

# **Overview and Scrutiny Management Committee**

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**Wednesday 28 January 2015 at 4.00 pm**

**To be held at the Town Hall, Pinstone  
Street, Sheffield, S1 2HH**

**The Press and Public are Welcome to Attend**

## **Membership**

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Councillors Chris Weldon (Chair), Sue Alston, Ian Auckland, Steve Ayris, Denise Fox, Terry Fox, Gill Furniss, Alan Law, George Lindars-Hammond, Bryan Lodge, Cate McDonald, Pat Midgley, Mick Rooney, Sarah Jane Smalley and Cliff Woodcraft

## **Substitute Members**

In accordance with the Constitution, Substitute Members may be provided for the above Committee Members as and when required.

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## PUBLIC ACCESS TO THE MEETING

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The Overview and Scrutiny Management Committee comprises the Chairs and Deputy Chairs of the four Scrutiny Committees. Councillor Chris Weldon Chairs this Committee.

### Remit of the Committee

- Effective use of internal and external resources
- Performance against Corporate Plan Priorities
- Risk management
- Budget monitoring
- Strategic management and development of the scrutiny programme and process
- Identifying and co-ordinating cross scrutiny issues

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://www.sheffield.gov.uk). You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information. These items are usually marked \* on the agenda.

Members of the public have the right to ask questions or submit petitions to Scrutiny Committee meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Scrutiny Committee meetings are normally open to the public but sometimes the Committee may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

If you require any further information about this Scrutiny Committee, please contact Emily Standbrook-Shaw, Policy and Improvement Officer, on 0114 27 35065 or email [emily.standbrook-shaw@sheffield.gov.uk](mailto:emily.standbrook-shaw@sheffield.gov.uk).

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## FACILITIES

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There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

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**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE AGENDA  
28 JANUARY 2015**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest**  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting**  
To approve the minutes of the meeting of the Committee held on 26<sup>th</sup> November, 2014
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Revenue Budget and Capital Programme Monitoring**  
Report of the Acting Executive Director, Resources
- 8. Strategic Partner Performance - Update**  
The Director of Policy, Performance and Communications to report
- 9. Transition to Individual Electoral Registration - Update**  
Report of the Director of Policy, Performance and Communications
- 10. Scrutiny Review Action Plan Update**  
Report of the Head of Elections, Equalities and Involvement
- 11. Work Programme 2014/15**  
Report of the Policy and Improvement Officer
- 12. Record of Written Responses to Public Questions**  
Report of the Policy and Improvement Officer
- 13. Date of Next Meeting**  
The next meeting of the Committee will be held on Wednesday, 11<sup>th</sup> February, 2015, at 10.00 am, in the Town Hall

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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New standards arrangements were introduced by the Localism Act 2011. The new regime made changes to the way that members' interests are registered and declared.

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest** (DPI) relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period\* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

\*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -
  - under which goods or services are to be provided or works are to be executed; and
  - which has not been fully discharged.
- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) -
  - the landlord is your council or authority; and
  - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
  - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
  - (b) either -
    - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
    - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in

land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or

- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously, and has been published on the Council's website as a downloadable document at -<http://councillors.sheffield.gov.uk/councillors/register-of-councillors-interests>

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Lynne Bird, Director of Legal Services on 0114 2734018 or email [lynne.bird@sheffield.gov.uk](mailto:lynne.bird@sheffield.gov.uk)

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**Overview and Scrutiny Management Committee**

**Meeting held 26 November 2014**

**PRESENT:** Councillors Chris Weldon (Chair), Sue Alston, Ian Auckland, Steve Ayris, Gill Furniss, Alan Law, Bryan Lodge, Cate McDonald, Pat Midgley, Mick Rooney, Sarah Jane Smalley and Cliff Woodcraft

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**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillor Denise Fox.

**2. EXCLUSION OF PUBLIC AND PRESS**

2.1 No items were identified where resolutions may be moved to exclude the public and press.

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of the Committee held on 24<sup>th</sup> September 2014, were approved as a correct record, subject to:-

(a) the removal of Councillor Cate McDonald from the list of Members present at the meeting; and

(b) the amendment of the resolution under paragraph 8.4 in Item 8 – Performance Management for Overview and Scrutiny Management Committee – Quarter 1 2014/15, as follows:-

“RESOLVED: That the Committee:-

(a) notes the contents of the report now submitted; and

(b) requests that external contractors, to be considered as part of performance and budget monitoring, be included on the Committee’s Work Programme 2014/15.”

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Public Question regarding Local Area Partnership Working

Mr Nigel Slack raised a question with regard to the validity and effectiveness of the new engagement arrangements with regard to Local Area Partnerships.

The Chair stated that, due to the nature of the question, it would be more pertinent

for Mr Slack to raise this at the meeting of the Safer and Stronger Communities Scrutiny and Policy Development Committee on 27<sup>th</sup> November 2014.

5.2 Public Question in respect of the Scrutiny Review

Mr Alan Kewley referred to questions he had raised at the last meeting of the Committee on 24<sup>th</sup> September 2014, expressing his concern at the delay in receiving a formal, written response to the questions, which he had only received the previous day. Mr Kewley indicated that responses to questions raised by members of the public should be provided within a reasonable timescale, following the meeting, particularly as he was acting on behalf of other residents, and needed to share the information with them.

The Chair apologised for the delay and suggested that where formal, written responses to questions raised by members of the public were to be provided, officers should ensure that responses were produced within a more reasonable timescale, such as 10 days following the meeting or as soon after as possible.

5.3 Public Question in respect of Webcasting

Mr Alan Kewley asked whether the City Council was considering introducing webcasting in terms of its public meetings, as being operated by Rotherham MBC.

The Chair stated that, whilst there had been a number of changes in connection with increasing public involvement at meetings, such as members of the public being entitled to carry out recordings of meetings, a response would be provided in terms of the issue of webcasting at the earliest possible opportunity.

**6. ELECTORAL REVIEW OF SHEFFIELD - UPDATE**

6.1 The Director of Policy, Performance and Communications submitted a report providing an update on the Electoral Review of Sheffield being carried out by the Local Government Boundary Commission for England, focusing specifically on the consultation on the draft recommendations, which was currently in progress. The report contained, as appendices, details of the comparison of the Boundary Commission's draft recommendations with the City Council's proposals, evidence submitted by members of the public to this Committee, concerning the Boundary Commission's draft recommendations for Sheffield, and the Boundary Commission's report – 'New Electoral Arrangements for Sheffield City Council – October 2014'. Additional evidence from members of the public was circulated to Members of the Committee prior to the meeting.

6.2 In addition to the report, James Henderson, Director of Policy, Performance and Communications, and Victoria Penman, Policy and Improvement Officer, gave a presentation on the current position with regard to the review, reporting on the reasons for the review and an overview of the Boundary Commission's proposals and approach to consultation. It was noted that the Boundary Commission had been invited to attend this meeting, but had declined to do so.

6.3 The Committee considered representations from members of the public, as part of

the consultation on the Boundary Commission's draft recommendations, as follows:-

6.3.1 Jack Carrington, Sheffield for Democracy

- An additional element of the Philadelphia box should be moved from the Walkley Ward into the City Ward, namely the Opal 3 Development (primarily international student accommodation), some commercial properties and another nearby residential development with greater ties to Kelham Island
- The 1,760 electors at The Forge should remain in the new City Ward. The primary characteristic of the City Ward was likely to be its relative-transient population, which was a commonality that could form the basis of a community identity although, for obvious reasons, this was harder to be built upon, but should still be recognised. The other end of the proposed Arbourthorne and Park Ward was 2.5 miles away and was itself, 800 metres from Derbyshire. This would not be an appropriate ward to place an incredibly large community of students, in consideration of both the residents and the remainder of the electors in the Arbourthorne and Park Ward, as well as the 1,760 students.
- The Highfield area should not be moved into Arbourthorne and Park, with the City Ward remaining as the likely 'least worst' of its alternative locations. If the Highfield area was moved, the principles of 'natural communities' and 'clear and definable boundaries' would be heavily violated by the Arbourthorne and Park proposals. In addition to the train line (in which there were only two crossings in over a kilometre of boundary, both traffic-orientated) as a clear natural barrier there was also a major road running parallel and a wide boarder of traffic-orientated industrial/commercial estates in-between.
- A unified Broomhall should be created, and moved in with Broomhill. The Springfield estate does have characteristics, community and a catchment area that crosses, what was in context, given the ease and frequency of movement between, a very arbitrary ring-road boundary. However, in order to negate the extent of the above first and third changes, this re-unified Broomhall should be located within the Broomhill and Broomhall Ward to maintain broad parity in elector numbers.

6.3.2 Chris Morgan, Chair of Bradway Action Group

Residents in Bradway, particularly those that had lived in the area for a number of years, felt very strongly that Bradway should be united, in the Dore and Totley Ward, as in the Council's original proposals.

6.3.3 The Reverend Julian Sullivan, St Mary's Church, Bramall Lane

- There had been a lack of consultation on the changes in the Highfield area, which had resulted in the feeling that the wishes of local, long-term residents of the area had been disregarded.

- A sample of local organisations opposed to the changes include Sharrow Community Forum, Creative Industry section of Sharrow, including Portland Works, Harland Café in the John Street triangle, Wolseley Road Mosque, St Mary's Church and Centre, Roshni, Chinese Community Centre and New Era Development Project, and the Shoreham Street Tenants' and Residents' Association. Reference was made to the fact that proposals for boundary change were governed by the principles set out in the Local Democracy, Economic Development and Construction Act 2009, where it was expected that local authorities should:-
  - (a) respect existing boundaries – this was not the case as Highfield was separated from Arbourthorne by the railway, Queens Road and a wide industrial corridor;
  - (b) secure, effective and convenient local government – this would not be the case as Highfield belonged as part of Sharrow, where its concerns were shared by the wider community;
  - (c) ensure equality of representation – this would not be the case as Highfield would be a minority interest in a relatively monochrome region;
  - (d) reflect identities and interests of local communities – it would not as local people and organisations were unanimous in their opposition to the proposals;
  - (e) set boundaries that were easily identifiable – it has not as it had chosen an arbitrary set of boundaries, which simply divided the community;
  - (f) fix boundaries so as not to break any local ties – this would be the case as many have connections with schools and places of worship, including the Mosque and St Mary's Church;
  - (g) recommend strong, clearly identifiable boundaries for the Ward we put forward – this would not be the case as strong, natural boundaries were being ignored completely; and
  - (h) make adjustments to reflect relevant factors, such as community identity and interests – it has not as it has not consulted on the interests in this area and when invited, had shown no interest in doing so.
- It is the view of the local community that the Council's aims to ensure that each Councillor represented roughly the same number of voters, and that ward boundaries reflected the interests and identities of local communities, has not been achieved. The total number of electors in Highfield was 2,783, of which the majority were students, with 1,156 living in The Forge alone. Students related to the City Centre and certainly not to the Park and Arbourthorne area. An earlier proposal included The Forge in the Central Ward, leaving a total of 1,627 electors in Highfield, of which the majority were

students, with a minority host community. Charlotte Court, Anchor Point and The Anvil accounted for a further 200 electors, and a close analysis will show the majority of dwellings were occupied by students.

- Further work was needed but, if the original proposal to include The Forge was taken into account, with some changes along Cemetery Road and the boundary between Botanical and Broomhill, the proposed inclusion into Arbourthorne may prove unnecessary.

#### 6.3.4 Jean Cromar

- Note and support the Council's concerns regarding the size of the proposed City Ward, but not able to understand why the Commission only took on board the submissions from Broomhall to be kept together, when those of Highfield were ignored, when the arguments were practically identical.
- Support the Council's submission for the student community, especially in The Forge, which accounts for about 40% of the Highfield residents, to be included in the City Ward because of their links with predominantly Hallam University. They have no links with Park and Arbourthorne.
- A number of local community groups in the area knew nothing about the proposal to include Highfield in the proposed Park and Arbourthorne Ward.
- Sharrow Community Forum covered the Highfield area, which was probably about a third of their patch, and they have no connections whatsoever with Arbourthorne. The Forum considered the issue, at short notice, at their AGM last week, where about 40 people were present and not one person Ms Cromar spoke to was in favour of the proposal. The Forum Director requested Ms Cromar to make it clear to the Council that the Forum was against this proposal.
- Reference was made to a message Ms Cromar received from Alan Deadman, former Chair of the Sharrow Community Forum, and organiser of the Sharrow Festival and Sharrow Fringe, which covered Highfield. Mr Deadman felt it was critical for the Creative Industry, based in the John Street triangle, to be included in Sharrow as it had a dynamic relationship to London Road, supporting the music shops in this area.
- Roshni, a support centre for Asian women based on London Road, and who supported many women living in Highfield, was against the proposal.
- In addition, the Wolseley Road Mosque, who had many members in Highfield, were also in objection to this proposal.
- The strong feeling in the community was that they had no connections whatsoever with Park and Arbourthorne, and the main railway line, Queens Road and the industrial corridor, acted as a huge barrier between the communities. Also Park and Arbourthorne were predominantly mono-cultural areas, whereas Highfield has a very diverse community.

