts for organisational transformation purposes – the Council faces significant challenges and we need the maximum flexibility of our funding sources to achieve our objectives.

3 Known demands on the CIF

The need for a new vision and strategy for Sheffield’s City Centre has been identified as part of our wider recovery plans following the impact of Covid-19. However, the City Centre is one of several key areas where a lack of funding and/or agreement on the way forward has prevented progress for some time – such as in relation to the Town Hall and the Central Library/Graves Art Gallery. And our wider corporate estate needs urgent rationalisation, followed by investment in our remaining buildings.

We anticipate that our Accommodation Programme alone will require around £200m of investment.

Each of the Policy Committees has several key priority projects within their ten-year investment pipeline contained within this Strategy; many of these will require CIF investment to proceed.

And we should maintain a prudent level of CIF reserves to mitigate the risks of unexpected spend, such as project overspends or urgent emerging priorities.

We simply do not have the money to invest in everything we need to. We have very difficult decisions to take over the coming months and years.

4 Key risks for the CIF

Key risk factors on the ability to allocate the CIF relate to the uncertainty surrounding the income flows from the key components of capital receipts and Community Infrastructure Levy.

Payment of Capital Receipts will continue to be subject to the inherent risk in all property and land transactions, such as local / national economic factors and the housing market. Furthermore, the application of the Affordable Housing Policy - to address the

city-wide affordable housing shortfall - will affect the level of capital receipts generated (even though potential reductions may be partially offset by future Council Tax).

The Council will also receive S.106 commuted sum (on and off site) contributions for the provision of new affordable housing. This income will be used to increase the number of affordable homes in the Affordable Housing Programme.

Community Infrastructure Levy income will be dependent on the level of development taking place in the City which is subject to the levy. While estimations can be made of potential receipts, again, wider economic factors can quickly impact on the level of development in the City.

Last year, we received around £500k of capital receipts. Whilst we may receive more in years to come, it's clear that this in no way comes close to meeting the demands placed upon the CIF.

5 CIF allocation policy

Our previous policy was that Members approved capital expenditure commitments no more than one year in advance. Lower levels of capital receipts put considerable constraints on the CIF. However, in the current difficult financial circumstances, the Council must be ambitious and bolder in its vision to progress the City's development. We will therefore agree allocations up to a ten-year lifespan. Anything beyond this would be on an exceptional basis.

Consideration of the granting of CIF funds will only be given to projects which meet the following criteria set out in both A and B:

A Funding

Projects requesting CIF capital funding will:

- Have no other available funding sources from central government, internal investment funds (e.g. Housing Revenue Account) or other grant funding bodies; or
- Already be in receipt of external funding and require an element of match funding to proceed; or
- Are strategic projects which require cash flow support until a funding package can be arranged.

B Suitability

Projects requesting CIF funding will:

- Be in line with corporate priorities; and

- Have a robust business case; and
- Where applicable, be necessary to make an asset compliant with legislation; or
- Where applicable, be an emergency requirement not capable of prior notification and a failure to undertake the project as an emergency will result in a threat to life and limb.

Non-cash investments (such as in land or property) will comply with the Investment Strategy Principles set out at section 4.4 of this Capital Strategy.

Outcomes and benefits will, as ever, be robustly assessed. And if any project does not proceed, abortive project costs will have to be financed from the sponsoring Directorate's Revenue Budget.

Alongside the funding of key development and investment priorities, a suitable reserve level will be maintained within the CIF to allow swift response to emergency situations such as the floods of 2007 and to provide match funding at short notice to lever in additional grant funding from central government and others.

6 Future developments – s.106, CIL and the Local Plan

New CIL Regulations that impact on the operation of CIL and s.106 came into force in September 2019.

The Council continues to publish its annual Infrastructure Funding Statement (IFS), delivering greater transparency of CIL and s.106 receipts and spending. The Council has also set out a list of priorities for projects to be funded by CIL via the Infrastructure Delivery Plan (IDP) which has been produced to support the Local Plan. This replaces the previous 'Regulation 123 List'.

