

# Council

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**Wednesday 3 February 2021  
2.00 pm**

**To be held as an online video  
conference.**

The Press and Public are Welcome to Attend/Observe. To access the meeting, click on the 'View the Webcast' link on the webpage - <http://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=154&MIId=7677&Ver=4>

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## COUNCIL

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Wednesday 3 February 2021, at 2.00 pm

To be held as an online video conference.

### MEMBERS OF THE COUNCIL

THE LORD MAYOR (Councillor Tony Downing)  
THE DEPUTY LORD MAYOR (Councillor Gail Smith)

1	<i>Beauchief &amp; Greenhill Ward</i> Simon Clement-Jones Bob Pullin Richard Shaw	10	<i>East Ecclesfield Ward</i> Andy Bainbridge Vic Bowden Moya O'Rourke	19	<i>Nether Edge &amp; Sharrow Ward</i> Peter Garbutt Jim Steinke Alison Teal
2	<i>Beighton Ward</i> Bob McCann Chris Rosling-Josephs Sophie Wilson	11	<i>Ecclesall Ward</i> Roger Davison Barbara Masters Shaffaq Mohammed	20	<i>Park &amp; Arbourthorne Ward</i> Julie Dore Ben Miskell Jack Scott
3	<i>Birley Ward</i> Denise Fox Bryan Lodge Karen McGowan	12	<i>Firth Park Ward</i> Abdul Khayum Alan Law Abtisam Mohamed	21	<i>Richmond Ward</i> Mike Drabble Dianne Hurst
4	<i>Broomhill &amp; Sharrow Vale Ward</i> Angela Argenzio Kaltum Rivers	13	<i>Fulwood Ward</i> Sue Alston Andrew Sangar Cliff Woodcraft	22	<i>Shiregreen &amp; Brightside Ward</i> Dawn Dale Peter Price Garry Weatherall
5	<i>Burngreave Ward</i> Jackie Drayton Talib Hussain Mark Jones	14	<i>Gleadless Valley Ward</i> Lewis Dagnall Cate McDonald Paul Turpin	23	<i>Southey Ward</i> Mike Chaplin Tony Damms Jayne Dunn
6	<i>City Ward</i> Douglas Johnson Ruth Mersereau Martin Phipps	15	<i>Graves Park Ward</i> Ian Auckland Sue Auckland Steve Ayris	24	<i>Stannington Ward</i> David Baker Penny Baker Vickie Priestley
7	<i>Crookes &amp; Crosspool Ward</i> Tim Huggan Mohammed Mahroof Anne Murphy	16	<i>Hillsborough Ward</i> Bob Johnson George Lindars-Hammond Josie Paszek	25	<i>Stocksbridge &amp; Upper Don Ward</i> Jack Clarkson Julie Grocutt Francyne Johnson
8	<i>Darnall Ward</i> Mazher Iqbal Mary Lea Zahira Naz	17	<i>Manor Castle Ward</i> Terry Fox Sioned-Mair Richards	26	<i>Walkley Ward</i> Ben Curran Neale Gibson
9	<i>Dore &amp; Topley Ward</i> Joe Otten Colin Ross Martin Smith	18	<i>Mosborough Ward</i> Tony Downing Kevin Oxley Gail Smith	27	<i>West Ecclesfield Ward</i> Alan Hooper Adam Hurst Mike Levery
				28	<i>Woodhouse Ward</i> Mick Rooney Jackie Satur Paul Wood

Contact:

Paul Robinson, Democratic Services  
[paul.robinson@sheffield.gov.uk](mailto:paul.robinson@sheffield.gov.uk)

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## **PUBLIC ACCESS TO THE MEETING**

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The Council is composed of 84 Councillors with one-third elected three years in four. Councillors are democratically accountable to the residents of their Ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them

All Councillors meet together as the Council. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints the Leader and at its Annual Meeting will appoint Councillors to serve on its Committees. It also appoints representatives to serve on joint bodies and external organisations.

A copy of the agenda and reports is available on the Council's website at <http://democracy.sheffield.gov.uk/ieListMeetings.aspx?Committeeld=154>. 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 most Council 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.

Council meetings are normally open to the public but sometimes the Council 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. Please see the website for details of how to view the remote meeting.

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**COUNCIL AGENDA  
3 FEBRUARY 2021**

**Order of Business**

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**1. WELCOME AND HOUSEKEEPING ANNOUNCEMENTS**

**2. APOLOGIES FOR ABSENCE**

**3. DECLARATIONS OF INTEREST**

Members to declare any interests they have in the business to be considered at the meeting.

**4. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS**

To receive any questions or petitions from the public, or communications submitted by the Lord Mayor or the Chief Executive and to pass such resolutions thereon as the Council Procedure Rules permit and as may be deemed expedient.

(NOTE: There is a time limit of one hour for the above item of business. In accordance with the arrangements published on the Council's website in relation to meetings of the Council held remotely, questions/petitions are required to be submitted in writing, to [committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk), by 9.00 a.m. on Monday 1<sup>st</sup> February.)

**5. MEMBERS' QUESTIONS**

5.1 Questions relating to urgent business – Council Procedure Rule 16.6(ii).

5.2 Supplementary questions on written questions submitted at this meeting – Council Procedure Rule 16.4.

5.3 Questions on the discharge of the functions of the South Yorkshire Joint Authorities for Fire and Rescue and Pensions – Section 41 of the Local Government Act 1985 – Council Procedure Rule 16.6(i).

(NB. Minutes of recent meetings of the two South Yorkshire Joint Authorities have been made available to all Members of the Council via the following link -

<http://democracy.sheffield.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13165&path=0>)

**6. HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET 2021/22**

Report of the Interim Executive Director, Place.

**7. CORONAVIRUS (COVID-19) UPDATE**

To receive updates on Covid-19 related matters affecting the city, including from the Director of Public Health, followed by questions from Members of the Council.

(NOTE: The above item of business is expected to commence at approximately 4.00 p.m.).

**8. CHANGES TO THE CONSTITUTION - FINANCIAL PROCEDURE RULES**

Report of the Director of Legal and Governance (Monitoring Officer).

**9. MINUTES OF PREVIOUS COUNCIL MEETING**

To receive the record of the proceedings of the meeting of the Council held on 6<sup>th</sup> January 2021, and to approve the accuracy thereof.

**10. REPRESENTATION, DELEGATED AUTHORITY AND RELATED ISSUES**

To consider any changes to the memberships and arrangements for meetings of Committees etc., delegated authority, and the appointment of representatives to serve on other bodies.



Gillian Duckworth  
Director of Legal and Governance

Dated this 26 day of January 2021

**The next meeting of the Council will be held on 3 March 2021**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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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.

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 Audit and Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email [gillian.duckworth@sheffield.gov.uk](mailto:gillian.duckworth@sheffield.gov.uk).

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## HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN & HRA BUDGET 2021/22

At its meeting on 20th January 2021, the Cabinet received a report of the Interim Executive Director, Place, providing the 2021/22 update of the Housing Revenue Account (HRA) Business Plan. The report also presented a 2021/22 revenue budget for the HRA.

Approval of the Housing Revenue Account is a function reserved to full Council.

The Cabinet's minute is set out below.

### **"Housing Revenue Account (HRA) Business Plan & HRA Budget 2021/22**

The Interim Executive Director, Place submitted a report providing the 2021/22 update of the Housing Revenue Account (HRA) Business Plan. The report includes proposals to:-

- Deliver our stock increase programme to build and acquire more council homes and develop plans to expand our current programme.
- Invest in further health and safety measures including fire safety improvements.
- Deliver improvements to our tenants' homes to make sure they continue to be well maintained.
- Develop plans to respond to the Council's ambitions to address climate change and how council housing can contribute to achieving zero-carbon emissions by 2030.
- Proactively manage our neighbourhoods, supporting existing, new and prospective council housing tenants.
- Make improvements to our estate services.
- Review housing offices and community buildings to ensure these are being fully utilised by tenants and residents.

**RESOLVED:** That Cabinet recommends to the meeting of the City Council on 3rd February 2021 that:-

- (a) the HRA Business Plan report for 2021/22, as set out in the appendix to the report, is approved;
- (b) the HRA Revenue Budget 2021/22, as set out in the appendix to the report, is approved;
- (c) rents for council dwellings are increased by 1.5% from April 2021 in line

with the Regulator of Social Housing's Rent Standard;

- (d) rents for temporary accommodation remain unchanged for 2021/22;
- (e) garage rents for garage plots and garage sites are increased by 1.5% from April 2021;
- (f) the community heating standing charge is increased by £0.60 per week from April 2021, and the unit kWh price remains unchanged for 2021/22;
- (g) the sheltered housing service charge remains unchanged for 2021/22;
- (h) the burglar alarm charge remains unchanged for 2021/22; and
- (i) the furnished accommodation charge remains unchanged for 2021/22."

### **Recommendation**

That the Council approves the recommendations made by the Cabinet, as set out above.

### **Options**

Full Council may:-

- (i) approve in full the recommendations made by the Cabinet; or
- (ii) approve with modification the recommendations made by the Cabinet, subject to the caveats below.

In considering the options, Full Council must have full regard to the contents of the report to Cabinet including, in particular, the implications that are highlighted in the report. Full Council's attention is drawn to the statutory requirements noted in the report, that the Authority must:-

- (A) comply with the Regulator of Social Housing's Rent Standard, as a Registered Provider of Social Housing, and accordingly increase dwelling rents for 2021/22 by no more than CPI + 1%; and
- (B) formulate proposals relating to HRA income and expenditure no later than February each year in accordance with Part VI of the Local Government and Housing Act 1989.

(NOTE: A copy of the report submitted to the Cabinet is attached.)

Mick Crofts  
Interim Executive Director, Place



**Author/Lead Officer of Report:** Janet Sharpe,  
Director of Housing

**Tel:** 0114 2930240

**Report of:** *Executive Director, Place*  
**Report to:** *Cabinet*  
**Date of Decision:** *20 January 2021*  
**Subject:** *Housing Revenue Account (HRA) Business Plan and HRA Budget 2021/22*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Neighbourhoods and Community Safety</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Safer and Stronger Communities</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 808				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

**Purpose of Report:**

The report provides the 2021/22 update of the Housing Revenue Account (HRA) Business Plan. It includes proposals to:

- Deliver our stock increase programme to build and acquire more council homes and develop plans to expand our current programme
- Invest in further health and safety measures including fire safety improvements
- Deliver improvements to our tenants' homes to make sure they continue to be well maintained

- Develop plans to respond to the Council's ambitions to address climate change and how council housing can contribute to achieving zero-carbon emissions by 2030
- Proactively manage our neighbourhoods, supporting existing, new and prospective council housing tenants
- Make improvements to our estate services
- Review housing offices and community buildings to ensure these are being fully utilised by tenants and residents

**Recommendations:**

It is recommended that Cabinet recommends to the meeting of the City Council on 3 February 2021 that:

1. The HRA Business Plan report for 2021/22 as set out in the appendix to this report is approved
2. The HRA Revenue Budget 2021/22 as set out in the appendix to this report is approved
3. Rents for council dwellings are increased by 1.5% from April 2021 in line with the Regulator of Social Housing's Rent Standard
4. Rents for temporary accommodation remain unchanged for 2021/22
5. Garage rents for garage plots and garage sites are increased by 1.5% from April 2021
6. The community heating standing charge is increased by £0.60 per week from April 2021. The unit kWh price will remain unchanged for 2021/22
7. The sheltered housing charge remains unchanged for 2021/22
8. The burglar alarm charge remains unchanged for 2021/22
9. The furnished accommodation charge remains unchanged for 2021/22

**Background Papers:**

Appendix – Sheffield City Council Housing Revenue Account Business Plan 2021-2022

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Karen Jones
		Legal: Andrea Simpson
		Equalities: Louise Nunn
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>Laraine Manley</i>
3	<b>Cabinet Member consulted:</b>	<i>Cllr Paul Wood</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Janet Sharpe</i>	<b>Job Title:</b> <i>Director of Housing</i>
	<b>Date: 11<sup>th</sup> January 2021</b>	

## **1. PROPOSAL**

### **1.1 Summary**

- 1.1.1 This report provides the 2021/22 update of the Housing Revenue Account (HRA) Business Plan and a 2021/22 revenue budget for the HRA.
- 1.1.2 A separate report on the Capital Programme, which includes the Council Housing Investment Programme 2021/22, will be considered by Cabinet in February 2021. This will include details of the Council's funded capital investment plan for council housing which complements the service and financial plans for the HRA in this report.

### **1.2 Background**

- 1.2.1 The HRA is the financial account of the Council as landlord. It is ring-fenced in law for income and expenditure in respect of council housing and housing land and certain activities in connection with the provision of council housing only. Other council services are funded through council tax and central government support which benefits all citizens of Sheffield regardless of tenure.
- 1.2.2 The HRA Business Plan sets out how all aspects of council housing will be funded from income (predominately rents) that the local authority is able to generate in its capacity as landlord.
- 1.2.3 The HRA operates within a national political context; therefore, any changes within national housing policy can have a significant impact on the HRA Business Plan.
- 1.2.4 Each year the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead and to provide an updated 5-year plan and 30-year affordability profile.
- 1.2.5 The review of the HRA Business Plan is a dynamic process which reflects the Council's ambitions to be an excellent landlord. This is not just something that we undertake once a year.
- 1.2.6 The recommendations in this report are based on the best information available at the time of writing – December 2020. In a period of significant political and economic change, it is possible that some of these assumptions may need to be revisited before the next annual update of the business plan. We will monitor any developments directly impacting proposals within this report. If significant changes affect service delivery or the viability of the business plan, then a further report will be brought back to Cabinet.



## 1.3 Summary of Key Changes

### 1.3.1 • Coronavirus (COVID-19) Pandemic

The Coronavirus (COVID-19) pandemic has caused global social and economic disruption, affecting people's lives worldwide. Since March 2020, the ongoing impacts and response to the pandemic in the UK has included a number of measures such as national lockdowns and varying restrictions in an effort to curb the spread of the disease. As a local authority, we have had to change, adapt and work differently in order to ensure we have been able to provide our statutory and key council services to our customers and service users, at times only being able to respond to emergency or urgent cases.

### • Welfare Reform

Welfare Reform has represented the biggest change to the benefits system in a generation. Supporting our tenants through these changes, and the transition to Universal Credit, continues to be a key priority. The roll out of Universal Credit commenced in Sheffield in November 2018 for new benefit claimants. Migration of existing claimants in Sheffield is ongoing and expected to continue until 2024.

The number of Universal Credit claims made by our tenants increased substantially in the first 3 months of the COVID-19 outbreak, mirrored with an increase in failed and cancelled direct debits. Some tenants had no experience or knowledge of the complex welfare benefits system or knew the help and support available. Reduced resources and more complex contacts as a result of the outbreak has meant prioritising cases with an ever-increasing demand for support and advice for our tenants. Under the emergency provisions in the Coronavirus Act 2020 all legal proceedings for possession, up to and including eviction, were suspended between March and September 2020. Although this suspension has now ended, notice periods before new proceedings can be issued have been significantly increased and there is a moratorium on evictions until at least 21<sup>st</sup> February (with the government keeping this date under review) except in really serious cases: antisocial behaviour, illegal occupation, fraud, domestic abuse or substantial arrears. This has led to an increase in arrears (some, but not all, due to the Covid-related financial pressures on tenants) and further pressures on the service.

Arrears have increased due to the current outbreak and total arrears are expected to increase significantly by the end of the financial year and beyond. We have increased our Hardship Fund and along with the continued hard work of staff within the service, arrears would have been higher. The Council generally and the Housing and Neighbourhoods Service specifically for the purposes of this report have provided support to households who because of COVID-19, have found themselves in financial difficulty and this support has helped to avoid the risk of losing their home.

We have also continued to support and help tenants to manage their money and understand their commitment to paying rent. We have continued to promote Direct Debit as a preferred payment method for all tenants and for those claiming Universal Credit it increases the likelihood of receiving full and prompt payment when monthly rent is due.

- **Fire and Building Safety**

Since the tragic events of the Grenfell fire in 2017, a number of measures have been announced by the Government to improve fire and building safety, especially for high-rise tower blocks and buildings of multiple occupancy. The independent review of building regulations and fire safety (The Hackitt Report) was published in 2018 and set out over 50 recommendations for the delivery of a robust regulatory system. The Government carried out a consultation, “Building a Safer Future”, on its proposals in response to these recommendations in June/July 2019, which we responded to.

Since the consultation, further steps to reform the Building Safety system to ensure residents are safe in their homes were announced by Government in April 2020. Measures include mandatory sprinkler systems and consistent wayfinding signage in all high-rise blocks of flats over 11 metres tall. Government also announced its intentions to create a new national Building Safety Regulator.

The Fire Safety Bill 2019-2021 which will amend the Regulatory Reform (Fire Safety) Order 2005 is currently progressing through Parliament. It will provide greater clarity over responsibility for fire safety in multi-occupied residential buildings. It will mean as a local authority, for all council owned flat and maisonette blocks we must manage and reduce the risk of fire for the structure and external walls of the building, including claddings, balconies and windows; and for entrance doors to individual flats that open into common parts.