- Alternatives being pursued by local residents included looking at the possibility of having Cemetery Road as a boundary and not the river Porter, which stretches from Frog Walk to the ring-road, which would transfer into the proposed Broomhill and Botanicals Ward, which had a variance of -8%. Residents were also looking at working on the southern end of Nether Edge and were working on the numbers to see if there could be movement here to keep Highfield in the proposed Sharrow and Nether Edge Ward.
- The current proposals would result in community groups having to liaise with six Councillors, as opposed to three, when raising any issues of concern.

6.3.5 *Eunice Batty, Shoreham Street TARA*

- Endorsed the comments made by the Reverend Julian Sullivan and Jean Cromar.
- In her role in the local community, and as a resident in the area for 65 years, she was well aware of the strength of feeling against the proposal, mainly on the basis that the area had no links at all with Park and Arbourthorne.
- It would result in a number of people having a different Member of Parliament.
- It would result in some residents having been in five different Council wards over the years.

6.3.6 *Mohammed Nazir*

- A number of the Muslim residents in the area had complained that they had not been consulted on the proposals.
- All the links and contacts of the Muslim community were with Sharrow and Nether Edge, and there were no links at all with Park and Arbourthorne.

6.3.7 *Councillor Jillian Creasy*

Referred to representations submitted direct to the Boundary Commission by Mike Fitter, resident of Broomhall, indicating that due to similarities in housing tenure and population mix, as well as sharing the same school as the rest of Broomhall, the main aim of the Broomhall Group of Groups was to keep the Springfield estate and Springfield School as part of the ward that includes Broomhall.

6.3.8 *Alan Kewley, Bradway Action Group*

- There had not been sufficient consultation in terms of the proposed changes affecting Bradway in the last electoral review.
- Concerned at the Boundary Commission's refusal to accept the Council's

draft proposals regarding Bradway.

- Concern that Bradway would not only be in two Council wards, but also in two different Local Area Partnership areas, and that representatives of community groups and local residents would need to discuss any issues of concerns with two sets of Ward Councillors.
- Will the Council be making representations to the Boundary Commission on the draft proposals?

6.4 Members of the Committee raised questions and the following responses were provided:-

- The number of electors in Council wards was based on the electoral register.
- Whilst the Council aimed for a tolerance level for Council wards of plus or minus 5% in order to futureproof the boundaries, based on the City ward average, the Boundary Commission used a statutory tolerance level of plus or minus 10%. They sought to develop wards which had an electorate as close as possible to the ward average.
- In terms of the proposed Park and Arbourthorne Ward, it had not been easy to find a suitable solution. The Council had considered representations made by residents of Highfield and was well aware of their concerns with regard to the proposed changes. Every effort had been made in terms of looking at alternative options, but there had been significant constraints in terms of what changes could be made. The Council had asked if it would be possible to create two, two Member wards, but this had not been considered possible. The Council was only a consultee in this process, and not the decision-maker. The final decision was to be made by the Boundary Commission, and the Council would continue to make representations to the Commission, and continue dialogue with the local community.

6.5 Members of the Committee also made the following comments:-

- Although not the decision-maker in this process, the Council was a very powerful consultee and should emphasise the proposals made and put forward strong recommendations to the Boundary Commission.
- All boundary reviews involved change, and communities were always concerned about this change. It was not always possible to find a solution that suited everyone.
- The Council put forward a proposal in terms of the Bradway area, which had been rejected by the Boundary Commission. Whilst no consolation to the residents of Bradway, there were a number of communities which had been split across different Council wards, as part of the Boundary Commission's recommendations, which the Council would have to work with.
- Councillors often found themselves in the position of having wards with

different communities and sought to represent all their communities.

6.6 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made and the responses provided to the questions raised;
- (b) approves the contents of the report now submitted; and
- (c) requests that:-
  - (i) the Council's draft recommendations, as set out in the report now submitted, and incorporating the comments and views made at this meeting, be forwarded to the Boundary Commission; and
  - (ii) arrangements be made for officers to meet with representatives of the Highfield community and local Councillors for the affected Wards, to look further at the possibility of Sharrow and Highfield remaining with Sharrow and, if this was not a possibility, to provide a clear explanation to the local community on the reasons why.

## **7. ANNUAL SCRUTINY REPORTING PROCESS**

7.1 The Head of Elections, Equalities and Involvement submitted a report on a proposed change to the annual scrutiny reporting process.

7.2 The report indicated that, as the six-monthly scrutiny update had historically been presented to the January full Council meeting, details on scrutiny activity for the period January to April were currently not reported anywhere. It had therefore been proposed that, a more appropriate way to comprehensively report scrutiny activity and achievements was to produce an annual scrutiny report at the end of each Municipal Year, to be presented to full Council, at its first appropriate meeting of the new Municipal Year.

7.3 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted; and
- (b) approves the proposed change in terms of the annual scrutiny reporting process, as detailed in the report now submitted.

## **8. WORK PROGRAMME 2014/15**

8.1 The Head of Elections, Equalities and Involvement submitted a report containing the Work Programme for the Committee for 2014/15.

8.2 The Policy and Improvement Officer, Emily Standbrook-Shaw, stated that, following comments raised at the last meeting, she would be writing to Members of the Committee, inviting comments on the format and contents of the budget monitoring report to be submitted to the meeting of the Committee in January 2015.



8.3 RESOLVED: That the contents of the report now submitted, together with the comments now made, be noted.

**9. DATE OF NEXT MEETING**

9.1 It was noted that the next meeting of the Committee would be held on Wednesday, 28<sup>th</sup> January 2015, at 4.00 pm, in the Town Hall.

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## Report to Overview & Scrutiny Management Committee 28 January 2015

**Report of:** Acting Executive Director, Resources

**Subject:** Revenue Budget & Capital Programme Monitoring

**Author of Report:** Andy Eckford, Interim Director of Finance  
Dave Phillips, Assistant Director of Finance

**Purpose of Report:**

This report, setting out the month 6 revenue budget and capital programme position is being brought to the Overview and Scrutiny Management Committee (OSMC) for information and discussion.

Scrutiny of how the Council manages its resources falls under the remit of the OSMC. Bringing this report to OSMC gives members the opportunity to look at the financial health of the organisation and gain a deeper understanding of service issues.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	<b>x</b>
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	

**The Scrutiny Committee is being asked to:**

Consider and comment on the report.

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**REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30<sup>th</sup>  
SEPTEMBER 2014 – ADDENDUM COMMENTARY FOR OVERVIEW &  
SCRUTINY MANAGEMENT COMMITTEE**

- A. Members of the Committee requested that we provided some additional commentary on the following report. This commentary is needed because the discussions in monthly budgetary reports tend to explain movements month by month, Consequently these discussions would benefit from some additional context when only received quarterly (as by Scrutiny) rather than every month.
- B. The aim of this commentary is provide explanatory detail from existing sources, rather than to provide additional or new information.
- C. The following commentary therefore provides additional detail on the following areas:
- Movements since month 3
  - Trends
  - Levels of variance
  - Risks
  - Comments made by Cabinet.

**Movements since Month 3**

- D. The Revenue Monitoring report at 30 June 2014 showed an overall forecast overspend of £11.4m. This has improved to a forecast overspend of £3.0m in the report below. The main areas of improvement are as follows:
- CYPF £0.4m – mainly due to reduced spend on bus passes and additional grant income
  - Communities £2.3m – improvements across most services, but particularly Care & Support reflecting purchasing savings, and in Commissioning through a receipt of funding for pension liabilities and a reduction in spend on Housing Related Support contracts
  - Place £1.8m - mainly due to additional forecast income as well as forecast cost reductions in staffing through vacancy management, contracts and local growth funded projects within Regeneration & Development Services
  - Resources £0.6m – temporary use of Invest to Save reserve to fund ICT pressures in BCIS and Customer Services which was agreed since Month 3, pending the outcome of Capita Sourcing Strategy proposals
  - Corporate £3.3m – mainly additional corporate grant income.
- E. Paragraph 3 below breaks down the remaining overspend across the Portfolios. The graph below paragraph 2 shows the monthly trend.

## Trends

- F. The graph following paragraph 2 in the main report below shows the monthly trend. As can be seen the forecast overspend reduces steadily month by month. As discussed under “levels of variance” below, principal causes are unexpected items occurring during the year (often additional grant income) and savings plans being delivered within year, resulting in overspends reducing as savings are delivered.
- G. The reports for months 7 & 8 are available, but have not yet completed their approval process, so information from them cannot be presented to Overview and Scrutiny Committee in this report. However, in summary, the trend in reductions in the forecast overspend continues over these two months.
- H. The table below shows the trend in forecast out-turns by portfolio.

	Budget £'m	Month 3 £'m	Month 4 £'m	Month 5 £'m	Month 6 £'m
CYPF	71.5	71.5	71.5	71.6	71.5
Communities	156.3	161.8	161.0	160.8	160.0
Place	161.3	165.4	163.7	163.6	163.6
PPC	2.6	2.7	2.7	2.7	2.6
Resources	85.5	84.3	83.1	84.7	86.1
Corporate	(477.3)	(474.3)	(473.5)	(478.9)	(480.8)
<b>Total</b>	<b>0.0</b>	<b>11.4</b>	<b>8.5</b>	<b>4.5</b>	<b>3.0</b>

## Levels of variance

- I. The Council does not set an “acceptable” level of variance in its budgetary process. Clearly, for example, the receipt of unexpected grant income, is acceptable at any level. Large positive variances (ie underspends) might be an indicator that the budget was not set with sufficient rigour, but equally could simply indicate that savings plans have been more successfully implemented than anticipated, and have been over-achieved.
- J. Significant forecast overspends should always be pursued. However as budgets may include elements of savings which are delivered during the year, there is a tendency for forecasts for early months of the year to show higher predicted overspends than later months. The alternative approach, ie to recognise savings before they have been firmly achieved, clearly would have considerable dangers.

**Risks**

- K. The Committee asked for additional detail on contracts' and pension bodies' risks.
- L. Paragraph 81 below comments that the high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. The Council is seeking to mitigate these risks by negotiating contract variations and cost reductions where possible and desirable.
- M. Paragraph 75 below discusses pensions' risks, and in particular draws attention to the additional costs the Council faces due to the increased pension contributions required by SY Pensions Authority. Over the medium-term, with increasing life expectancy, pensions' costs are likely to remain a significant risk to all bodies with defined benefit pension schemes.

**Comments made by Cabinet**

- N. Publicly available comments made by Cabinet are available in the decision records and are reproduced below for ease of reference.

**Decision:**

- 10.1 *The Executive Director, Resources submitted a report providing the month 6 monitoring statement on the City Council's Revenue and Capital Budget for 2014/15.*
- 10.2 **RESOLVED:** *That Cabinet:-*
- (a) *notes the updated information and management actions provided by the report on the 2014/15 Revenue budget position and approves:-*
- *The proposed use of £300-400k of Public Health forecast reduction, as noted in paragraph 68 of the Public Health section of the report*
  - *The balance of the Public Health underspend be considered in the context of the 2015/16 budget savings on public health*
  - *The carry-forward of any underspend of the Local Assistance Scheme (LAS) be carried forward to assist with sustaining a LAS scheme in 2015/16, subject to balancing the overall budget;*
- (b) *in relation to the Capital Programme:*
- (i) *approves the proposed additions to the Capital Programme listed in Appendix 2 of the report, including the procurement strategies and delegations of authority to the Director of Commercial Services, or nominated officer, as appropriate, to award the necessary contracts following stage approval by*

*Capital Programme Group;*

*(ii) approves the proposed variations and slippage requests listed in Appendix 2 of the report; and*

*(c) notes:-*

- The latest position on the Capital Programme including the current level of delivery and forecasting performance;*
- The four projects listed in Appendix 2 of the report which were due to close and where savings had been achieved and will be returned to the Housing Revenue Account;*
- There was no exercise of delegated emergency approval by the Executive; and*
- The instances where Cabinet Members, EMT or Directors of service exercise their delegated authority to vary approved amounts.*

**11.3 Reasons for Decision**

11.3.1 *To formally record changes to the Revenue Budget and Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the Capital Programme in line with latest information.*

**11.4 Alternatives Considered and Rejected**

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

**10.5 Any Interest Declared or Dispensation Granted**

*None*

**10.6 Reason for Exemption if Public/Press Excluded During Consideration**

*None*

**10.7 Respective Director Responsible for Implementation**

*Eugene Walker, Executive Director, Resources*

**10.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

*Overview and Scrutiny*

*Report author: Allan Rainford*

*Publication date: 19/12/2014*

*Date of decision: 17/12/2014*

*Decided at meeting: [17/12/2014 - Cabinet](#)*

*Effective from: 30/12/2014*



## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30<sup>th</sup> SEPTEMBER 2014

### Purpose of the Report

- This report provides the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme for September. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 100.