The new CIL Regulations encourage more use of s.106 and introduce the ability to use both CIL and s.106 in delivering infrastructure priorities. Previously, the Regulations restricted the ability to ask for both s.106 and CIL for the same project and restricted how many s.106s could be used for the same item of infrastructure. These restrictions have now been removed.

The viability assessments that underpinned the setting of the CIL rates always allowed for s.106 contributions, so the Council should now be able to pursue s.106 agreements on sites that will also be making a CIL contribution, where a s.106 is required to make an application acceptable in planning terms.

The Local Plan

The draft Sheffield Local Plan, an ambitious vision for the City, was approved at Full Council in September 2023 for submission to Government for formal examination across 2024. This will pave the way for investment and development across the City's communities.

The draft Local Plan brings together proposals around housing, environment, development, economic growth and transport, looking at these as one big picture, addressing the challenges of how they each impact the other, and how they will bring benefits for everyone in Sheffield.

The Council's aim is to adopt the Local Plan in 2025.

F PROJECT LIST SPLIT BY COMMITTEE

This Section F sets out the full list of projects, which have either been approved or approval has been requested, split by Committee

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: ADULT HEALTH & SOCIAL CARE

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

ADULT HEALTH & SOCIAL CARE

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2024-2025	2025-2026	2026-2027	2027-2029	Total
Total				-	-	-	-	-

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: COMMUNITIES, PARKS & LEISURE

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

COMMUNITIES, PARKS & LEISURE

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2024-2025	2025-2026	2026-2027	2027-2029	Total
94554, FORGE DAM POND RESTORATION (NAQNO)	DEC 2020	MAR 2024	Approval Requested	27				27
94560, HIGH HAZELS PARK SHELTER (NAQNO)	JUL 2021	MAR 2025	Approval Requested	87				87
94567, FRECHEVILLE PARK IMPROVEMENTS (NAQNO)	JUN 2022	MAR 2025	Approval Requested	80				80
94576, PARKWOOD SPRINGS WORK PACK 3&4 (NAQNO)	JUN 2023	MAR 2025	Approval Requested	47				47
94578, LONGLEY PARK PLAYGROUND (NAQNO)	NOV 2023	MAR 2025	Approval Requested	4				4
94160, YIF - ALL SAINTS YOUTH CLUB (NAQNO)	AUG 2023	MAR 2025	Approval Requested	576				576
94161, YIF - STOCKSBRIDGE YOUTH CLUB (NAQNO)	AUG 2023	MAR 2025	Approval Requested	1,422				1,422
94133, FAMILY HUBS TRANSFORMATION (NAQNO)	JAN 2023	MAR 2025	Approval Requested	107				107
Total				2,349	-	-	-	2,349

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: ECONOMIC DEVELOPMENT & SKILLS

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

ECONOMIC DEVELOPMENT & SKILLS

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2024-2025	2025-2026	2026-2027	2027-2029	Total
94120, M1 GATEWAY PUBLIC ART PROJECT (NAQNO)	MAR 2014	MAR 2025	Approval Requested	361				361
Total				361	-	-	-	361

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: EDUCATION, CHILDREN & FAMILIES

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

EDUCATION, CHILDREN & FAMILIES

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Total
				2024-2025	2025-2026	2026-2027	2027-2029	
90894, ASTREA - SPORTS PITCH (NAQNO)	JAN 2008	MAR 2025	Approval Requested	1,179				1,179
90967, SW SEC SCH FEAS - SILVERDALE (NAQNO)	JAN 2008	MAR 2024	Approval Requested	200				200
90983, SW SEC SCH FEAS - KG EGBERTS (NAQNO)	JAN 2008	MAR 2024	Approval Requested	330				330
90999, LIMPSFIELD J WINS & EXT WALLS (NAQNO)	APR 2021	MAR 2025	Approval Requested	513				513
91000, MOSSBROOK SS WINS & EXT WALLS (NAQNO)	APR 2021	MAR 2025	Approval Requested	288				288
91021, WHARNCLIFFE SIDE PMY EXPN (NAQNO)	JAN 2008	MAR 2023	Approval Requested	1,269				1,269
91023, MANOR LODGE PMY SCH EXPANSION (NAQNO)	JAN 2008	MAR 2023	Approval Requested	1,055				1,055
91026, WATERCLIFFE MEADOW RET WALLS (NAQNO)	JAN 2008	MAR 2024	Approval Requested	131				131
91028, PEAKS POST-16 SEND PROVISION (NAQNO)	JAN 2008	MAR 2025	Approval Requested	89				89
91030, STOCKSBRIDGE HUB (NAQNO)	JAN 2008	MAR 2025	Approval Requested	335				335
91024, RUSHEY MEADOWS CRH (NAQNO)	JAN 2008	MAR 2024	Approval Requested	464				464
Total				5,852	-	-	-	5,852