All of these developments demonstrate significant change for the housing sector and will require major levels of both physical and engagement investment. The wider ranging regulatory changes, including a legislative requirement for residents to be part of and scrutinise the safety of their homes at every stage, means it will be important take proactive measures to ensure this happens. It is a priority for us to ensure our tenants are safe in their homes.

During 2020 we have been involved in a national best practice pilot to look at ways we can best provide fire safety information and how this can best be retained by our tenants and residents living in high rise tower blocks.

We will continue to take a pro-active approach to ensure we continue to comply with any further legislative requirements and that we continue to be a role model of good standards for the city and other social landlords to the way we manage and maintain our council housing homes.

- **The Charter for Social Housing Residents (White Paper)**

The Social Housing White Paper – The Charter for Social Housing Residents was published on 17 November 2020 and builds upon proposals set out in the 2018 Social Housing Green Paper – A New Deal for Council Housing.

The White Paper sets out reforms that will speed up the complaints procedure for residents by improving access to the Housing Ombudsman, reducing decision times and ensuring effective resolution. It will also make landlords more accountable for the services they deliver, including the introduction of a set of tenant satisfaction measures that landlords will have to report against. The White Paper introduces a new charter for social housing residents which sets out what every social housing resident should be able to expect:

- 1. To be safe in your home, working with industry and landlords to ensure every home is safe and secure**
- 2. To know how your landlord is performing, including on repairs, complaints and safety, and how it spends its money, so tenants can hold it to account**
- 3. To have your complaints dealt with promptly and fairly, with access to a strong ombudsman who will give tenants swift and fair redress when needed**
- 4. To be treated with respect, backed by a strong consumer regulator and improved consumer standards for tenants**
- 5. To have your voice heard by your landlord, for example through regular meetings, scrutiny panels or being on its board. The government will provide access to help tenants to learn new skills if needed, to ensure landlords listen**
- 6. To have a good quality home and neighbourhood to live, with landlords keeping homes in good repair**
- 7. To be supported to take your first step to ownership, so it is a ladder to other opportunities, should your circumstances allow**

The White Paper proposes measures that will require greater transparency and scrutiny of both HRA finances and performance. The Regulator of Social Housing will ultimately set these standards and will undertake proactive inspection visits to ensure that we are meeting these standards. However, we are already working with our tenant representatives to develop local performance monitoring in advance of announcements from the Regulator and will continue to adapt as we

know more.

The proposals set out in the White Paper will need further legislation to bring them into force. There is currently no timescale for this but as legislation is developed, we will be able to look at all the proposals in further detail. We hope that the proposals will help us to improve standards and help how our tenants and residents are able to engage with us.

- **Brexit**

The UK left the European Union on 31 January 2020 and moved into an 11-month transition period. The transition period meant that the UK continued to follow EU rules, whilst negotiations continued around agreeing a trade deal. Impacts as a result may include increase costs of construction materials imported from the EU, a shortage of skilled workers within the construction industry and increased inflation and interest rates - all which will have an impact on the HRA Business Plan. We will continue to monitor the impacts of Brexit and leaving the EU throughout 2021/22.

- 1.3.2 The HRA Business Plan will need to factor in further, the impacts and cost implications of all the areas covered in the above sections.

#### **1.4 Local Impacts of National Changes**

- 1.4.1 The HRA Business Plan has had to face a number of financial pressures over the last few years which have had a significant impact on the plan, such as reforms within our welfare system and changes in social rent policy. In 2020, the Coronavirus (COVID-19) pandemic is something we have had to face with little knowledge or insight. The short-term effects of the virus have already had a devastating impact both economically and socially, both at a national and local level.

- 1.4.2 The Council declared a climate change emergency in 2019 and since this time has been working towards Sheffield becoming a zero-carbon city by the end of the next decade. A dedicated piece of analysis work has already been produced by the Tyndall Centre for Climate Research, recommending the city must not exceed a budget of 16 million tonnes of carbon emissions over the next 2 decades. This highlights a need for rapid decarbonisation across the city and the Council is working with partners to develop a zero-carbon plan to look at ways to reach its carbon zero targets. Housing can have an impact in addressing the climate change emergency and the Council's ambition to become zero carbon by 2030. This will require changes in the way that we manage our existing council housing stock, cost and policy implications and our plans for investing in new council homes.

- 1.4.3 Our commitment to investing in fire safety is an area that will need to be protected but at the same time we are also facing extra pressure to

respond to climate change and contributing to reducing the city's carbon emissions. The costs of upgrading our housing stock in response to climate change is likely to be expensive. There will be options around the levels and extent we are able to invest but it may mean we won't be able to invest in other areas as a result.

- 1.4.4 We are continuing to lose homes because of Right to Buy, therefore it is essential that we continue to increase the number and types of homes we can provide. This is to not only help mitigate Right to Buy loss but to ensure we have the right types of homes to help meet the increasing demand.
- 1.4.5 It also remains important for us to invest in our existing homes to ensure they are safe and comfortable for our tenants. As our main source of income to the HRA is from rents, it is important that we have good quality and appealing homes that our tenants want to live in. We understand that our tenants want to live in attractive and safe neighbourhoods and so upgrading the outside areas such as footpaths and outside lighting remains a key investment priority.
- 1.4.6 Supporting the local economy including providing improved employment and skills outcomes remains a key priority for the Council. We currently have 80 apprentices within the Housing and Neighbourhoods Service and recruit around 20 new apprentices a year, with many becoming permanent members of staff. Our plan is to increase the number of apprentices per year going forward as we seek this as a key part of our succession planning for the service. We also offer a number of graduate roles available each year within the service. In addition to this, our Repairs and Maintenance Service benefits greatly from apprentices. We recruited an additional 45 apprentices in 2020, taking the total of apprentices in the Repairs Service to 100.
- 1.4.7 As part of our tendering and procurement processes we look at how this work can incorporate local employment and apprenticeship opportunities. We will continue to strengthen our relationships with existing and future contractors and subcontractors to ensure we are able to continue to contribute to supporting the local jobs economy.
- 1.4.8 The Coronavirus (COVID-19) pandemic has had a major impact on the way we have been able to deliver our key services to our tenants. Initially we were only able to deliver our key statutory duties and services whilst we adapted the way we worked to consider the ever-changing environment. This has posed some real challenges to the service; however, we have adapted our ways of working to ensure we have been able to support our tenants the best way we can. We have continued to support any tenant financially struggling by engaging with them and setting up support and payment plans. The level of rent arrears impacts significantly on the business plan as we predominantly rely on this income to provide our council housing services. Increasing our Hardship Fund, encouraging Direct Debits and providing financial advice and support are ways we will continue to help our tenants and mitigate the

impacts on the business plan.

- 1.4.9 We have continued to support tenants throughout the pandemic by actively engaging with them, through phone calls, essential tenancy visits and other means, to ensure they are supported, especially our more vulnerable tenants. Our Housing and Neighbourhood teams have been working closely with the Community Response Team, with some housing staff temporarily re-deployed to ensure tenants are not isolated and have been able to receive any support they have needed. We are also continuing to provide support services for our 1,200 Older People's Independent Living (OPIL) tenants. Measures have been put in place to help protect our older tenants within our OPIL schemes. Warden staff have been reassuring tenants, providing ongoing support and on-site activities to help address any concerns from tenants feeling isolated or lonely and to help ensure they are safe during this time. We have retained front line essential services throughout the outbreak and have ensured our estates, particularly flats and maisonette blocks have had increased cleaning and maintenance provision.
- 1.4.10 Impacts to the construction industry has meant there were some delays to our stock increase programme and our capital investment programme because of the initial outbreak. Our new build sites as part of our stock increase programme have continued to operate throughout the pandemic but at a reduced pace. We have been able to resume our investment works following the lifting of national restrictions and are continuing to deliver planned works as part of the overall programme.
- 1.4.11 Our repairs service has been impacted as we were only able to complete emergency repairs and gas safety servicing during the initial outbreak and again for the second national lockdown. This has led to a backlog in repairs that the service needs to complete, and we are continuing to work through this, whilst managing tenant expectations.
- 1.4.12 The HRA Business Plan will be continually reviewed to address these pressures and ensure the business plan can be financially viable and sustainable for future years.

## **1.5 HRA Business Plan Priorities 2021/22**

- 1.5.1 The key priorities for the HRA Business Plan 2021/22 are to:
- Deliver our stock increase programme to build and acquire more council homes and develop plans to expand our current programme
  - Invest in further health and safety measures including fire safety improvements
  - Deliver improvements to our tenants' homes to make sure they continue to be well maintained

- Develop plans to respond to the Council’s ambitions to address climate change and how council housing can contribute to achieving zero-carbon emissions by 2030
- Proactively manage our neighbourhoods, supporting existing, new and prospective council housing tenants
- Make improvements to our estate services
- Review housing offices and community buildings to ensure these are being fully utilised by tenants and residents

1.5.2 The key priorities for the HRA Business Plan 2021/22 will continue to feed into the wider Council and Housing and Neighbourhoods vision.

1.5.3 Further details of the key themes can be found within the priorities chapter within the HRA Business Plan 2021/22 appendix report.

## **1.6 Investment Programme**

1.6.1 The aim of the investment programme is to effectively use capital and planned expenditure on our housing stock to improve tenant’s homes, encourage sustainability and to reduce future revenue repair costs.

1.6.2 The 5-year investment programme will continue to prioritise work that keeps people safe and it will deliver improvements to people’s homes (kitchens, bathrooms, windows, doors, roofs, communal areas etc.) to make sure they continue to be well maintained.

1.6.3 The Government White Paper - The Charter for Social Housing Residents, published in November 2020, proposes a review of the Decent Homes Standard, which is referenced in the Social Housing Regulator’s Home Standard, to consider whether this needs to be updated to ensure it is delivering what is needed for safety and decency now. The first part of the review is expected to be completed by Autumn 2021. We will continue to monitor developments in relation to the review and await the results of any outcomes as a result.

1.6.4 We welcome the opportunity to work with Government on new standards and need to make sure that the HRA Investment Programme is balanced between the old stock and replacement of this and the new homes. This will be vitally important as we prepare for the new regulatory arrangements set out in the Social Housing White Paper. In preparation for this and to ensure that we are continually providing the best possible services for our tenants, we have actively sought best practice and benchmarking, working closely with the Social Housing Regulator.

1.6.5 We are committed to achieving and working to higher standards which holds us in good stead in preparing for any new regulatory arrangements

proposed in the Social Housing White Paper. We have already achieved ISO 450001 certification for occupational health and safety and ISO 14001 certification for environmental standards, demonstrating that we are committed to improving our standards and want to build on this further.

- 1.6.6 The COVID-19 outbreak resulted in some delays to the planned programme during 2020/21. This has meant some of our planned works will take place later than originally planned and fall into 2021/22 and into later years of the programme. Further planning will be required to see how this will impact on other areas of the 5-year capital programme and we will continue to monitor this during 2021/22.
- 1.6.7 Our commitment to increasing the number of new / replacement council homes remains a high priority. Our plans are to deliver 3,100 new homes by 2028/29. At the time of writing this report, we have delivered 631 new homes (a mixture of homes purchased on the open market and new homes built or acquired off plan).
- 1.6.8 Last year we stated that as part of our stock increase plans, we will include a greater range of homes to help meet the significant shortfall of some types of homes that the Council has available for letting. Our first new Independent Living Housing scheme (Older Persons Independent Living with Care) is currently under construction in Parson Cross and is due for completion in Spring 2022. We are also developing plans for new Older Persons Independent Living Schemes in the South and South East of the city which will improve the choice and type of homes available for older people within the city. Our new learning disabilities accommodation has been completed and will be ready for occupation in early 2021.
- 1.6.9 We will continue to explore a range of different delivery options to maximise the number of new council homes we are able to provide. Options include building on the Council's housing land (held for the purposes of Part II of the Housing Act 1985 and accounted for in the HRA), acquiring homes for sale, purchasing "off plan" from private sector developers and acquiring land for the purpose of building new Council homes.
- 1.6.10 Our ambition through the life of this business plan is to increase the number of new council homes we can provide, extending our stock increase programme commitment beyond the end of the existing programme of 3,100 homes. We are exploring the different ways in which we can deliver these homes, balancing prudential borrowing with grant maximisation. As we expand on our current programme and plans are further developed, we will bring any proposals back through Cabinet.
- 1.6.11 In 2020 we have looked further into developing a small programme of Shared Ownership homes as an affordable housing option in Sheffield. It is intended that these homes will be delivered as part of the HRA Stock Increase Programme. The Government has announced a new shared ownership model to be used from April 2021 and has recently consulted



on its implementation. Following the outcome of the consultation Homes England will issue new guidance. A report setting out how the Sheffield City Council shared ownership properties will be managed will be produced for consideration by Cabinet in within the next few months, when this detail is clearer.

- 1.6.12 The Repairs Service have completed a major review of the service and developed a new target operating model with clear priorities for change and improvements. Change has started and will be continuous over the next 18 months with the overall aim of achieving a sustainable operating model that delivers excellent value for money services to the tenants and residents of Sheffield City Council.
- 1.6.13 Areas of improvement within the service have included a restructure to the service to help reduce operating costs; a more focused approach to planned and cyclical maintenance; improving customer focus and collaboration with key stakeholders; modernising the service delivery through investment in ICT; improvements to performance management, reporting and productivity, improving financial management and procurement and supply chain management.
- 1.6.14 The Government has set out its plans for achieving zero-carbon emissions and within the housing sector this will be a massive challenge. It is estimated that across the whole of the housing sector it will take over a billion pounds to bring all existing stock of all tenures to a zero-carbon position by 2030. This will be one of the biggest challenges facing the Council and Sheffield has set an ambition to become a zero-carbon city by 2030. This will require changes in the way that we manage our existing housing stock, cost and policy implications and our plans for investing in new council homes.
- 1.6.15 Most of our council housing stock does perform highly, with around 31,000 of the council's housing stock having already reached the Government's target of having an EPC C rating. Over the next 10 years we aim to raise the EPC ratings on remaining properties within our stock. We recognise more needs to be done to reach a zero-carbon position, however this will involve a substantial investment to be identified and using a range of new technologies and materials. The Government has launched a range of grant programmes to assist with making homes greener and we will continue to explore funding options that we may be eligible for to assist us with our ambitions.
- 1.6.16 We have yet to fully integrate these costs into our 30-year plan. We will continue to explore options around retro fitting our existing stock, ensuring that our on-going investment programme fully considers the challenge ahead. As part of our council housing stock increase programme we are already delivering new build homes with enhanced performance specifications such as increased thermal efficiency and increased air tightness. We are also exploring further options for our future new build homes to achieve low-carbon emitting, no-gas homes.

- 1.6.17 Finally, we intend to review our costs and office portfolio over the next 12 months to ensure that it still meets our needs and delivers value for our tenants and our business. A corporate review of community buildings is taking place to help ensure best use of these facilities and explore other community provisions within local areas. Housing community buildings (accounted for within the HRA) will be included in this review.
- 1.6.18 Further detail on the investment programme is available in the HRA Business Plan 2021/22 appendix report.

## **1.7 Financial Plan**

- 1.7.1 The financial plan is based on a number of key assumptions to help us mitigate risks or changes that may occur in the coming year. All assumptions are reviewed and refreshed each year to reflect the changing economic environment in which the business plan operates.
- 1.7.2 Borrowing must comply with the provisions of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, made under the Local Government Act 2003, which require the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework that the capital investment plans of local authorities are affordable, prudent and sustainable and that decisions are taken in accordance with good professional practice

## **1.8 Financial Assumptions**

- 1.8.1 Rents for council dwellings are to be increased by 1.5% from April 2021 in line with the Regulator of Social Housing's Rent Standard. This is equivalent to an average increase of £1.13 per week. Rents for temporary accommodation will remain unchanged in 2021/22. Appendix C to the HRA Business Plan 2021-2022 report sets out the average rents per house size in Sheffield.
- 1.8.2 The rent increase for 2021/22 is a lower increase than originally assumed in the HRA Business Plan. This is due to lower inflation rates in 2020 mainly due to the impacts of COVID-19 on the economy. Service plans and spending has had to be adjusted as a result meaning less revenue for capital spending than what was originally assumed.
- 1.8.3 Arrears have increased significantly due to the current outbreak and total arrears are expected to increase by £2-4 million by the end of the financial year. Arrears will continue into further years because of the COVID-19 outbreak and it will take some time for this to reduce. An additional £450k has been allocated to our Hardship Fund to help support households in financial difficulty and ensure they are able to remain in their home. This is alongside other support mechanisms in

place such as providing money management and budgeting advice. We recognise that many of our tenants will be in financial hardship as result of the COVID-19 outbreak and we will continue to support tenants throughout 2021/22 and beyond.