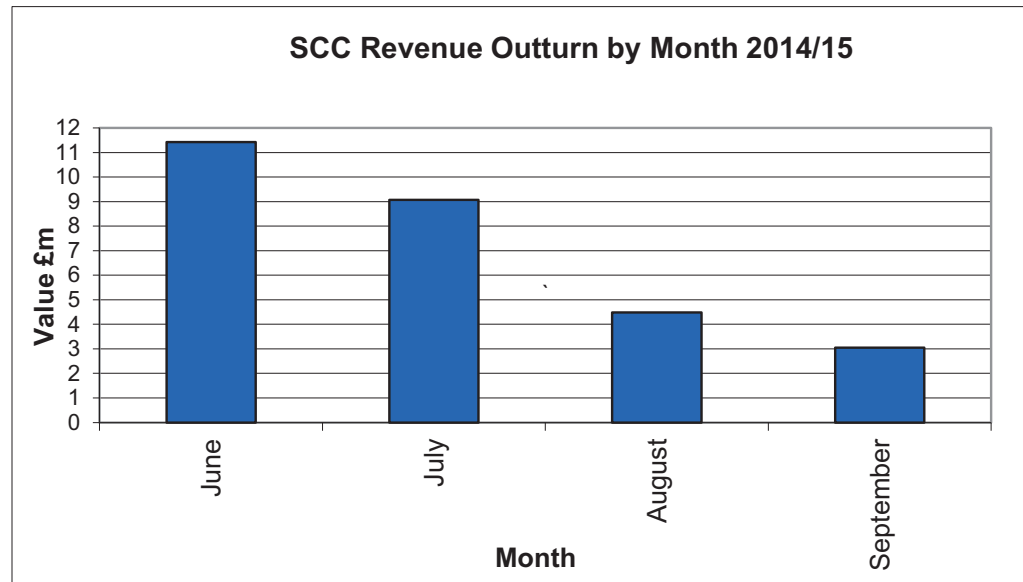
### REVENUE BUDGET MONITORING

#### Summary

- At month 5 the overall Council position was for a potential overspend of £4.5m. This largely reflected areas where action is intended to be taken to implement corrective action but where the forecasts of managers do not yet reflect this. The position at month 6 shows an improvement of around £1.5m on the previous month, with a forecast potential overspend of £3m to the year end. This is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
CYPF	71,491	71,492	(1)	↓
COMMUNITIES	159,964	156,321	3,643	↓
PLACE POLICY, PERFORMANCE & COMMUNICATION	163,643	161,338	2,306	↔
RESOURCES	2,619	2,601	18	↔
CORPORATE	86,107	85,499	608	↔
	(480,780)	(477,252)	(3,528)	↔
<b>GRAND TOTAL</b>	<b>3,045</b>	<b>-</b>	<b>3,045</b>	↓

- The forecast outturn shows a reducing overspend from the £11.4m overspend reported in month 3 to the £3m in the current month 6. This improvement reflects Portfolios attempts to reduce spending but also the receipt of additional grant income within the Corporate budget area to help offset the significant pressures within the Communities portfolio. Further work is being undertaken to deliver a balanced position at year end. The position month by month is shown in the following chart:



3. In terms of the month 6 overall forecast position of a £3m overspend, the key reasons are:

- Place are showing a forecast overspend of £2.3m, due to an estimated £1.5m in risk associated with contract negotiations to deliver the full £3.3m waste management savings in Business Strategy and Regulation and £781k forecast overspend due to income and cost pressures within Markets (Capital & Major Projects).
- Communities are showing a forecast overspend of £3.6m, due predominately to a £4m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care
- Resources are showing a forecast overspend of £600k, due to a £305k forecast overspend in Commercial Services (Savings) due to reduced forecast income from cashable procurement savings, a £152k overspend in Central costs, mainly due to Bank Charges (£81k), a £213k over spend in Housing Benefit, mainly Rent Rebates that are forecasting a lower income from overpayment recovery, partially off-set by a £113k under spend in Human Resources due to increased income in the Moorfoot Learning centre.
- The above is partially off-set by Corporate budgets showing a forecast reduction in spending of £3.5m, due mainly to the receipt of additional grant income awarded to the Council as

compensation for business rates related measures introduced or extended in the 2013 Autumn Statement.

4. In terms of the main variations since Month 5 these are:
  - Children Young People and Families are forecasting an improvement of £189k, which is mainly due to forecast reduced spend of £118k on bus passes and the receipt of £68K in additional Education Services Grant.
  - Communities are forecasting an improvement of £1m, which is due to improvements in forecast spend of £456k (Business Strategy), £421k (Care and Support) and £138k in Commissioning Services.
5. Also shown in paragraph 65 is the position on the Public Health ring-fenced grant, which is a potential £1.6m underspend. Proposals from the Cabinet Member lead on Public Health are included in the report to spend between £300k and £400k of this underspend on food bank and fuel poverty projects. It is recommended that the balance of the underspend be considered in the context of the 2015/16 budget savings on public health.
6. The original proposal was to fund the food bank and fuel poverty projects from the Local Assistance Scheme (LAS) underspend, but the government grant for LAS is being cut in full in 2015/16. It is therefore recommended that any LAS underspend be carried forward to assist with sustaining a LAS scheme in 2015/16, subject to balancing the overall budget.

## Individual Portfolio Positions

### Children Young People and Families (CYPF)

#### Summary

7. As at month 6 the Portfolio is forecasting a balanced full year outturn on cash limit (shown in the table below), and the position on DSG is a forecast reduction in spend of £840k. The key reasons for the forecast outturn position are:
  - **Business Strategy** - £58k forecast reduction in spending due to additional Education Services Grant (ESG) income to that budgeted of £398k due to the timing of academy conversions and a reduced level of pump priming of £79k for Vulnerable Groups

with activity now being picked up by schools. This reduction in spend is partly offset by a forecast £40k over spend on Bus Passes due to demand increase, a pressure on SEN Transport £275k, £63k on the Catering Premises and Equipment Budget as a result of a required revenue contribution to develop schools capacity to deliver UIFSM and the delay in implementing the MER in Business Strategy £29k.

- **Children and Families** - £389k forecast over spend. Over spending areas are: - Management and Business Support £231k due to delay in the Business Support MER, Legal Fees £151k (based on previous year's trends), Fieldwork Service Areas and Permanence and Throughcare £481k net overspend (following some mitigation) mainly due to difficulties in achieving vacancy monitoring targets, Asylum £128k due to costs being significantly greater than the external funding available, Adoption £321k due to additional placements particularly via Special Guardianship Orders and Inter Agency and Direct Payments £63k due to increased costs. These over spends are being partially offset by a reduction in spending of £422k on the combined Early Years and MAST Service as a result of an effective integration and an appropriate commissioning strategy for external contracts, Contact Contracts; £345k due to more efficient management using contact centres, Placements; £251k reflecting the positive trends in the numbers and costs of placements in the first half of the year. The service is continuing to review activities and funding streams to find mitigating action to offset the remaining over spend.
- **Inclusion and Learning Services** - £304k forecast under spend due to £123k as a result of additional traded income in Educational Psychologists. £50k in Advocacy and Challenge and £132k in SEN Placement Team due to vacancies.
- **Lifelong Learning and Skills** – £28k forecast under spend due to an under spend in Youth Teams £217k which is partly offset by over spends in the Training Units £189k.
- **DSG Budgets** – Overall a £840k reduction in spending made up of a £1.3m reduced spend in Business Strategy due mainly to a corresponding £1.3m reduction in spending on 2 Year Old FEL, which will be spent when capital works are completed. A reduced spending of £68k in Children and Families in the combined Early Years and MAST Service as a result of an appropriate

commissioning strategy. An anticipated over spend of £440k in Inclusion and Learning overall, made up of overspends of £453k in Banded Funding and £160k Independent Placements due to demand pressures, partially offset by reduced spending on Sensory Services £24k and £90k Inclusion and Learning Services due to vacancies. An overspend in Lifelong Learning and Skills of £122k due mainly to increased numbers of Post 16 High Needs learner placements.

### Financials (Non-DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY	(2,367)	(2,309)	(58)	↔
CHILDREN & FAMILIES	61,504	61,115	389	↔
INCLUSION & LEARNING SERVICES	2,378	2,682	(304)	↔
LIFELONG LEARN, SKILL & COMMUN	9,976	10,004	(28)	↔
<b>GRAND TOTAL</b>	<b>71,491</b>	<b>71,492</b>	<b>(1)</b>	↓

### Commentary

8. The following commentary concentrates on the key changes from the previous month.

#### Non-DSG Budgets

9. As at month 6 the Portfolio is forecasting a balanced full year outturn on cash limit. This compares with last month's position of £188k over budget, a favourable movement of £188k.

#### DSG Budgets

10. The month 6 position is £840k forecast reduction in spend, which is an improvement of £246k from the position reported at Month 5. This improvement is predominantly due to the reduced year to date expenditure on 2 Year Old FEL against budget. This improvement is partly offset by adverse movements on the combined Early Years and MAST Service of £37k, £22k in Banded Funding, £57k on Independent Placements, £31k on Sensory Services and £138k forecast overspend on learning placements for Post 16 High Needs students.

## Place

### Summary

11. As at month 6 the Portfolio is forecasting a full year outturn of an overspend of £2.3m, which is in line with the month 5 position. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation:** £1.5m forecast overspend largely due to risks associated with contract negotiations to deliver the full £3.3m waste management savings in the 2013-14 and 2014-15 Budgets.
  - **Capital & Major Projects:** £781k forecast overspend largely due to income and cost pressures within markets.
12. All directors continue to review current spending plans to prepare options to further reduce the overspend which will be reported in the Month 7 forecast.

### Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY & REGULATION	29,844	28,381	1,463	↔
CAPITAL & MAJOR PROJECTS	1,041	260	781	↔
CREATIVE SHEFFIELD	2,792	2,830	(38)	↔
CULTURE & ENVIRONMENT	44,384	44,451	(67)	↔
MARKETING SHEFFIELD	945	777	168	↔
PLACE PUBLIC HEALTH	(12)	0	(12)	↔
REGENERATION & DEVELOPMENT SER	84,649	84,639	10	↔
<b>GRAND TOTAL</b>	<b>163,643</b>	<b>161,338</b>	<b>2,306</b>	↔

### Commentary

13. The following commentary concentrates on the key risks and changes from the previous month.

#### Business Strategy & Regulation

14. The forecast for this activity is an overspend of £1.5m, broadly in line with the previous period. This reflects an assumed £1.2m risk pending agreement with the Contractor on new terms to reflect the revised waste collection arrangements.

15. Other cost pressures have to a large extent been mitigated, through one-off savings/additional income including the finalisation of the prior year sale of heat income due to the Council. However, risks remain around underlying waste volumes and additional costs associated with diversion of waste should further maintenance be required on the Energy Recovery Facility.
16. Work is progressing on developing further the range of options for negotiation with the contractor with a view to implementation in the second half of the year. Should there be slippage on this timescale this may result in a further adverse movement.

### **Capital & Major Projects**

17. The forecast for this activity is an overspend of £781k, broadly in line with the previous period.
18. The forecast position largely reflects income pressures within the markets service (£0.7m). There may be further risk here if stall lettings cannot be held at current levels. The business model for the market is currently under review balancing lower rents against the need for more flexibility in location to ensure let space is maximised.

### **Culture & Environment**

19. The forecast for this activity remains broadly balanced.
20. The Service is currently working with SIV to finalise a three year funding commitment which will enable them to deliver a significant package of savings. The three year funding commitment should remove the requirement for the Council to pick up risks associated with reductions in profit at the Motorpoint Arena or trading deficits within the SCT/SIV group, which would be absorbed by the Trust as part of their 3 year plan. The Director continues to work closely with SIV to ensure that these plans are progressed and risks are mitigated.

## Communities

### Summary

21. As at month 6 the Portfolio is forecasting a full year outturn of £3.64 million in excess of budget. The key reasons for the forecast outturn position are as follows:

- **Business Strategy:** Currently reporting a forecast reduction in expenditure of £488k against the full-year budget.
- **Care & Support:** A overspend of £4.1m is currently forecast due to ongoing pressures and issues in Adult Social Care primarily relating to care purchasing budgets. These budgets are currently the focus of recovery action led by the Adult Social Care Savings Board, overseeing several initiatives to contain the overall cost of care purchasing.
- Significant improvements have been made in the Adults Care Provision, which is forecasting an under-spend of £514k in this financial year. However this is almost entirely offset by a corresponding reduction in service user income, which is currently forecasting a shortfall of £475k due to numbers of contributing service users falling more significantly than anticipated.
- The significant over spend forecast is now within the Learning Disabilities Service (currently standing at £4.7m overspent) relating to care purchasing with an expected over-spend of £3.5m and increased expenditure of in-house care provision of £1.2m.

### Financials

	Outturn £000s	Budget £000s	Variance £000s	from Month 5
BUSINESS STRATEGY	3,791	4,279	(488)	↓
CARE AND SUPPORT	115,449	111,369	4,080	↓
COMMISSIONING	31,908	32,036	(128)	↓
COMMUNITY SERVICES	8,816	8,637	179	↔
<b>GRAND TOTAL</b>	<b>159,964</b>	<b>156,321</b>	<b>3,643</b>	<b>↓</b>



## Commentary

22. The forecast out-turn position of a £3.6m overspend, is an improvement of £1.m from the previous month. The improvement this month is due to:

### Business Strategy

23. There has been a favourable move in the month of £456k, primarily as a result of the realignment of Senior Management budgets (£104k) and additional funding (£300k) made available from corporate resources to cover the increases costs arising from the Deprivation of Liberty legislative changes.

### Care & Support

24. There has been a favourable movement of £421k in the month, primarily from: action being taken to accelerate care purchasing strategies (£25k), revisions in service users' contributions and efficiencies arising within the Social Care Accounts Service (£64k), lower than expected take-up of the Local Assistance Scheme (£74k), a favourable movement of £138k arising from the cessation of 2 high cost LD packages and additional Direct Payment audit income and a favourable movement of £118k due to the confirmation of some specific funding within the Community Support Service that had been previously removed from budgets in August.
25. As at month 6, there is a forecast reduction in spend of £403k on the Local Assistance Scheme (LAS). The scheme is funded exclusively by a grant from Central Government called the Local Welfare Provision Grant. It has been made clear in a recent consultation document published by Central Government that this grant will not be paid to local authorities in 2015/16. Although the Council has no statutory duty to provide welfare support, officers are preparing proposals to carry forward any underspend on LAS into 2015/16 in order to partially offset the loss of grant and thereby extend the scheme beyond 2014/15 (subject to the overall balancing of the budget).

### Commissioning

26. The favourable movement of £138k primarily relates to: a £115k reduction in expenditure on Housing Related Support Contracts; an increase of £37k in Mental Health Purchasing contracts; and a reduction in forecast staffing expenditure of £58k.

## Resources

### Summary

27. As at month 6 the Portfolio is forecasting a full year outturn of an overspend of £609k, an improvement of £100k from the month 5 position. The key reasons for the forecast outturn position are:

- £106k over spend in Business Change & Info Solutions due in the main to an under recovery in traded income in both BCIS Core and BCPD;
- £305k overspend in Commercial Services (Savings) due to reduced forecast income from cashable procurement savings;
- £154k over spend in Central costs due to Bank Charges (£81k) and CDC Recharges (£80k);
- £213k over spend in Housing Benefit, mainly Rent Rebates that are forecasting a lower income from overpayment recovery;

Offset by:

- £113k reduced spending in Human Resources due to increased income in the Moorfoot Learning centre, offset by additional short term costs related to the new occupational health contract.

## Financials

	Outturn £000s	Budget £000s	Variance £000s	from Month 5
BUSINESS CHANGE & INFORMATION SOLUTIONS	603	497	106	↔
COMMERCIAL SERVICES	806	866	(60)	↔
COMMERCIAL SERVICES (SAVINGS)	(1,146)	(1,451)	305	↔
CUSTOMER SERVICES	3,601	3,554	47	↔
FINANCE	6,773	6,779	(6)	↔
HUMAN RESOURCES	3,535	3,648	(113)	↔
LEGAL SERVICES	3,339	3,322	17	↔
RESOURCES MANAGEMENT & PLANNING	185	205	(20)	↔
TRANSPORT AND FACILITIES MGT	42,027	42,062	(35)	↔
TOTAL	59,724	59,482	242	↓
CENTRAL COSTS	25,444	25,290	154	↔
HOUSING BENEFIT	940	727	213	↑
GRAND TOTAL	86,107	85,499	609	↔

## Commentary

28. The following commentary concentrates on the key changes from the previous month.

### Housing Benefit

29. A forecast £213k overspend. This is an adverse movement of £102k from the previous month, due to lower than forecast income from overpayment recovery on Rent Rebates and a worsening position in terms of bad debt provision for rent allowances.

## Policy, Performance and Communications

### Summary

30. As at month 6 the Portfolio is forecasting a full year outturn of an overspend of £18k, an improvement of £71k on the month 5 position. The key reasons for the forecast outturn position are:

- £51k over spend in Communications mainly due to insufficient income to cover employee costs;
- £22k over spend in CEX office due to LGYH costs;
- £42k over spend in Electoral registration due to the costs of canvas staff and IT support costs consistent with previous years;

Offset by savings in:

- reduced supplies & services spend;
- vacancy management and salary sacrifice.
- recharge income from LEP.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,754	2,736	18	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,619</b>	<b>2,601</b>	<b>18</b>	↔

## Commentary

31. The following commentary concentrates on the key changes from the previous month.

### Policy, Performance and Communications

32. A forecast £18k overspend. This is an improvement of £71k from the previous month. This is due to revised forecasts in supplies and services spend to reflect decisions taken over spend on specific projects.

## Corporate items

### Summary

33. The table below shows the items which are classified as Corporate and which include:

- **Corporate Budget Items & Corporate Savings:** (i) corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs, and; (ii) the budgeted saving on the review of enhancements and the budgeted saving from improved sundry debt collection.
- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

## Financials

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u>
	<u>£'000</u>	<u>£'000</u>	<u>Variance</u>
			<u>£'000</u>
Corporate Budget Items & Savings Proposals	69,154	69,566	(412)
Income from Council Tax, RSG, NNDR, other grants and reserves	(548,254)	(545,138)	(3,116)
<b>Total Corporate Budgets</b>	<b>(479,100)</b>	<b>(475,572)</b>	<b>(3,528)</b>

## Commentary

34. The position has improved by £55k since month 5. This is due to improved interest on investments due to the availability of higher cash balances with grant funds being received in advance.

## Collection Fund

### Introduction

35. Following the implementation of the Government's Business Rates Retention Scheme on 1 April 2013, steps have been taken to monitor the Collection Fund more closely however the overall position is subject to change due to the impact of national austerity measures on Business Rates income and the impact of the introduction of the local Council Tax Support (CTS) Scheme on Council Tax collection rates.
36. There have also been a variety of challenges accurately forecasting the collection fund in 2014/15 to date; some of these are new issues, some longer term. These include, in brief, difficulty in capturing information around changes to appeals and CTS, challenges in reconciling Capita reports to each other and therefore OEO and difficulties over the formatting of reports. Officers are working with Capita to resolve these issues. The figures that follow therefore need to be caveated by the above.

## Summary

37. In 2014/15 approximately £268m of our expenditure is forecast to be financed directly through locally collected taxation, out of a total of £454m. This taxation is initially collected by the Council and credited to the Collection Fund. The Government receives 50% of the business

rates collected (the “Central Share”) and uses this to finance grant allocations to local authorities. The Fire Authority receives 1% of Business Rates collected and the Council retain the remaining 49% as below:

Income Stream	2014/15 Budget £m	Year to Date £m	Forecast Year End Position £m	Forecast Year End Surplus £m
Council Tax	-164.38	-92.37	-166.78	-2.40
Business Rates Locally Retained	-100.84	-61.80	-101.38	-0.53
	-265.22	-154.17	-268.15	-2.93
RSG/Business Rates Top Up Grant	-185.80	-92.90	-185.80	0.00
<b>TOTAL</b>	<b>-451.02</b>	<b>-247.07</b>	<b>-453.95</b>	<b>-2.93</b>

38. As at the end of quarter 2 the collection fund is forecasting a £2.4m year-end surplus on Council Tax primarily due to student exemptions showing a £1.6m reduction in spend against budget and an increase of 589 properties since the tax base was set resulting in a £0.6m rise in the gross chargeable dwellings income.
39. As at the end of quarter 2 the collection fund is forecasting a £0.5m year-end surplus on locally retained Business Rates. There has been significant growth in the potential Business Rates yield in 14/15 but this has been largely offset by expected increases in reliefs and appeals.

### Business Rates

40. The following table shows in more detail the elements involved in the determination of the business rate position. This examines the current position and then compares the resultant year end forecast with the 2014/15 budget for business rates income.

Collection Fund - Business Rates	Budget 2014/15 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Gross Business Rates income yield	-249.96	-256.65	-256.58	-6.62
- Additional yield from small business supplement	-5.12	-5.17	-5.17	-0.05
	<b>-255.08</b>	<b>-261.82</b>	<b>-261.75</b>	<b>-6.67</b>
LESS Estimated Reliefs	36.89	32.94	38.34	1.45
Small Business Rate Supplement	5.12	5.17	5.17	0.05
Losses and Cost of Collection	2.24	1.55	2.05	-0.19
Losses on Appeals re Current Year Bills	5.03	2.41	9.30	4.27
<b>Net Collectable Business rates</b>	<b>-205.80</b>	<b>-219.75</b>	<b>-206.89</b>	<b>-1.09</b>
Appropriation of net business rates:				
1% SY Fire Authority	-2.06	-2.20	-2.07	-0.01
50% Government	-102.90	-109.88	-103.44	-0.54
49% Sheffield City Council	-100.84	-107.68	-101.38	-0.53
Additional SCC Income from Government:				
Section 31 Grant Income	-4.20	-4.22	-4.38	-0.19
Enterprise Zone retained income	-0.06	0.00	0.00	0.06
Cost of collection allowance	-0.78	-0.78	-0.78	0.00
<b>Total SCC Appropriations</b>	<b>-105.87</b>	<b>-112.68</b>	<b>-106.54</b>	<b>-0.67</b>

### Gross Rate Yield

41. The Gross Rate Yield (GRY) represents the Rateable Value of the City multiplied by the Business Rates Multiplier. This is a measure of the total business rates billed in the city before taking account of reliefs, discounts and other adjustments.
42. The gross income of the city has increased significantly by around £6.8m compared with the estimated gross income forecast at the start of the year. This is due to several factors including a prudent forecast at the beginning of the year and some substantial new entries into the ratings list. An example of additional Rateable Value additions in quarter 2 are:

Property Type	Area	Rateable Value
Superstores	Abbeydale, Bradway, Beighton	£2m
Shops	City Centre	£650,000
Moor Market	City Centre	£630,000
Leisure	City Centre	£150,000
Education	City Centre	£460,000
Offices	Pitsmoor, City Centre	£190,000

**Reliefs and Discounts**

	<b>Budget 2014/15</b>	<b>Year to Date</b>	<b>Forecast Year-End Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Small Business Rates Relief	5.06	5.41	6.01	0.95
Mandatory Charity Relief	18.98	17.97	18.97	-0.01
Discretionary Relief	0.51	0.19	1.09	0.58
Empty Property / Statutory Exemption	9.79	8.05	9.55	-0.24
Partly Occupied Premises Relief	1.34	0.22	1.32	-0.02
New discretionary reliefs	1.20	1.10	1.40	0.20
	<b>36.89</b>	<b>32.94</b>	<b>38.34</b>	<b>1.45</b>

43. Most reliefs and discounts are awarded in full at the point of billing at the start of the year. The total level of reliefs awarded in the first half of the year amounts to £32.9m which is below the £36.9m assumed in the budget. However, due to the significant rise in the rateable value in quarter 2 reliefs have now been forecast to rise by £4.5m to £38.3m by year end, £1.5m over budget.
44. The level of reliefs and discounts awarded can be affected by economic conditions, court rulings and businesses' behaviour and will be closely monitored throughout the remainder of the year.

**Appeals**

45. Appeals are notoriously difficult to forecast due to the lack of available information. The way that appeals are applied and then recognised in the system is significantly undermining the collection fund monitoring framework. If refunds due to appeals were always paid in cash to tax payers at the point of award, then the system would be straight forward. However, the system of refunds is more complicated and refunds due to appeal are awarded through a variety of means.
46. The 2014/15 Council budget anticipates £5m of refunds in year resulting from appeals. This is based on historical trend analysis. So far in year the Council have paid out £2.4m refunds as a result of appeals. This has now been forecast to reach £9.3m by year end. This is due to estimated refunds for appeals in the Castle market area for decline in footfall due to



the Castle Market Closure, superstore appeals from those surrounding newly built superstores within their vicinity, rateable value reductions made to schools, appeals lodged by Ponds Forge, hospitals and health centres, and an increase in appeal decisions due to increased number of appeals heard between now and March 2015 as the VOA aim to meet their target of clearing the back log of appeals by July 2015.