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: HOUSING

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

HOUSING

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Total
				2024-2025	2025-2026	2026-2027	2027-2029	
00100000Q0094 GV MASTERPLAN DELIVERY	APR 2019	MAR 2027	Approval Requested	7,227	10,963	20,162		38,352
90136, CHAUCER SQUARE MAINTENANCE (NAQNO)	JAN 2009	DEC 2030	Approval Requested	27	18	18	18	81
97995, PS HOMES UPGRADE GRANT PH.2 (NAQNO)	JAN 2023	MAR 2025	Approval Requested	2,309				2,309
97498, LAHF ACQUISITIONS (NAQNO)	APR 2020	MAR 2025	Approval Requested	871				871
97548, LAHF2 ACQUISITIONS (NAQNO)	SEP 2023	MAR 2025	Approval Requested	2,000				2,000
97551, COUNCIL HSG ACQUISITIONS PROG (Q0067)	APR 2014	MAR 2028	Approval Requested	2,169	2,220	2,274	2,329	8,991
97560, NBCH-P06-NEWSTEAD-OPIL (NAQNO)	JAN 2020	MAR 2027	Approval Requested	16,693	8,019	1,526		26,238
97566, NBCH-P11-HEMSWORTH-OPIL (NAQNO)	DEC 2019	MAR 2026	Approval Requested	9,848	9,618			19,466
97572, NBCH-P16-NEWSTEAD-ENABLE (NAQNO)	AUG 2020	MAR 2024	Approval Requested	3				3
97585, NBCH-P25-CORKER BOTTOMS-GN (NAQNO)	JAN 2022	MAR 2025	Approval Requested	3,755				3,755
97586, NBCH-P26-MOVE ON PROV PHASE 1 (NAQNO)	MAY 2022	MAR 2025	Approval Requested	17				17
97587, NBCH-P27-HANDSWORTH-GN (NAQNO)	JUN 2022	MAR 2025	Approval Requested	4,251				4,251
97591, NBCH-P31-NEWSTEAD REINSTATE (NAQNO)	AUG 2023	MAR 2024	Approval Requested	1,083	127			1,211
00140591Q0087 STOCK INCREASE (CHS)	APR 2014	MAR 2028	Approval Requested	2,774	31,922	52,607	50,595	137,898

