



Report to Policy Committee

Author/Lead Officer of Report:

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Report of: *Acting Chief Executive*

Report to: *Strategy and Resources Committee*

Date of Decision: *31 May 2022*

Subject: ***Our Sheffield: The Year Ahead***

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“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”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

Purpose of Report:

This report provides the Strategy and Resources Committee with an overview of the council’s financial, policy and operating context.

It describes the key issues and opportunities facing the authority over the coming year. The report recommends that the committee develops, firstly, a high-level set of policy priorities (to be discussed at a proposed Strategy and Resources Urgency Committee meeting in June 2022) to provide clarity of direction and, secondly, a longer-term Corporate Plan for discussion at the August meeting of the Strategy and Resources Committee.

Recommendations:

It is recommended that the Strategy and Resources Committee:

1. Note the financial, policy and operating context set out in this report, and the risks and opportunities identified therein.
2. Agree to receive further reports on these issues as required, whilst noting that the primary responsibility for responding to these issues will lie with the relevant policy committee
3. Agree the proposal to develop a statement of policy priorities for the year ahead and to hold a meeting of the Strategy and Resources Urgency Committee to consider and agree this.
4. Note the importance of developing a Corporate Plan for the organisation and to note the work already done to engage with staff across the council on this.
5. Agree to holding a series of Member workshops as set out in paragraphs 25 and 26 of this report to help develop the content of the Corporate Plan
6. Agree to receive and consider a draft of the Corporate Plan at its meeting on 30 August in advance of a final report being considered by Full Council.

Background Papers:

Our Sheffield - One Year Plan 2021-22

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>Ryan Keyworth, Director of Finance and Commercial Services</i>
		Legal: <i>David Hollis, Assistant Director of Legal</i>
		Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i>
		Climate: <i>n/a</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>Eugene Walker, Acting Chief Executive</i>
3	Committee Chair consulted:	<i>Cllr Terry Fox, Chair of Strategy and Resources Committee</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>James Henderson</i>	Job Title: <i>Director of Policy, Performance and Communications</i>
	Date: <i>20 May 2022</i>	

Purpose of report

1. This report sets out the key issues, opportunities, and challenges facing the council over the next twelve months.
2. This report also sets out a proposed approach for the development of a Corporate Plan, with an intention of bringing forward a draft of the plan to the Strategy and Resources Committee in September 2022.

Background

3. Sheffield is a brilliant city – resourceful, inventive, welcoming – a place rooted in its history and ambitious for the future. The Members and officers of the Council are proud to serve the city of Sheffield. As a Council and organisation, our guiding purpose is to put Sheffield first; to support its residents, communities and businesses to thrive; to deliver the very best public services that we can; and to lead alongside city partners, with ambition, openness and purpose, towards a bright future for our city and our region.
4. However, the council faces a series of opportunities and challenges over the forthcoming year. This report draws the attention of the Members of the Committee to those issues, describes action already underway in relation to them, and explains and requests endorsement further planned activity. In some instances, the main responsibility for these issues will sit with the Strategy and Resources Committee, whilst for others the main responsibility will be with one of the other policy committees. However, drawing this into one report is intended to enable the Strategy and Resources Committee to maintain an overview of the whole.
5. The financial, policy and operating context set out in this report will help to inform the development of a Corporate Plan for the council. A Corporate Plan is an important tool for any organisation to describe its overall priorities and the outcomes that it is trying to achieve. An effective Corporate Plan is arguably even more important for an organisation of the size, scale and complexity of the city council to be able to explain to residents, staff and partners what the council intends to achieve and the activity that it will prioritise. It is also an important tool in enabling Members and citizens to hold the council to account for what it has delivered.
6. Building on the One Year Plan, which is due to expire in summer 2022, the new Corporate Plan is intended to set both short- and medium-term priorities for the organisation. In turn this will enable resource allocation

(including budget setting) to follow the overall objectives of the council more precisely.

7. This report sets out a proposed timeline for the development of the Corporate Plan over the summer to enable proper Member, staff and community engagement. In order to provide clarity of direction for the organisation in the shorter-term, and following the formation of the new administration, it is proposed to bring forward a report rapidly that will set out a small number of immediate areas of focus for the organisation, enabling us to respond quickly to some of the contextual issues set out below (including, particularly, the cost-of-living crisis). This will in turn help to inform the development of the Corporate Plan.

Our financial, policy, and operating context

8. The Council's financial position is extremely challenging

8.1 The Council is facing a challenging financial position driven by rising cost pressures in the two social care areas and emerging inflationary pressure on contracts and energy. The Council finished the 2021/22 financial year with a £20m overspend – helped by one-off income from the NHS.