47. There is also a prudent provision of £13.6m carried forward into 2014/15. This should cover the back dated element of any appeals refunds in 2014/15 or later years which relate to 2013/14 income or earlier. The Business Rates Retention Scheme brought with it a requirement to account for these back dated appeals.

### **Collection Rates**

48. The Net Collectable Debit (NCD) is the Gross Rate Yield less any discounts and reliefs applied. The amount of Business Rates collected at the end of quarter two stands at £126.1m, of which £61.8m is the Council's share. This represents a collection rate of 57.8% of the Net Collectable Debt. This is comparable to previous year's figures so we are well placed to achieve budgeted levels of collection.

### **Losses in Collection**

49. Write offs to date amount to £0.8m. This is forecast to increase to £1.3m which will bring us close to the budgeted figure for Losses in Collection. We will be able to forecast this more accurately as the year progresses but avoidance remains a significant risk to business rates income. This is in addition to the £0.8m cost of collection calculated by the government.

### **Overall Forecast Outturn for Business Rates**

50. Bringing together the elements identified above results in an improvement of £0.5m compared to budget. If this position materialises it would result in an additional surplus to the £1.3m SCC surplus already carried forward from 2013/14 on the Collection Fund.

## Council Tax

51. Council Tax is being monitored closely by the Revenues and Benefits team. This monitoring involves analysis of the discounts and exemptions, movements on the tax base and collection rates. Deductions for elements such as student exemptions can swing the year end forecast significantly from month to month.
52. The number of student exemptions currently awarded is around 1000 below the prudent level assumed in the budget. This means there is the potential for more council tax income to be collected. It is anticipated that the number of exemptions granted will increase to similar levels to previous years due to student numbers increasing throughout the remainder of the year but this will remain under the number budgeted for in the tax base.

### Collection Rates

53. Council Tax collected to quarter two of this financial year stands at £107.2m, of which £92.4m is the Councils share. This is slightly down on the same point last year, due to issues with Council Tax Support collection and related bailiff costs.

### Overall Forecast Outturn for Council Tax

54. The outturn for Council Tax is forecast to be £2.4m in surplus, compared to budget. If this position materialises, the SCC share of the surplus will be available for planning as non-recurrent funding, as with the £2m SCC surplus already carried forward from 2013/14 on the Collection Fund.

## New Homes Bonus Fund

		£m
Income	Reserves as at 1/04/14	-5.1
	2014/15 NHB Grant Received	-1.9
	14/15 Anticipated NHB Grant	-4.5
	<b>Total Income</b>	<u>-11.5</u>
Expenditure	2014/15 Spend to date at Month 6	1.8
	Forecast to Year End	4.4
	Future Years' Commitments	3.2
	<b>Total Expenditure</b>	<u>9.4</u>
	<b>Funds Available for Investment</b>	<u><u>-2.0</u></u>

55. During the month £0.6m was spent on capital projects funded by the New Homes Bonus. This sum included £0.4m on the cycle way between Park Square and Norfolk Park, £0.1m on the Arbourthorne redevelopment and £0.1m on cosmetic improvements to shop fronts in Darnall as part of the initiative to improve neighbourhoods to attract in housing investment.
56. Future expenditure forecast and commitments from the fund have risen by £2.2m being principally:
- Don Valley Stadium Remediation project, now authorised by Cabinet. This will require £1.8m support from the NHB fund in order to help transform the Attercliffe neighbourhood and make it attractive for regeneration ;
  - £250k to cover design work for bids to the Sheffield City Region Investment Fund for future projects to develop the city centre (this may be recoverable from the SCRIF Fund).
57. The uncommitted NHB funding earned to date now stands at £2.0m and officers are currently drafting proposals for approval which would commit up to £6.9m over the next three years. This will be funded from anticipated future years' payments.

## Housing Revenue Account

### Summary

58. The HRA Business Plan is based on the principle of ensuring that investment and services required for council housing is met by income raised in the HRA.
59. The 2014/15 budget is based on an assumed in year surplus of £6.9m which is to be used to fund the HRA capital investment programme. In accordance with the HRA's financial strategy any further in- year revenue surplus / savings generated by the account will be used to provide further funding for the future HRA capital investment programme.
60. As at month 6 the full year forecast outturn is a predicted £2.6m overall improvement from budget. As such, funding for the capital investment programme will be revised from £6.9m to £9.5m (shown in the table below) and this will be factored into the planned update of the Business Plan and capital investment programme later in the year.
61. The areas contributing to the improvement are a forecast reduction of (£283k) in capital financing costs due to a small reduction in the interest rate, lower than budgeted for bad debt provision mainly resulting from revised predictions of year-end debt bandings (£207k) and a forecast saving of (£940k) on repairs spend. In addition a (£958k) saving is a forecast on an overall reduction in running costs primarily due to staff vacancies and lower than expected recharges to the HRA budget. A net forecast of (£207k) is predicted at this stage on rental and other income.

### Financial Results

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 5
1.RENTAL INCOME	(149,663)	(149,670)	7	↓
2.OTHER INCOME	(4,932)	(4,718)	(214)	↓
3.FINANCING & DEPRECIATION	52,528	52,811	(283)	↔
4.OTHER CHARGES	5,564	5,771	(207)	↓
5.REPAIRS	36,058	36,998	(940)	↑
6.TENANT SERVICES	50,925	51,883	(958)	↓
7.CONT TO CAPITAL PROG	9,520	6,925	2,595	↓

\*subject to roundings

## Community Heating

62. The budgeted position for Community Heating is a draw down from Community Heating reserves of £348k. As at month 6 the forecast position is a draw down from reserves of £168k resulting in a decrease in expenditure of (£180k). This is a positive movement of £271k from last month.
63. The main reason for this favourable movement is a revision in full year outturn forecast now that we are 6 months into phase 1 of the new heat metering system. Tenant's energy consumption is envisaged to be considerably lower than budgeted for coupled with the previous 6 months being mild again resulting in lower energy consumption.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 5
INCOME	(3,300)	(3,440)	140	↑
EXPENDITURE	3,468	3,788	(320)	↑
<b>Total</b>	<b>168</b>	<b>348</b>	<b>(180)</b>	↑

## Public Health

64. Public Health remains a ring fenced grant in 2014/15 and any reductions in spend are subject to carry forward requirements as per the grant conditions.
65. At month 6 the overall position was a forecast under spend of £1.6m. The position shows an increased underspend of £161k on the previous month. This is summarised in the table below.

All figures £000s					
Portfolio	Forecast outturn expenditure	Full year expenditure budget	Full year variance	Month 5 variance	Movement from prior month
CYPF	11,255	11,281	(26)	(36)	10
COMMUNITIES	12,820	13,033	(213)	(198)	(15)
PLACE	2,816	3,702	(886)	(797)	(89)
DIRECTOR OF PUBLIC HEALTH (inc PH Intelligence)	2,283	2,716	(433)	(366)	(67)
<b>TOTAL EXPENDITURE</b>	<b>29,174</b>	<b>30,732</b>	<b>(1,558)</b>	<b>(1,397)</b>	<b>(161)</b>

66. Key reasons for the forecast under spend are:
- Contract slippage in Director Public Health (DPH) (£140k);
  - Lower than budgeted take up on GP Health checks (£104k);
  - Unallocated vacant post budget (£298k);
  - £207k under spend on Drug and Alcohol Substance misuse purchasing and DACT contracts;
  - £767k under spend on Stop Smoking Service contracts and £100k on slippage due to vacancies.
  - This is offset by:
  - £135k savings target (under DPH) to be met from under spends across all public health spend.
67. The forecast is an improvement of £161k from month 5 and the key reasons for the movement are:
- Reduced forecast spend on GP Health checks (DPH);
  - Slippage of new contracts in DPH.
  - Vacancy management in Place.
68. It is proposed to use up to £400k of the forecast reduction in spend for two activities - Food Banks (£300k) and Fuel Poverty (£100k) – both of which are considered to be priorities for Members and officers. Further details of the food bank activities can be found in **Appendix 1**, and a summary is outlined below.
69. The first activity (Food Banks) would involve providing £300k of support to the following schemes:
- Emergency food relief grant pot (£60k) - open to food banks and other organisations which are able to demonstrate that they are helping with crisis food interventions;
  - Match funding for Food Banks Lottery Bid (£180k) – this bid is being made in conjunction with the Sheffield Citizens Advice and Law Centre (SCALC). The purpose of this bid is to enable SCALC to establish an advice service for users of food banks, as well as for them to train food bank volunteers in providing wider financial

advice themselves. There is scope to combine this with advice on fuel poverty, as described below.

- Food Donation & Supply Fund (£30k) - this would support the establishment of an underlying 'base level' food supply for the city's food banks.
- Archer Project (£30k) – to enable additional support to homeless people during the winter months.

70. The second activity (Fuel Poverty) would involve providing £100k of support to suitable VCF organisation(s) in the City to enable them to employ advisors to work with residents and groups on reducing energy use and costs. This would enable continuation of previous fuel poverty initiatives. An element of this funding would cover debt advice referrals, some of the recipients of which are the likely also to be users of food banks and hence beneficiaries of the service described in the paragraph above. This would mean that the full amount allocated (£100k) may not be needed.
71. If Members agree these proposals, there would still be around £1.2m underspend available for alternative public health investments. It is recommended that further consideration be given to the options for public health investment as part of the 2015/16 budget before determining any investments in 2014/15.

## **Corporate Financial Risk Register**

72. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks.

### **2014/15 Budget Savings & Emerging Pressures**

73. There will need to be robust monitoring in order to ensure that the level of savings required for a balanced budget in 2014/15 are achieved, especially given the cumulative impact of £240m of savings over the last four years (2011-15), and furthermore the backdrop of even larger reductions in Government grant in 2015/16.

74. Whilst preparing the budget, officers have identified numerous pressures which, if left unchecked, could lead to significant overspends in 2014/15 and beyond. The following pressures have been highlighted because they present the highest degree of uncertainty.
75. The position on pension costs remains a significant risk and increasing cost in 2015/16 when we face an even higher reduction in grant than in 2014/15. In March the South Yorkshire Pensions Authority determined the annual deficit contribution for the next three years. An additional budget provision of £9m was made to cover pension costs in 2014/15, however £4m of this amount is a contribution from reserves. Obviously, this only provides a short-term solution, so further work is being undertaken to look at longer term options. A surplus on the Kier pension pot set up to manage pension risk is now likely to be available from January 2015 to smooth the impact to some extent.
76. Corporate savings of £4m from capital financing costs have been offered up to balance the 2014/15 budget, on the assumption that market conditions will remain favourable to the Council next year, i.e. interest rates and borrowing requirements will not exceed those stated in the Treasury Management Strategy.
77. Following the advent of the Government's Business Rates Retention Scheme in April 2013, a substantial proportion of risk has been transferred to local government, particularly in relation to appeals, charitable relief, tax avoidance, hardship relief and negative growth. The issue of appeals dating back to the 2005 rating list is the greatest risk causing concern across all authorities. As at the end of December 2013, there were properties with a rateable value of £158m under appeal in Sheffield, with an allowance for £5m of refunds next year. Actual trends on appeals are monitored in year, and revised estimates of the impact of appeals have been made as part of the 2014/15 budget process. The Government has made various amendments to business rates regulations in order to support local businesses and stimulate the economy. One such measure is the extension of small business rates relief, for the cost of which the Government has promised to compensate all billing authorities.
78. The risk of delivering adult social care savings in 2014/15 is considerable, given that the Communities portfolio is forecasting an overspend of around £4.5m for care and support services.



### **Medium Term Financial Position**

79. In the future the Council's financial position will be significantly determined by the level of Business Rates and Council Tax income. Each of these may be subject to considerable volatility and will require close monitoring. Based on the Spending Review in June 2013, the funding position is especially difficult from April 2015 and will require a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners. An example of the latter is funding of £38m in respect of the Pooled NHS and LA Better Care Fund for 2015/16. But access to this will be an issue for the Council and should be seen in the context of likely reductions in specific grant support in 15/16 elsewhere. In general the Government's Indicative Finance Settlement for 2015/16 does not suggest a significant change on the above analysis. The Government has not provided any details regarding local government funding beyond March 2016 however. But a number of leading think tanks have warned that there are likely to be further spending reductions and that the period of austerity could run until 2020.

### **Pensions Liabilities**

80. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic context. If they become insolvent the resulting liability may involve significant cost to the Council.

