



Report to Policy Committee

Author/Lead Officer of Report: Ryan Keyworth,
Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: Ryan Keyworth
Report to: Strategy & Resource Committee
Date of Decision:
Subject: 2023/24 Budget Position

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: -				
"The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."				

Purpose of Report:

This report updates in the Strategy & Resources Committee on the progress of the 2023/24 budget process.

The appendix contains specific budget proposals that the Committee are asked to endorse

Recommendations:

The Committee is recommended to:

1. Note the update on the Council's 2023/24 budget position.
2. Endorse the budget proposals set out in Appendix and note that the formal budget report be brought to the Strategy & Resources Committee on the 24th January 2023
3. To note that works continues towards balancing the 2023/24 budget including implementing the proposals agreed in this report.

Background Papers:

[12 October 2022 Strategy and Resources Committee 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 <i>Ryan Keyworth: Director of Finance and Commercial Services</i>
		Legal: <i>David Hollis, Assistant Director, Legal and Governance</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	SLB member who approved submission:	<i>Ryan Keyworth</i>
3	Committee Chair consulted:	
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>Ryan Keyworth</i>	Job Title: <i>Director of Finance and Commercial Services</i>
	Date: <i>1st November 2022</i>	

1. PROPOSAL

1.1. This report updates the S&R Policy Committee on the progress of the 2023/24 budget process.

1.2. Following on from the 15th October S&R report, £55m of proposals have been endorsed for approval. This leaves a gap of approx. £24m, with more options being explored.	General Fund Revenue Budget (£m)	Pressure	Endorsed by Members	Mitigations to find
	AHSC	26.0	-21.9	4.1
	ECF	10.2	-5.5	4.7
	Housing	0.7	-0.4	0.3
	TRC	3.4	-0.8	2.6
	EDS	0.6	-0.5	0.1
	WSS	11.2	-1.0	10.2
	CPL	2.3	-2.0	0.3
	S&R (Corporate)	16.7	-16.7	0.0
	S&R (Committee)	7.7	-6.4	1.3
	Total	78.8	-55.2	23.6

the detail of these proposals are attached at appendix 1

1.3. **There are some potential improvements to this position** Work is still in progress, particularly with the Education, Children and Families Committee which is resulting in further savings being identified.
It is hoped that this will improve the position to leave around £17m still to be found.

1.4. **The Government budget announcement 17th November may give some flexibilities and potential changes to the Councils resources.** The Chancellor announced a number of potential changes

- Increasing the council tax threshold to 3% from 2% without the need for a referendum
- Increase the ASC precept to 2% from 1%
- Specific grants for ASC which may come with additional burdens such as hospital discharge
- Relief to business for business rates for which LA's will need compensation

The specific detail and confirmation of what this means for SCC will not be known until the formal notification expected 21st December but is expected to be higher than the MTFA budget assumptions.

1.5. **We need to find options to close most, if not all of this gap** Based on the latest budget monitoring, by the end of the financial year we will have used around £54m of the £70m reserves we earmarked to support a return to financial sustainability.

That means we can't use reserves to balance next year's budget – we don't have the scope to fill recurrent overspends with one-off reserves and if we do, we'll find ourselves under increasing external scrutiny.

- 1.6. **We can afford some one-off costs for change** We can use the remaining £16m of reserves to help us change our organisation to both deliver on our plans and operate at a lower ongoing cost.
- 1.7. **HRA: The Housing cttee has endorse £19.9m of savings leaving a gap of £2.9m** The HRA is a ringfenced account within the Council, the main income source for funding the service being council housing rental. The current position for the HRA is savings endorsed by Members of £15.6m detailed in appendix 2

HRA (£m)	Pressure	Endorsed by Members	Mitigations to find
Housing Revenue Account	22.8	19.9	2.9

The Chancellors budget announcement on the 17th November announced that the rent cap increase for housing rent is set at 7%, Members are minded to recommend this increase to Council.

- 1.8. **Ultimately, it's for S&R to recommend a budget to Council** In the Council's constitution, it is for the Strategy and Resources Committee to recommend a budget to Full Council. This applies to both the Housing Revenue Account business plan and rent setting report to the 1 February 2023 full Council meeting and the rest of the budgets and Council Tax level report to the 1 March 2023 Full Council meeting.
- The process we have followed this year with Policy Committees was designed to provide the maximum level of individual Policy Committee involvement in the process that is allowed by the Constitution.
- Time is now against us, and it may be necessary for S&R to make recommendations to Council that have not been explicitly approved by the relevant Policy Committee in a public meeting.