8.2 Balancing the 2022/23 Budget required significant savings and a use of reserves. The use of reserves can only be one-off. Alongside the series of budget savings agreed by Full Council across all SCC service areas, a series of strategic reviews were commissioned as part of the 2022/23 budget that are designed to save money over the longer term whilst protecting vital services.

8.3 The Council's ability to set a balanced budget for the 2023/24 financial year will be determined by the success we have in implementing the agreed budget savings and the strategic reviews referred to above being seen through to completion.

8.4 Further information regarding the council's current budget situation, the current position regarding the implementation of the budget plans approved by Full Council in March 2022, and the emerging position for 2023/24 and beyond is set out in a subsequent paper on this agenda. Nevertheless, it is important for the Strategy and Resources Committee, through its Finance Sub-Committee, to maintain a detailed understanding of the emerging financial situation and to note the agreed position of Full Council when it set the budget that: *"it is the responsibility of each Committee to work within the budget framework*

agreed by Council. This includes taking timely action to address any overspend within the services for which the Committee is responsible.”

9 The cost-of-living crisis is having a significant impact for many Sheffielders

9.1 The cost-of-living crisis is beginning to have a significant impact in Sheffield. Price rises driven by energy inflation, alongside additional taxation, are having an impact on most households in the city, with those on the lowest incomes likely to be hardest hit. The energy price cap is likely to rise again in the autumn, with the potential to precipitate an even deeper crisis for very many in the city.

9.2 A more detailed paper setting out the council's current work on responding to the cost-of-living crisis and a proposed approach for how we coordinate a city-wide response to this over the coming months is set out in a subsequent paper on this agenda.

10 The Levelling Up Accelerator programme represents a significant opportunity for Sheffield, which we are aligning with work already underway on the City Strategy

10.1 Sheffield was announced as one of the first places to receive **Levelling Up** regeneration funding for Castlegate and is working closely with the Department for Levelling Up, Housing and Communities (DLUHC), BEIS and Homes England to assemble and deliver a Sustainable Growth Accelerator Programme that will help deliver tangible impact upon the 12 Levelling Up Missions. A prospectus will be produced shortly, however in the longer term, the areas highlighted for acceleration with levelling up will need to be firmly placed in the wider strategic, Sheffield context.

10.2 In addition, as part of its work to develop the investment strategy for the South Yorkshire Renewal Fund, SCC will need to develop a **Place Based Plan** setting out investment priorities for the city.

10.3 We have proposed to the Sheffield City Partnership Board that we align these programmes with the City Strategy, creating a single story that strategic partners and businesses can articulate about the city's needs, opportunities and priorities. This will result in the whole city coming together to set out some clear missions for the year ahead, with the Sustainable Growth Accelerator Programme acting as the fuel to propel the city to achieve these, working alongside both Government and the South Yorkshire MCA. This will ensure that we

maximise the impact of both new funding streams (such as Levelling Up Funds) and the gainshare resources agreed as part of the Devolution Agreement.

10.4 There is a small window of opportunity over the summer to demonstrate to Government our commitment and intent. Further reports will be presented for consideration by this committee and the Transport, Regeneration and Climate Policy Committee.

11 There is an opportunity to further develop our approach to devolution and community empowerment

11.1 Last year saw the successful implementation of the Local Area Committees and the preparatory work for the new committee system. There are a number of unresolved issues in how the council wants to involve and empower communities (including the role of the new structures that have been established), and, in the case of the Local Area Committees what the Council's longer-term approach to devolution of powers/funding to these structures should be.

11.2 To assist the Governance Committee in its work last year shaping the new committee system, the support of Involve (the UK's leading public participation charity) was enlisted to provide advice and guidance on how best to ensure that citizen voice is heard in the new committee system. A final report is due back from Involve shortly, and this should help to provide a roadmap for the authority in terms of its approach to community involvement and empowerment.

11.3 It will also be important during the course of this year for the council to clarify and reconfirm its relationship with the Voluntary, Community and Faith sector in the city. Working with our partners in the VCF sector is likely to become even more important given the financial context of the organisation and the ongoing cost-of-living crisis highlighted above, which is affecting both VCF sector organisations themselves and those that they are working with.

12 Some of the services that the people of Sheffield rely on are not performing sufficiently strongly

12.1 At the core of our role in making Sheffield a brilliant place to live and work is the responsibility to provide high quality services, meeting and exceeding the expectations of the people of Sheffield in every part of the city. We will bring forward a targeted 12-month action plan to focus on agreed areas on poor performance.