### **Contract Spend**

81. The high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. This is exacerbated by the fact that in general these contracts carry year-on-year inflation clauses based on RPIx which will not be available to the Council's main funding streams, e.g. Council Tax, RSG and locally retained Business Rates.

### **Economic Climate**

82. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
83. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

**External Funding**

84. The Council utilises many different grant regimes, for example central government and EU. Delivering projects that are grant funded involves an element of risk of grant claw back where agreed terms and conditions are not stringently adhered to and evidenced by portfolios. Strong project management skills and sound financial controls are required by project managers along with adherence to the Leader's Scheme of Delegation in order to minimise risk.

**Treasury Management**

85. The ongoing sovereign-debt crisis continues to subject the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a risk that the Eurozone crisis will impact upon the UK's recovery and would in turn lead to higher borrowing costs for the nation. Whilst this is still a possibility, the UK recovery is beginning to take hold and the associated risk is beginning to ease.
86. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.
87. The Co-op Bank have notified us that they will be withdrawing from the Local Authority banking market with effect from the ending of their contract with us, which is due to end in March 2015. Despite the well-publicised issues with the bank, work on retendering the banking contract is progressing to timescale.
88. A tender has been issued for core banking service with contract start date in accordance with initial timescales and work has started looking at contracting for the bill payment service via a PfH framework.

**Welfare Reforms**

89. The government is proposing changes to the Welfare system, phased in over the next few years, which will have a profound effect on council taxpayers and council house tenants in particular. The cumulative impact of these changes will be significant. Changes include:

- **Abolition of Council Tax Benefit:** replaced with a local scheme of Council Tax Support from April 2013. The Council approved the replacement scheme, based on the reduced funding available from Government, and set up a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund which are being closely monitored.
- **Housing Benefit changes:** there have been a number of changes, including the implementation of the 'bedroom tax', from April 2013 where the impacts are that a significant number of claimants are now receiving fewer benefits, thereby impacting on their ability to pay rent.
- **Introduction of Universal Credit:** originally scheduled from October 2013 but now delayed until further notice. Along with the impact of reducing amounts to individuals and the financial issues that might cause, the biggest potential impact of this change is the impact on the HRA and the collection of rent. This benefit is currently paid direct to the HRA; in future this will be paid direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams.

## Children, Young People and Families Risks

### Education Funding

90. In 2014/15 it is anticipated that 10 of the Council's maintained schools will become independent academies (6 primary / 4 secondary). Academies are entitled to receive a proportion of the Council's central education support services budgets. Based on projected academy conversions it is estimated that:
- Up to £1.8m of DSG funding will be deducted from the Council and given to academies to fund support services.
  - Up to £2.6m will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.
91. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's

accounts. It is estimated that this may be up to £467k based on known academy conversions during 2014/15.

92. Where new independent schools (free schools) or Academies are set up and attract pupils from current maintained PFI schools, then the funding base available to pay for a fixed long term PFI contract would reduce, leaving the Council with a larger affordability gap to fund. There are also further potential risks if a school becoming an academy is a PFI school, as it is still unclear how the assets and liabilities would be transferred to the new academy and whether the Council could be left with residual PFI liabilities.

## **Communities Risks**

### **NHS Funding Issues**

93. There are significant interfaces between NHS and Council services in both adults' and children's social care. The Council has prioritised these services in the budget process, but savings have nevertheless had to be found. Working in partnership with colleagues in the Health Service efforts have been made to mitigate the impact of these savings on both sides. However, ongoing work is required now to deliver these savings in a way that both minimises impacts on patients and customers and minimises financial risks to the NHS and the Council.
94. The Council is participating in the Right First Time (RFT) programme with the Clinical Commissioning Group (CCG) and Hospital Trust. This programme aims to shift pressures and resources from the hospital to community settings over the longer term, which should assist the Council in managing adult social care pressures, but there are risks to programme delivery at the same time as delivering funding cuts.

## **Resources Risks**

### **Electric Works**

95. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation. However, there remains a risk that the occupancy of units within Electric Works might be slower (lower) than that assumed within

the business case, such that the call on the contingency is greater (earlier) than planned.

96. A full review of the options for the future is underway and will be reported to Members as soon as possible.

## Housing Revenue Account Risks

### Housing Revenue Account (HRA)

97. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined in the risk above, the main identified risks to the HRA are:

- **Interest rates:** fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA.
- **Repairs and Maintenance:** existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

## Capital Programme Risks

### Capital Receipts and Capital Programme

98. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the depressed market, the impact of the Affordable Housing policy or the failure to carry through initiatives to reduce the size of the Council's property estate. This could result in over-programming / delay / cancellation of capital schemes.

### Housing Regeneration

99. There is a risk to delivering the full scope of major schemes such as Parkhill because of the cooling in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved.

## CAPITAL PROGRAMME MONITORING

### Summary

100. At the end of September 2014, the end of year position forecasts a variance of £18.8m (8%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £203.7m. This has been reduced by £9.2m from the previous forecast of £212.9m. The main reductions are in Highways (£6.1m), Place (£2.2m) and Housing (£0.8m).
101. The Year to Date position shows spending to be £17m below the approved programme profile. The Housing programme is 48% (£8.3m) below profile, Place 37% (£3m) below profile and Highways 23% (2.5m).
102. The programme continues to spend at an underlying rate of £7- 8m per period (consistent with that seen over the last two years). Assuming that major schemes like Don Valley School, Streets Ahead or new Leisure Facilities and programmes such as the Housing Roofing achieve their forecast, on current trends, the Outturn is likely to be in the range of £175m assuming the NRQ purchases complete in 2014/15.
103. This is some £29m below that currently forecast by project managers. Project managers have requested £3.9m of slippage deferrals which will be considered by Cabinet in November and have requested a further £5.1m this month bringing the declared slippage awaiting approval to £9m. So, based on the extrapolation above, there is potentially another £20m to be declared unless there is a substantial acceleration in spend rates.
104. Finance and the Capital Delivery Service are working together to review financial results and relate this to physical progress in order to gain an informed understanding of capital delivery performance and in doing so identify areas for improvement.
105. Slippage in the programme is still present but this is less due to poor profiling and more due to proactive work to manage costs. For example:
- Part of the £3m underspend in the CYPF programme is due to challenging the tender prices from the contractor. This has been made before building work commences thus avoiding costly

standing charges, re-works and variations payable once the contractor starts on site;

- Reductions in the Housing programme reflect a conscious review of potential projects awaiting development. This helps to inform the HRA of the likely timing and scope of the call on resources; and
- A further £348k of savings have been identified in the programme where anticipated costs will be less than the approved sum enabling these resources to be reinvested elsewhere.

106. This reflects how there is an improved understanding of the programme which is starting to pay dividends.

107. This improvement, plus the disciplined consideration of projects through the Gateway Approvals process gives further quality assurance that projects to be delivered in the latter half of 2014/15 and from 2015/16 onwards have sound business cases underwritten by an Outcome Board, realistic delivery profiles and are consistent with Council policies.

### Financials 2014/15

<u>Portfolio</u>	<u>Spend to date</u>	<u>Budget to Date</u>	<u>Variance</u>	<u>Full Year forecast</u>	<u>Full Year Budget</u>	<u>Full Year Variance</u>	<u>Change on last Month</u>
	£000	£000	£000	£000	£000	£000	£000
CYPF	11,488	13,670	(2,182)	35,846	38,837	(2,992)	(198)
Place	5,025	7,985	(2,960)	46,708	55,066	(8,358)	(5,306)
Housing	9,075	17,416	(8,341)	46,214	54,009	(7,795)	(1,954)
Highways	8,129	10,603	(2,474)	30,277	29,486	790	(6,167)
Communities	997	1,400	(403)	1,844	2,123	(279)	(138)
Resources	1,819	2,465	(646)	9,945	10,089	(144)	169
Corporate	6,576	6,576	-	32,883	32,883	-	-
<b>Grand Total</b>	<b>43,110</b>	<b>60,116</b>	<b>(17,006)</b>	<b>203,716</b>	<b>222,493</b>	<b>(18,777)</b>	<b>(13,594)</b>

## Capital Programme

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	2014-15 £m	2015-16 £m	Future £m	Total £m
<b>Month 5 Approved Budget</b>	<b>218.1</b>	<b>158.7</b>	<b>322.3</b>	<b>699.1</b>
<b>Additions</b>	<b>3.5</b>	<b>13.9</b>	<b>0.3</b>	<b>17.6</b>
<b>Variations and Slippage</b>	<b>1.0</b>	<b>-12.2</b>	<b>-3.4</b>	<b>-14.7</b>
<b>Month 6 Approved Budget</b>	<b>222.5</b>	<b>160.4</b>	<b>319.1</b>	<b>702.0</b>

108. The capital programme has been increased by a net £3m following the approval by Cabinet of £2m of additional schemes delivering New Council Housing (£7.5m), remediation of the former Don valley Stadium site, and the Grey-to-Green regeneration scheme for the West Bar area (£3.8m).

109. The majority of the variations relate to reductions in the Housing programme where specific schemes have not yet been developed and funds are being returned to the Housing Revenue Account for future schemes as and when these are devised.

### Approvals

110. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.

111. Below is a summary of the number and total value of schemes in each approval category:

- 4 additions to the capital programme with a total value of £1,613k.
- 8 variations to the capital programme creating a net decrease of £1,124k.
- 14 slippage requests moving £4,600k into future years.
- 4 identified project savings decreasing the value of the programme by £348k



- No emergency approvals.
- 1 director variation with a total value of £10k.

Further details of the schemes listed above can be found in **Appendix 2**.

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## Implications of this Report

### Financial implications

112. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2014/15 and, as such it does not make any recommendations which have additional financial implications for the City Council.

### Equal opportunities implications

113. There are no specific equal opportunity implications arising from the recommendations in this report.

### Legal implications

114. There are no specific legal implications arising from the recommendations in this report.

### Property implications

115. Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor is there any arising from the recommendations in this report.

## Recommendations

116. Members are asked to:

- a) Note the updated information and management actions provided by this report on the 2014/15 Revenue budget position, and approve;

- The proposed use of £300k-£400k of Public Health forecast reduction in spend, as noted in paragraph 68 of the Public Health section of the report

- The balance of the Public Health underspend be considered in the context of the 2015/16 budget savings on public health
- The carry-forward of any underspend on the Local Assistance Scheme (LAS) be carried forward to assist with sustaining a LAS scheme in 2015/16, subject to balancing the overall budget

b) In relation to the Capital Programme:

- (i) Approve the proposed additions to the capital programme listed in **Appendix 2**, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
- (ii) Approve the proposed variations and slippage requests listed in **Appendix 2**;
- (iii) and note;
  - The latest position on the Capital Programme including the current level of delivery and forecasting performance;
  - The four projects listed in **Appendix 2** which are due to close and where savings have been achieved and will be returned to the Housing Revenue Account;
  - There was no exercise of delegated emergency approval by the Executive; and
  - The instances where Cabinet Members, EMT or directors of service exercised their delegated authority to vary approved amounts.

**Reasons for Recommendations**

117. To formally record changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

**Alternative options considered**

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

**Andrew Eckford**  
**Interim Director of Finance**

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## Report to Overview & Scrutiny Management Committee 28<sup>th</sup> Jan 2015

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**Report of:** Director of Policy Performance and Communications

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**Subject:** Update on the Transition to Individual Electoral Registration

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**Author of Report:** John Tomlinson, Electoral Services Manager, tel: 2734091

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### Summary:

The Government has made major changes to the way in which people are registered to vote, introducing a new system called Individual Electoral Registration (IER).

This report updates the Committee on progress in implementing IER, and outlines actions and proposals to ensure that we maximise registration across the city.

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**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	<b>x</b>
Statutory consultation	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	<b>x</b>
Other	

### The Scrutiny Committee is being asked to:

- Note the progress made to date in relation to the implementation of individual Electoral Registration
  - Comment on the actions and proposals outlined in this paper
  - Provide suggestions on how we can maximise voter registration and support members in registration activity.
-

# **Report of the Director of Policy, Performance and Communications**

## **Update on the Transition to Individual Electoral Registration (IER)**

### **1. Introduction**

- 1.1 The Government has made major changes to the way in which people are registered to vote, introducing a new system called Individual Electoral Registration. The rationale behind introducing IER is to introduce safeguards against fraudulent registration and give individuals control over their own registration.

Previously the majority of people registered to vote on a household form which one person in the household completed. Now everyone will have to register themselves individually. Online registration has also been introduced.

We are taking action to ensure that in the transition to IER, electors are not lost from the register, and that we increase registration of 'Under-Registered' groups.

This report outlines progress to date.

### **2. What is IER?**

- 2.1 From 10 June 2014 the Electoral Registration Officer (ERO) has been required to begin the transition from the current rolling and household registration system to IER.