- 1.8.4 The process of making all council housing rents equitable over time by letting vacant properties at the target rent level will continue. Currently the average rent is £0.72 less than 'target' compared with a difference of £0.73 last year.
- 1.8.5 Garage rents for garage plots and garage sites will be increased by 1.5% from April 2021 in line with dwelling rent increases.
- 1.8.6 The burglar alarm charge from April 2021 will remain unchanged for 2021/22.
- 1.8.7 The sheltered housing service charge will remain unchanged for 2021/22.
- 1.8.8 The furnished accommodation charge will remain unchanged for 2021/22.
- 1.8.9 Although charges for burglar alarms, sheltered housing and furnished accommodation will remain unchanged for 2021/22, we will continue to monitor and review these during the year. This may mean in future years these will need to be increased.

## 1.9 **Community Heating Charges**

- 1.9.1 The community heating standing charge is to increase by £0.60 per week from April 2021. The unit kWh price will remain unchanged for 2021/22.
- 1.9.2 The increase to the standing charge is required in 2021/22 to ensure the community heating account is balanced and to minimise future spikes in charges to customers. This will allow the retention of a sufficient level of reserve should there be future increases in the price of gas. Initial work has indicated that investment will be required in our boiler houses – many which are old and obsolete. The challenge of reaching zero carbon emissions means that alternatives to gas may be recommended which may change the energy profile and costs for community heating.
- 1.9.2 The Council's heat metering scheme which began in 2014 has proven to be very successful. Since the introduction of smart meters, our customers are now saving around 40% on their heating bills compared to their previous unmetered supply. The system also provides us with comprehensive data about how each home is using their heating and gives us the ability to support and advise tenants who might be worrying about switching on their heating. This is enabling us to support individuals more and intervene earlier where required.

1.9.3 In addition to the financial savings our customers are making, there are significant environmental benefits being realised because of heat metering, in the form of lower carbon emissions which will help Sheffield meet its zero carbon ambitions.

1.9.5 A full breakdown of all community heating service charges is set out in Appendix C to the HRA Business Plan 2021/22.

## **1.10 HRA Budget 2021/22**

1.10.1 Appendix A to the HRA Business Plan 2021/22 sets out the recommended budget for 2021/22.

## **1.11 Forecast Outturn 2020/21**

1.11.1 Revenue budget monitoring reports have been presented during the year to Cabinet. The latest position is shown at appendix A to the HRA Business Plan 2021/22.

1.11.2 Further monitoring reports updating the 2020/21 position will be presented in accordance with the Council's budget monitoring timetables.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

2.1 The proposals in this report are aimed at maximising financial resources to deliver outcomes to council tenants in the context of a self-financing funding regime, developments in national policy, the current economic climate and reductions in government funding. They will contribute towards the Corporate Plan priorities of Thriving Neighbourhoods and Communities, Tackling Inequalities and being an In-touch Organisation.

2.2 The HRA Business Plan 2021/22 will continue to contribute to the delivery of wider housing strategies and policies such as the Housing Strategy 2013-2023, the New Homes Delivery Plan 2018-2023, the Homelessness Prevention Strategy 2017-22 and the Older People's Independent Living Housing Strategy 2017-22.

2.3 The Council must ensure that as a self-financing entity council housing in Sheffield has a sustainable future. The purpose of the HRA Business Plan report for 2021/22 is to ensure the cost of council housing - including investment in homes, services to tenants, the servicing of debt and overheads - can continue to be met by the income raised in the HRA.

2.4 The foundation of the HRA Business Plan is ensuring council homes are occupied because letting homes generates the rental income which funds all aspects of council housing.

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

- 3.1 Consultation on business plan activities takes place throughout the year as part of our formal tenant governance activities. This helps us to understand what tenants think about the delivery of current services, but also to identify their priorities and shape future service needs.
- 3.2 Tenants have been kept informed of developments in relation to the HRA Business Plan and updates around housing national policy and key service updates because of COVID-19 via a number of communications. This has included the Housing and Neighbourhoods Advisory Panel (HANAP), Housing and Neighbourhoods Partnership Group (HNPG), online meetings and e-bulletins such as Your TARA News, Your Home Your Neighbourhoods and a fortnightly Housing and Neighbourhoods Service news bulletin.
- 3.3 The use of online news bulletins to inform tenants on the latest developments and news has enabled us to easily and quickly get information shared about the latest service updates as well as being able to share positive news stories that has been much needed during this time.
- 3.4 The COVID-19 pandemic has meant we have had to change some of the ways that we communicate and consult with our tenants. We have not been able to host our usual face to face meetings and groups so have had to think differently to ensure we have still been able to provide a way of engaging with our tenants.
- 3.5 Our Housing and Neighbourhoods Partnership Group (HNPG) and Housing and Neighbourhoods Advisory Panel (HANAP) have continued with meetings held digitally via online meeting platforms. Tenant and Residents Associations (TARAs) have been encouraged to use digital methods to keep in touch with their local communities. The Housing and Neighbourhood Service, in collaboration with Heeley Trust, have provided support and training for TARAs who have wanted help to establish an online presence whether this be through setting up a Facebook Page or hosting an online meeting.
- 3.6 A special HANAP meeting is taking place in January 2021 to consider the proposals within this Cabinet report. This report will also be discussed with tenant representatives at the Housing and Neighbourhood Partnership meeting on 14 January 2021. Any relevant comments and views expressed will be offered verbally to the Cabinet meeting.

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

##### **4.1 Equality of Opportunity Implications**

- 4.1.1 A full Equalities Impact Assessment (EIA) has been completed for these Business Plan proposals. Issues raised will be addressed through regular monitoring against actions in the EIA.

4.1.2 Any in year proposed change in policy or service provision will require an individual EIA.

#### 4.2 Financial and Commercial Implications

4.2.1 The 2021/22 budget follows the principles set out in the original self-financing HRA Business Plan produced in 2012 and allows for a continuation of services to tenants, revenue repairs to properties and also financial support for the council housing investment programme by means of a contribution from revenue.

4.2.2 Any annual revenue surpluses on the account will continue to support the 30-year Business Plan.

4.2.3 The Council Housing Capital Programme including the stock increase programme will require the HRA to support further borrowing as allowed under the current Government guidelines. The debt strategy for the HRA will continue to be reviewed and developed in accordance with the Council's treasury management policy.

4.2.4 Further details on the Council Housing Capital Programme will be set out in the report to Cabinet on in February 2021.

4.2.5 Appendix A within the HRA Business Plan 2021/22 report details the initial 5-year projections for the HRA income and expenditure account. These are based on current assumptions and will be reviewed during 2021/22 in the light of any known changes.

#### 4.3 Legal Implications

4.3.1 The duty to keep a Housing Revenue Account and prevent a debit balance on it and restrictions as to what may be credited or debited to the account ("the ringfence") are governed by Part VI of the Local Government and Housing Act 1989 (the 1989 Act). This formerly included provision for annual HRA subsidy paid by central Government to local housing authorities, as determined by the Secretary of State. HRA subsidy was abolished by the Localism Act 2011, which provided for the Secretary of State to make a determination providing for the calculation of a settlement payment to or from each local housing authority. This settlement and its implications for the self-financing HRA continue to inform the HRA Business Plan.

4.3.2 The HRA provisions in the 1989 Act include the duty in January or February each year to formulate proposals relating to HRA income and expenditure. Those proposals are contained in this report.

4.3.3 By section 24 of the Housing Act 1985 (the 1985 Act) the Council has a broad discretion in setting such reasonable rents and other charges as it may determine and must from time to time review rents and make such changes as circumstances may require. Such circumstances will of course include other statutory requirements such as those described in

this report. The duty to review rents and make changes is itself subject to the requirements for notice of a variation set out in Section 103 of the 1985 Act. The notice must specify the variation and the date on which it takes effect which must be at least four weeks after the date of service. To implement the rent variation recommended in this report notice of the variation must be sent to all tenants within the first week of March at the latest.

- 4.3.4 In February 2019 the Government published a policy statement on rents for social housing from 1 April 2020 onwards and, pursuant to powers under section 197 of the Housing and Regeneration Act 2008, issued the Direction on the Rent Standard 2019. This required the Regulator of Social Housing to set a new rent standard, consistent with the Rent Policy Statement, with effect from 1 April 2020. The Direction applies to the Regulator in relation to the rents of all registered providers of social housing, including local authorities, and revokes and replaces a 2014 Direction which applied only to the rents of private registered providers. The requirement that the Council's rent increases be in accordance with government rent policy is not itself new but with effect from 1 April 2020 this is secured through a regulatory standard.

#### **4.4 Risk Management**

- 4.4.1 The risk management plan is the basis of the Council's risk management strategy for the HRA Business Plan.
- 4.4.2 The key risks to the HRA Business Plan have been identified and are listed in the risk section of the appendix report. The business plan is based on our best assumptions; however key risks such as the transition to Universal Credit, interest rates and inflation could have significant impacts to the business plan.
- 4.4.3 Given these risks, it is proposed that a mid-year review of the business plan is carried out and brought back to Cabinet only if significant changes affect service delivery or viability.
- 4.4.4 Following an assessment of the current risks to the HRA in the coming 5 years it is proposed for 2021/22 for a reserve level of £5.6m. Due to the ongoing impacts of the COVID-19 outbreak, it is proposed that the reserve level is monitored throughout the year with the flexibility to change this within the year if required.
- 4.4.5 The main viability test for the business plan is its capacity to repay debt over the life of the plan. Having this capacity provides cover for any changes in interest rates.
- 4.4.6 The long-term viability of the plan is dependent on the delivery of additional savings that will be required in the coming years.

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

5.1 Sheffield City Council has a statutory duty to produce an annual balanced HRA budget, which is evidenced by the business plan update, therefore no alternative option was considered to producing this report.

**6. REASONS FOR RECOMMENDATIONS**

6.1 To optimise the number of good quality affordable council homes in the city;

6.2 To maximise the financial resources to deliver key outcomes for tenants and the city in the context of a self-financing funding regime;

6.3 To ensure that tenants' homes continue to be well maintained and to optimise investment in estates; and

6.4 To assure the long-term sustainability of council housing in Sheffield.





# Housing Revenue Account Business Plan 2021-22





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# Introduction

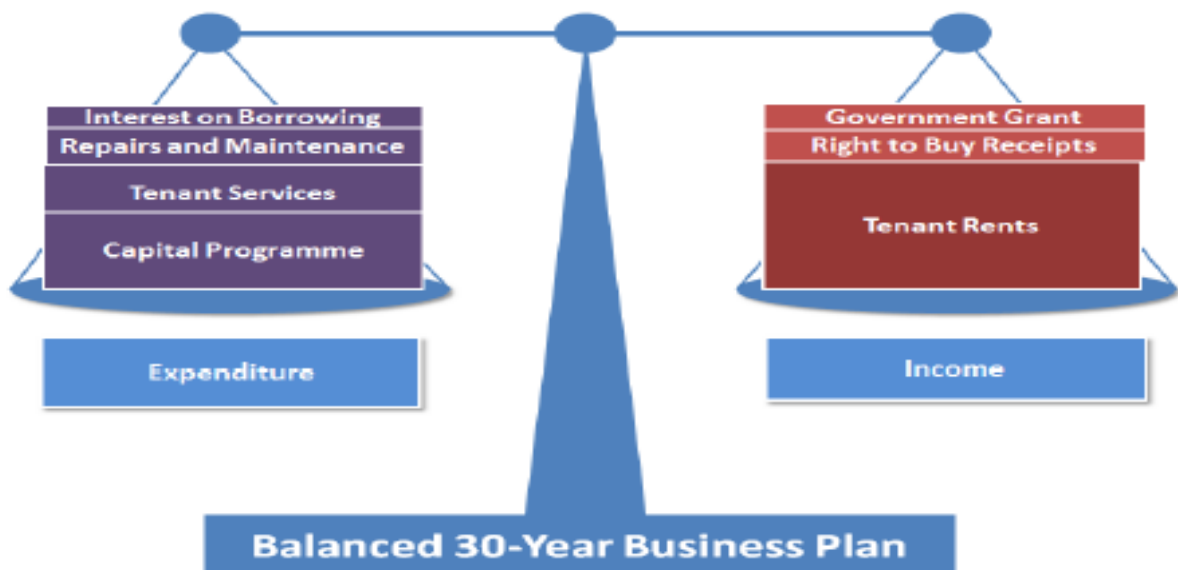
The Housing Revenue Account (HRA) is the financial account used to manage our landlord activities. It is ring-fenced in law and can only be used for providing services to council housing tenants through the collection of rent and charges. Other council services are funded through council tax and central government support which benefit all citizens of Sheffield regardless of tenure.

## The Business Plan

The HRA Business Plan sets out our income and expenditure plans for delivering council housing services in Sheffield. It sets out our key council housing priorities for the coming years, showing how we intend to develop our services to tenants.

Each year the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead. It also provides an updated 5-year plan for our capital investment programme.

These plans are set within the context of a 30-year affordability profile - our long-term planning horizon for balancing the HRA. HRA income predominately comes from tenant rents, with other income received from Right to Buy receipts and government grant. HRA expenditure includes the capital investment programme, tenant services, repairs and maintenance and paying off interest on our borrowing.



Over the last few years, the HRA Business Plan has had to face a number of financial challenges which have had a significant impact on the plan. For 2021/22, the

HRA Business Plan will not only continue to be impacted on the effects of previous national policy decisions such as the reduction of social housing rents, but from more recent events such as the Coronavirus (COVID-19) pandemic. This will have a significant impact on the business plan for 2021/22 but also for many years to come. As we work to determine the level of impacts and how this will shape the business plan for future years, it is likely that we will need to reassess some of our future plans. However, our focus will remain on continuing to deliver a council housing service that serves the needs of our tenants.



# National Policy Context

The HRA operates within a political environment therefore any changes in national housing policy can have a significant impact on our HRA Business Plan. Potential national policy impacts are factored into the business plan each year and captured in the plan's risk register. This section considers the key policies and developments that we expect to have an impact on our business plan.

## Coronavirus (COVID-19) Pandemic

The Coronavirus (COVID-19) pandemic has caused global social and economic disruption, affecting people's lives worldwide. Since March 2020, the ongoing impacts and response to the pandemic in the UK has included a number of measures such as national lockdowns and varying restrictions in an effort to curb the spread of the disease. As a local authority, we have had to change, adapt and work differently in order to ensure we have been able to provide our statutory and key council services to our customers and service users, at times only being able to respond to emergency or urgent cases.

Further details of how the Housing and Neighbourhood Service have responded to the COVID-19 outbreak and the impacts this has had to delivering the housing service and impacts to the business plan are contained in the next chapters.

## Welfare Reform

Welfare Reform has represented the biggest change to the benefits system in a generation. Supporting our tenants through these changes, and the transition to Universal Credit, continues to be a key priority. The roll out of Universal Credit commenced in Sheffield in November 2018 for new benefit claimants. Migration of existing claimants in Sheffield is ongoing and expected to continue until 2024.

The number of Universal Credit claims made by our tenants increased substantially in the first 3 months of the COVID-19 outbreak, mirrored with an increase in failed and cancelled direct debits. Some tenants had no experience or knowledge of the complex welfare benefits system or knew the help and support available. Reduced resources and more complex contacts as a result of the outbreak has meant prioritising cases with an ever-increasing demand for support and advice for our tenants. Under the emergency provisions in the Coronavirus Act 2020 all legal proceedings for possession, up to and including eviction, were suspended between March and September 2020. Although this suspension has now ended, notice periods before new proceedings can be issued have been significantly increased and there is a moratorium on evictions until at least 21<sup>st</sup> February (with the government keeping this date under review) except in really serious cases: antisocial behaviour, illegal occupation, fraud, domestic abuse or

substantial arrears. This has led to an increase in arrears (some, but not all, due to the Covid-related financial pressures on tenants) and further pressures on the service.

Arrears have increased due to the current outbreak and total arrears are expected to increase significantly by the end of the financial year and beyond. We have increased our Hardship Fund and along with the continued hard work of staff within the service, arrears would have been higher. The Council generally and the Housing and Neighbourhoods Service specifically for the purposes of this Plan have provided support to households who because of COVID-19, have found themselves in financial difficulty and this support has helped to avoid the risk of losing their home.

We have also continued to support and help tenants to manage their money and understand their commitment to paying rent. We have continued to promote Direct Debit as a preferred payment method for all tenants and for those claiming Universal Credit it increases the likelihood of receiving full and prompt payment when monthly rent is due.

## *Fire and Building Safety*

Since the tragic events of the Grenfell fire in 2017, a number of measures have been announced by the Government to improve fire and building safety, especially for high-rise tower blocks and buildings of multiple occupancy. The independent review of building regulations and fire safety (The Hackitt Report) was published in 2018 and set out over 50 recommendations for the delivery of a robust regulatory system. The Government carried out a consultation, "Building a Safer Future", on its proposals in response to these recommendations in June/July 2019, which we responded to.

Since the consultation, further steps to reform the Building Safety system to ensure residents are safe in their homes were announced by Government in April 2020. Measures include mandatory sprinkler systems and consistent wayfinding signage in all high-rise blocks of flats over 11 metres tall. Government also announced its intentions to create a new national Building Safety Regulator.

The Fire Safety Bill 2019-2021 which will amend the Regulatory Reform (Fire Safety) Order 2005 is currently progressing through Parliament. It will provide greater clarity over responsibility for fire safety in multi-occupied residential buildings. It will mean as a local authority, for all council owned flat and maisonette blocks we must manage and reduce the risk of fire for the structure and external walls of the building, including claddings, balconies and windows; and for entrance doors to individual flats that open into common parts.

All of these developments demonstrate significant change for the housing sector and will require major levels of both physical and engagement investment. The wider ranging regulatory changes, including a legislative requirement for residents to be part of and scrutinise the safety of their homes at every stage, means it will be important take proactive measures to ensure this happens. It is a priority for us to ensure our tenants are safe in their homes.

During 2020 we have been involved in a national best practice pilot to look at ways we can best provide fire safety information and how this can best be retained by our tenants and residents living in high rise tower blocks.

We will continue to take a pro-active approach to ensure we continue to comply with any further legislative requirements and that we continue to be a role model of good standards for the city and other social landlords to the way we manage and maintain our council housing homes.

## *The Social Housing White Paper – The Charter for Social Housing Residents*

The Social Housing White Paper – The Charter for Social Housing Residents was published on 17 November 2020 and builds upon proposals set out in the 2018 Social Housing Green Paper – A New Deal for Council Housing.

The White Paper sets out reforms that will speed up the complaints procedure for residents by improving access to the Housing Ombudsman, reducing decision times and ensuring effective resolution. It will also make landlords more accountable for the services they deliver, including the introduction of a set of tenant satisfaction measures that landlords will have to report against.

The White Paper introduces a new charter for social housing residents which sets out what every social housing resident should be able to expect:

- 1. To be safe in your home**, *working with industry and landlords to ensure every home is safe and secure*
- 2. To know how your landlord is performing**, *including on repairs, complaints and safety, and how it spends its money, so tenants can hold it to account*
- 3. To have your complaints dealt with promptly and fairly**, *with access to a strong ombudsman who will give tenants swift and fair redress when needed*
- 4. To be treated with respect**, *backed by a strong consumer regulator and improved consumer standards for tenants*
- 5. To have your voice heard by your landlord**, *for example through regular meetings, scrutiny panels or being on its board. The government will provide access to help tenants to learn new skills if needed, to ensure landlords listen*
- 6. To have a good quality home and neighbourhood to live**, *with landlords keeping homes in good repair*
- 7. To be supported to take your first step to ownership**, *so it is a ladder to other opportunities, should your circumstances allow*

The White Paper proposes measures that will require greater transparency and scrutiny of both HRA finances and performance. The Regulator of Social Housing will ultimately set these standards and will undertake proactive inspection visits to ensure that we are meeting these standards. However, we are already working with our tenant representatives to develop local performance monitoring in advance of announcements from the Regulator and will continue to adapt as we know more.

The proposals set out in the White Paper will need further legislation to bring them into force. There is currently no timescale for this but as legislation is developed we will be able to look at all the proposals in further detail. We hope that the proposals will help us to improve standards and help how our tenants and residents are able to engage with us.

## *Brexit – Leaving the EU*

The UK left the European Union on 31 January 2020 and moved into an 11-month transition period. The transition period meant that the UK continued to follow EU rules, whilst negotiations continued around agreeing a trade deal. Impacts as a result may include increase costs of construction materials imported from the EU, a shortage of skilled workers within the construction industry and increased inflation and interest rates - all which will have an impact on the HRA Business Plan. We will continue to monitor the impacts of Brexit and leaving the EU throughout 2021/22.





# Local Policy Context

The HRA Business Plan is set within a wider strategic context of the overall ambitions of Sheffield City Council and those of the Housing and Neighbourhood Service.

## *Corporate Ambitions and Wider Council Plans*

Sheffield City Council's Corporate Plan aims to capture the long-term ambitions for Sheffield. The Corporate Plan is currently being reviewed, however the HRA Business Plan will continue to help support the Corporate Plan and feed into the key priorities for the Council such as care leavers and health and wellbeing. As well as the overall Corporate Plan, the HRA Business Plan will also help to support a range of other related strategies such as:

- The Housing Strategy
- Council Housing Stock Increase Programme
- Homelessness Prevention Strategy
- Older People's Independent Living (OPIL) Housing Strategy
- New Homes Delivery Plan

## *Housing and Neighbourhoods Service*

In Sheffield we are passionate about people and the places they live and as a Council we want to do our best to make a positive difference.

As a landlord we want our tenancies to be sustainable and successful and have a positive impact on people's lives. We know that in the current climate this requires us to be creative and flexible. We recognise that our customers have different needs and aspirations and if we are to achieve our ambitions it is important that we can deliver accommodation and services that reflect this.

The HRA Business Plan focuses on the council housing aspects that will feed in and contribute to our wider Housing and Neighbourhoods Service vision. We will continue to work with tenants and leaseholders on amending existing policies or introducing new policies during the year that could improve services. Any proposed changes to the housing policy framework will be the subject of separate executive decisions.

## *Responding to Coronavirus (COVID-19)*

The Coronavirus (COVID-19) pandemic has had a major impact on the way we have been able to deliver our key services to our tenants. Initially we were only able to deliver our key statutory duties and services whilst we adapted the way we worked to consider the ever-changing environment. This has posed some real challenges to the service however, we have adapted our ways of working to ensure we have been able to support our tenants the best way we can.

The impacts of COVID-19 have been felt across the whole of the service. Rent arrears have increased as some tenants have been impacted financially. We have continued to support any tenant financially struggling by engaging with them and setting up support and payment plans. The level of rent arrears impacts significantly on the business plan as we predominantly rely on this income to provide our council housing services. Increasing our Hardship Fund, encouraging Direct Debits and providing financial advice and support are ways we will continue to help our tenants and mitigate the impacts on the business plan.

Many of our face to face services have had to stop. This has included temporarily closing our housing offices to the public. We have continued to support tenants who would rely on face to face contact by actively engaging with them through phone calls and other means, to ensure they are supported, especially our more vulnerable tenants. Our Housing and Neighbourhood teams have been working closely with the Community Response Team, with some housing staff temporarily re-deployed to these teams to ensure tenants are not isolated and have been able to receive any support they have needed. We are also continuing to provide support services for our 1,200 Older People's Independent Living (OPIL) tenants. Measures have been put in place to help protect our older tenants within our OPIL schemes. Warden staff have been reassuring tenants, providing ongoing support and on-site activities to help address any concerns from tenants feeling isolated or lonely and to help ensure they are safe during this time. We have retained front line essential services throughout the outbreak and have ensured our estates, particularly flats and maisonette blocks have had increased cleaning and maintenance provision.

Impacts to the construction industry has meant there were some delays to our stock increase programme and our capital investment programme. Our new build sites as part of our stock increase programme have continued to operate throughout the pandemic but at a reduced pace. We have been able to resume our investment works following the lifting of national restrictions and are continuing to deliver planned works as part of the overall programme. Our repairs service has been impacted as we were only able to complete emergency repairs and gas safety servicing during the initial outbreak and again for the second national lockdown. This has led to a backlog in repairs that the service needs to complete, and we are continuing to work through this, whilst managing tenant expectations.

In these challenging and uncertain times, it's difficult to predict what is going to happen during 2021/22. We will continue to work in a reactive way to any future developments

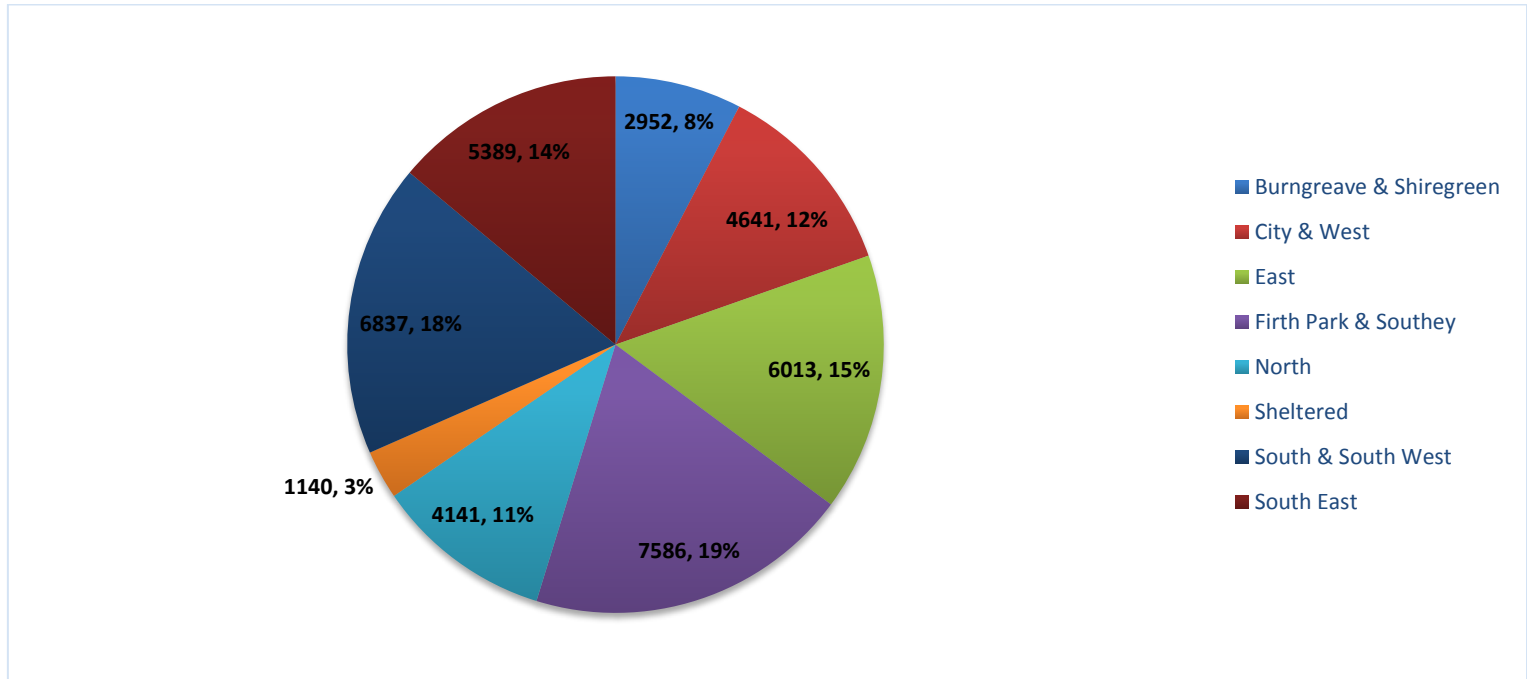
because of COVID-19 to ensure our tenants are supported and that we are still able to provide the services required.

## Our Housing Profile

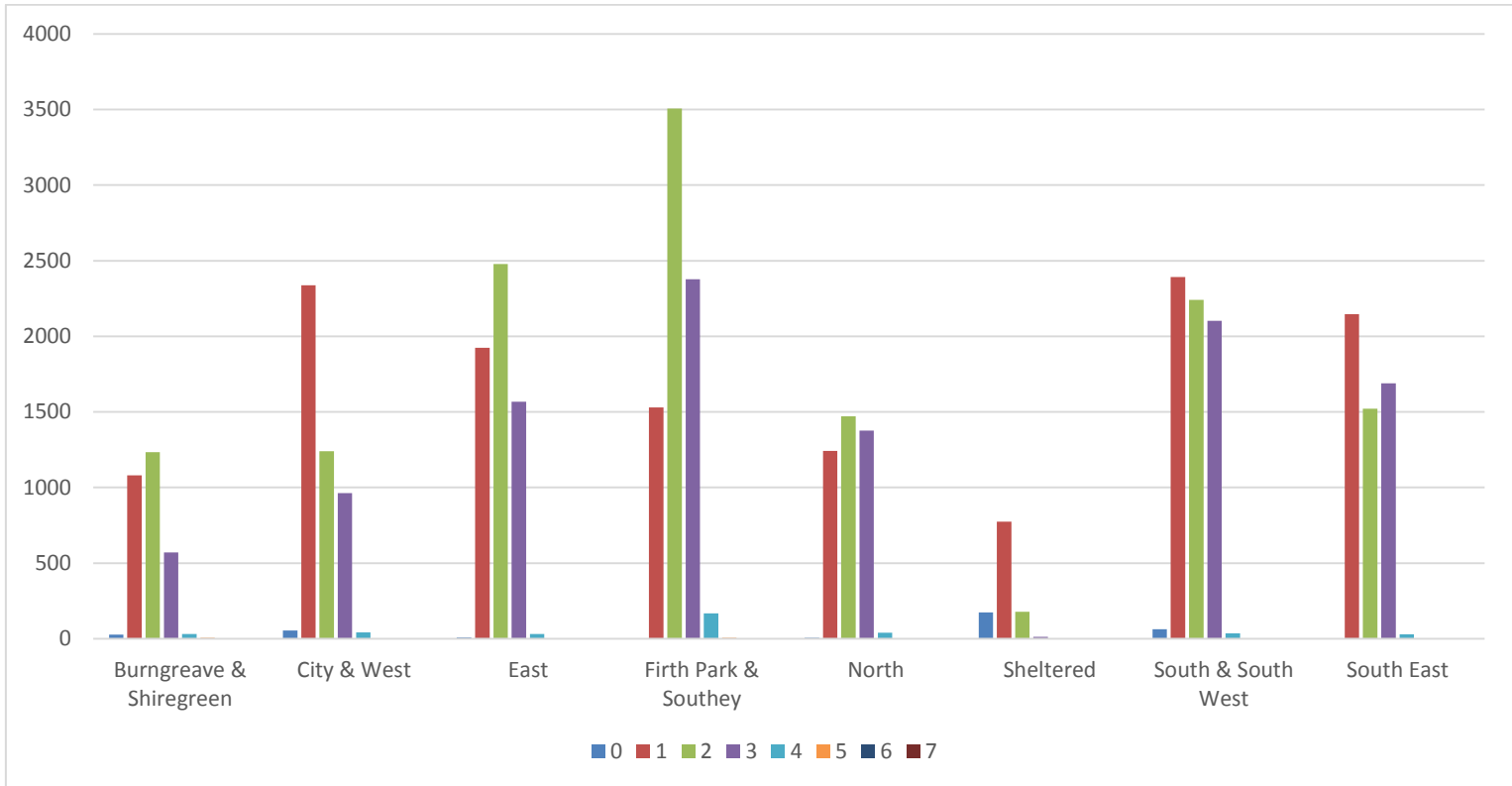


(September 2020)

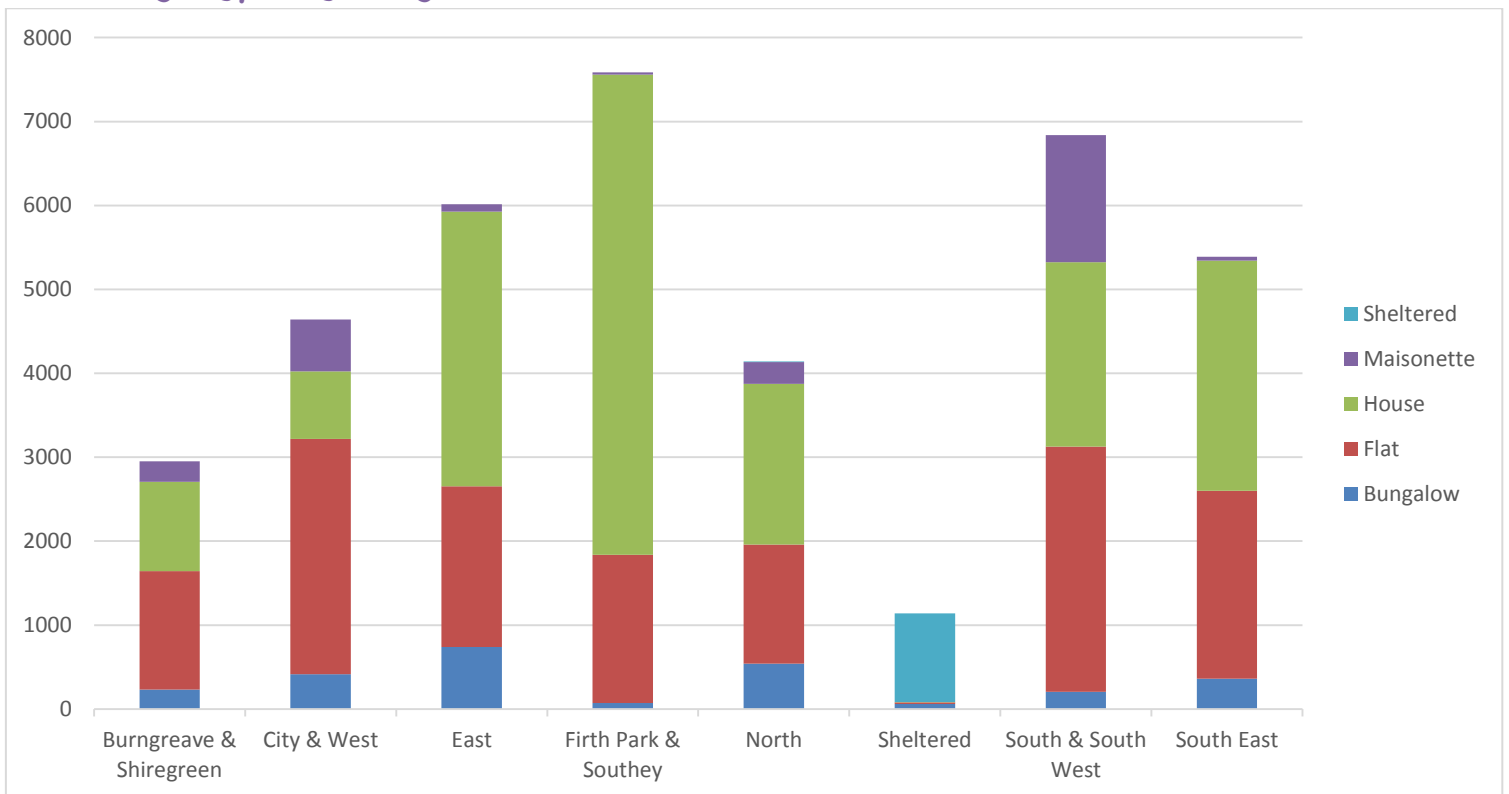
## Council Housing Stock by Neighbourhood Area



## Number of Bedrooms by Neighbourhood Area



## Building Type by Neighbourhood Area



## *Local Employment and Apprenticeships*

Supporting the local economy including providing improved employment and skills outcomes remains a key priority for the Council. The Housing and Neighbourhoods Service helps to contribute to this in a number of ways right across the service. It is more important than ever in these challenging times that we can continue to deliver these opportunities to help sustain employment at a local level.

We currently have 80 apprentices within the Housing and Neighbourhoods Service and recruit around 20 new apprentices a year, with many becoming permanent members of staff. Apprentices work to gaining an NVQ qualification over a 2-year period and this presents as an excellent opportunity to forging a career within our housing service. Our plan is to increase the number of apprentices per year going forward as we seek this as a key part of our succession planning for the service. We also offer opportunities for graduates with a number of graduate roles available each year within the service.

In addition to this, our Repairs and Maintenance Service benefits greatly from apprentices. We recruited an additional 45 apprentices in 2020, taking the total of apprentices in the Repairs Service to 100. This will help the service by having more resources to help bring forward service improvement priorities. As part of our tendering and procurement processes we look at how this work can incorporate local employment and apprenticeship opportunities. We will continue to strengthen our relationships with existing and future contractors and subcontractors to ensure we are able to continue to contribute to supporting the local jobs economy.

The apprenticeship programme supports the Council's corporate priorities for increasing employment opportunities for younger people, which is much needed now more than ever with the recent COVID-19 outbreak and the impacts this has had on employment and the economy. Increasing the apprenticeship programme also supports the Government's Economic Growth Strategy and the Government's pledge to provide 30,000 new traineeships for young people in England.

Retention and the development of our existing workforce is also important. We offer opportunities for all our staff to gain further qualifications and training to enhance their skills and development further. The Council's latest workforce profile for age showed that around 58% of the current workforce are aged 46+. We therefore recognise the importance of recruiting more young people and retaining and developing them to help us fulfil our future workforce needs.

# HRA Business Plan Priorities

The HRA Business Plan 2021/22 will help to contribute to achieving the ambitions of the Housing and Neighbourhoods Service. The following chapter details our key council housing business plan priorities for 2021/22 and how these contribute to the service ambitions.

## Key Headlines 2021/22

Deliver our stock increase programme to build and acquire more council homes



Invest in further health and safety measures including new fire safety improvements



Deliver improvements to our tenants' homes to make sure they continue to be well maintained



Develop plans to respond to the Council's ambitions to address climate change and how council housing can contribute to achieving zero-carbon emissions by 2030



Proactively manage our neighbourhoods, supporting existing, new and prospective council housing tenants



Improvements to our estate services



Review of housing offices and community buildings to ensure these are being fully utilised by tenants and residents



## Deliver our stock increase programme to build and acquire more council homes



The HRA Business Plan includes a commitment to increase the number of council homes. Over the years this number has increased, with our current ambitions being to deliver 3,100 council homes by 2028/29. We continue to develop our future plans and look at the types of housing provision that is needed and in what areas. This will help us in our plans to deliver new homes as part of the stock increase programme.

The next chapter will provide further details of our stock increase programme and our ambitious plans.

## Invest in further health and safety measures including new fire safety improvements



Investment in health and safety measures remains a key investment priority and work will continue in 2021/22 to ensure that our council homes, especially our high-rise tower blocks and flat blocks are safe. This work includes addressing the outcomes from Building a Safer Future and the Fire Safety Bill.

We also want to ensure our tenants feel safe and know what to do in the event of a fire in their block.

We will continue to work with Government to ensure we are complying with the latest regulations and investing where additional fire provision is required.

## Deliver improvements to our tenants' homes to make sure they continue to be well maintained



Investing in our existing homes is just as an important priority as investing in new homes. We need to ensure our homes remain safe, modern, and warm and we will continue with our investment plans for this during 2021/22. We will explore opportunities that will help to improve our current homes and help to reduce carbon emissions and look at ways to make our existing homes more energy efficient. We will also continue our work on making environmental improvements such as paths, boundaries and communal spaces.

The next chapter provides a further update on how we are improving our existing homes and estates.

## Develop plans to respond to the Council's ambitions to address climate change and how council housing can contribute to achieving zero-carbon emissions by 2030



We recognise the impact that housing can have in addressing the climate change emergency. Sheffield has set an ambition to become a zero-carbon city by 2030. This will require changes in the way that we manage our existing housing stock, cost and policy implications and our plans for investing in new council homes.

Most of our council housing stock does perform highly, with around 31,000 of the council's housing stock having already reached the Government's target of having an EPC C rating. Over the next 10 years we aim to raise the EPC ratings on remaining properties within our stock. We recognise more needs to be done to reach a zero-carbon position and we will continue to explore options around retro fitting our existing stock, integrating this within our capital programme. As part of our council housing stock increase programme we are delivering new build homes with enhanced performance specifications such as increased thermal efficiency and increased air tightness. We are also exploring further options for our future new build homes to achieve low-carbon emitting, no-gas homes.

We will need to determine what the additional costs will be and are yet to fully integrate these costs into our 30-year plan. We will continue to explore options around retro fitting our existing stock, ensuring that our on-going investment programme fully considers the challenge ahead. The Government have launched a range of grant programmes to assist with making homes greener and we will continue to explore funding options that we may be eligible for to assist us with our ambitions.

Our response to climate change can also go further in the way we deliver our council housing services. We are committed to achieving and working to higher standards which holds us in good stead in preparing for any new regulatory arrangements as part of the Government's Social Housing White Paper. We have already achieved ISO 45001 certification for occupational health and safety and ISO 14001 certification for environmental standards, demonstrating that we are committed to improving our standards and want to build on this further.

As part of our Environmental Management System (EMS) we have developed an Environmental Policy with the aim of reducing the environmental impact of services and work we deliver as to demonstrate our commitment to the protection of the environment and continuous improvement to help create sustainable and attractive neighbourhoods. We are also looking at other ways that we can contribute to reducing carbon impact such as exploring new technology that can help us reduce our carbon footprint, minimising energy usage within our office buildings and reviewing the environmental impact of the transport we use.



## Proactively manage our neighbourhoods, supporting existing, new, and prospective council housing tenants



We have been reviewing the way we manage and deliver council housing services, listening to feedback from tenants and comparing ourselves with other providers – both in terms of cost and service. We recognise not all tenants want us to get in touch each year, but it is important that we can support our tenants at all stages of their tenancy when they need that extra help.

In 2021/22 will look at different ways we can do this. We want to give everyone the best possible start possible in their tenancy, so will explore the way we support new tenants to ensure that this is appropriate. We will also look in more detail at those tenants who need intensive support in their tenancies and the best way of providing this.

Part of this journey also includes exploring investment options for our IT systems that helps us to deliver the service more efficiently.

## Improvements to our estate services



Improving how we deliver our estates services is an ongoing and important priority. We want to ensure our clean and green services are efficient, provide value for money and help to ensure our estates are places where people want to live. We will be working in 2021/22 to look at opportunities on how we can do this.

We have started to look at how we can make improvements to our communal areas for our flats and maisonettes blocks. We have already engaged with over 700 tenants and residents through an online survey in 2020. We are using this feedback to shape improvements to our services to meet customers' expectations and aspirations.

## Review of housing offices and community buildings to ensure these are being fully utilised by tenants and residents



We intend to review our costs and office portfolio over the next 12 months to ensure that it still meets our needs and delivers value for our tenants and our business. A corporate review of community buildings is taking place to help ensure best use of these facilities and explore other community provisions within local areas. Housing community buildings will be included in this review.

# Investment Programme

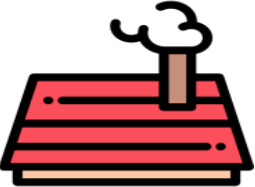
The aim of the investment programme is to maintain the Council's housing stock for the future. Our 5-year investment programme will continue to prioritise and deliver improvements to people's homes (kitchens, bathrooms, windows, doors, roofs, boilers, communal areas etc.) to make sure homes continue to be well maintained.


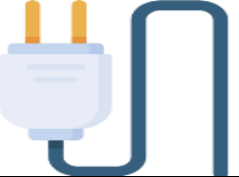

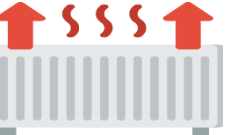
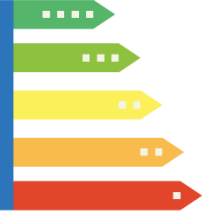

## 5 Year Investment Programme

Capital investment in our existing housing stock is our biggest cost within the business plan. Right to Buy is continually reducing our housing stock and we need to invest in providing new homes for rent and for shared ownership. Investing in the physical infrastructure of our stock and making sure our homes remain safe, modern, and warm will remain our main priority for 2021/22.

A key investment priority is to make sure our existing stock continues to be well maintained. Many of the estates need investment which we are prioritising through planned investment programmes and by reviewing our stock information that underpins the 30-year Housing Investment Plan. We are working closely with tenants to prioritise the mainstream capital programme to plan and deliver improvement works that will ensure long-term tenant satisfaction and neighbourhood sustainability.

The COVID-19 outbreak resulted in some delays to our planned investment programme during 2020/21. This has meant some of our planned works will take place later than originally planned and fall into 2021/22 and into later years of the programme. Further planning will be required to see how this will impact on other areas of the 5-year capital programme and we will continue to monitor this during 2021/22.

Investment area	Progress so far and plans for 2021/22
<p><b>Roofs</b></p> 	<p>A new 5-year roofing contract is in the process of being awarded and is proposed to start on site in January 2021. This programme will provide new roof coverings, fascias, and rainwater goods to nearly 6,000 homes. It is also proposed to utilise the savings obtained through the tender process to fund proposals to install Photovoltaic (PV) solar panels on a number of homes in the first year of the contract.</p>
<p><b>Kitchens, Bathrooms, Windows and Doors</b></p>	<p>The current contract to deliver elemental improvements to homes will come to an end in March 2021. It is proposed to procure a new 3-year contract which will improve kitchens and bathrooms including boiler and electrical system upgrades in addition to windows and doors replacement to properties that will fail the decent homes</p>

	<p>standard over the forthcoming 5 year period.</p>
<p><b>Electrical Upgrade</b></p> 	<p>Phase one of the 3-year contract (2018-21) will complete by the end of March 2021 and will have completed works to over 13,000 properties. The procurement plans for a 5-year programme have been submitted and are planned to start in September 2021 to deliver the electrical upgrade works to all remaining properties.</p>
<p><b>Fire Safety and Communal Area Work</b></p> 	<p>Plans are being developed to improve the fire safety, an internal communal refresh and new waste and recycling facilities at the Hanover and Deer Park Tower Blocks with work planned to commence in late 2021.</p>
<p><b>Heating Replacement Programme</b></p> 	<p>The COVID-19 pandemic has significantly impacted the 2020/21 obsolete heating replacement programme. The 2021/22 programme will aim to recover some of the lower output from this year.</p>
<p><b>Energy Efficiency Work</b></p> 	<p>Phase 1 of the external wall insulation work to non-traditional properties commenced in October 2018 and is now complete. The next 2 phases of the project will tackle structural repairs to a number of non-traditional build homes and provide much needed improved thermal insulation through the application of external wall insulation systems. These projects will also address window and door replacement in properties that have not received this work as part of the decent homes programme. Over 300 properties will benefit from these works. The next phases are in the detailed design stages in preparation for tendering and a start on site in summer 2021.</p>
<p><b>Garage Strategy</b></p> 	<p>Garage improvement work has now been completed. A total of 282 garage blocks, equating to 1,891 individual garages have been improved, including a small number of new garages. A new demolition contract has been awarded and work commenced on site in November 2020. The contract period is 3 years although it is anticipated that the works should be completed within the first 2 years of the contract.</p>

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The Government White Paper - The Charter for Social Housing Residents, published in November 2020, proposes a review of the Decent Homes Standard to consider whether this needs to be updated to ensure it is delivering what is needed for safety and decency now. The first part of the review is expected to be completed by Autumn 2021. We will continue to monitor developments in relation to the review and await the results of any outcomes as a result. We welcome the opportunity to work with Government on new standards and need to make sure that the HRA Investment Programme is balanced between the old stock and replacement of this and the new homes. This will be vitally important as we prepare for the new regulatory arrangements as part of the Government's White Paper. In preparation for this and to ensure that we are continually providing the best possible services for our tenants, we have actively sought best practice and benchmarking, working closely with the Social Housing Regulator.

## *Stock Increase Programme*

Our commitment to increasing the number of new / replacement council homes remains a high priority. Our plans are to deliver 3,100 new homes by 2028/29. At the time of writing this report, we have delivered 631 new homes (a mixture of homes purchased on the open market and new homes built or acquired off plan).

A further 253 new homes are currently in construction and expect to be delivered by 2021/22, with a further 450 homes on 5 sites currently at the feasibility and design development stage, including new supported accommodation units.

The impact of the COVID-19 outbreak on the construction industry resulted in delays to our stock increase programme. However, as restrictions have eased, this work has been able to recommence and we are optimistic that we can continue to deliver the homes we have committed to.

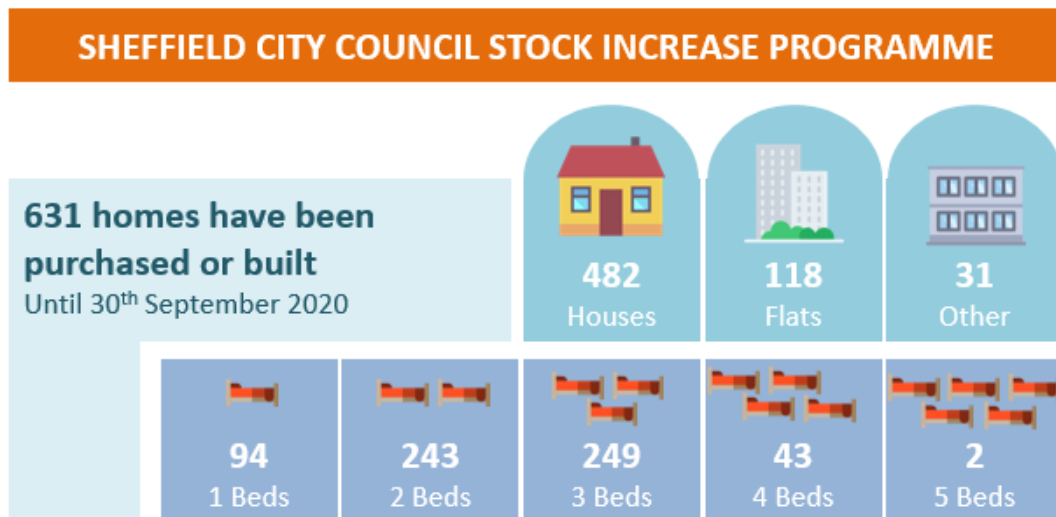
Last year we stated that as part of our stock increase plans, we will include a greater range of homes to help meet the significant shortfall of some types of homes that the Council has available for letting. Our first new Independent Living Housing scheme (Older Persons Independent Living with Care) is currently under construction in Parson Cross and is due for completion in Spring 2022. We are also developing plans for new Older Persons Independent Living Schemes in the South and South East of the city which will improve the choice and type of homes available for older people within the city. Our new learning disabilities accommodation has been completed and will be ready for occupation in early 2021.

We will continue to explore a range of different delivery options in order to maximise the number of new council homes we are able to provide. Options include building on the Council's housing land (held for the purposes of Part II of the Housing Act 1985 and accounted for in the HRA), acquiring homes for sale, purchasing "off plan" from private sector developers and acquiring land for the purpose of building new Council Homes.

Our ambition through the life of this Business Plan is to increase the number of new council homes we can provide, extending our commitment beyond the end of the existing programme of 3,100 homes. We are exploring the different ways in which we can deliver

these homes, balancing prudential borrowing with grant maximisation, and will provide more details on these ambitions when we are able.

In 2020 we have looked further into developing a small programme of Shared Ownership homes as an affordable housing option in Sheffield. It is intended that these homes will be delivered as part of the HRA Stock Increase Programme. The government has announced a new shared ownership model to be used from April 2021 and has recently consulted on its implementation. Following the outcome of the consultation Homes England will issue new guidance. A report setting out how the Sheffield City Council shared ownership properties will be managed will be produced for consideration by Cabinet in within the next few months, when this detail is clearer.



## Repairs

The Repairs Service have completed a major review of the service and developed a new target operating model with clear priorities for change and improvements. Change has started and will be continuous over the next 18 months with the overall aim of achieving a sustainable operating model that delivers excellent value for money services to the tenants and residents of Sheffield City Council.

Areas of improvement within the service have included a restructure to the service to help reduce operating costs; a more focused approach to planned and cyclical maintenance; improving customer focus and collaboration with key stakeholder; modernising the service delivery through investment in ICT; improvements to performance management, reporting and productivity, improving financial management and procurement and supply chain management.

The Repairs and Maintenance Service has faced a significant challenge in responding to the COVID-19 pandemic. During both national lockdowns in 2020, the Service have only delivered critical activities such as emergency and urgent repairs, work in empty properties, acquisitions, and fire damaged properties; and gas servicing and electrical compliance works. Following the impact of the first lockdown, the Repairs Service were making good progress in responding to backlogs of work and increased volumes of appointable repairs that had not been classed as critical throughout the first lockdown.

The Service have put measures in place in response to the lockdowns. This has included:

- Planning and organising resources to deliver the backlog and anticipated increase in volume of repairs above normal volumes.
- Developing a tracker to compare actuals to projected volumes to understand financial and resource implications.
- Batched work up such as high value fire damaged properties, acquisitions, roofing, windows and doors, plastering, and are working with Housing Investment colleagues and our supply chain contractors to deliver this work.
- Recruited agency workers and set them to work to supplement our teams with additional resources.
- Redeployed resources to manage demand in repairs and our work force is working flexibly, giving us additional capacity.
- Developing plans to recruit additional trade operatives to boost our internal resource to manage the present demand and future growth strategy.
- Communicating to our customers regularly via a joint communication with the Housing and Neighbourhoods Service.

We will continue to monitor the impacts on the repairs service throughout 2021/22.



# Financial Plan

Our financial plan shows how we will fund our council housing investment priorities and day-to-day council housing services. The financial plan is based on a number of key assumptions to help us mitigate risks or changes that may occur in the coming year. All of these assumptions are reviewed and refreshed each day year to reflect the changing economic environment in which the business plan operates.

## Key Financial Assumptions 2021/22

### Rents

Dwelling rents for 2021/22 are to increase by 1.5% from April 2021 in line with the Regulator of Social Housing's Rent Standard. This is equivalent to an average increase of £1.13 per week. Rents for temporary accommodation are to remain unchanged in 2021/22. Appendix C to the HRA Business Plan 2021-2022 report sets out the average rents per house size in Sheffield.

The Council continues to have a small but increasing number of properties that are let at an Affordable Rent (up to 80% of market rent). These are predominately new build properties and properties acquired as part of the stock increase programme. The annual rent increase applies to all social housing rents so properties let at an Affordable Rent will also see an increase in rent for 2021/22.

Vacant properties will continue to be re-let at the 'target' (formula) rent in order to continue the process of making council rents equitable over time following the ending of the national 'rent convergence' policy by Government one year early. Target rents will also increase by CPI + 1% from April 2021.

The HRA Business Plan 2021/22 continues to assume a rent increase of CPI +1% until 2025/26.

### Garages

Garage rents for garage plots and garage sites will be increased by 1.5% from April 2021 in line with dwelling rent increases.

### Community Heating

The community heating standing charge is to increase by £0.60 per week. The new standing charge from April 2021 will be £4.80 per week. The kWh charge will remain unchanged for 2021/22.

The increase to the standing charge is required in 2021/22 to ensure the community heating account is balanced and to minimise future spikes in charges to customers. This will allow the retention of a sufficient level of reserve should there be future increases in the price of gas. Initial work has indicated that investment will be required in our boiler houses – many which are old and obsolete. The challenge of reaching zero carbon emissions means that alternatives to gas may be recommended which may change the energy profile and costs for community heating.

The Council's heat metering scheme which began in 2014 has proven to be very successful. Since the introduction of smart meters, our customers are now saving around 40% on their heating bills compared to their previous unmetered supply. The system also provides us with comprehensive data about how each home is using their heating and gives us the ability to support and advise tenants who might be worrying about switching on their heating. This is enabling us to support individuals more and intervene earlier where required. In addition to the financial savings our customers are making, there are significant environmental benefits being realised because of heat metering, in the form of lower carbon emissions which will help Sheffield meet its zero carbon ambitions.

A full breakdown of all community heating service charges is set out in appendix C.

### *Burglar Alarms*

The burglar alarm charge from April 2021 will remain unchanged for 2021/22.

### *Sheltered Housing*

The sheltered housing service charge will remain unchanged for 2021/22.

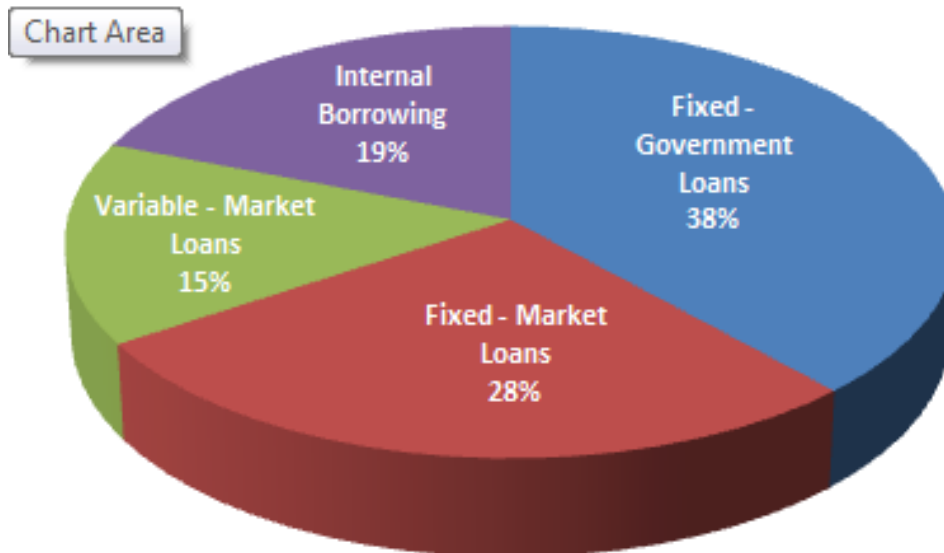
### *Furnished Accommodation*

The furnished accommodation charge will remain unchanged for 2021/22.



# Loan Portfolio

## Breakdown of HRA Borrowing



The overall proportion of the HRA's loan portfolio that is subject to interest risk is 34% (internal borrowing and variable loans).

## Borrowing Strategy

The HRA is required to borrow in order to realise its investment and service delivery programme. The question of when we borrow, and at what rate, is closely managed by active treasury management throughout the year.

The key considerations that shape these decisions are:

- The interest rate environment
- The HRA's cash requirements for investment and debt management
- Affordability in the context of the overall 30-year HRA Business Plan

All of these complex interrelationships within the HRA Business Plan mean that forecasting long-term demand for services and resultant financial viability is difficult and subject to change. Demand for services is increasing and whilst the Council does have more freedom to borrow, this does have to be affordable and prudent. It also means that, on occasions, there will be choices to make to balance resources against demands. In short, we might not be able to do everything we or tenants would like at the time we would like to.

## Revenue Assumptions

The detailed financial model behind the HRA Business Plan includes a number of assumptions we have used to understand what resources will be available for council housing over the next 5 years in the context of the next 30 years. These baseline assumptions are listed below.

Revenue Assumptions	Assumption
Opening number of homes in 2021/22	38,989
Estimated number of additional homes by 2050/51	2,469
Estimated number of RTBs 2021/22 to 2050/51	7,175
Estimated number of homes by 2050/51	34,283
Average rent in 2021/22 (50-week rent)	£76.52
Consumer Prices Index (CPI) of inflation September 2020	0.5%
Void rate	1.5%
HRA risk-based reserve 2021/22	£5.6m

# Risks

Since 2012 the HRA has operated on a 'self-financing' basis with local authorities funding council housing from the income generated from rents and other charges. Although 'self-financing' has provided the Council with more flexibility, it has also brought additional risk. Risks are collated and monitored via a risk register and are primarily concerned with threats to income and expenditure that would compromise the viability of the HRA Business Plan. These risks are reviewed and regularly updated.

## *Welfare Reform and Universal Credit*

The impacts of Welfare Reform on the HRA Business Plan are significant with the number and value of rent arrears expected to increase considerably. This has been further accelerated by COVID-19 and the impact this has had on rent arrears. Significant additional resources will be required to deal with debt recovery and additional support to help our tenants. A number of mitigations are already in place to help support tenants affected by Welfare Reform such as debt advice, Hardship Fund payments and Discretionary Housing Payments and a new IT system has been introduced to manage debt recovery more efficiently. We have increased our Hardship Fund for 2021/22 to help mitigate increasing arrears and to continue to help and support those tenants in financial difficulty. As well as helping to reduce arrears, these mitigations are also helping tenants to sustain their tenancies. We recognise that many households who have been managing welfare reform changes in the short-term may be unable to sustain payment patterns as the squeeze continues. This may require us to revise our future income projections as our experience with Universal Credit develops. Arrears have increased significantly as a result of the COVID-19 outbreak and there is evidence that some tenants with previously good payment records are starting to struggle. The suspension of legal recovery actions has also resulted in an increase in arrears and a backlog of cases which may further delay action being taken.

## *Impacts of National Housing Policies*

The Government White Paper - The Charter for Social Housing Residents was published in November 2020 and we will need to assimilate the detail of the proposals and assess any additional risk to the business plan as a result. Aspects of the Coronavirus Act 2020 which impact on housing such as the suspension of possession hearings have meant we were unable to start proceedings against tenants for rent arrears or for anti-social behaviour for around 6 months. Impacts of this are already evident through a backlog of cases for the courts, although these are being prioritised with most urgent first. The ongoing uncertainty around the impact of the COVID-19 outbreak means we are continually monitoring announcements from government and any changes to housing policy as a result.

## *Fire Risk on Council Tower Blocks and Other High-Risk Buildings*

The Grenfell Tower fire and subsequent Review of Building Regulation and Fire Safety bring a number of operational and financial risks. Costs are currently unclear but will require some degree of re-prioritisation of the 30-year Business Plan. The draft Building Safety and Fire Safety Bills mean there are likely to be further impacts on other areas of the service, including additional costs for work to communal areas and installation of further fire safety measures which will have an impact on our repairs and capital budgets. Other impacts may include the market capacity/capability to respond to the scale of need nationally and possible inflation of costs; more intensive management of tower blocks and other high risk buildings may be required at a higher cost and further resilience within investment teams to respond to the volume and breadth of enquiries. These will have an impact on our repairs and capital budgets. We will continue to monitor any further developments in 2021/22 and have produced an action plan to help mitigate the potential impacts.

## *Interest Rate Risk*

The HRA's loan portfolio is made up of both fixed and variable loans, some of which will be exposed to interest rate changes. Although this is a risk to the business plan, part of the role of treasury management is to manage the HRA's exposure to interest rate fluctuation and the risk this brings. However, it is also important to retain a degree of flexibility to take advantage of borrowing at low interest levels should opportunities arise.

## *Inflation Rate Risk*

The HRA Business Plan assumes an ongoing inflation rate which has been factored into the 30-year Business Plan. If the assumed inflation rate was to change then this will have an impact upon the forecasted income into the HRA over the 30 years; if the assumed inflation rate was to be exceeded then this may have a negative impact upon revenue expenditure and the capital programme costs.

## *Repairs and Maintenance*

Repairs and Maintenance risks which could impact on demand include, increased vacants, increased turnover due to Welfare Reforms, stock deterioration rates, changes in regulations post Grenfell and the settling in and transformation of the service following in-sourcing. COVID-19 protection measures have an effect on a number of aspects of the repairs and maintenance service including a backlog of non-urgent repairs, and gas safety inspections. Actions are taking place to alleviate the issues but the backlog is likely to persist for some time.

## *Responding to Climate Change*

Proposed building regulations, changes to the provision of gas in homes as well as higher thermal efficiency standards which are unsupported by additional external grant funding, would place additional burden on HRA resources available for elemental investment in homes (including new homes). An increase in the frequency of severe weather events may require unplanned urgent investment in homes and disrupt the supply of homes.



# Appendices

**Appendix A**

**HRA Revenue Budget**

**Appendix B**

**5 Year Capital Investment Programme**

**Appendix C**

**Citywide Rents and Charges**

# Appendix A – HRA Revenue Budget

Revenue Account		Year1	Year 2	Year 3	Year 4	Year 5	Years 1-5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2021-26
	Outturn	Budget	Forecast	Forecast	Forecast	Forecast	Total
<b>INCOME (in £millions)</b>							
Net income dwellings	141.9	145.0	149.8	156.3	162.3	168.1	781.5
Other income	6.1	6.1	6.2	6.2	6.3	6.4	31.2
<b>Total</b>	<b>148.0</b>	<b>151.1</b>	<b>156.0</b>	<b>162.5</b>	<b>168.6</b>	<b>174.5</b>	<b>812.7</b>

<b>EXPENDITURE (in £millions)</b>							
Repairs and Maintenance	39.8	41.4	41.9	42.4	43.1	44.9	213.7
Tenants Services	49.6	49.8	51.0	52.3	53.6	54.7	261.3
Contribution to Capital Programme	45.5	46.8	48.0	51.6	54.0	56.4	256.9
Interest on Borrowing	13.1	13.1	15.0	16.2	17.9	18.5	80.8
<b>Total</b>	<b>148.0</b>	<b>151.1</b>	<b>156.0</b>	<b>162.5</b>	<b>168.6</b>	<b>174.5</b>	<b>812.7</b>

Revenue Reserve	5.6	5.6	5.6	5.6	5.6	5.6	
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Capital Account		Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2021-26
	Outturn	Budget	Forecast	Forecast	Forecast	Forecast	Total
<b>EXPENDITURE (in £millions)</b>							
Mainline Capital Programme	14.2	40.7	56.2	57.3	54.1	44.6	252.9
Stock Increase Programme	21.9	50.3	72.9	99.4	43.5	23.0	289.1
<b>Total</b>	<b>36.1</b>	<b>91.0</b>	<b>129.1</b>	<b>156.7</b>	<b>97.6</b>	<b>67.6</b>	<b>542.0</b>

# Appendix B – 5 Year Capital Programme Investment

HRA Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Years 1-5
	Outturn	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>EXPENDITURE (in £millions)</b>							
Health & Safety Essential Work	4.0	9.5	15.4	12.4	11.7	14.5	63.5
Adaptations & Access	1.7	2.9	2.9	3.2	3.2	3.9	16.1
Garages & Outhouses	0.3	0.2	0.0	0.0	0.0	0.0	0.2
Heating, Energy & Carbon Reduction	1.6	6.2	8.3	7.9	5.8	1.3	29.5
Waste Management & Estate Environmentals	0.1	0.6	2.3	3.1	3.5	1.9	11.4
Enveloping & External Work	1.2	10.1	9.9	12.1	12.1	13.5	57.7
Communal Area Investment	0.0	2.5	5.5	6.4	6.0	0.0	20.4
Internal Works	1.6	2.5	3.0	3.2	3.2	7.7	19.6
Other Essential Work	1.0	0.5	0.5	0.5	0.5	1.5	3.5
Regeneration	0.0	2.5	4.0	4.0	4.0	0.0	14.5
Capital Management Fee	2.7	2.8	2.8	2.8	2.8	0.3	11.5
IT Upgrade	0.0	0.4	1.6	1.7	1.3	0.0	5.0
<b>Core Investment Programme</b>	<b>14.2</b>	<b>40.7</b>	<b>56.2</b>	<b>57.3</b>	<b>54.1</b>	<b>44.6</b>	<b>252.9</b>
Stock Increase Programme	21.9	50.3	72.9	99.4	43.5	23.0	289.1
<b>Overall Total HRA Programme</b>	<b>36.1</b>	<b>91.0</b>	<b>129.1</b>	<b>156.7</b>	<b>97.6</b>	<b>67.6</b>	<b>542.0</b>

The HRA Core Investment Programme will primarily be funded from HRA revenue contributions whilst the stock increase programme is planned to be funded from a combination of retained RTB receipts, external grants and prudential borrowing.

# Appendix C – Citywide Rents and Charges

Citywide average weekly rent by bed-size



Bed size	Average weekly rent (50 weeks)		Increase	
	2020/21	2021/22		
Bedsit	£58.73	£59.62	£0.89	1.5%
1 bed	£66.55	£67.55	£1.00	1.5%
2 bed	£76.15	£77.29	£1.14	1.5%
3 bed	£85.25	£86.53	£1.28	1.5%
4 bed	£96.55	£98.00	£1.45	1.5%
5 bed	£103.01	£104.55	£1.54	1.5%
6 bed	£112.38	£114.06	£1.68	1.5%
Total (all bedroom's average)	£75.39	£76.52	£1.13	1.5%

Note: The above rents are for illustrative purposes only as they are based on city wide averages. Actual individual property rents will vary from these figures. Both years' averages are calculated using current stock numbers to enable comparison.

## Proposed Community Heating Charges from April 2021

### 1. Metered Heat

Metered Heat	Charge		Current weekly charges	Proposed weekly charges from April 2021
Standard price	Unit charge	Pence per kwh	3.04 pence	3.04 pence
	Standing charge	£ per week	£4.20	£4.80
	*Unmetered hot water charge	£ per week	£0.63	£0.63

\*only for dwellings where hot water cannot be measured through the meter

### 2. Unmetered Heat

Bed size	Full heating		Partial heating	
	Current prices £/week	Prices April 2021 £/week	Current prices £/week	Prices April 2021 £/week
<b>Heating &amp; hot water</b>				
Bedsit	£11.38	£11.38	£10.52	£10.52
1 Bed	£11.82	£11.82	£10.82	£10.82
2 Bed	£14.66	£14.66	£13.62	£13.62
3/4 Bed	£15.78	£15.78	£14.66	£14.66
<b>Heating only</b>				
Bedsit	£8.38	£8.38	£7.76	£7.76
1 Bed	£8.58	£8.58	£n/a	£n/a
2 Bed	£10.82	£10.82	£10.03	£10.03

\* An additional surcharge is applied for the small number of properties that do not allow access to install, repair or check the equipment. This increased from £5 to £7 per week in 2019/20 to reflect the increasing additional cost incurred by the Council in managing these properties. Customers can avoid this charge by allowing access.

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## SHEFFIELD CITY COUNCIL Report to Council

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**Report of:** Director of Legal and Governance (Monitoring Officer)

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**Date:** 3<sup>rd</sup> February 2021

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**Subject:** Changes to the Constitution: Part 4 – Financial Procedure Rules (Financial Regulations)

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**Author of Report:** Jason Dietsch, Head of Democratic & Member Services  
[jason.dietsch@sheffield.gov.uk](mailto:jason.dietsch@sheffield.gov.uk)

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**Summary:**

This report provides details of several minor/consequential changes made in December 2020 to the Financial Procedure Rules in the Council's Constitution. It also sets out proposals for further changes to be made to those Rules following the annual review of the Rules carried out by Finance officers.

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**Recommendations:**

That the Council:-

(a) notes the minor/consequential changes to the Constitution made by the Director of Legal and Governance, in consultation with the Lord Mayor, under delegated authority, as outlined in the report and Appendix A; and

(b) adopts the changes to the Financial Procedure Rules (Financial Regulations) in Part 4 of the Constitution, as set out in the report and Appendices B and C.

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**Background Papers:** Constitution of Sheffield City Council

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**Category of Report:** OPEN

## Statutory and Council Policy Checklist

<b>Financial &amp; Commercial implications</b>
NO – Cleared by Peter Carr
<b>Legal implications</b>
YES – Cleared by Nadine Wynter/David Cutting
<b>Equality of Opportunity implications</b>
NO
<b>Tackling Health Inequalities implications</b>
NO
<b>Human Rights implications</b>
NO
<b>Environmental and Sustainability implications</b>
NO
<b>Economic impact</b>
NO
<b>Community Safety implications</b>
NO
<b>Human Resources implications</b>
NO
<b>Property implications</b>
NO
<b>Area(s) affected</b>
None
<b>Relevant Scrutiny Committee if decision called in</b>
N/A
<b>Is the item a matter which is reserved for approval by the City Council?</b>
Yes
<b>Press release</b>
NO

**1. Introduction**

- 1.1 This report provides details of several minor/consequential changes made in December 2020 to the Financial Procedure Rules in the Council's Constitution. It also sets out proposals for further changes to be made to those Rules following the annual review of the Rules carried out by Finance officers.

**2. Background**

- 2.1 To ensure that the Constitution is kept up to date, where changes are required these are submitted to Full Council for approval.
- 2.2 In addition, the Director of Legal and Governance, in consultation with the Lord Mayor, has delegated authority to make any minor and consequential drafting changes to the Constitution.

**3. Minor/Consequential Changes Made To The Constitution In December 2020**

- 3.1 On 16<sup>th</sup> December 2020, the Director of Legal and Governance, in consultation with the Lord Mayor, approved minor/consequential changes to the Financial Procedure Rules (Financial Regulations) within Part 4 of the Constitution, in order that the Director of Finance & Commercial Services (in addition to the Head of Strategic Finance) may carry out Section 151 (*of the Local Government Act 1972*) functions on behalf of the Executive Director, Resources.
- 3.2 Details of the changes made to the Financial Procedure Rules (to the table of contents and at paragraphs 2.2.7 and 2.2.8 of the Rules) are set out at Appendix A to this report. The changes have been incorporated into the annual review of the Financial Regulations referred to at section 4 of this report.

**4. Further Proposed Changes and Reasons**

- 4.1 The Financial Procedure Rules were last updated (full review) in December 2019 and are an important part of the Council's financial governance arrangements. They provide the rules for the Council to follow, so as to protect public money and give clarity for both Members and Officers regarding responsibilities for financial management.
- 4.2 Following an annual review by Finance Officers, in consultation with the Cabinet Member for Finance, Resources and Governance, a number of changes are proposed to the Financial Regulations. These include a review to ensure compliance with the Openness and Transparency Project; embedded links are working; current working practices/minor changes to the Council's processes or systems have been incorporated; the restructure within Finance and Commercial Services is reflected; and job titles/roles have been updated and amended.

4.3 A summary of the proposed changes and a revised version of the Financial Regulations are attached at Appendices B and C to this report, respectively.

## 5. **Legal Implications**

5.1 Except where delegated by Council as indicated at paragraph 2.2, variations to the Constitution may only be made by Full Council.

5.2 Under section 9P of the Local Government Act 2000, the Council must prepare a constitution and keep it up to date. It must be available to the public and, under the Local Government Transparency Code 2015, be published on the Council's website. The proposed changes in this report will bring parts of the Constitution up to date to comply with the legislation.

## 6. **Financial and Commercial Implications**

6.1 There are no financial implications.

## 7. **Equality of Opportunity Implications**

7.1 There are no equalities implications.

## 8. **Recommendations**

8.1 That the Council:-

(a) notes the minor/consequential changes to the Constitution made by the Director of Legal and Governance, in consultation with the Lord Mayor, under delegated authority, as outlined in the report and Appendix A; and

(b) adopts the changes to the Financial Procedure Rules (Financial Regulations) in Part 4 of the Constitution, as set out in the report and Appendices B and C.

Gillian Duckworth  
Director of Legal & Governance (and Monitoring Officer)



## **Record of Delegated Decision**

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**Report of:** The Director of Legal and Governance

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**Date:** 14 December 2020

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**Subject:** Minor Changes to the Constitution

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**Author of Report:** Jason Dietsch – Democratic Services

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**Summary:**

The report provides details of proposed minor changes to the Constitution.

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**Recorded Decision**

I have after consultation with the Lord Mayor, authorised the changes to the following parts of the Constitution, as set out in the report and appendices, which will come into immediate effect and will be reported back to Full Council at the next appropriate opportunity:-

- Part 4 – Financial Procedure Rules (Financial Regulations)

Gillian Duckworth  
Director of Legal and Governance

Signed.....

Date.....

Signed..... Date.....  
Lord Mayor

## 1. Introduction

1.1 This report provides details of proposed minor changes to the Council's Constitution. The Director of Legal and Governance, in consultation with the Lord Mayor, has delegated authority to make any minor and consequential drafting changes to the Constitution.

## 2. Proposed Changes and Reasons

### 2.1 Part 4 – Financial Procedure Rules (Financial Regulations)

2.1.1 Minor changes are proposed to the Financial Procedure Rules in order that the Director of Finance & Commercial Services (in addition to the Head of Strategic Finance) may carry out s.151 functions on behalf of the Executive Director, Resources. The changes required are to the table of contents and at paragraphs 2.2.7 and 2.2.8 of the Financial Procedure Rules in Part 4 of the Constitution.

2.1.2 The Executive Director of Resources is the responsible officer (Chief Financial Officer) for the purposes of s151 of the Local Government Act 1972 and s114/114A of the Local Government Finance Act 1988. The Executive Director of Resources therefore has a statutory responsibility to ensure that the Council makes arrangements for the proper administration of the Council's financial affairs.

2.1.3 The Executive Director of Resources, as a member of the Council's Executive Management Team will ensure that the s151 role is discharged at this strategic level.

2.1.4 The proposed change is to permit that, on a day-to-day basis, all s151 responsibilities may be discharged by the Director of Finance & Commercial Services in addition to the Head of Strategic Finance, who will act on behalf of the Executive Director of Resources in ensuring proper discharge of these statutory responsibilities. This was omitted from the Financial Procedure Rules when they approved in 2018 because the then Director of Finance & Commercial Services was not a qualified accountant and so did not meet the professional qualification requirement for the role of s151 officer, as set out in section 113 of the Local Government Finance Act 1988. The current Director does meet that requirement.

2.1.5 As set out in the Financial Procedure Rules, the Director of Finance & Commercial Services and the Head of Strategic Finance will each be:

- Authorised to sign any and all grant claims, statutory returns or other documents that require the authority of the s151 officer on behalf of the Council.
- Responsible for recommending amendments to these Regulations to the Council where she/ he considers these to be in line with any changes to recommended best practice or essential service requirements or as otherwise appropriate. Minor and consequential amendments may be made by the Director of Legal and Governance in consultation with the Lord Mayor.
- Responsible for fully documenting financial standards, policies, procedures, forms, etc., which support these Financial Regulations and by setting out in more detail the Council's procedures for carrying out finance work.
- Responsible for ensuring that appropriate training is made available to support these procedures. Executive Directors are responsible for ensuring that these training opportunities are taken up by their staff.



2.1.6 Further changes will be made to update the Financial Regulations and these will be submitted to full Council for consideration in February 2021. The minor changes in this report will be incorporated into that larger piece of work.

3. **Decision**

3.1 To approve changes to the following parts of the Constitution, as set out in the report and appendices, which will come into immediate effect and will be reported back to Full Council at the next appropriate opportunity:-

- Part 4 – Financial Procedure Rules (Financial Regulations) (table of contents and at paragraphs 2.2.7 and 2.2.8 of the Financial Procedure Rules.)

**Gillian Duckworth**  
**Director of Legal and Governance**

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# **Sheffield City Council**

## **Financial Regulations 2021**

**Summary of changes from the 2019 Regulations**

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## **Foreword**

This document summarises the main amendments (additions and/or deletions) from the 2019 to the 2021 Financial Regulations. It is not intended to replace due consideration of the current Regulations.

If you have any queries on the content of the Financial Regulations, please contact Accounting & Infrastructure (A&I) and/or Business Partner (BP).

The Appendices are the specific sections of the 2019 Financial Regulations, prior to any amendments made because of the 2021/22 update.

## 1. General Review/ Update – links, format, etc....

The Financial Regulations have been reviewed and updated to ensure:

- They comply with the Openness and Transparency Project.
- They are up to date with working embedded links.
- The restructure within Finance and Commercial Services is reflected.
- The Financial Regulations match current working practices and any minor changes to the Council's processes or systems have been incorporated.
- Job titles/ roles have been updated and amended, for example, the numerous references to the Head of Strategic Finance have (where necessary) been amended to the Director of Finance & Commercial Services. Previously these references were scattered throughout the document but are now consolidated to pages 13-17.

## 2. Detailed Officer Roles and Responsibilities (Chapter 1 (pages 13-14))

### The Executive Director of Resources

<b>Financial Management</b>	On a day-to-day basis all s151 responsibilities may be discharged by the Director of Finance & Commercial Services and the Head of Strategic Finance, who will act on behalf of the Executive Director of Resources in ensuring proper discharge of these statutory responsibilities. Nothing in this paragraph diminishes the ultimate financial responsibilities of the Executive Director of Resources.
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### The Director of Finance & Commercial Services

<b>Financial Management</b>	Undertaking day-to-day s151 responsibilities on behalf of the Executive Director of Resources.
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### The Head of Strategic Finance

<b>Financial Management</b>	Undertaking day-to-day s151 responsibilities on behalf of the Executive Director of Resources.
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*This amendment was requested by Eugene Walker to ensure continuity in the discharging of the day-to-day s151 responsibilities whilst he was covering the Chief Executive role. This was omitted from the previous Financial Regulations because the then Director of Finance & Commercial Services was not a qualified accountant and so did not meet the professional qualification requirement for the role of s151 officer, as set out in section 113 of the Local Government Finance Act 1988. The current Director does meet that requirement.*

*This amendment has been approved by the Director of Legal & Governance and the Lord Mayor via a Minor Change to the Constitution report.*

---

### 3. Detailed Officer Roles and Responsibilities (Chapter 1)

#### The Director of Finance & Commercial Services (page 13)

<b>Financial Management</b>	Maintain a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.
-----------------------------	---

#### Executive Directors (page 18)

<b>Financial Management</b>	Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the <a href="#">Leader's Scheme of Delegation</a> , the Council's Disposal Framework policy and Finance are informed.
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*This amendment, in relation to leases, was requested to ensure the Financial Regulations reflect current working practices, responsibilities and compliance with IFRS 16.*

### 4. Financial Protocol

#### Glossary (page 5)

<b>Financial Protocol</b>	The Financial Protocol describes the roles and relationships of the main parties involved in the Council's financial management arrangements. The protocol is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change.
---------------------------	---

#### Background (page 10)

<b>To support understanding, procedures and processes are available.</b>	<p>The Financial Protocol also complements the Regulations and Policies by describing the roles and relationships of the main parties involved in the Council's financial management arrangements, helping to ensure sound financial management.</p> <p>Signed by the Executive Director of Resources, each Executive Director, the Director of Finance &amp; Commercial Services and the respective Director of Business Strategy (DOBS).</p>
--	--

*The Financial Protocol that was appended to the Financial Regulations is now omitted from the document, so additional narrative was now needed to strengthen the Financial Protocol's position as a key governance document.*

### 5. Framework of Financial Accountability

#### Glossary (page 3)

<b>Accountability Framework</b>	<p>A written framework to explain accountability within a portfolio for the budgets held by each Director and Head of Service. The Framework is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change.</p> <p>It has been developed to protect the Council's overall financial interest and to meet all statutory requirements.</p>
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<b>Financial Management</b>	Producing and maintaining an up-to-date Accountability Framework for the Directors and Heads of Service in each Portfolio.
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*This amendment was requested by the Standards & Policies Group to strengthen the governance of this key document.*



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## Appendices – 2019 Financial Regulations

Below are extracts from the specific sections in the 2019 Financial Regulations prior to any amendments made because of the 2021/22 update.

### A. Financial Management (Chapter 2)

#### Executive Director of Resources (2.2.7)

On a day-to-day basis all s151 responsibilities may be discharged by the Head of Strategic Finance, who will act on behalf of the Executive Director of Resources in ensuring proper discharge of these statutory responsibilities. Nothing in this paragraph diminishes the ultimate financial responsibilities of the Executive Director of Resources. Whenever these Regulations provide that something will, must or may be done by the Head of Strategic Finance, this may also be done instead by the s151 Officer.

#### The Head of Strategic Finance (2.2.8)

The Head of Strategic Finance is:

Authorised to sign any and all grant claims, statutory returns or other documents that require the authority of the s151 officer on behalf of the Council.

### B. Financial Management (Chapter 2)

#### Asset Management (2.3)

##### Head of Strategic Finance (2.3.1)

The Head of Strategic Finance has overall responsibility for the financial elements of Council's Asset Register and for ensuring that it complies with all necessary accounting requirements.

The Director of Finance & Commercial Services is responsible for approving the use of leases to finance purchases.

### B. Purchasing (Chapter 8)

#### Roles and responsibilities (8.1)

##### Head of Strategic Finance (8.1.2)

The Head of Strategic Finance is responsible for:

- The approval and administration of all leasing and other credit arrangements. Records will be kept by the Head of Strategic Finance of all relevant financial information relating to these arrangements.

### C. Glossary (page 5)

Financial Protocol	The Financial Protocol summarises the relationship between Executive Directors, the Director of Finance & Commercial Services and the Head of Strategic Finance and is signed annually by all parties.
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### D. Glossary

Framework of Financial Accountability - New glossary term in the 2021/22 Financial Regulations.