12.2 As part of this we need to develop a performance management, intelligence and assurance culture across the organisation and become a citizen focused organisation that drives continuous improvement. However, we need to take immediate action to address critical areas of under-performance. The relevant committee for each of the identified areas of under-performance will have responsibility for overseeing work to bring performance back on track, with Strategy and Resources maintaining a whole-organisation overview.

13 We have a substantial asset maintenance backlog and need a new approach to the management of our assets

13.1 Across the whole estate, there is a backlog maintenance cost of approximately £120m. We have developed a corporate asset management plan to help us reduce this backlog through rationalising the size and cost of our estate. Our approach to asset management should be about more than budget savings: there is an opportunity to deliver significant impact on our carbon emissions as an organisation, ensure our accommodation is fit for purpose and increase the agility of how we work as well as delivering savings (running costs and cost avoidance in backlog maintenance).

13.2 The programme set out in the corporate asset management plan seeks to achieve an estate we can afford in terms of revenue running costs and maintenance backlog. The programme has four themes: City Centre, Depots, Localities and Service Tenancies.

13.3 Strategy and Resources Committee has responsibility for all property related decisions, and therefore oversight of the corporate asset management programme will be part of this committee's remit

14 Significant changes to NHS governance will take effect shortly

14.1 The Health and Care Bill achieved Royal Assent in April and as a result the new NHS machinery at local level has now been placed on a statutory footing. This includes the abolition of the Clinical Commissioning Group and absorption of its functions into the South Yorkshire Integrated Care System.

14.2 The relationship between SCC and the NHS is critically important from in order to improve outcomes for people who require care and from a financial perspective (via the Better Care Fund). There is a risk that the new NHS machinery will result in a loss of momentum in our work on joint commissioning. Conversely it also represents an opportunity to strengthen integration if approached carefully.

15 Adults' and Children's Social Care are both areas of significant risk for the authority

- 15.1 Both Adult Health and Social Care and Children's Services are under a significant amount of immediate pressure across all areas of business (including home care, residential care, discharge and reablement) with rising costs and lack of capacity in the system resulting in financial stress and a risk of poorer outcomes for individuals.
- 15.2 Children's and Adults' care services represent the council's two largest areas of expenditure, the two most significant areas of risk in terms of poor outcomes for vulnerable people (and the connected inspection/regulatory risk), and the two areas that support/are integral to wider systems that are under growing financial/demand stress. There is also the ongoing risk of market failure in both the adults' and children's care sectors and the challenge and opportunity of significant policy/legislative change in both sectors.
- 15.3 Adult Social Care is CQC-regulated and an inspection is possible at some point over the course of the year. Plans are in place and being implemented to ensure that we are well-prepared for this.
- 15.4 From a Children's Services perspective, although the service continues to perform well, it is at increased risk because of the imminent loss of leadership capacity and because of the ongoing financial pressures that it is experiencing.

16 Further progress is required on the Local Plan during 2022/23

- 16.1 The Local Plan will set the overall shape for the physical and spatial development of the city over the next few decades. It represents a significant opportunity to shape the Sheffield of the future in a positive way.
- 16.2 Members agreed the timetable for the development of the Local Plan during the course of 2021/22 after many years of delay, including agreement of an approach around the use of brownfield and greenfield sites (spatial options). This represents a significant step forward but the year ahead will see a number of key milestones/risks for the Local Plan including the publication of a draft plan for consultation in October 2022.

16.3 A paper setting out the key milestones for the Local Plan during 2022/23 is included as a subsequent paper on this meeting. Owing to its centrality to the Council's Budget and Policy Framework and because of its cross-cutting nature, the chair of the Strategy and Resources Committee may wish to consider whether lead responsibility for the Local Plan should rest with this committee or with the Transport, Regeneration and Climate Committee.

17 Further rapid action will be required to meet the Council's climate change ambitions

17.1 The Council has declared a climate emergency and agreed an ambitious deadline for net zero by the end of the decade. During 2021/22 we agreed the Ten Point Plan setting out our broad objectives that will help meet our response to the climate crisis.

17.2 However, to have any chance of meeting this deadline and achieving the objectives set out in the Ten Point Plan, we will need a full action plan agreed during the 2022/23 financial year. Although we have made good progress, we are some distance behind other core cities in this space.

17.3 Responsibility for the development of the action plan will sit principally with the Transport, Regeneration and Climate Policy Committee, but it will be important for each policy committee to consider and take action to respond to the climate crisis and within and across their individual areas of responsibility.