97338, PROGRAMME MANAGEMENT COSTS RTB (NAQNO)	JAN 2008	MAR 2029	Approval Requested	377	377	377	377	1,508
97348, HRA PROGRAMME MANAGEMENT (NAQNO)	JAN 2008	MAR 2027	Approval Requested	250	250	250		750
97131, ASBESTOS SURVEYS (NAQNO)	APR 2010	MAR 2026	Approval Requested	157	57			214
97139, LANSDOWNE AND HANOVER CLADDING (NAQNO)	JAN 2008	MAR 2025	Approval Requested	67				67
97148, S H MGMT FEES COMMISSIONED (NAQNO)	APR 2011	MAR 2027	Approval Requested	2,900	2,950	3,000		8,850
97264, H & S ELECTRICAL REWIRES (NAQNO)	APR 2010	MAR 2027	Approval Requested	96	30	30		156
97269, EMERGENCY DEMOLITIONS (NAQNO)	JAN 2008	MAR 2025	Approval Requested	40				40
97404, HEATING BREAKDOWNS (Q0069)	APR 2012	MAR 2025	Approval Requested	1,215				1,215
97444, GENERAL/RTB ACQUISITIONS CHS (Q0069)	APR 2015	MAR 2028	Approval Requested	855	1,040	364	415	2,674
97468, DEMOLITION PROGRAMME (NAQNO)	DEC 2019	MAR 2025	Approval Requested	193				193
97469, FIRE SUPPRESSION SYSTEMS (NAQNO)	AUG 2020	MAR 2025	Approval Requested	440				440
97470, ADAPTATIONS 2020-25 CONTRACT (NAQNO)	JUL 2020	MAR 2026	Approval Requested	2,824	5,038			7,861
97472, EWI NON-TRADITIONAL 2 (NAQNO)	JAN 2018	MAR 2026	Approval Requested	7,620	2,024			9,644
97473, EWI NON-TRADITIONAL 3 (NAQNO)	JAN 2018	MAR 2025	Approval Requested	1,821				1,821
97475, ELEMENTAL REFURBS 2021-26 (NAQNO)	SEP 2020	MAR 2026	Approval Requested	3,365	3,145			6,509
97476, ADAPTATIONS - STAIRLIFTS (NAQNO)	APR 2021	MAR 2026	Approval Requested	414				414
97477, ELECTRICAL UPGRADES PH 2 (NAQNO)	SEP 2020	MAR 2027	Approval Requested	4,369	4,369	1,539		10,278
97480, SINGLE STAIRCASE TOWER BLOCKS (NAQNO)	SEP 2019	MAR 2025	Approval Requested	181				181
97483, TOWER BLOCK FLAT ROOFING (NAQNO)	APR 2021	MAR 2026	Approval Requested	1,096	399			1,495
97485, STAIRLIFTS CONTRACT 2 (NAQNO)	DEC 2022	MAR 2025	Approval Requested	99				99
97488, ROOFING REPLACEMENT 2024-29 (NAQNO)	JUL 2023	MAR 2029	Approval Requested	8,164	8,791	9,564	20,119	46,638
97490, OPIL LAUNDRY UPGRADES (NAQNO)	APR 2022	MAR 2025	Approval Requested	99				99
97492, MANOR HOUSE OPIL FRA (NAQNO)	SEP 2023	MAR 2024	Approval Requested	8				8
97496, GLEADLESS VALLEY ACQUISITIONS (NAQNO)	JUL 2021	MAR 2025	Approval Requested	1,943				1,943
97568, LIFT REPLACEMENTS (NAQNO)	APR 2011	MAR 2025	Approval Requested	287				287
00140653Q0079 HEATING, ENERGY EFFIC & CARBON RED	APR 2014	MAR 2027	Approval Requested	8,307	9,390	13,450		31,148
00140653Q0080 ENVELOPING & EXTERNAL WORK	APR 2014	MAR 2027	Approval Requested	391	1,682	1,682		3,755
00140653Q0082 ADAPPTIONS & ACCESS (CHS)	APR 2021	MAR 2027	Approval Requested			683		683
00140653Q0083 WASTE MGT & ESTATE ENVIRONMENTALS	APR 2014	MAR 2027	Approval Requested	3,475	3,365	3,515		10,355
00140653Q0084 H & S ESSENTIAL WORK	APR 2015	MAR 2027	Approval Requested	12,816	17,424	16,026		46,266
00140653Q0085 COMMUNAL AREAS INVESTMENT	APR 2014	MAR 2027	Approval Requested	2,950	2,500	2,927		8,377
00140653Q0086 INTERNAL WORKS	APR 2014	MAR 2027	Approval Requested			5,193		5,193
00140653Q0089 OTHER ESSENTIAL WORK	APR 2014	MAR 2027	Approval Requested	1,982	1,332	1,482		4,796
00140653Q0090 GARAGES & OUTHOUSES	JAN 2008	MAR 2027	Approval Requested	250	250	250		750
Total				122,077	127,301	136,919	73,852	460,150

