

SHEFFIELD CITY COUNCIL

Overview and Scrutiny Management Committee

Meeting held 11 February 2015

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

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillor Denise Fox, and Councillor Peter Price attended as her duly appointed substitute.

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. PUBLIC QUESTIONS AND PETITIONS

4.1 Adam Butcher

4.1.1 Adam Butcher queried what action the Council would be taking, in terms of its budget allocation, in terms of helping to reduce levels of obesity in the City.

4.1.2 Eugene Walker, Interim Executive Director, Resources, stated that although the new funding arrangements, which would involve the Council receiving Public Health funding for both children and adults, as opposed to receiving separate allocations in the past, would result in some minor budget savings, there would still be a significant level of funding to look at how levels of obesity in the City could be reduced.

4.1.3 The Chair stated that a more detailed, written response from officers in the Children, Young People and Families and Place Portfolios would be forwarded to Mr Butcher within 10 working days of this meeting.

4.2 Peter Sephton, Chair of the Sheffield City Centre Residents' Action Group (SCCRAG)

4.2.1 Peter Sephton referred to the decision of the Planning and Highways

Committee, at its meeting held in October, 2013, to grant a one-year late opening trial licence in respect of West One Plaza, an area designated as a residential area in the Council's Masterplan. The closing date for objections was 9th October, 2014. He questioned whether Members were aware that the original 12 month trial had now been allowed to drift for 16 months, with no apparent end in sight. As well as the obvious frustration being faced by a high number of residents in the West One apartments, and the concerns raised by SCCRAG, with regard to noise nuisance caused by the extended opening hours, Mr Sephton also questioned whether Members were aware that the decision made by the Planning and Highways Committee in October 2013, would lead to many residents submitting appeals for their Council Tax banding to be reduced.

4.2.2 Eugene Walker stated that it was important that the planning concerns were kept totally separate from the financial impact of the decision. He stressed that the Council Tax banding valuations were undertaken by the Valuation Office and not the Council, but he would liaise with colleagues in the Place Portfolio in terms of providing a more detailed, written response to the questions.

4.2.3 Councillor Alan Law, in his capacity as Chair of the Planning and Highways Committee, stated that the Committee was entitled to make such a decision if it perceived that there would be no significant detrimental effect to residents.

4.2.4 Councillor Chris Weldon stated that a more detailed, written response would be provided to Mr Sephton within 10 working days of this meeting.

4.3 *Steve Hambleton, General Manager, Sheffield Royal Society for the Blind (SCRB)*

4.3.1 Steve Hambleton questioned why residential care home fees, which were currently below the national average, were increasing by 2.33%, when nursing homes fees, which were more in line with the national average, were increasing by 2.45%. He also sought assurances that the retendering of the community equipment contract would not result in a charge for equipment for sensory impairment.

4.3.2 Eugene Walker stated that he was aware of the differential in respect of the care home and nursing home fees, following the increases, and it was believed that the higher increase in respect of the nursing homes fees was as a result of capacity issues in the nursing sector. He added that there had been consultation in respect of the increases. In terms of the equipment, Mr Walker stated that he was not able to provide a response with regard to this at this meeting.

4.3.3 The Chair stated that a detailed, written response would be provided to Mr Hambleton, in respect of both questions raised, within 10

working days of this meeting.

5. CAPITAL PROGRAMME AND REVENUE BUDGET APPROVAL 2015/16

- 5.1 The Committee considered the report of the Interim Executive Director, Resources, on the Capital Programme Budget 2015/16, and the joint report of the Chief Executive and Executive Director, Resources, on the Revenue Budget 2015/16, which were to be considered by the Cabinet on the afternoon of 11th February 2015.
- 5.2 In attendance for this item were Councillor Ben Curran (Cabinet Member for Finance and Resources), Eugene Walker (Interim Executive Director, Resources), Dave Phillips (Interim Director of Finance, Resources), Paul Schofield (Assistant Director of Finance), Mike Thomas (Assistant Director of Finance) and John Doyle (Director of Business Strategy, Children, Young People and Families).
- 5.3 Dave Phillips introduced the reports, indicating that the budgets had been prepared over a period of seven months, and made specific reference to the financial pressures facing the Council as a result of the cut in the Revenue Support Grant of over £40 million, together with other budget cuts made as part of the Government's austerity measures. He stated that, after considerable work, the Council had achieved a balanced budget, and had now commenced work in respect of the forthcoming years' budgets, aiming to achieve some level of resilience, whilst accepting that there was still a considerable level of risk. It was hoped that the planned increase in Council Tax would assist with this process.
- 5.4 Members of the Committee raised questions and the following responses were provided:-
- The reason for the vast fluctuation in terms of the Capital Programme from 2010/11 to date, and as forecast for the next three years, was as a result of the number of different projects/initiatives which the Council had received funding for. These included the Decent Homes project, Building Schools for the Future in 2011/12, and the recent peaks in 2014/15 and 2015/16 related to the purchase of land in respect of the New Retail Quarter and the Streets Ahead project, respectively.
 - The process in respect of the 'rolling up' of grants into Revenue Support Grant (RSG) was not clear, and could possibly be viewed as a cut in Government funding. Over the last five years, approximately £75 million had been 'rolled up' into RSG, which had included funding relating to Council Tax benefit, Learning Disability and Health Reform, and the Early Intervention Grant.
 - Figures in terms of how the Council compared with other cities in England in terms of the 'rolling up' of grants into RSG were not available at the meeting. It was believed that the extent to which such grants had been 'rolled up' had been worse in northern cities, as compared to cities in the south of the country.

- The level of the Council Tax freeze grant available to the Council was less than the extra Council Tax to be raised via the proposed increase and, as it was rolled into base RSG, which was itself reduced each year, it was not considered sustainable to accept this grant rather than increase Council Tax.
- The Council held two types of reserves, one being a general contingency fund, which presently amounted to approximately £10/11 million, and was reviewed on an annual basis. The other account comprised earmarked reserves, which were used to fund specific projects/initiatives, such as the PFI schemes. As part of the annual monitoring of the reserves, efforts were made to ensure that they were kept to a reasonable level. It was confirmed that the Council's unearmarked reserves were low, as compared to other core cities.
- It was believed that there was enough evidence, which was publicly available, as well as independent studies proving this, to show that there had been a shift in resources in terms of the levels of Government funding to local authorities in the south of the country, to the detriment of those authorities in the north.
- In past years, the Council had received a specific grant for the purposes of compensating Parish Councils for the loss of Council Tax income, as a result of the introduction of the Council Tax Support Scheme. From 2014/15, this grant was 'rolled up' in Revenue Support Grant, but the Council voted in favour of continuing to compensate the Parish Councils in full in 2014/15. In the light of the fact that the Council was already having to absorb RSG reductions, the level of compensation was likely to reduce over the forthcoming years. The Parish Councils had been made aware of this position.
- The planned expansions in terms of additional school places had been required in response to the growing population. The funding would be targeted to those schools with the highest demand for places, and expansions and improvements would be made regardless of whether the school had converted to academy status.
- Although the Better Care Fund partnership with the NHS Clinical Commissioning Group would continue to develop with the aim to deliver better joint commissioning, to ensure people got the right care, when and where they needed it, the negotiations in respect of 2015/16 were still at an early stage. Although the improved joint commissioning plans should lead to more effective and efficient services to release savings in this area, there was no detail available in terms of specific savings at this stage.
- Officers had submitted a report providing the Month 3 Monitoring Statement on the Council's Revenue Budget and Capital Programme for June to this Committee's meeting held on 24th September 2014, to inform Members of the budget position at that time, particularly with regard to any specific pressures moving forward.

5.5 RESOLVED: That the Committee:-

- (a) notes the contents of the reports now submitted, together with the comments now made and the responses provided to the questions raised; and
- (b) requests the Interim Executive Director, Resources, to draft a report for the Chair of the Committee, for him to forward to the Sheffield MPs, to raise the following issues on behalf of the people of Sheffield, as follows:-
 - (i) the specific grants that have been incorporated into Revenue Support Grant, and the net financial impact of this; and
 - (ii) how the Government's financial settlement for the City Council compared to that of other local authorities.

6. DATE OF NEXT MEETING

6.1 It was noted that the next meeting of the Committee would be held on a date to be arranged.