From that date new applicants to be added to the electoral register have been asked to provide their date of birth and National Insurance number. This is then verified against Department for Work and Pensions (DWP) records. If people are unable to provide the information, or it does not match DWP records, the ERO can use other trusted data sources or request additional evidence to verify an individual's identity.

- 2.2 For the first time, electors have a choice in how they register. They can either provide all the relevant information in writing, or complete an application on line at [www.gov.uk/register-to-vote](http://www.gov.uk/register-to-vote). The majority of applications will be matched against DWP records, and so for the elector the process of being added to the register is quick and easy.

However under the previous system of household registration, for the majority of people, electoral registration was completed by someone else on their behalf and they may not realise they are now responsible for their own registration.

2.3 IER has significantly increased the resources required to maintain the electoral register. As well as entering into transactions with 400K individuals as opposed to 242K households there are more stages required in both adding and deleting electors from the register. The legislation still requires EROs to correspond with electors by physical mail at key stages during an application. For the majority of new electors the ERO will have sent at least two letters to the applicant. Online registration is the most cost effective way for someone to be added to the register, but requires the same amount of process time as adding someone to the register prior to IER. Paper applications take more resources because:

- there is more information to enter
- security of the forms has be higher than previously because of more sensitive information
- Additional processes to verify an elector (checking against DWP records, requesting and checking other evidence if DWP does not verify elector)
- Additional correspondence (confirmation of receipt of application as well as confirmation of registration).

Electoral Services are investigating and introducing a number of different initiatives to ensure the processes in place are as cost effective as possible, eg student registration, hybrid mail (to reduce the costs of printing and sending letters), to enable as much resource as possible to be available for maximising registration.

### **3 The Transition to IER**

Electors already registered, or whose application was received by 10 June 2014, were subject to a confirmation exercise. The name and addresses on the register were checked against DWP records. Those electors who matched with DWP records were passported on to the IER register.

Those that didn't match were subject to local data matching against Council Tax and Sheffield Housing records. Any that couldn't be matched were sent an Invitation to Register (ITR). 314000 electors

matched with DWP records (77.89% of those registered). This was increased to 336000 (83.40%) by local data matching.

In August confirmation letters were sent to those electors who had matched (either with DWP records or through local matching), with ITRs sent to the remaining electors, and household enquiry forms sent to empty properties.

The Police and Crime Commissioner by-election in October interrupted scheduled work on the register. Notwithstanding this, the revised register was still published in December, and will be continually updated between then and the General Election in May. Work to ensure as many people as possible are registered was resumed as soon as the PCC by-election was over. Registration work will continue in the run up to May, including door to door visits where required.

When the register was published in December it contained 394,518 electors. That represents a 1.2% reduction from February 2014,, which is a significantly lower reduction than some other cities. However work is ongoing to ensure that the register is as complete and as accurate as possible. As we would actually expect an increase in electorate since the last register, the real shortfall is likely to be closer to 2%. The table below lists the electorate when the revised register was published for the last 5 years.

<b><i>Date Published</i></b>	<b><i>Electorate</i></b>	<b><i>Notes</i></b>
<b>1 December 2010</b>	392,407	
<b>1 December 2011</b>	397,809	
<b>16 October 2012</b>	403,324	Because of the Police & Crime Commissioner elections on 15/11/12 electors who had not returned a registration form for 2 years were not deleted, as would normally be the case.
<b>17 February 2014</b>	399,207	
<b>10 December 2015</b>	395,518	

Over the last few years, we have aimed to increase the response rate to the annual canvass; in 2014 it was 94%. This year there has not been a



traditional canvass and so it is difficult to assess the completeness of the register. However, the household mail-out due to take place in February will provide the opportunity for any omissions to be rectified. More details of the mail-out can be found in section 4.2.1 of this paper.

During December, 3500 electors were added to the register and it is estimated that the same number will have been added by the end of January.

Existing electors who haven't been passported on to the IER register or completed an IER application were carried forward on to the electoral register published in December 2014 and will be able to vote in the May elections. However, they are not allowed to have a postal or proxy vote without first completing an IER application to register. There are currently 35,000 electors who fall into this category in Sheffield. For those who do require a postal or proxy vote and apply before the registration deadline of 20 April 2015 there should be no problem in ensuring their IER registration is submitted and verified in time. However, after this point, they will only be able to vote in person at a polling station.

### **3.1 Funding the transition to IER**

The government has provided funding towards the additional costs of Individual Electoral Registration in accordance with the new burdens doctrine.

Sheffield's transitional funding for 2014/15 is £304,544, plus additional grants of £98,497 to maximise registration. The monies were needed to cover extra print, postage and staffing costs and to fund activities to mitigate against any negative effect on registration levels. Temporary staff have been used to support the additional processing work, whilst the service gains a better understanding of the longer term resources IER will require. Electoral Services are now, with the benefit of 6 months IER experience, assessing staffing requirements to ensure a robust service for the future.

The government has announced that further transitional funding will be available in 2015/16 although the amount is currently unknown. For 2015/16 and beyond, it is anticipated that the costs of electoral registration will increase, although it is difficult to project these additional costs with any certainty until activity during the transition phase is fully evaluated, including the take up of registration on line. The Government has made no guarantees that these ongoing costs will be funded.

## **4 Maximising Registration**

The ERO has a duty to maintain a register of electors, and to encourage electoral registration. The Electoral Commission monitors the performance of EROs, currently Sheffield is either at or above all the standards and has been improving every year since monitoring started. In addition best practice is regularly shared at meetings both of Yorkshire and Humberside Authorities and those in the Core Cities group.

As well as these legal responsibilities Sheffield City Council is committed to promoting democracy and ensuring that anyone who is eligible and wants to vote is able to do so.

Parliamentary constituency and ward boundaries are based upon elector numbers, and therefore in any future boundary review, an unrepresentative register will lead to unrepresentative constituencies and wards.

### **4.1 Groups and areas of under registration**

We know from Cabinet Office research that nationally certain groups are more likely to be unregistered now, and/or less likely to be confirmed in the transfer to IER –

- Social renters - 78% registered
- Students - 78% registered
- BME groups - 77% registered
- Irish and Commonwealth nationals - 68% registered
- Private renters - 56% registered
- Young people 19-24 - 56% registered
- Young people 17-18 - 55% registered

Sheffield being a vibrant and diverse city has significant numbers of all the above categories.

The table below lists the 5 wards that had the lowest match rate with the DWP records during the confirmation stage. Although there is not a direct correlation between the accuracy of the register and the amount of

people confirmed, it is an indicator of which parts of the city are most likely to suffer from under-registration.

<b>Ward</b>	<b>Constituency</b>	<b>% Confirmed</b>	<b>ITR sent</b>	<b>% return of ITR</b>
<b>Broomhill</b>	Central	43.50	7341	27.49
<b>Central</b>	Central	46.33	10458	64.92
<b>Fulwood</b>	Hallam	65.46	4920	87.32
<b>Crookes</b>	Hallam	74.11	3596	34.09
<b>Walkley</b>	Central	78.78	3057	52.99

## **4.2 Action taken to maximise registration**

### **4.2.1 Partnership working**

Sheffield has gained national acclaim for its student registration work in partnership with Sheffield University, in enabling students to register to vote at the same time as registering for their course online. 12,000 students at Sheffield University (60% of those who are eligible) applied to be added to the electoral register this way, and means that under-registration of students will be less acute than in other cities. This system will be available to Sheffield Hallam students in 2015, and is being adopted by other authorities.

We will provide voluntary, community and faith groups with information and promotional materials to promote voter registration through their networks and communication channels.

We are developing a 'toolkit' to support partner organisations, community groups, volunteers etc. who are interested in undertaking registration activity.

We will be contacting residential care homes to work with them to put in place systems to ensure that residents are registered.

### 4.2.2 Integration

We are working with customer facing services across the Council, particularly those who have contact with under registered groups (eg Housing, Public Health), to incorporate registration activity as part of their everyday contact with customers and service users.

This may be through promoting and encouraging voter registration, or registering people using the online system. If this is successful we will look to expand it to other areas of council activity.

Voter registration has been integrated into the Equality and Fairness Grants regime for 2015/16. Voluntary and Community Groups and organisations are able to bid for funding to carry out activity that will increase the number of registered voters from under-represented groups.

### 4.2.3 Traditional Canvass Activity

Although this year there wasn't a traditional canvass, everyone who was registered previously will have received either a confirmation letter, an invitation to register or a household enquiry form (HEF).

HEFs are designed to collect information of who is resident at a property so that an ITR can be sent.

Electoral Services have continued to use Council Tax and Housing records to identify people who should be registered and send them an ITR.

Sheffield has put considerable effort into data-matching to release resources to target the groups and areas of known under registration.

Further to the 'standard canvass', Government has recently announced that funding will be made available for a **city-wide mail-out**. We envisage that this personalised letter will detail our record of who is registered to vote at each household, and ask people to take action if there are people living at the address who are not registered. The letter will go to 242,000 households and we expect it will generate about 100,000 transactions to add, delete and correct entries as well as answer other queries prompted by the arrival of the letter. This mail-out will commence in February and the majority of additions generated should appear on the register 1 April 2015.

From July 2015 the first full IER canvass will occur. Every household will be sent a HEF. New electors identified will be sent ITRs to enable them to register. If the HEF indicates that an elector should no longer be registered at that address the ERO can only remove them after confirming the fact by another source e.g. Council Tax records.

On 1 December 2015 the revised register will be published and anyone who has not been passported on to the IER register or completed an IER application will be removed. The legislation allows for Parliament to postpone this date to 1 December 2016.

#### **4.2.4 Communication**

The bulk of communication activity will begin to coincide with National Voter Registration on February 5<sup>th</sup>.

Planned communication activity includes:

**Electronic communications** – social media, Gov Delivery, web pages, footers of staff emails

**Advertising** – JC Decaux posters, posters in key locations – First Points, housing offices, Citizens Advice Bureaux, children's centres etc,

**Internal communication** – target council employees via intranet, Key Brief; link into communication channels used by council services eg housing publications

**Partner communication** - provide information and promotional material to partner organisations to promote voter registration to staff /customers/service users; and utilise their channels of communications – newsletters etc.

All Members were sent a briefing note about the change to IER in August. Electoral Services will be offering briefing sessions for Members.

## **5 Conclusion**

IER is the biggest change to our democratic system for nearly 100 years. It is not surprising therefore that the transition has been challenging. Moving to the canvassing of individuals was always going to pose problems in large cities where a significant proportion of the population move residence frequently.

The Electoral Manager has taken a regional role within South Yorkshire and Humberside to support authorities' introduction of IER as well as being involved in forums of authorities with large student populations. Sheffield is therefore in a prime position to understand the problems IER brings and the best practice solutions to those problems.

By using a multi- pronged approach we are confident that the challenges of Individual Electoral Registration can be met. This includes:

- The household write-out in February 2015
- Working with community groups
- Working in partnership with other Council services
- The intelligent use of data
- Targeted Canvassing.

## **6 Recommendation**

The Committee is asked to:

- Note the progress made to date in relation to the implementation of individual Electoral Registration
- Comment on the actions and proposals outlined in this paper
- Provide suggestions on how we can maximise voter registration and support members in registration activity.



## Report to Overview & Scrutiny Management Committee 28<sup>th</sup> January 2015

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**Report of:** Head of Elections, Equalities and Involvement

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**Subject:** Scrutiny Review Action Plan Update

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**Author of Report:** Emily Standbrook-Shaw, Policy & Improvement Officer  
emily.standbrook-shaw@sheffield.gov.uk  
0114 27 35065

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### Summary:

During 2013/14 a review of the Council's Scrutiny function was undertaken, with the aim of improving the impact and effectiveness of Scrutiny. The review resulted in an action plan, which officers, in conjunction with scrutiny chairs and members, have been working through.

The action plan is intended to be a live document, and we will continue to add to it as issues arise and as additional areas of work are identified.

The Scrutiny Review Action Plan is attached for information and comment.

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### Type of item:

Briefing paper for the Scrutiny Committee	x
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### The Scrutiny Committee is being asked to:

- Comment on progress made on implementing the action plan
  - Identify any areas for further work
- 

### Background Papers:

Report of the Director of Policy, Performance and Communications to Cabinet 16/04/2014 – [Scrutiny Review](#)





## **Report of the Head of Elections, Equalities and Involvement Scrutiny Review Action Plan Update**

### **1. Introduction/Context**

1.1 During 2013/14 a review of the Council's Scrutiny function was undertaken, with the aim of improving the impact and effectiveness of scrutiny. The scope of the review was to:

1. Ensure scrutiny is a valued part of local governance
2. Build a shared understanding of the role of scrutiny
3. Influence policy making and support work across the council
4. Be more outward facing and complement work to strengthen local voice and community leadership
5. Look and feel better, performing a credible function which focuses on the right things and makes a difference.