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: STRATEGY & RESOURCES

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

STRATEGY & RESOURCES

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2024-2025	2025-2026	2026-2027	2027-2029	Total
95675, TRANSPORT EFFICIENCY 22-23 Y4 (NAQNO)	JAN 2008	MAR 2025	Approval Requested	679				679
95648, PSDS - TOWN HALL (NAQNO)	JAN 2008	MAR 2025	Approval Requested	12				12
95676, ABBEYDALE DAM LEAKS (NAQNO)	JAN 2008	MAR 2024	Approval Requested	231				231
95681, CLOSED CHURCHYARD BDRY WALLS (NAQNO)	MAR 2023	MAR 2024	Approval Requested	115				115
Total				1,037	-	-	-	1,037

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

Company: 001 SHEFFIELD CITY COUNCIL

Programme: TRANSPORT, REGEN & CLIMATE

Directorate: * ALL

Service: * ALL

Division of Service 1: * ALL

Division of Service 2: * ALL

Division of Service 3: * ALL

Management Area: * ALL

Manager: * ALL

Business Unit / Project: * ALL

Approval Status: Approved or Requested Approval Versions

Stage: 10 Project Planning - 90 Disposal

TRANSPORT, REGEN & CLIMATE

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Total
				2024-2025	2025-2026	2026-2027	2027-2029	
94029, DEVONSHIRE QUARTER (NAQNO)	APR 2018	MAR 2025	Approval Requested	858				858
94030, BROWNFIELD SITE (NAQNO)	APR 2018	MAR 2025	Approval Requested	3,747				3,747
94145, CASTELAYN DEMOLITION (NAQNO)	SEP 2023	MAR 2025	Approval Requested	331				331
94146, PADDOCK HILL DEMOLITION (NAQNO)	SEP 2023	MAR 2025	Approval Requested	185				185
94147, ATTERCLIFFE WATERSIDE (NAQNO)	NOV 2023	MAR 2025	Approval Requested	1,710				1,710
94050, SHEFFIELD RETAIL QUARTER 2 (NAQNO)	OCT 2013	MAR 2025	Approval Requested	9				9
94054, SRQ OFFICES (NAQNO)	JAN 2017	MAR 2026	Approval Requested	266	422			688
94055, SRQ - STRATEGIC DEV PARTNER (Q0078)	JAN 2008	MAR 2025	Approval Requested	459				459
94057, A PALATINE CHAMBERS BLOCK (NAQNO)	APR 2018	MAR 2025	Approval Requested	3,436				3,436
94058, B LAYCOCK HOUSE NEW BUILD (NAQNO)	APR 2018	MAR 2025	Approval Requested	770				770
94060, C PEPPER POT BUILDING (NAQNO)	APR 2018	MAR 2025	Approval Requested	1,108				1,108
94063, G DEVELOPMENT PLOTS (NAQNO)	SEP 2018	MAR 2025	Approval Requested	118				118
94065, H HENRYS BLOCK (NAQNO)	APR 2018	MAR 2025	Approval Requested	2,705				2,705