November Policy Committees

- 1.9. **The November Policy Committees has been the first step to approval** The original intention was for Policy Committees to endorse their overall budgets and recommend them to Strategy and Resources which would in turn recommend the budget to Full Council.
- The proposals endorsed by the committees and Members are attached at appendix 1 & 2.
- 1.10. **The S&R committee has cross party acceptable proposals of £6.4m** The S&R committee itself has proposals to consider and those agreed as crossed party acceptable are detailed at appendix 3 and amount to £6.4m.

- 1.11. **The timeline for the HRA final budget report is 1st February council and for the General Fund 1st March Council.**
- There will be no time to alter the Housing Committee's Housing Revenue Account business plan and budget after Christmas if the Housing Rent setting decision is to be made at the 1 February Council.
- There may be time leading up to Christmas to make minor changes to the General Fund budget leading up to 1 March Council, but not much.
- There will also be significant work to do on public consultation, equality and climate impacts and other stakeholder engagement in the time between Christmas and mid-February.

2. HOW DOES THIS DECISION CONTRIBUTE?

The recommendations in this report are central to the process of completing the Council's 2023/24 budget process in good time.

3. HAS THERE BEEN ANY CONSULTATION?

There has been no specific consultation on this report. An overall public consultation on the proposed approach to setting the budget will be carried out ahead of the final report to Members on 24 January. This will include engagement with statutory consultees in the voluntary and community sector and in the business sector. Specific consultation will take place on individual proposals as required.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1. Equality Implications

There are no direct equality implications arising from this report. However, the individual proposals will each have full Equality Impact Assessments undertaken to support our duties under the Equality Act 2010. Based on these we will undertake a full Equality Impact Assessment on the overall budget which will be presented to Members as part of the final report on the budget to be considered at the 24 January Strategy and Resources Committee. This will be informed by an assessment of any cumulative impacts of the various proposals on people who share protected characteristics.

4.2. Financial and Commercial Implications

There are no direct financial implications from this report.

4.3. Legal Implications

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.

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.

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.

4.4. Climate Implications

There are no direct climate implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

4.5. Other Implications

No direct implication

5. **ALTERNATIVE OPTIONS CONSIDERED**

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

6. **REASONS FOR DECISION**

The Council is required by law to set a balanced budget each year. This report is pursuant to that objective and is in line with the process and timetable agreed by the Strategy and Resources Committee on 31 May 2022 and 5 July 2022.

Policy Committee Budget Proposals: General Fund

Each policy committee considered proposals for managing 23/24 financial pressures in their service areas, they majority of proposals were endorsed on the November cttee reports, further work was done around some proposals, and these have been endorsed by Members post Policy Cttee.

The detail for each Policy committee, as summarised at 1.2 in the main report, is attached

Adult Health & Social Care (16/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
	Endorsed by Policy Committee	
108	Reviewing costs that increased during Covid (Living and Ageing Well)	-2,315
114	Mitigating costs from new demand (Living and Ageing Well)	-422
115	Recommissioning Community Support (Living and Ageing Well)	-520
116	Residential Care Offer (Living and Ageing Well)	-615
117	Maximising Income (Living and Ageing Well)	-2,945
118	External Funding (Living and Ageing Well)	-6,000
119	Reviewing costs that increased during Covid (Adults with a Disability)	-1,467
120	Mitigating costs from new demand (Adults with a Disability)	-819
121	Mitigating cost increases to existing support (Adults with a Disability)	-1,050
122	Recommissioning Community Based Support (Adults with a Disability)	-579
124	Ongoing benefits of 2022 projects (Adults with a Disability)	-550
125	Residential Care Offer (Mental Health and Safeguarding)	-1,031
126	Mitigating cost increases to existing support (Mental Health and Safeguarding)	-443
127	Income and Funding (Mental Health and Safeguarding)	-1,588
128	Commissioning Disinvestment (Commissioning and Partnerships)	-468
129	Review of Better Care Fund - Cross Cutting	-500
130	Disinvestment - Care Governance	-15
	Endorsed post Policy Committee	
123	Residential Care offer (Adults with a Disability)	-372
307	Living and Ageing Well Service Review	-154
308	Efficiencies in Contract for Older People B&B	-50
		-21,903