New ways of working were agreed, and an action plan developed. Officers and members have been working through the action plan, and it is attached at appendix 1. The action plan is intended as a live document, and we will add to it as further areas of work are identified.

OSMC is the body with responsibility for leading development of the scrutiny function, and as such, progress on implementing the actions resulting from the Scrutiny review is reported to it.

### **2. Progress on implementation**

2.1 The action plan was last reported to the Committee in September. Key achievements since then include:

- Establishing a South Yorkshire information sharing protocol between Scrutiny and the Police and Crime Panel
- Pre-decision scrutiny of high profile issue – Child Sexual Exploitation
- Training on questioning and listening skills for scrutiny members delivered. Course was fully booked – 14 members attended.

2.2 Work in progress includes:

- Refreshing the Scrutiny Chair role profile – currently out for consultation with Chairs
- Developing our approach to public involvement in Scrutiny.
- Developing a set of performance measures for Scrutiny

### **3. Recommendation**

3.1 The Scrutiny Committee is being asked to:

- Comment on progress made on implementing the action plan
- Identify any areas for further work

<b>Scrutiny Review Action Plan</b>			
ID	Tasks	Update	RAG
<b>1.0</b>	<b><i>Ensure Scrutiny is a valued part of local governance</i></b>		
1.1	Arrange scrutiny work planning consultation	All Members emailed for work planning input. Responses fed back to Chairs.	Completed
1.2	Arrange quarterly meetings with Scrutiny Chairs, with Executive Director, Cabinet Members & Policy & Improvement Officer	Variety of approaches to liaising with Executive Directors and Cabinet Members embedded across all Committees.	Completed
1.3	Explore strengthening links between membership of scrutiny committees and other bodies that non-executive Members represent the authority on	Information sharing protocol has been established with the Police and Crime Panel (PCP).	Completed
1.4	Map other relevant forums	Longer term action to be carried out as capacity allows	Not Completed
<b>2.0</b>	<b><i>Build a shared understanding of the role of scrutiny</i></b>		
2.1	Review communication materials and agree actions e.g. web presence	Plan to add to scrutiny webpages - cumulative work programme; annual scrutiny report; major reviews from last two years; links to other Scrutiny e.g. PCP; Combined Authority. Work with colleagues in communications to tap into existing council social media channels to promote scrutiny meetings and work e.g. reports etc.	In Progress Target April 2015
2.2	Establish clear routes for Local Area Partnerships (LAPS) to highlight local issues and inform the work programme	Pick up through review of LAPS. We are liaising with locality management officers.	In Progress Target May 2015

2.3	Review and update the existing "role profile" for Scrutiny Chairs to reflect the current requirements of the role.	Role profile out for consultation with Chairs	In Progress Target Feb 2015
<b>3.0</b>	<b><i>Influence policy making and support work across the council</i></b>		
3.1	Develop a set of selection criteria to identify suitable topics	Developed and attached (app 2)	Completed
3.2	Explore how services can provide different types of support to scrutiny committees undertaking policy development	Project Mandate developed, support for policy development to be considered through resources section of Project Mandate. Spectrum will range from intensive support from services e.g. Cycling Inquiry, to little/no involvement, as deemed appropriate.	Completed
<b>4.0</b>	<b><i>Be more outward facing and complement work to strengthen local voice and community leadership</i></b>		
4.1	Further explore approaches to enhancing public involvement in scrutiny	Draft Framework for Public Involvement in Scrutiny is in development	In Progress Target March 2015
4.2	Explore opportunities for joint scrutiny work with other local authorities (including joint member development around emerging areas)	To be picked up during work planning, and through the 'links' section of Project Mandates as new work arises. Examples to date include work on the Police and Crime Panel across South Yorkshire, Yorkshire & Humber Health Scrutiny on Cardiac Services, and training on questioning and listening skills procured with South Yorkshire authorities.	Completed

4.3	Support the development of clear scrutiny arrangements with regards to new areas of work, e.g. Combined Authority (CA)	Include a link on our website to PCP, Sheffield City Region Combined Authority Scrutiny. Development of CA Scrutiny led by South Yorkshire Joint Secretariat.	In Progress Target Feb 2015
<b>5.0</b>	<b>Look and feel better, performing a credible function which focuses on the right things and makes a difference.</b>		
5.1	Develop a simple “project mandate” that can be used to outline the aims, objectives and timescales of in-depth or short term scrutiny reviews. This should include how to draw on relevant ‘expertise’ from within and outside the Council.	Project Mandate developed (attached app 3). Available for use by Committees as required.	Completed
5.2	Develop a broad menu of the different options Scrutiny has for conducting activity that could range from short/sharp reviews to in-depth Inquiries.	Developed. Available for use by Committees as required.	Completed
5.3	Develop a clear set of measures relating to outcomes and process	Plans to develop both output based and qualitative measures, for audiences as appropriate.	In Progress Target May 2015
5.4	OSMC identifies areas for joint work across committees and any significant areas not covered	OSMC agreed in Sept 14 that it should not be a role of the OSMC to manage individual scrutiny committee work. Examples of opportunities for cross committee working include house building task group and scrutiny of domestic abuse services. Chairs and officers will continue to identify opportunities as they arise.	Not Completed
5.5	Regular oversight by OSMC of the work of the Scrutiny Committees	OSMC agreed in Sept 14 that it should not be a role of the OSMC to manage individual scrutiny committee work.	Not Completed

5.6	OSMC - Introduce political proportionality including a recommendation that this would accommodate Chairs and Deputy Chairs of Scrutiny Committees. Deputy Chairs would, as now, be appointed by the Opposition.	Council AGM appointed a politically proportionate Committee	Completed
5.7	Support Scrutiny to be proactive in getting involved in pre-decision scrutiny	Early discussions with Cabinet Members and Exec Directors will identify opportunities for pre-decision scrutiny. Examples to date include Libraries Review, Housing Revenue Account and Sheffield's assessment of Child Sexual Exploitation services.	Completed
<b>6.0</b>	<b>Other possible areas</b>		
6.1	Training and Development	Suggestions from OSMC re Scrutiny members training and development needs to be fed into overall Council member development planning process. Training in 2014/15 includes questioning and listening skills in November 2014, CYP Scrutiny Committee planning training on data analysis to assist with scrutiny of Child Sexual Exploitation (CSE) annual report and ensuring CSE training for all Members, including co-opted members of scrutiny.	In Progress Ongoing
6.2	Offer a briefing session for new scrutiny members	In progress for May/June. Will be in addition to standard new member induction offer. Will include a "welcome Pack for Scrutiny"	In Progress Target May 2015

## Selecting Scrutiny topics: v00.06

This tool is designed to assist the Scrutiny Committees focus on the topics most appropriate for their scrutiny.

- **Public Interest**  
The concerns of local people should influence the issues chosen for scrutiny;
- **Ability to Change / Impact**  
Priority should be given to issues that the Committee can realistically have an impact on, and that will influence decision makers;
- **Performance**  
Priority should be given to the areas in which the Council, and other organisations (public or private) are not performing well;
- **Extent**  
Priority should be given to issues that are relevant to all or large parts of the city (geographical or communities of interest);
- **Replication / other approaches**  
Work programmes must take account of what else is happening (or has happened) in the areas being considered to avoid duplication or wasted effort. Alternatively, could another body, agency, or approach (e.g. briefing paper) more appropriately deal with the topic

### Other influencing factors

- **Cross-party** - There is the potential to reach cross-party agreement on a report and recommendations.
- **Resources**. Members with the Policy & Improvement Officer can complete the work needed in a reasonable time to achieve the required outcome(s)





<b>Scrutiny Project Mandate Template (v00.01)</b>			
<b>Review topic:</b>	<i>Please state the topic / title of the review.</i>		
<b>Length of review</b>	In-depth (6-9 months) <input type="checkbox"/>	or, Short term (up to 3 months) <input type="checkbox"/>	
<b>Start date</b>		<b>End date</b>	
<b>Lead committee</b>	<i>If a joint review please list all Committees / Chairs involved.</i>	<b>Committee Chair</b>	
<b>Reasons for selecting this topic</b>			
<i>Please give a brief overview of the analysis of this topic against the selection criteria (PAPER) including any additional feedback from the OSMC planning meeting / Scrutiny Committee/s.</i>			
<b>Aim/s of the review</b>			
<i>Please briefly list the aim/s of the review i.e. what you are trying to achieve</i>			
<b>How will you carry out the review</b>			
<i>Please describe the approach you will use e.g. call for evidence, desktop research, meeting key stakeholders, visits etc.</i>			
<b>Outcomes &amp; impact</b>			
<i>Please state what you think will be the likely outcomes of the review and the potential impact.</i>			
<b>Links to other areas of work</b>			
<i>Please list any links to other work either within or outside the Council and say how you will manage them.</i>			
<b>Public involvement</b>			
<i>Please state how the public will be involved in this review e.g. expert witnesses / meeting locations</i>			
<b>Resources</b>			
<i>Please state the resources required to support the review e.g. time of Members, Policy &amp; Improvement Officer, other Council / non Council Officers / small budget for meetings etc.</i>			
<b>Date of Task &amp; Finish Group meeting:</b>			
<b>Any other feedback from the meeting</b>			
<i>Please include any other comments / suggestions made at the meeting.</i>			





## Report to Overview & Scrutiny Management Committee 28th January 2015

**Report of:** Head of Elections, Equalities & Involvement

**Subject:** Overview and Scrutiny Management Committee Work Programme 2014/2015

**Author of Report:** Emily Standbrook-Shaw, Policy & Improvement Officer,  
0114 27 35065

### Summary:

Scrutiny of city wide cross cutting issues, and scrutiny of internal corporate issues (for example Human Resources, Equalities, Communications, use of resources) fall under the remit of the Overview and Scrutiny Management Committee.

The draft OSMC work programme is attached, and the Committee is asked to identify and discuss corporate and city wide issues that it may wish to consider. These could take the form of agenda items, or more detailed task and finish work. The resourcing of the work programme will need to be taken into account during these discussions.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	<b>x</b>

**The Scrutiny Committee is being asked to:**

- Consider and develop the OSMC Work Programme

## OSMC Draft Work Programme

Month	Topics to cover	Comments
28 <sup>th</sup> January 2015	<ul style="list-style-type: none"> <li>• Budget Monitoring Report</li> <li>• Performance Update</li> <li>• Ethical Procurement</li> <li>• Individual Electoral Registration</li> <li>• Scrutiny Review Action Plan – review progress</li> </ul>	<ul style="list-style-type: none"> <li>• Referred from full Council.</li> </ul>
11 <sup>th</sup> February 2015 (10am)	<ul style="list-style-type: none"> <li>• Budget Proposal 2015/16</li> </ul>	<ul style="list-style-type: none"> <li>• OSMC provides feedback to Cabinet on the budget proposals.</li> </ul>



## Report to Overview & Scrutiny Management Committee 28<sup>th</sup> January 2015

**Report of:** Policy and Improvement Officer

**Subject:** Written responses to public questions

**Author of Report:** Emily Standbrook-Shaw  
emily.standbrook-shaw@sheffield.gov.uk  
0114 273 5065

**Summary:**

This report provides the Committee with copies of written responses to public questions asked at the Committee's meeting on 26th November 2014.

The written responses are included as part of the Committee's meeting papers as the way of placing the responses on the public record.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	<b>X</b>

**The Scrutiny Committee is being asked to:**

Note the report

**Background Papers:** None

**Category of Report:** OPEN

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## Overview and Scrutiny Management Committee 26<sup>th</sup> November 2014

### Written response to public question from Mr Alan Kewley

#### Question 1

##### Public Question in respect of Webcasting

Mr Alan Kewley asked whether the City Council was considering introducing webcasting in terms of its public meetings, as being operated by Rotherham MBC.

The Chair stated that, whilst there had been a number of changes in connection with increasing public involvement at meetings, such as members of the public being entitled to carry out recordings of meetings, a response would be provided in terms of the issue of webcasting at the earliest possible opportunity.

##### Written response

Further to your question at the Overview and Scrutiny Management Committee last week re webcasting meetings

This question was asked at Cabinet back in April, and the response given then was - *In relation to webcasting, this had been looked at in the past and proven to be expensive and technically difficult. It was, however, kept under review and had been discussed at a recent meeting of the Corporate Members' Group.*

I have followed it up with our Democratic Services team, and they have informed me that web-casting and audio recording will continue to be kept under review. There may be opportunities to look at webcasting in the future as part of replacing the microphone and voting system in the Council Chamber, which is showing signs of deterioration due to its age.

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