94066, H1 LEAHS YARD (NAQNO)	APR 2018	MAR 2025	Approval Requested	1,626			1,626
94067, HOC II INFRASTRUCTURE & PR (NAQNO)	APR 2018	MAR 2025	Approval Requested	176			176
94070, G POCKET PARK (NAQNO)	FEB 2021	MAR 2025	Approval Requested	253			253
94018, THREE BROOKS ENV SCHEME-MANOR (NAQNO)	OCT 2020	MAR 2025	Approval Requested	23			23
94036, SHEAF PORTER FLOOD DEFENCE (NAQNO)	MAR 2023	DEC 2028	Approval Requested	201			201
94042, FHSF PUBLIC REALM & INFRA (NAQNO)	MAY 2021	MAR 2025	Approval Requested	7,146			7,146
94043, FHSF FRONT DOOR INTERVENTIONS (NAQNO)	APR 2021	MAR 2025	Approval Requested	1,101			1,101
94044, FHSF EVENTS CENTRAL BUILDING (NAQNO)	APR 2021	MAR 2024	Approval Requested	4,729			4,729
94046, STF WALKING & CYCLING TRAILS (NAQNO)	SEP 2021	MAR 2024	Approval Requested	34			34
94047, STF MANCHESTER RD PM (NAQNO)	AUG 2021	MAR 2026	Approval Requested	4,290	868		5,158
94048, STF MANCHESTER RD HUB (NAQNO)	SEP 2021	MAR 2026	Approval Requested	9,065	1,828		10,893
94049, STF SPORTS HUB (NAQNO)	MAR 2022	MAR 2025	Approval Requested	606			606
94071, STF HIGH ST ACCESSIBILITY (NAQNO)	MAR 2022	MAR 2025	Approval Requested	519	141		660
94074, STF OXLEY PARK PH 2 (NAQNO)	MAR 2022	MAR 2025	Approval Requested	378			378
94077, LUF CASTLE SITE (NAQNO)	APR 2021	JUN 2025	Approval Requested	11,346	391		11,737
94078, STF SHOP FRONTS (NAQNO)	NOV 2022	MAR 2025	Approval Requested	960	672		1,633
94080, LUF ENTERPRISE CENTRE (NAQNO)	JAN 2008	JAN 2009	Approval Requested	6			6
94084, STF SPORTS HUB GRANT (NAQNO)	MAR 2022	MAR 2025	Approval Requested	223			223
94094, LUF ATTERCLIFFE CAR PARKS (NAQNO)	SEP 2022	MAR 2024	Approval Requested	247			247
93035, UPPER DON PHASE 2 (NAQNO)	MAR 2023	DEC 2027	Approval Requested	485			485
93050, STREETS AHEAD OPPORTUNITIES (NAQNO)	APR 2015	MAR 2023	Approval Requested	250			250
93079, CAZ BACK OFFICE (NAQNO)	JAN 2009	DEC 2009	Approval Requested	359			359
93081, CAZ SIGNAGE (NAQNO)	JAN 2018	MAR 2021	Approval Requested	97			97
93083, TCF CITY CENTRE (NAQNO)	SEP 2019	JAN 2025	Approval Requested	92			92
93085, TCF NETHER EDGE WEDGE CYCLING (NAQNO)	AUG 2019	MAR 2020	Approval Requested	316			316
93086, TCF MAGNA MHALL CYCLING (NAQNO)	SEP 2019	MAR 2020	Approval Requested	542			542
93087, TCF-DACC (NAQNO)	SEP 2019	MAR 2020	Approval Requested	121	198		319
93090, TCF HOUSING ZONE NORTH (NAQNO)	SEP 2019	MAR 2026	Approval Requested	5,944	395		6,339
93163, CAZ BUSES & COACHES (NAQNO)	JAN 2008	JAN 2009	Approval Requested	1,394			1,394
93165, CAZ HGV (NAQNO)	JAN 2009	DEC 2009	Approval Requested	1,440			1,440
93173, ROTHER VALLEY PARKING (NAQNO)	APR 2021	MAR 2025	Approval Requested	222			222
93178, DISABLED PARKING BAYS (NAQNO)	JUN 2021	MAR 2024	Approval Requested	33			33
93251, HIGH GREEN 20MPH (NAQNO)	JUL 2021	MAR 2023	Approval Requested	88			88
93256, SHALESMOOR GATEWAY (NAQNO)	DEC 2022	OCT 2023	Approval Requested	1,490			1,490
93299, MANOR LANE CROSSING (NAQNO)	APR 2022	AUG 2024	Approval Requested	79			79
93306, HERRIES RD CROSSING (NAQNO)	APR 2022	DEC 2024	Approval Requested	91			91
92945, BARKBY ROAD STEPS (NAQNO)	APR 2019	NOV 2023	Approval Requested	82			82
Total				71,753	4,916	-	76,668

Summary Report / Annual Cabinet 1

Cycle: 472 - Forecast Cycle November 23 Month End, Status: Closed, Type: Forecast

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Stage: 10 Project Planning - 90 Disposal

WASTE & STREET SCENE

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Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2024-2025	2025-2026	2026-2027	2027-2029	Total
				-	-	-	-	-
Total				-	-	-	-	-

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