18 The Clean Air Zone is due to be implemented in the early part of 2023

18.1 Sheffield's air quality does not meet the legal safe standard at various points on the network. The Government required us to develop plans to introduce a Clean Air Zone for the city centre.

18.2 The Clean Air Zone for Sheffield is due to go live in the early part of 2023 following a number of delays. The Council remains at risk of financial claw back if our go-live date is further delayed.

19 The Race Equality Commission is due to report during the summer

19.1 The Race Equality Commission report is due to be published during the summer. This is likely to make a number of hard-hitting recommendations about the city's overall approach to race equality

and specific recommendations about the Council are also likely. A report will be brought back to this committee following publication of the REC report detailing a proposed SCC response to those recommendations.

19.2 Furthermore, internal work done during 2021/22 has identified weaknesses in our practice around equality, diversity and inclusion more generally. Plans are already in place to enable rapid improvement in this area both in terms of our workforce inclusion and diversity and how we support and engage with diverse communities across the city in support of our Equality Objectives and the public sector equality duty.

Developing a new plan for Sheffield

20 Given the challenging policy, financial and operating context outlined above, the importance of the Council developing and agreeing a clear, prioritised plan, setting out its objectives for the coming years, is especially important.

21 A Corporate Plan should set out Elected Members' vision and priorities for Sheffield, and acts as a point of reference for staff, so that they understand their role in achieving Members' vision for SCC, and residents, so that they know what to expect from us. It should demonstrate the organisation's commitment to delivering that vision for Sheffield and outline how we will work with partners, communities and businesses to achieve it.

22 An effective Corporate Plan will set out:

- In one document outline the priorities and vision of members for the city over a period of at least three years
- our **commitment to deliver** on these priorities over the coming years.
- our honest take on the **key challenges** facing people and communities and what we can do to address them.
- our ambition to **work together as a city**, not just the council, with residents, communities, partners and businesses.

It will also be clear on how we get there by:

- helping us **to prioritise our resources** and draw a link between what we do and what we want to achieve
- shaping how we **work with partners in new ways** that will be more effective for the city and more financially sustainable for the Council.
- being **open and clear about our plans while listening** to and including others across the city

23 It should be a document that guides the organisation as its main policy framework – but it should also be a living and evolving document that is

capable relevant in the face of changing circumstances. To ensure that this happens, it is proposed that the main Corporate Plan, once agreed, is accompanied by a more detailed document setting out the key activity for the organisation over the year ahead in support of the overall priorities set out in the Corporate Plan itself. This document would be refreshed on an annual basis (alongside an annual report on progress to the Strategy and Resources Committee).

What we have done so far

24 Ahead of the election, we engaged with staff and senior managers to develop our understanding of what they need from the Plan, to act as a foundation for this work. From this we heard a number of key messages:

- A strong desire to have Members' priorities captured in a simple and easily accessible plan;
- People were clear that the Plan must be meaningful to our communities, that so that residents and communities can see and understand what we're trying to do for the city
- Staff also want to understand how their work connects to others' across the Council, and to understand what's going on across the Council more broadly
- A strong public service ethos and desire to do the best for Sheffield has been evident in the way staff have engaged
- A clear view that we need to do more to engage with communities and to use the engagement work we already do better, to recognise that different communities have different needs and to ensure we avoid a one-size-fits-all approach.
- Staff welcomed being engaged in this work, and were keen that they maintain involvement as it develops.

What we need to do now

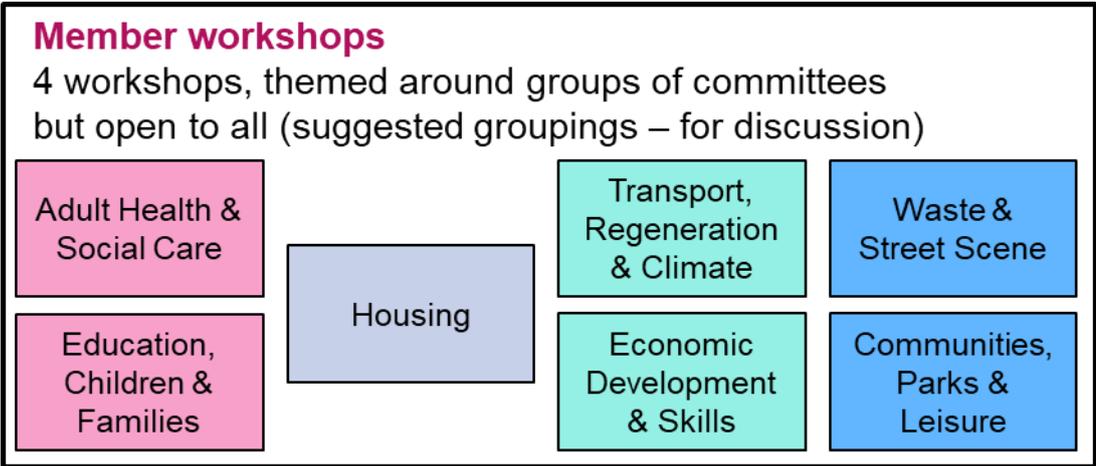
25 There are a number of areas of activity that we need to undertake to develop the plan:

1. Following the appointment of chairs and members of the new committees, work with Members to develop a set of shared policy priorities
2. Development of a draft Plan
3. Staff, public and partner engagement
4. Finalisation and formal approval of the Plan by Full Council

26 Working with senior Members from all three council groups, we propose holding a meeting of the Strategy and Resources Urgency Committee in June to discuss and agree a set of focus areas for the Council during the year ahead. This will both provide some short-term clarity for the organisation

about areas of focus, which will help to inform the budget setting process for 2023/24, as well as providing a helpful launchpad for the development of the Corporate Plan over the summer.

- 27 Our proposal for approaching the Corporate Plan development work is to run a series of member workshops, themed loosely around groupings of committees (such as in the example below). Relevant committee members would be invited to attend each one, but invites to each would be open to all Members, providing an opportunity to Members on other committees to input into areas that are outside their direct responsibilities but may be connected, or for relevant ward/constituent concerns to be represented in discussions.
- 28 These workshops would focus on agreeing outcomes for the areas being discussed, and then working with Members to prioritise within these. The output from these workshops will then need to be brought together to identify the small set of overarching priorities for the whole organisation.



- 29 We will also draw on existing material, including, importantly, the Local Area Committee Plans in this work.

Development of a draft Plan

- 30 Following these workshops, we would intend to bring a draft of the plan to the Strategy and Resources Committee meeting due to be held on 30 August.
- 31 In between the conclusion of the workshops and the meeting of the Committee on 30 August, Members may wish to consider meeting informally as a committee to oversee the process. Through this route the committee would have responsibility for both overseeing the development of the content, and ensuring effective engagement and involvement of the public and stakeholders in its development.
- 32 Because the Corporate Plan is a key component of the Council’s overall Budget and Policy Framework, it is suggested that Full Council endorse the

final version of the Corporate Plan. Therefore, a target date for Full Council to consider the plan of October 2022 is proposed.

How does this decision contribute?

33 The proposals set out in this report will help contribute to set a clear direction for the organisation for the forthcoming year, and through the development of the Corporate Plan, beyond. They will help to ensure that the organisation stays focused on key objectives whilst responding to the changing context within which it is working. In turn this will ensure that the council continues to place the wellbeing of the people of Sheffield and the communities in which they live at the heart of its decision-making.

Has there been any consultation?

34 There has been no consultation on the contents of this report as it provides a position statement to members of the committee and a proposed approach to developing a new plan for the council. As part of this approach, consultation with staff, citizens and Members on the content and direction of the plan is proposed.

Risk Analysis and implications of the decision

Equality Implications

35 There are no direct equality implications arising from this report. The operating context described in the first half of the paper, including, but not limited to, the forthcoming publication of the Race Equality Commission report, the cost-of-living crisis, and the work on Levelling Up, and the council's response to these, are all likely to have substantial equality implications. The same is true of the development of the Corporate Plan.

36 Equality Impact Assessments will be developed to ensure that a thorough and robust understanding of these equality implications is made for each of these issues as they come forward for consideration by the committee.

Financial and Commercial Implications

37 There are no direct financial and commercial implications arising from this report.

Legal Implications

38 There are no direct legal implications arising from this report. Once adopted the legal implications of delivery against the Corporate Plan will be considered as part of the decision-making process.

Climate Implications

39 There are no direct climate implications arising from this report. There are likely to be climate implications arising from the council's response to many of the issues documented in the first part of this report: climate impact assessments will be undertaken for these as needed.

Other Implications

40 There are no other implications of this report.

Alternative Options considered

41 Two alternative options were considered:

- Producing a Corporate Plan for discussion at the Strategy and Resources Committee in July. This was discounted on the basis that it would leave insufficient time for engagement with Members, staff or other stakeholders.
- Not producing a Corporate Plan at all. This was discounted on the basis that the policy, financial and operating context for the organisation was such that not having a clear statement of direction, objective and priorities would have a significant detrimental impact on the organisation's ability to operate effectively.

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