

SHEFFIELD CITY COUNCIL

Overview and Scrutiny Management Committee

Meeting held 17 February 2016

PRESENT: Councillors Cate McDonald (Chair), Sue Alston, John Booker, Tony Damms, Denise Fox, Pat Midgley, Chris Rosling-Josephs, Jack Scott, Geoff Smith, Roger Davison (Substitute Member) and Robert Murphy (Substitute Member)

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Steve Ayris, with Councillor Roger Davison attending as his substitute, and Councillor Sarah Jane Smalley, with Councillor Robert Murphy attending as her substitute.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where a resolution 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 In response to a question relating to the funding of the Streets Ahead programme, Councillor Ben Curran (Cabinet Member for Finance and Resources) stated that this was a political priority and that the Council's Administration would prioritise this programme to ensure completion.

5. REVENUE BUDGET AND CAPITAL PROGRAMME 2016/17

5.1 The Committee considered the report of the Interim Executive Director, Resources, on the Capital Programme Budget 2016/17 and the joint report of the Chief Executive and the Interim Executive Director, Resources, on the Revenue Budget 2016/17, which were to be considered by Cabinet on the afternoon of 17th February 2016.

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), John Doyle (Children, Young People and Families Portfolio) and Laura Pattman (Communities Portfolio).

5.3 Dave Phillips introduced the Revenue Budget 2016/17 report, making particular reference to the one-fifth reduction in the Revenue Support Grant which had come on top of the Government's five year austerity programme. He went on to refer to cost pressures of approximately £25m and the £50m funding gap, with savings

towards this being provided by areas such as the transport levy, health demand management and prevention. However, a balanced budget had been achieved, but another tough year was predicted for next year, after which the situation should begin to improve. In conclusion, Dave Phillips made reference to the position regarding the reserves, earmarked reserves and the recommendations which were to be put to Cabinet.

5.4 In response to Members' questions, the following points were made:-

- The Council had not been allocated any of the £300m relief fund provided by the Government.
- Officers were not aware of any financial backlog in relation to the payment of personal budgets for Adult Services.
- It was possible that the Council might receive some of the £1m extra allocation for mental health services, but it should be noted that this was a Health Service announcement.
- Representatives of the Sheffield NHS Clinical Commissioning Group (CCG) would be able to finalise discussions with Council officers when the CCG's financial position, with regard to its funding and savings plans for 2016/17, had been established.
- Reserves would only be used as a one-off solution should the CCG not be able to provide its contribution to the BCF.
- The Government had cut the grant for the Public Health Floating Support Fund, which meant that a proposed programme of reductions would be put in place. Current clients would continue to be supported by the Floating Fund and, had these cuts not taken place, the Council had intended to extend this support to vulnerable and challenging individuals.
- The answer to most of the questions regarding the Council's Budget was that there was simply 'not enough money'. Previously there had been increases in the Council's Budget to cover inflation but, with cuts of £350m over the past six years, it didn't have the money which it had before.
- The Council's contributions to the South Yorkshire Pension Fund were set on a three year basis and the amount had increased over each previous period, with a further increase expected from 2017/18. A £5m proposal was in place to cover this increase and, if the previous deficit element of the bill was paid up front, then less would be paid, which would help to mitigate the position. Funds were in place to pay this.
- No levy in relation to flood prevention schemes had been made on businesses within the Lower Don Business Improvement District, but an increase in Business Rates had been agreed.

- Negotiations were taking place regarding savings on the Council's major contracts and unsuccessful attempts had been made to get the Government to agree to changes in the way projects were financed. The savings asked for were deemed to be reasonable, but it was difficult to identify savings during the investment period. In respect of the Waste Management contract, a number of savings had been made over the years, eg the introduction of alternate weekly collections, but, at the moment, it seemed that the Streets Ahead contract would cost the agreed amount. Any savings could also be dependent on the nature of the contract, eg the contract for Waste Management was a long one, whilst the contract with Capita was coming to an end. Contract savings were still being pursued, but in the Place budget there were alternative savings which could be made. The existing target on savings had not been fully delivered but this would be pursued next year.
- Local authorities had been allowed by the Government to increase Council Tax by up to 2% to fund Adult Social Care, but this didn't come close to solving the problem, with a national solution being required. After 2017/18, the Government would allocate funds for the BCF and it had been recognised that there was a need for this to come to local authorities in the North of England.

5.5 Dave Phillips then introduced the report on the Capital Programme Budget 2016/17 and informed the Committee that the budget for that year was £195m. This would be used to target key priorities such as housing, the Streets Ahead programme and schools. He added that the Council's revised internal Gateway approval process would enable schemes to be processed more quickly.

5.6 In response to Members' questions, the following points were made:-

- This was not the appropriate forum for the discussion of procurement, which would be looked at separately.
- It would be possible for the Housing Repairs system to be considered by the appropriate Scrutiny and Policy Development Committee.
- It was planned to spend all of the Capital Programme Budget Allocation for 2016/17, but in reality there was always some slippage. It was hoped that the new Gateway approval process would help in this regard. The variation this year was around 7%, which was an improvement on the position 2 years ago. As a result of best practice being adopted, a variation of around 5% could be expected in this budget.
- The figures for slippage would be checked, but it was felt that there had been a definite improvement.
- In relation to schools, Bannerdale was not included in the current programme but would be next year.

5.7 RESOLVED: That the Committee:-

- (a) thanks those attending for their contribution to the meeting;
- (b) notes the contents of the report of the Interim Executive Director, Resources, on the Capital Programme Budget 2016/17 and the joint report of the Chief Executive and the Interim Executive Director, Resources, on the Revenue Budget 2016/17, together with the comments made and the responses provided;
- (c) recommends that the report of the Interim Executive Director, Resources, on the Capital Programme Budget 2016/17 and the joint report of the Chief Executive and the Interim Executive Director, Resources, on the Revenue Budget 2016/17, be submitted to Cabinet without amendment;
- (d) believes austerity is a political choice, not an economic necessity;
- (e) believes that Sheffield has been unfairly targeted for cuts by the Government since 2010;
- (f) condemns the Government for the savage, persistent and unfair cuts it has chosen to impose; and
- (g) requests that this resolution, together with the accompanying report, be sent to the Sheffield Members of Parliament, to underline the ferociousness of the funding situation facing Sheffield City Council.

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.