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Report to Policy Committee

Author/Lead Officer of Report: Diana Buckley –
Director of Economy, Skills & Culture

Tel:

Report of: Kate Martin, Executive Director, City Futures

Report to: Economic Development and Skills Committee

Date of Decision: 7th September 2022

Subject: **Economic Development & Skills Budget report: options for 23/24 budget**

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? 1233, 1234, 1236, 1237, 1238 and 1239				
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:-				
<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“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”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 the report:

This report sets out the budget pressures and risks facing the services that are the responsibility of the Economic Development and Skills Policy Committee (EDSC), and a budget action plan to mitigate these as far as possible in the 23/24 financial year.

It provides recommendations for approval which will allow our services to contribute to Sheffield City Council's ability to set a balanced budget.

Recommendations:

The Economic Development and Skills Policy Committee is recommended to:

1. Note the Council's challenging financial position
2. Note the pressures and risks identified in relation to the Economic Development and Skills Policy Committee budget for the 23/34 financial year and commit to work with officers to mitigate these risks where possible.
3. Note the work undertaken over the summer to develop the Budget Action Plan
4. Approve the budget action plan to deliver savings for 23/24 of £525K, against a pressure of £595K, for submission to the Strategy and Resources Policy Committee

Background Papers:

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

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: Liz Gough
	Legal: Sarah Bennett
	Equalities & Consultation: Bashir Khan
	Climate: Jessica Rick
	<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>(Insert name of relevant Executive Director)</i> Kate Martin
3	Committee Chair consulted: <i>(Insert name of relevant Member)</i> Cllr Martin Smith
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Diana Buckley
	Job Title: Director of Economy, Skills & Culture
Date: 30/8/2022	

1.	PROPOSAL
1.1	<p>Background</p> <p>The Council is facing a challenging financial position. The Strategy and Resources Committee on 5th July highlighted that it is critical that all Committees stay within the budgets that have been allocated to them by Full Council. Further, it agreed that Committee budgets for 23/24 should have a target of cash stand-still and should therefore be asked to identifying savings / income to absorb any financial pressures within the Committee’s budget and bridge any gap.</p> <p>This report includes an overview of the pressures and risks in relation to the Economic Development and Skills Policy Committee’s budget and identifies a set of actions within a Budget Action Plan to meet these pressures and mitigate financial risks, as far as possible.</p>
1.2	<p>Committee Budget Overview</p> <p>The majority of the services and activities within this Committee are non-statutory – with the exception of some obligations relating to Lifelong Learning and Skills (LL&S). However, they are impactful and important in supporting Sheffield to be a sustainable, inclusive, and culturally vibrant city. Although EDSC has one of the smaller budget allocations from Sheffield City Council’s core funding, this is used to leverage significant external funding for economic development activity. With respect to this, these teams operate with a Core-Flex model, whereby small core teams and services are funded through Council resources, with additional complementary activity and staff recruited in line with externally funded contracts.</p> <p>The delivery model is reflected in the savings and risks highlighted in this report. A significant proportion of the pay award pressure can be passed on within our external funding contracts as legitimate staffing costs. However, we also carry significant financial risk when external funding ends with no new funding mechanisms in place to bid in to, as is currently the case.</p>

1.3 **Overview of Pressures and Risks for Economic Development and Skills Committee**

The table below gives a high-level overview of the cash pressures and financial risks. This represents the best assessment of the data and risks currently known, however as the pay award is confirmed and the employment establishment data further refined there may be further amendments to these figures.

Name	Description	£000
Pay Award	Pressure based on the union proposal of a flat rate increase for 22/23 then <i>assumed</i> uplift of 4% for 23/24.	£525
22/23 BIP	£70K pressure, met by one off income in 22/23	£70
	Total Pressures 23/24	£595
Business Conferencing	Potential shortfall on income target post COVID due to change in events / hospitality market	£60
COVID staffing	Fixed term appointments made during COVID now a key part of business-as-usual delivery	£131
End of European Funding	Estimated staff costs funded through European projects coming to an end between March and June 23 and Dec 2023	£3,025
	Total Additional Activity at Risk 23/24	£3,216

1.4 **BUDGET ACTION PLAN – Proposals and Mitigations to off-set pressures for Economic Development and Skills Committee 23/24.**

The below table gives an overview of the budget proposals, discussed, and debated with the Committee Members to contribute to a balanced budget for Economic Development and Skills. The Committee considered the potential impact of service delivery to customers, equalities impacts and climate impacts. This report makes recommendations against these proposals, in line with the Committee’s advice to Officers.

The report discusses these in further detail below.

Name	Description	Estimated Saving / Mitigation	EIA rating	CIA rating	Recommendation
1.Recharging	Recharging the pay award pressure for staff currently funded by external income.	Est'd £315K	Neutral	Neutral	Approve
2.Further Income Maximisation	Maximising income from external grant sources by claiming legitimate amounts of senior officer time against external funding	Est'd £80K	Neutral	Neutral	Approve
3.Efficiency Savings	More effective and efficient delivery of SEND provision in SHEAF	Est'd £80K	Neutral	Neutral	Approve
4.Reduction in Service – Activity Budget	A 10-15% reduction across activity budgets within Economic Development and Skills	Est'd £50K	Negative	Negative	Approve
	Total	£525K			
5.Reduction in service – Events	Reduce the Strategic Events budget by 20%.	£50K	Negative	Neutral	<i>Reject</i>
6.Reduction in service – Regional Tourism Contribution	Withdraw Sheffield’s contribution to regional Tourism Activity	£50K	Negative	Neutral	<i>Reject</i>
7.Reduction in service - Business Advisors	Reduce the budget for expert Business Advisors	£70K	Negative	Negative	<i>Reject</i>

1.4.1	<p>Recharging - Recharging the pay award pressure for staff currently funded by external income.</p> <p>Under current externally funded projects a high percentage of staff costs are eligible project costs. Included in the original project bids is pay award pressures for inflation and, as such, the pay award pressure can be recharged to these external contracts with no detrimental impact on project delivery or staff contracts. The recharging figures have been estimated based on the number of posts allocated to external projects in the Services that fall under the Economic Development and Skills Committee.</p>
1.4.2	<p>Maximising income – Bringing in external grant sources by claiming legitimate amounts of senior officer time against external funding</p> <p>Grant funding for LL&S comes from the Education and Skills Funding Agency (ESFA) and through the South Yorkshire Mayoral Combined Authority (SYMCA) as a devolved budget. These funding streams are allocated annually, but as prime contract holders there is minimum risk of these ending. Within this we are legitimately allowed to claim for leadership, management and support costs. We will be maximising the claim for the Head of Service and 4 other posts, which have traditionally been covered by cash limit funding which should save up to £100K from EDSC budget. Because of the permanent nature of this grant funding no jobs will be placed at any risk due to this charge.</p>
1.4.3	<p>More effective and efficient delivery of Special Educational Needs and Disabilities (SEND) training provision in Sheaf Training Centre</p> <p>Sheaf Training Centre is a specialist training centre for high needs learners and vulnerable young people. It receives over £2.4 million of grant funding from three sources of ESFA funding. This academic year rationalisation of the curriculum and clear individualised learner-based planning ensured much greater effectiveness and efficiencies in delivery costs. Traditionally Sheaf subcontracted up to 90% of its planned provision to external providers, a large amount of this to the Sheffield College under a project called “New Routes”. This methodology presented poor value for money and reduced impact. Partnership arrangements with the College have enabled direct access to College for learners, enabling Sheaf to reduce costs and provide a much better curriculum for the most vulnerable young people with high needs. This has provided a much clearer pathway for young people and not impacted on Sheafs provision being graded as good with outstanding features, and it is both effective and efficient. A further drive during the academic year 22/23 to increase effectiveness by managing resource and external placement costs to ensure that Sheaf is able to manage and cover salary pressures by up to £100K, whilst maintaining excellent provision for the young people placed with it will be implemented</p>
1.4.4	<p>Reduction in Service – Activity Budget</p> <p>Within the Economy Skills and Culture Directorate a number of Teams have small activity budgets to enable them to respond to in-year opportunities such as partner collaboration, sponsorship of key events and research/policy development. This proposal looks to reduce these budgets by between 10% and 15%. Whilst this will have limited impact on staff it should be noted that any reduction in these activity budgets will reduce our ability to respond partner opportunities and to bid for match funding.</p>
1.4.5	<p>Reduce Strategic Events Budget (Circa £50K)</p>