Housing General Fund (10/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
	Endorsed by Policy Committee	
48	Housing Strategy & Policy staff savings	-19
50	Gypsy & Traveller pitch fees	-3
51	Homes and Loans additional income	-7
	Endorsed post Policy Committee	
252	Housing Growth team: reduced supplies & services and vacancy control	-191
49	Housing Options & Advice Staff Savings	-100
344	Additional Grant of UK Resettlement Programme	-20
36	Housing Solutions Business Support staffing and non- staff savings	-27
		-367

Transport, Regeneration & Climate (24/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
	Endorsed by Policy Committee	
80	Pre-Application fees - 10% increase	-22
81	Building control trading account fee increase	-150
83	Highways Network management sustained improvement	-189
84	STSI trading accounts fees & charges increase	-113
88	Use of Planning Mgt budget and reserve	-63
89	Secure External Grant Funding - Regeneration	-240
298	Reduction in service - SY Roads Safety Partnership	-15
301	Increase Skip Permit Fees	-39
		-831

Economic Development & Skills (30/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
	Endorsed by Policy Committee	
92	10-15 % reduction in Activity budgets	-50
166	Pay award pressure matched by external funding	-315
167	Further External Income maximisation	-80
168	More effective delivery of SEND provision in SHEAF training centre	-80
		-525

Waste & Street Scene (23/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
Endorsed by Policy Committee		
25	New car park West Lane	-60
28	Planning conditions - Milton St/Devonshire Green increase max stay	-50
45	Sustained improvement in Directors/ Programme team budget	-80
58	Freeze Moor Markets sinking fund	-300
61	50% cut to all training budgets	-42
265	5% reduction in Supplies and Services	-126
267	Reduce the Fountains running times	-100
Endorsed post Policy Committee		
44	Highways maintenance restructure	-200
		-958

Communities, Parks & Leisure (14/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
Endorsed by Policy Committee		
32	Better Parks: Service Redesign and Income Generation	-400
33	Increase Bereavement fees & charges	-150
34	Service redesign across Library and Archive Services	-585
35	Public Health Funding for Green Space Improvements	-200
47	Business Applications activity to be funded via Planning service	-57
212	Communities: pay award mitigation	-357
Endorsed post Policy Committee		
268	Review of support for Sheffield City Trust	-300
		-2,049

Appendix 2

Policy Committee Budget Proposals Housing Revenue Account

The following proposals have been endorsed by the policy committee for the 2023/24 HRA budget.

Housing Committee HRA (10/11/22)		
ID	Proposal Title	FY - 2324 (£000s)
Endorsed by Policy Committee		
95	End the HRA Community Fund	-50
162	Recharge repairs on transfer/end of tenancy	-300
163	Sell high value sundry properties	-2,000
164	Review of Repair & Maintenance overheads	-1,500
165	Not re-opening 4 closed access points	-150
201	Corporate charges standstill	-450
205	End the Garden Pledge scheme	-400
227	Improvement in vacant rent loss	-1,790
260	Review of Communications SLA	-200
261	Community Safety Funding	-200
262	Improvements in disrepair management	-1,200
263	Increase in Community Heating charge	-1,100
Endorsed post Policy Committee		
	Increase Housing Rents by 7% in line with Government cap	10,616
		19,956

Appendix 3

The Strategy & Resources Policy committee has proposals to meet the pressures within their committee remit, the table below are the savings to be endorsed by the committee

Strategy & Resources Committee		
ID	Proposal Title	FY - 2324 (£000s)
37	Deliver second phase of digital mailroom project	-100
0	Accommodation Strategy	-2,500
39	Review to look at potential savings in support services (linked to corporate Operating Model Review)	-50
85	Rent reviews Electric Works	-300
282	Reduced cost for former employee pensions	-250
288	Increased Registry Office Income	-28
295	Reversal of IT Pressure– one off 22/23 (inc. Remote Network Switches / Wi-Fi)	-590
296	Reversal of Pressure for Remote Access – one off for Covid	-157
	Corporate efficiencies from central budget	-2,400
		-6,375

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank