

SHEFFIELD CITY COUNCIL

Finance and Performance Policy Committee

Meeting held 18 November 2024

PRESENT: Councillors Zahira Naz (Chair), Mike Levery (Deputy Chair), Martin Phipps (Group Spokesperson), Glynis Chapman, Elle Dodd, Abdul Khayum, Shaffaq Mohammed, Gareth Slater and Dianne Hurst (Substitute Member)

51. APOLOGIES FOR ABSENCE

51.1 Apologies for absence were received from Councillor Terry Fox.

52. EXCLUSION OF PRESS AND PUBLIC

52.1 There were no items which required the exclusion of the public and press.

53. DECLARATIONS OF INTEREST

53.1 There were no declarations of interest.

54. MINUTES OF PREVIOUS MEETING

54.1 The minutes of the previous meeting of the Finance and Performance Policy Committee, held on the 21st October 2024, were approved as an accurate record.

55. PUBLIC PETITIONS, QUESTIONS AND STATEMENTS

55.1 There were no petitions, questions or statements received from the public on this occasion.

56. MEMBERS' QUESTIONS

56.1 The Committee received two Members' questions, for which written responses were provided.

56.2 1. **In the light of the autumn budget and the NI increase can you tell me how that may exacerbate the budgetary overspend and pressures for SCC.**

There will be a direct cost for staff employed by SCC, for which a detailed estimate is being prepared by payroll. Our expectation is that this will be matched by additional funding outside of the £1.3bn announced for Local Government. There will be a secondary impact throughout our supply chain as suppliers and providers increase prices to cover their rising costs. We are working on calculating the potential maximum additional pressure for social care, if we were to cover the costs across the board, as this is where the biggest immediate impact would be felt. It will be more difficult to estimate other potential cost increases (and when they might emerge) as it will be dependent

on contracts, individual supplier circumstances and market forces.

2. What analysis has been done or is intended alongside our delivery partners with especial reference to the care sector, the effect it will have on delivery in this sector and the important service it delivers.

Adult Care and Wellbeing are due to take the annual fee setting paper to Committee in Dec. At this point in time, the proposed fee will cover the National Living Wage increase on staffing costs and CPI on non-staffing costs. After this, consultation will begin with providers. We are expecting a clearer picture to emerge following the consultation, at which point SCC should have received confirmation of funding from the Local Government Finance Settlement.

56.3 Councillor Hurst asked a supplementary question regarding when then decision would be taken on Adult Health and Social Care annual fees. The Director of Finance and Commercial Services responded, and stated that the settlement from Central Government was not expected until the end of the year and that the latest date would be the 19th December 2024.

57. WORK PROGRAMME

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

57.2 **RESOLVED UNANIMOUSLY:** That the Finance and Performance Policy Committee:-

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

57.3 Members noted that December's agenda was substantial and suggested some of the work required could be covered in pre-meetings. The Chair stated that all Committee Members had been invited to the pre-agenda meeting, which would enable wider discussion on the items ahead of the formal meeting.

57.4 Members asked why some items had moved. The Chair responded that the trio had asked for additional information within the reports ahead of them being considered at Committee.

58. CAPITAL APPROVALS MONTH 6 (2024/25)

58.1 The Committee considered a report of the Director of Finance and Commercial Services which provided details of proposed changes to the existing Capital Programme as brought forward in Month 6 2024/25.

58.2 **RESOLVED UNANIMOUSLY:** That the Finance and Performance Policy Committee:

1. That the Committee approve the proposed additions and variations to the Capital Programme listed in Appendix 1.
2. That the Committee approve the issuing of grant funding as identified in Appendix 2

58.3 **Reasons for Decision**

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

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

58.4 **Alternatives Considered and Rejected**

58.4.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and Capital Programme.

59. Q2 BUDGET MONITORING 2024/25

59.1 The Finance and Performance Policy Committee considered a report of the Director of Finance and Commercial Services which noted the Council's projected overspend of £34 million for the 2024-25 fiscal year, approximately 7% of the net revenue budget. It stated that in order to address the factors contributing to the overspend, Housing, Homelessness, Adults and Children Social Care and SEN home-to-school transport, the Future Sheffield programme was being focused on. The report highlighted the assistance provided to Local Government from Central Government within the recent budget and stated that the net impact to the Council's budget would be more certain after the Local Government Funding Settlement, due in December 2024.

59.2 The Director of Finance and Commercial Services gave an overview of the report, and the Finance Manager detailed how the budget had altered since the Q1 Budget Monitoring report.

59.2 **RESOLVED UNANIMOUSLY:** That the Finance and Performance Policy Committee: -

- Notes the updated information on the 2024/25 Revenue Budget Outturn as described in this report including the detailed Committee budget monitoring information and management actions provided.

59.3 Reasons for Decision

59.3.1 To formally record changes to the Revenue Budget.

59.4 Alternatives Considered and Rejected

59.4.1 The Council is required to both set a balanced budget and to ensure that in-year income and expenditure are balanced. No alternatives were considered.