	<p>Within the Economy Skills and Culture Directorate there is an event budget allocated for strategic events. Whilst not all SCC events activity sits within this budget, this budget does support a number of medium scale events which are important to the City, many of which are based on a long-standing relationship, are synonymous with Sheffield and bring in regional and national visitors into the City. This budget is £235,000 and funds events such as Doc Fest, British Swimming, Tramlines Fringe, Cliffhanger and The City Festival of the Outdoors. This proposal looks to reduce this budget by up to 20% and work with event providers to manage this reduction. Events are a critical part of animating the City and particular post Covid have been an effective way of driving footfall and economic activity in the city centre and district centres. By reducing this budget we would seek to minimise the impact on individual events by working with them to support further external funding bids. However, this may well impact on the scale and deliverability of the events that we are supporting and would limit the ability to respond to other one-off small-scale event opportunities within the year.</p>
1.4.6	<p>Reduction in service – Regional Tourism Contribution</p> <p>The regional landscape for Destination Management Organisations (DMO) and tourism is changing in Yorkshire. Welcome to Yorkshire is now in administration and a new review led by visit Britain called the De Bois Review is looking at a new DMO structure at both regional sub regional and city level. Our historic contribution to Welcome to Yorkshire was £50,000 per year and this has been discussed as a possible budget saving since Welcome to Yorkshire ceased operating. However, the new government review points to the fact that any new funding through government may be rooted through a regional DMO rather than direct to local authorities. In previous years Sheffield Marketing Sheffield has successfully secured funding of around £750,000 to support tourism activity in the city. Without a contribution to a regional or sub regional DMO it is likely that Sheffield would not be able to access this level of funding directly with government. In order to actively participate with any future regional DMO at the Yorkshire or South Yorkshire level we would need to retain some or all of the £50,000 to ensure that we had a contribution to make to this organisation. This would enable us to shape its purpose and potentially access additional funding that may become available via the DMO.</p>
1.4.7	<p>Reduction in Business Advisors Budget</p> <p>As part of the Business Sheffield Service, we have an expert team of Business Advisors in respect to finance, productivity, business growth and tech. These advisors play a large and significant role in supporting Sheffield businesses to grow. An actual £70,000 reduction in this budget would represent a 40% reduction in the advisor time we have available to support Sheffield businesses. In previous years we have been able to supplement this advisor team with further income through European funding and through funding secured through the SYMCA. However, both sources of funding come to an end in March 23. There may be alternative funding sources that come forward within the next year that enables the Service to again supplement or replace Council budget into this activity. However, these are far from certain at this time and so, with any reduction in the Business Advisor budget, we must assume, at this time, that there will be a reduction in service.</p>
1.5	<p>BUDGET ACTION PLAN: Managing Financial Risks</p>
1.5.1	<p>Marketing Sheffield: Business Conferencing income targets</p>

Pre Covid the Business Conferencing Team were in a strong position to bring in 'commission income' on a large percentage of the conferences and events they were supporting. Even so, this model was becoming more challenging and increasingly outdated (it is hard to increase fees as we work to an industry national average and some events we work on do not enable us to take commission income due to many factors beyond our control).

During Covid income stopped as events and conferences did not take place. The ability to bid and actively target business for future years was also completely on hold with a direct impact on future income generation (i.e. it can take several years from a successful bid for that activity to take place in the City along with the income generated being received).

Today the Conference market is still far from operating 'normally'. Face to face events are taking place but there is still much uncertainty. Delegate numbers are not at pre covid levels (events are smaller) and international visitors have not returned in the same numbers (mix of Covid and Brexit). Hybrid and virtual are still very much in the mix which means no income for the Team as venues and hotels are not in use) and many event organisers are not planning as far ahead as they might have done waiting to see 'how things go'.

It is becoming apparent that 2022 is likely to be a one-off resurgence due to pent up demand, rescheduling of events that would have taken place in 2020/21 (for example the Women's Euros) and relocation of some events where it's difficult for them to take place internationally (e.g. Ice Skating Grand Prix was due to be in China but Covid regs are too strict so it's now in Sheffield). This rescheduling demand is unlikely to be the case in 2023/4.

Furthermore, the Hospitality sector is also struggling to service all the business demand due to factors such as a constrained labour market and this in turn reduces Conference viability. It has also seen venues trying to secure business without support of the Conferencing Team and thus avoiding payment of commission.

Mitigation for 23/24

Given that the mechanism for bringing in commissioned income is no longer viable and the current economic climate is not helpful, a new fees-based model to mitigate this pressure in 23/24 and beyond is being considered. We are working on the different options for this fees-based model whilst at the same time testing the market with venues and hotels. Proactive work to bid for new events is a priority in our Business As Usual to maintain long term commission income.

1.5.2 **COVID Pressure**

During Covid Business Sheffield moved from supporting around 900 businesses a year to working with around 12,000. In order to cope with this demand and support the delivery of Covid grants we reconfigured the Service which included internal redeployments, additional temporary staff and a more effective management structure. As we have moved out of Covid many of these temporary measures have been removed. However, as the economy looks to recover from Covid, engagement levels remain high with Business Sheffield reflecting the uncertain nature and economic difficulties still facing businesses.

This financial pressure represents the ongoing costs of the remaining elements of business support put in place during Covid. As the new level of service provision is

higher post Covid we will be seeking to find external sources of funding to continue with elements of the Covid support that have, and will continue to improve the Business Sheffield service. However if this funding cannot be identified these temporary arrangements will come to an end in March 2023 or the service will be reconfigured through appropriate achieving change processes to ensure that the best possible customer service is retained in Business Sheffield. There are no risks of an MER in this proposal, as if external funding cannot be secured an existing secondment will be terminated as will a temporary contract.

1.5.3 END OF EU FUNDING

At the end of December 2020, the current European Programme of Structural Funds (ESIF) came to an end. The Programme allows both European Social Fund (ESF) and European Regional Development Funds (ERDF) to be defrayed for a further three years meaning of project activity and expenditure must be completed by the end of 2023.

Sheffield, the City Council, together with South Yorkshire partners, have benefitted significantly from ERDF and ESF funding for over 20 years and still have several 'live' projects providing economic and social benefits to businesses and communities. In addition, there are several national programmes that benefit the city. However, with the end of the EU funding projects will cease resulting in a loss of key support activity and will have other implications for groups and staff involved in project delivery.

A summary of existing EU revenue projects delivered by the Council and operating in Sheffield is provided below (excluding national programmes):

ERDF - Project Name	Brief Description	Accountable Body	Delivery End Date	SCC Staff - Delivery (FTE)	SCC Staff - Project Support (FTE)
Launchpad	Support for pre start and early stage businesses (up to 2 years) through workshop programme and 121.	BMBC	01/03/2023	4.5	0.5
Business Productivity	Support for Growth Business (at least one year trading) through 121 business support and a grant of £12,500	BMBC	01/06/2023	0.0	0.7
RISE Enhancement	Support for SME's to recruit Graduates with a grant to subsidise the first 3 months salary costs	SCC	01/06/2023	0.0	1.2
Low Carbon	Support for businesses to reduce carbon (tonnes) withing their business with a grant of up 12,500 to support implementation of carbon reducing measures	SCC	01/06/2023	2.0	1.1

ESF - Project Name	Brief Description	Accountable Body	Delivery End Date	SCC Staff - Delivery (FTE)	SCC Staff - Project Support (FTE)
Ambition (Pathways To Progression)	Furthest from the labour market into employment	SCC	31/12/2023	7.9	2.0
Pathways to Success	Furthest from the labour market into employment	SCC	31/12/2023	4.0	3.0
Sector Routeways*	Sector specific employment scheme	SCC	31/12/2023	7.0	3.0
Advance Digital*	Digital upskilling for SMEs and their employees	BMBC	31/12/2023	4.4	1.8
Advance SCR*	Specialist employment and skills brokerage for SMEs	DMBC	31/12/2023	6.0	1.7
Totals				35.8	15.0
					50.8

	<p>A number of these projects have been delivered at a South Yorkshire level reflecting the similar nature of the issues facing the business and resident communities across all four Local Authorities. Where appropriate the ESIF Programme has encouraged a single Lead partner to deliver the project with named partners who assist with the delivery of the activity within their areas. In these cases, partners are not just other LA's but can include the private or vol-com sectors. As such these organisations also face the prospect of funding comes to an end over the next two years with implications for the activity and staffing.</p> <p>The UK Shared Prosperity Fund (SPF) is seen as a potential source of funding to maintain these projects or enable them to adapt to a post-covid and cost of living crises environment. However given the expected demands on SPF from all sectors it is likely that these projects cannot simply continue without some prioritisation to determine whether they should continue, adapt or end. It is therefore proposed to undertake an appropriate level of evaluation to determine the approach to take. These choices will need to not only consider the implications on the project outputs and outcomes but also other implications such as staffing requirements.</p>												
2.	HOW DOES THIS DECISION CONTRIBUTE ?												
2.1	The proposed Budget Action Plan will deliver a saving of £525K towards delivering a balanced budget for the Council for 23/24.												
2.2	The recommendations in this report will also ensure that the Committee has a robust Budget Action Plan for 2023/24.												
2.3	Climate and equalities considerations addressed under relevant sections 4.1 and 4.4												
3.	HAS THERE BEEN ANY CONSULTATION?												
3.1	While none of the elements within this report require statutory consultation, they are being proposed following discussion and development as part of joint work with the full ED&S Committee.												
4.	RISK ANALYSIS AND IMPLICATIONS OF THE DECISION												
4.1	<u>Equality Implications</u>												
4.1.1	<p>Initial Equality Impact Assessments have been completed for all of the budget proposals. Further, more detailed impact assessments will be undertaken, as required, if an option is confirmed. Considerations have therefore been mapped in the table below, and informed recommendations in the Budget Action Plan:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Description</th> <th>EIA rating</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td colspan="4">Recommended to approve</td> </tr> <tr> <td>Recharging</td> <td>Recharging the pay award pressure for staff currently funded by external income.</td> <td>Neutral</td> <td>The proposal to recharge legitimate staff costs to the relevant external project, with the outcome being to address a large % of the pay award pressure for 23/24 will mean there is no equality impacts as staff pay /</td> </tr> </tbody> </table>	Name	Description	EIA rating	Comment	Recommended to approve				Recharging	Recharging the pay award pressure for staff currently funded by external income.	Neutral	The proposal to recharge legitimate staff costs to the relevant external project, with the outcome being to address a large % of the pay award pressure for 23/24 will mean there is no equality impacts as staff pay /
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				terms / conditions will be unaffected and planned activity to meet project outputs can be maintained. As projects can absorb these costs due to underspend on existing activity or salaries.
Further Income Maximisation	Maximising income from external grant sources by claiming legitimate amounts of senior officer time against external funding	Neutral		There will be a limited reduction in the opportunity to work with partners and bid for future funding from the reduction of the Activity Budget, but this activity will continue, will be monitored and mitigated as required.
Efficiency Savings	More effective and efficient delivery of SEND provision in SHEAF	Neutral		There will be no impact on the partnership working between Sheaf Training Centre and The Sheffield College. Learners will continue to attend the college once agreed with Sheaf Training Centre.
Reduction in Service – Activity Budget	A 10-15% reduction across activity budgets within Economic Development and Skills	Negative		With reduced budget we will have to scale back on activity, but we will mitigate the impact by considering equality impacts as part of our decision making and mitigate as required.
Recommended to reject				
<i>Reduction in service – Events</i>		Negative		With a reduced budget, we would have to prioritise the events we support or reduce support guided by the Strategic Events group. Given the spread of events and benefits across the city and the potential mitigations, we only assess this to be of minor impact.
<i>Reduction in service – Regional Tourism Contribution</i>		Neutral		The proposal to end the subscription to a DMO reduces pressure on the council budget, via offering a reduction in funding for a non-statutory service through ending of the membership with the DMO. Although this budget proposal could have negative economic

				impacts for the city in terms of opportunities lost, the overall equality impact is expected to be neutral
	<i>Reduction in service Business Advisors</i>		Negative	A budget reduction for business advisors affects our ability to support businesses and to deliver on opportunities - it is hard to identify specific impact due to the service business model which adapts to the needs of the business community and economic environment.
4.2	<u>Financial and Commercial Implications</u>			
4.2.1	Each Committee is required to deliver a cash standstill budget for 2023/24, which requires them to find mitigations for any Service pressures over above 2022/23 budget. The purpose of this is to allow the Council to achieve a balanced position for 2023/24 by the time the Strategy and Resources meets on 12 October 2022.			
4.2.2	The pressures and savings proposals to address this are set out in this paper. Currently this Committee has a gap of £70k to meet its target.			
4.2.3	Further work will be required to address this gap and to ensure delivery plans are in place.			
4.2.4	All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2023/24 budget for the Council as a whole.			
4.3	<u>Legal Implications</u>			
4.3.1	<p>By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.</p> <p>The recommendations in this Report contribute to the process of setting that budget but do not otherwise have any immediate legal implications.</p> <p>Implementation of the specific proposals outlined in this Report may require further decisions in due course, which will need to be 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. However, there are no legal concerns to draw to the attention of the Committee at this time.</p>			

4.4	<u>Climate Implications</u>																																		
4.4.1	<p>Sheffield has adopted a Net Zero 2030 City target.</p> <p>While the focus of the proposed actions in this report are on meeting our budget challenges, we have been mindful of climate impact in our decision making as set out in the assessment below:</p> <table border="1" data-bbox="194 430 1489 2089"> <thead> <tr> <th data-bbox="194 430 413 506">Name</th> <th data-bbox="413 430 657 506">Description</th> <th data-bbox="657 430 826 506">CIA Rating</th> <th data-bbox="826 430 1489 506">Comments</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="194 506 1489 544">Recommended to approve</td> </tr> <tr> <td data-bbox="194 544 413 801">Recharging</td> <td data-bbox="413 544 657 801">Recharging the pay award pressure for staff currently funded by external income.</td> <td data-bbox="657 544 826 801">Neutral</td> <td data-bbox="826 544 1489 801">Not considered to have impact</td> </tr> <tr> <td data-bbox="194 801 413 1243">Further Income Maximisation</td> <td data-bbox="413 801 657 1243">Maximising income from external grant sources by claiming legitimate amounts of senior officer time against external funding</td> <td data-bbox="657 801 826 1243">Neutral</td> <td data-bbox="826 801 1489 1243">Not considered to have impact</td> </tr> <tr> <td data-bbox="194 1243 413 1500">Efficiency Savings</td> <td data-bbox="413 1243 657 1500">More effective and efficient delivery of SEND provision in SHEAF</td> <td data-bbox="657 1243 826 1500">Neutral</td> <td data-bbox="826 1243 1489 1500">There may be differences in carbon impacts between provision in special schools or provision in mainstream but not enough is known about these differences to enable a more detailed assessment at this stage.</td> </tr> <tr> <td data-bbox="194 1500 413 2016">Reduction in Service – Activity Budget</td> <td data-bbox="413 1500 657 2016">A 10-15% reduction across activity budgets within Economic Development and Skills</td> <td data-bbox="657 1500 826 2016">Negative</td> <td data-bbox="826 1500 1489 2016">Decarbonisation activity is only just getting off the ground in these areas of SCC and although sustainability is increasingly identified as an area where more activity is needed, the budget to extend the scope of, for example, business support services into this area has not been available. There is therefore a significant opportunity cost in cutting activity when in order to deliver sustainability support to businesses and support delivery of economic aspects of the 10 point plan, increased activity would be required.</td> </tr> <tr> <td colspan="4" data-bbox="194 2016 1489 2054">Recommended to reject</td> </tr> <tr> <td data-bbox="194 2054 413 2089"><i>Reduction in</i></td> <td data-bbox="413 2054 657 2089"></td> <td data-bbox="657 2054 826 2089">Neutral</td> <td data-bbox="826 2054 1489 2089">It could be argued reduced event activity</td> </tr> </tbody> </table>			Name	Description	CIA Rating	Comments	Recommended to approve				Recharging	Recharging the pay award pressure for staff currently funded by external income.	Neutral	Not considered to have impact	Further Income Maximisation	Maximising income from external grant sources by claiming legitimate amounts of senior officer time against external funding	Neutral	Not considered to have impact	Efficiency Savings	More effective and efficient delivery of SEND provision in SHEAF	Neutral	There may be differences in carbon impacts between provision in special schools or provision in mainstream but not enough is known about these differences to enable a more detailed assessment at this stage.	Reduction in Service – Activity Budget	A 10-15% reduction across activity budgets within Economic Development and Skills	Negative	Decarbonisation activity is only just getting off the ground in these areas of SCC and although sustainability is increasingly identified as an area where more activity is needed, the budget to extend the scope of, for example, business support services into this area has not been available. There is therefore a significant opportunity cost in cutting activity when in order to deliver sustainability support to businesses and support delivery of economic aspects of the 10 point plan, increased activity would be required.	Recommended to reject				<i>Reduction in</i>		Neutral	It could be argued reduced event activity
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Recommended to reject																																			
<i>Reduction in</i>		Neutral	It could be argued reduced event activity																																

