



## Report to Policy Committee

**Author/Lead Officer of Report:**

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**Report of:** Ajman Ali Executive Director of Neighbourhoods

**Report to:** Strategy & Resources Committee

**Date of Decision:** 24th of January 2024

**Subject:** Proposed Capital Programme for 2024/25

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) is not for publication because it contains exempt information under Paragraph (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

**Purpose of Report:**

This report sets out the key priority areas for capital investment for the Strategy and Resources Policy Committee and provides an overview of potential projects and priorities for the years 2024 to 2029, together with an overview of anticipated developments and challenges up to 2052.

The Committee is asked to endorse the general approach to inform the Council’s overarching Capital Strategy (which will be brought to Full Council for approval in March 2024).

**Recommendations:**

The Strategy and Resources Policy Committee is recommended to:

1. Endorse the proposals set out in this report.
2. Note that the proposals will now be included in the draft Capital Strategy to be submitted to Full Council for approval in March 2024 and, if approved:
  - a) Officers will work with Members to consult with relevant stakeholders (including with partners, staff, trades unions [if required] and in respect of equalities and climate change) on the proposals in this report to inform final project proposals;
  - b) Officers will work to develop any necessary detailed implementation plans for the proposals in this report so that the proposals can be implemented as planned; and
  - c) Approval for detailed proposals will be sought as part of the monthly capital approval cycle by the Finance Committee.

**Background Papers:**

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

- Appendix 1

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: Phil Moorcroft
		Legal: Sarah Bennett
		Equalities & Consultation: N/A – see report.
		Climate: N/A – see report.
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	Ajman Ali
3	<b>Committee Chair consulted:</b>	Tom Hunt
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Nathan Rodgers	<b>Job Title:</b> Head of Service – Facilities Management
	<b>Date:</b> 09/01/24	

## 1 BACKGROUND

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance, which the Council must by law have regard to, includes the requirement for 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.
- 1.2 This Council's Capital Strategy takes a 30-year view of capital investment, with a detailed 5-year Capital Programme. This includes a 10-year investment pipeline, setting out potential projects which we should prioritise for external funding.
- 1.3 This report sets out recommendations in relation to the element of that Capital Strategy related to the functions of the Council that are the responsibility of the Strategy and Resources Policy Committee.

## 2 PROPOSAL

- 2.1 Capital investment in the Strategy and Resources Policy Committee area is focused on ensuring that our operational estate and vehicle fleet comply with all legal and regulatory requirements. When planning investment, we strive to improve their functionality for our customers and employees and reduce our environmental impact, energy, and fuel costs by prioritising energy efficiency at every opportunity and making the best use of the latest available technologies.
- 2.2 This Report provides an opportunity for the Strategy and Resources Committee to comment upon and develop the proposed Capital Strategy for its areas of responsibility. This will then form part of the Council's overarching Capital Strategy for the year ahead.
- 2.3 It is important that the Council moves towards a 'rolling' Capital Strategy which does not simply reflect a fixed point in time. It is therefore proposed that the Strategy and Resources Policy Committee reviews its Capital Strategy regularly over the course of the year, so it considers emerging pressures and funding streams.
- Officers will ensure it is updated and brought back for endorsement as the year progresses.
- 2.4 The proposed projects for the coming year and the long-term forward look are set out in Appendix 1.

## 3 HOW DOES THIS DECISION CONTRIBUTE?

- 3.1 The proposals in this report are aimed at maximising financial resources to deliver Strategy and Resources Policy Committee outcomes to residents in Sheffield. By delivering this investment, the Council seeks to improve the quality of life for the people of Sheffield.
- 3.2 **Carbon Net Zero** - Our role as a council is to reduce our own emissions and to do what we can to enable change across the city. Every potential project will have a Climate Impact Assessment completed before it is brought to Finance Committee

for formal approval and we will seek to minimise the negative and maximise the positive sustainability outcomes from all our projects.

3.3 **Equality, diversity and inclusion** – The council is committed to promoting equality, diversity and inclusion. Every potential project will have an Equality Impact Assessment completed before it is brought to Finance Committee for formal approval.

3.4 As the new **Corporate Plan** emerges, we will continue to ensure that our committee and service capital priorities link and feed into the broader corporate priorities. We'll also align our capital projects with the **Sheffield City Goals** framework which aims to deliver a city where everyone, no matter who they are or where they come from, can live well and be part of Sheffield's story on terms that make sense to them.

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

3.1 Any required consultation will be carried out prior to formal capital approval of the schemes being brought forward to the Finance Committee.

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

### **4.1 Equality Implications**

4.1.1 Equality Impact Assessments (EIA) will be conducted for all the endorsed proposals within this report as they are brought forward through the usual Capital Approvals Process.

4.1.2 EIAs (Equality Impact Assessment) are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon.

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

4.2.1 There are no financial or commercial implications arising directly from this report as this report is not approving any individual schemes. Financial and commercial considerations will be considered for each individual project as they are brought forward through the standard Capital Approvals Process.

4.2.2 All Core Cities appear to be struggling with financial sustainability and having to deliver significant savings. This is likely due to the arbitrary Central Government (CG) funding cuts throughout the decade of austerity, which were disproportionately targeted towards high need authorities such as Core Cities. For example, the real terms spend power (the amount of funding a Council has to deliver services) reduction in Sheffield was 26% or £880 per resident, compared to the national average of 19% and £581 per resident.

### **4.3 Legal Implications**

4.3.1 The Local Government Act 2003 sets out a framework for the financing of capital investments in local authorities. In accordance with the provision of the Act, and regulations thereunder, local authorities must have regard to the requirements set out in the Prudential Code for Capital Finance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Prudential Code is a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. One of the requirements of the Code is a Capital Strategy.

4.3.2 The recommendations in this Report contribute to the process of setting a Capital Strategy but do not otherwise have any immediate legal implications.

4.3.3 Implementation of the specific proposals outlined in this report will require further decisions in due course, which will need to be made in accordance with the Council Constitution. It is important to note that in making these decisions, full consideration of the Council's legal duties and contractual obligations will be needed.

#### **4.4 Climate Implications**

4.4.1 Climate Impact Assessments (CIA) will be developed for all endorsed projects within this report as they are brought forward through the usual Capital Approvals Process.

4.4.2 CIAs are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon.

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

5.1 The Council is required to both set a balanced budget and to ensure that in-year income and expenditure are balanced. Committee is invited to comment upon and endorse the current proposals to form part of the Council's wider Capital Strategy for 2024/25.

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

6.1 Members are asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in September 2023.

6.2 This report and its recommendations set out how capital projects can continue to be developed and delivered, despite the limited resources available and continue to deliver quality infrastructure for the people of Sheffield.

## Appendix 1

Proposed Capital Strategy submission for Strategy and Resources Policy Committee for 2024/25



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