	<i>service – Events</i>			would reduce carbon impacts as a result of fewer events taking place, however there is the possibility that other bodies could take over the delivery of events and not take climate impacts into account, delivering more carbon intensive events. There is not enough information overall to make either judgement so this proposal is regarded as neutral.
	<i>Reduction in service – Regional Tourism Contribution</i>		Neutral	Unclear what the climate impacts of foregoing membership would be, although being excluded from regional strategy and bidding would exclude us from influencing on sustainability matters.
	<i>Reduction in service Business Advisors</i>		Negative	As above – reducing Business Advisor activity at a time when demand for sustainability support for businesses is increasing is an opportunity cost and jeopardises ability to deliver on elements of the 10 point plan, combined with current ERDF funded Low Carbon Project ending in 2023. Imperative that income sought for job creation (e.g. through SPF) takes the need for sustainability support into account.

4.4 Other Implications

HR

4.4.1 We have initiated consultation with Union representatives on the outlined proposals and will continue to work with them as detail develops.

The savings proposed in this Budget Action Plan will not lead to Compulsory Redundancy, however it will mean that more staff are reliant on external funding.

It is also important to note that externally funded staff, do have full employment rights after 2 years with the Council.

As part of the mitigations set out in the financial risks in this report, there will be an end to temporary contracts and secondments. Furthermore, if new sources of funding cannot be found to replace European Funds, the service will have to undertake a Managing Employee Reductions process.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 **Do nothing**
By undertaking none of the proposed actions, we would be unable to contribute to delivering a balanced budget.

5.2 **Deliver Balanced Budget**
Make further savings by accepting the options, currently rejected, by the Committee.

5.3 **Offer greater budget savings by stopping services**

	Make further savings by stopping non statutory services
6.	REASONS FOR RECOMMENDATIONS
6.1	<p>A balance has been sought to strike a balance between meeting the budget challenges in Committee and still delivering as much impact as possible for Sheffield's economy and residents in line with the priorities set in the one-year plan and Business Recovery Plan. The contribution and commitment of the Service in supporting the city economy through covid has been noted, and losing the momentum built as we face a cost-of-living crisis would be damaging to the broader City economy.</p> <p>Furthermore, removal of the services and budgets would also dramatically reduce the City's ability to bid for and win external funding, which maximises the Council's investment.</p> <p>This is the preferred option as it allows the Committee to contribute substantially to the Council's budget position. Further options can be considered by Strategy and Resources Committee with the EDSC, as the range of options across all Committees are considered together.</p> <p>In setting this Budget Action Plan the intended outcome is to continue to deliver services which are pivotal to economic development within the city and support the wider regional economy and maximise our limited financial resource by working in partnership and bringing in external funding.</p>

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