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# Sheffield City Council Financial Regulations 2021

**VERSION: 1**

**DATE OF ISSUE: xx<sup>th</sup> February 2021**

**AUTHOR: Eugene Walker – Executive Director of Resources**

**APPROVED BY: Full Council – 3<sup>rd</sup> February 2021**

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## Key Terms and Definitions

Accountable Body (for external funding)	A body receiving funding who becomes legally responsible for making sure that the requirements of the funder are met. This usually includes for example, putting in place audit trails, overseeing contract management with suppliers, ensuring the project has sufficient cash flow and generally meeting the liabilities (e.g. clawback) that flow from the conditions of the funding.
Accountability Framework	<p>A written framework to explain accountability within a portfolio for the budgets held by each Director and Head of Service. The Framework is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change.</p> <p>It has been developed to protect the Council's overall financial interest and to meet all statutory requirements.</p>
Accounting & Infrastructure (A&I) and Business Partner (BP)	Members of Finance & Commercial Services with specific responsibility for supporting Executive Directors and their teams through the provision of financial advice and decision support.
Accounting Policies	<p>Accounting policies are the <b>rules</b> used by an organisation to ensure that transactions are lawful, recorded properly and that the financial statements are produced correctly. At SCC, the Director of Finance &amp; Commercial Services has to select the accounting policies and ensure they are properly followed.</p> <p>The Accounting Policies are included in the Statement of Accounts produced each year.</p>
Acquisition	The process of getting something – this may be bought, leased or donated.
Annual Revenue Budget	This is the Council's total Revenue spending plans for the year including the level of Council Tax for the coming year. It is set by Council following receipt of the Annual Budget Report.
Asset(s)	The CIPFA Code of Practice on Local Authority Accounting in the UK defines an asset as 'a resource controlled by the authority as a result of past events and from which future economic benefits or service potential is expected to flow to the authority'.
Bad and Doubtful Debt	A bad debt is a debt which the Council thinks will never be paid by the customer. A doubtful debt is a debt which is likely to become a bad debt, but there is still a chance that the customer will pay.

Budget	<p>As per Article 4 of the Council's <a href="#">Constitution</a> the annual budget includes the allocation of financial resources to different service and projects, including:</p> <ul style="list-style-type: none"> <li>• Revenue expenditure</li> <li>• Proposed contingency funds including reserves and balances</li> <li>• Setting the Council Tax (and any other local tax which may be within the control of the Council)</li> <li>• Decisions relating to the control of the Council's borrowing requirement</li> <li>• Capital expenditure, and</li> <li>• The Treasury Management Strategy</li> </ul>
Budget carry forward	<p>A budget carry forward is an underspend of an amount of budget, which is planned for, and then transferred to an earmarked reserve to be spent in a future year(s), for a specified purpose. For the purposes of these Regulations this is treated as a Virement (See below).</p>
Budget Implementation Plan	<p>Business planning is an ongoing process which ensures that we understand needs, agree priorities and strategic outcomes, for the medium to long-term, and allocate and develop resources needed to deliver them. The decisions from the process – both quantitative and qualitative - allow the production of the Budget Implementation Plans (BIPs) in the Budget Book.</p>
Capital Programme	<p>This is the sum of all the Council's individual capital projects and sub-programmes that the Council is planning to undertake during the coming 5 years, together with the funding that will support the Programme. The Capital Programme is made up of several different projects, ranging from large scale projects such as Building Schools for the Future, to smaller projects such as children's play equipment. The number and size of the projects may change which means that Capital Programmes may not be comparable in terms of size and scope over time.</p>
Capital Project	<p>A project which spends capital resources to acquire assets, and/or build, improve, increase the market value of, or substantially lengthen the useful life of an asset.</p>
Capital Reporting and Approval Timetable	<p>This sets out the submission deadlines of Capital Approval Forms, dates of review meetings, monitoring and forecasting cycles, reporting dates and finance system schedules.</p>
Chief Property Officer	<p>This means the Director of Capital and Major Projects, or such other Director who may be nominated by the Executive Director, Place. The Chief Property Officer is responsible for Asset Management across the Council.</p>

Corporate Plan	The Corporate Plan sets out the vision for the Council and Sheffield. It includes what the Council will do over the next three years to deliver the vision.
Council Supply Agreements	Providing an opinion to Executive Directors on the financial aspects of Council Supply Agreements.
Debtor Account	Records which show who owes the Council money, what they owe the money for and the amount.
Director	Officer who is a member of the Council's Director's Group.
The Executive	The Executive means the Leader of the Council and the Members selected by him/her to form the Cabinet. In line with arrangements made by the <a href="#">Leader's Scheme of Delegation</a> , the members of the Executive undertake the Council's Executive Functions, either individually and/or collectively or through delegations of authority.
Executive Director	The Senior Managers who head each of the Council's Portfolio's.
Executive Functions	Those local authority powers and duties which in law are the responsibility of the Executive.
External Funding	External Funding is discretionary money not accounted for within the normal funding from central government or equivalent, distributed by various UK and EU agencies on a business case and/ or competitive basis requiring an application.
Financial Policies	The Council has a detailed set of financial policies which support these regulations.
Financial Protocol	The Financial Protocol describes the roles and relationships of the main parties involved in the Council's financial management arrangements. The protocol is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change.
Forward Capital Programme	This is the term used to describe the projects that are planned to be in the Council's Capital Programme for the following financial year. Information is usually prepared and collated in the autumn/ winter for presentation to Council in March.
Internal Control	An internal control is a procedure or policy put in place by the Council to: <ul style="list-style-type: none"> <li>• protect assets and resources,</li> <li>• to deter and detect errors, fraud or theft,</li> <li>• to ensure accurate and complete accounting records,</li> <li>• to produce reliable and timely financial information.</li> </ul>
Irregularity	Something that is irregular, such as improper or dishonest conduct.

Key Decision	An executive decision, which is likely: (a) To result in the Council incurring expenditure which is, or the making of savings greater than, £500k. (b) To be significant in terms of its effects; two or more electoral wards in the Council's area.
<a href="#">Leader's Scheme of Delegation</a>	The Leader of the Council determines the ways in which the powers of the Executive will be delegated. These are documented in the <a href="#">Leader's Scheme of Delegation</a> and includes functions to be exercised by the Cabinet, matters Delegated for decision by Individual Cabinet Members and functions delegated to officers.  <b>If any lawfully made provision of the Leader's Scheme contradicts any provision of these Regulations, the Leader's Scheme shall prevail.</b>
Liability	Obligations that the Council may need to fulfil.
Local Land Charges	Local land charges are one option for recovering a debt. This means that the debt is attached to a piece of land or property owned by the person who owes the debt. If the land or property is sold; the proceeds from the sale can be claimed to repay the debt; or the debt will be transferred to the new owner. Local land charges can also be restrictions on land or property use.
Match Funding	Funds that are set to be paid in equal amount to funds available from other sources. Match funding requirements can be met by in-kind contributions of staff time/ resource as well as actual cash/ budget.
Medium Term Financial Strategy ( <a href="#">MTFS</a> )	The Council's <a href="#">MTFS</a> presents an overview of the Council's Financial position over at least the next three year period including revenue and capital spending plans linked to priorities.
Overhead	Overheads are the expenses of a business which cannot be directly linked to the delivery of a service; but are necessary for the running of the organisation e.g. building rent or light & heating costs.
Overhead Apportionment	The distribution of various overhead items, in proportion, to the department on a logical basis for example, building rents apportioned to services on the basis of the floor space used by departments.
Portfolio	A group of departments managed by an Executive Director. The Executive Directors combine to make up the Council's Chief Officer Board ( <a href="#">Executive Management Team</a> (EMT)).



Project Manager	The officer who is responsible for the day to day running of the project on behalf of the Project Sponsor / Board. They are also responsible for delivery of the projects to budget, time and specification. Project Managers are also known as Budget Managers.
Property Asset Management	A mechanism to ensure that property assets are managed and used efficiently and effectively to support the main objectives of an organisation.
Reconciliation	Is an accounting process that compares two sets of records to check that figures are correct and in agreement.
Revenue Spending	Any expenditure by the Council that falls outside the definition of Capital Spending. Typically, the day-to-day running costs of the Council such as salaries, rent, utility bills and payments to service providers.
Risk Management	<p>Risk management refers to the practice of identifying potential risks in advance, analysing them and taking steps to reduce/ curb the risk. Risks could include financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters.</p> <p>The Risk Management Framework and Guidance has been produced by the Corporate Risk Management Group (CRMG).</p> <p>Financial Risk Management is built into the Financial Regulations and the processes that staff are expected to follow daily. Key processes that promote good financial risk management include:</p> <ul style="list-style-type: none"> <li>• monitoring budgets,</li> <li>• complying with the processes in these Regulations,</li> <li>• following the decision-making framework,</li> <li>• maintaining and monitoring key financial risk registers.</li> </ul>
Section 151 Officer  <i>These laws govern the way in which the Authority's financial affairs are managed.</i>	Under section 151 (s151) of the <a href="#">Local Government Act 1972</a> and <a href="#">s114/114A of the Local Government Finance Act 1988</a> , the Chief Finance Officer (CFO) has a statutory responsibility to ensure that the Council makes arrangements for the proper administration of its financial affairs. The Executive Director - Resources is the responsible officer (CFO) for the purposes of s151.
Sundry Debt	Miscellaneous income that is due to the Council that can be collected by payment up front or by raising a sundry debt invoice. Local taxation, housing benefit overpayments and rental income are not included in this definition.

Transfer to a specific reserve	This is funding that is being put to one side (in a reserve) as part of the service's budget strategy. The funding will be used in future years for reinvestment back into the service area. For the purposes of these Regulations this is treated as a Virement (See below).
Treasury Management	The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
Utilities/ Utility Bill	As approved by the Director of Finance & Commercial Services, payments for the following services are Utilities (Gas, Electricity, Water, Telecoms, Mail Services and Photocopiers).
Variation/ Change in Scope (Capital)	This is where there are changes in the agreed capital project cost or outputs. This could be an increase in the cost of the project, a change in available funding, or what will be delivered (the outputs). For example, funding to refurbish six schools is reduced such that only three can now be delivered. This would create a financial variation and change of scope which require approval in accordance with the <a href="#">Leader's Scheme of Delegation</a> and/or the <a href="#">Constitution</a> where applicable.
Variations (Revenue)	Variations are changes to the total amount of expenditure across either a Portfolio, Service or the Council as a whole that result in a change to the Council's overall level of resources as set out in the Budget approved by Council.
Virement	The transfer of underspending on one budget head to finance additional spending on another budget head. Virements are also used to move budgets where a function is moved from one Portfolio or Service to another.  Where cash limit is moved to be spent on achieving a different purpose to that approved in the annual budget, this is a policy choice and is classed as a virement.
Write-Off	Removing a debt from the Council's accounts using money that has been set aside as part of the bad and doubtful debt provision. It relates to debts that are correctly due to the Council but are no longer collectable.

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## 1. Background

This section explains what the Financial Regulations are, who has to follow them and how the Council knows they are being followed.

It also outlines what training is available to help understand the Regulations.

<p><b>The Financial Regulations are rules and instructions to help officers and members to manage the Council's finances properly.</b></p>	<p>These Regulations are part of the Council's <a href="#">Constitution</a>. The Regulations set out the policies that are in place to help officers and Members manage the Council's finances. They are a key part of the Council's financial governance arrangements.</p> <p>They are very technical in places as they describe accounting practices and standards that have been set by law and/or professional accountancy bodies. They are used by officers who have an accepted level of understanding of the subject matter. As such there is likely to be content that will not be easy for the general public to understand.</p> <p>The Director of Finance &amp; Commercial Services must make sure that standards, procedures, and processes are in place across the Council to support the implementation of these Regulations.</p> <p>These Regulations are regularly checked to ensure they reflect accounting best practice, legislation and changing needs of services.</p> <p>Officers should initially contact the A&amp;I Team if they wish to query the content of these Regulations. Any changes to the Regulations must be approved by Full Council.</p>
<p><b>All officers, including voluntary staff must follow the rules in the Regulations</b></p>	<p>All officers, including those working for the Council on a voluntary basis, must follow the rules set out in these regulations. It is important that all Managers and staff are familiar with these Regulations and the rules they contain. Using the Council's financial systems (Integra and QTier) properly is also essential to ensure the Regulations are followed.</p> <p>If managers and staff do not follow the rules this may result in the withdrawal of delegated financial authority and/ or the application of disciplinary procedures.</p>
<p><b>Directors and Executive Director must confirm they follow the Regulations as part of their Annual Governance statement.</b></p>	<p>As part of the Annual Governance process, all Directors and Executive Directors must sign a statement to say that they comply with the governance arrangements of the Council including the Financial Regulations and Risk Management Framework.</p> <p>They also must confirm that they have appropriate internal controls in place in their portfolio to protect the Council's assets. Any occasions where the internal controls have not worked properly must be declared.</p> <p>An Annual Governance Statement is produced and signed by the Chief Executive, and the Council Leader. The statement describes the governance framework and highlights any significant issues which have occurred in a financial year.</p> <p>The Annual Governance Statement is approved by the <a href="#">Audit &amp; Standards Committee</a> and is published with Council's Annual Accounts.</p>

<p><b>To support understanding, procedures and processes are available.</b></p> <p><b>Financial Protocol</b></p> <p><b>E-Learning about the finance System (Integra) and QTier is also available.</b></p>	<p>Guidance is available which supports these Regulations. The guidance sets out in more details the Council's procedures and processes for carrying out work related to financial management and administration.</p> <p>The Financial Protocol also complements the Regulations and Policies by describing the roles and relationships of the main parties involved in the Council's financial management arrangements, helping to ensure sound financial management.</p> <p>Signed by the Executive Director of Resources, each Executive Director, the Director of Finance &amp; Commercial Services and the respective Director of Business Strategy (DOBS).</p> <p>Training is made available by Finance and Commercial Services to support these Regulations and associated procedures and processes. This includes e-training and guidance provided about the Council's finance system (Integra) and Qtier reporting tool.</p> <p>All staff should follow the guidance and other documentation made available to them to ensure they fully comply with the Financial Regulations.</p>
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### Who Has Responsibility for Finance?

Many of the Council's responsibilities for finances are delegated from Full Council to its Committees and Officers.

For Executive Functions, the Leader agrees the delegations through the [Leader's Scheme of Delegation](#).

The table below summarises the key financial responsibilities of Full Council, Cabinet, Individual Cabinet Members, Locality Areas and other Committees.

<p><b>Full Council</b></p>	<p>Functions that can only be carried out by Full Council include setting the Council's Annual Revenue Budget (including any changes to the available resources as set out in the Budget), the Housing Revenue Account, the overall Capital Programme and Council Tax levels, and approving or adopting the Policy Framework.</p> <p>Functions carried out by Full Council are set out in Article 3 of the Council's <a href="#">Constitution</a> and/ or prescribed by law.</p>
<p><b>The Executive</b></p>	<p>The Executive has overall responsibility for ensuring that the Council's expenditure remains within the resources available to it.</p>
<p><b>Cabinet</b></p>	<p>The Cabinet will receive a quarterly budget monitoring report outlining the financial position for the whole Council.</p> <p>The Cabinet will receive the out-turn report following the end of the financial year to approve decisions on the carry-forward/ carry-back of resources from one year to the next.</p> <p>The Cabinet may receive financial information during the year if support is needed for an in-year decision on the Council's budget (variation).</p>
<p><b>Individual Cabinet Members</b></p>	<p>All Cabinet Members will receive quarterly budget monitoring reports for their areas of responsibility, via the relevant A&amp;I contact.</p>

<p><b>Locality Areas</b></p>	<p>Locality Areas have executive powers to approve expenditure of any amounts delegated to it by the Executive. Locality Areas cannot spend money other than that allocated by Council or the Executive. Whenever Locality Areas spends money, it must comply with these Regulations, <a href="#">Standing Orders</a>, Procurement Guidelines and any other relevant policies or procedures.</p> <p>Functions exercised by Locality Areas are set out in:</p> <ul style="list-style-type: none"> <li>• Article 10 and Part 3 of the Council’s <a href="#">Constitution</a>.</li> <li>• The <a href="#">Leader’s Scheme of Delegation</a>.</li> </ul>
<p><b><a href="#">Audit &amp; Standards Committee</a></b></p>	<p>The <a href="#">Audit &amp; Standards Committee</a> is a key part of the governance of the Council. The terms of reference for the <a href="#">Audit &amp; Standards Committee</a> are set out in the Council’s <a href="#">Constitution</a>.</p> <p>The main financial duties are:</p> <ul style="list-style-type: none"> <li>• To approve the Council’s Statement of Accounts (which includes the Annual Governance Statement) in accordance with the Accounts and Audit (England) Regulations 2015.</li> <li>• To consider the Annual Letter from the External Auditor in accordance with the Accounts and Audit (England) Regulations 2015 and to monitor the Council’s response to any issues of concern identified.</li> <li>• To Monitor the work of the Council’s Internal Audit function.</li> </ul>
<p><b>Scrutiny Management Committees</b></p>	<p>Scrutiny Committees can make recommendations to the decision makers, but they do not make resource allocation decisions and therefore cannot approve changes in the budget or financial actions such as transfers to or from reserves.</p> <p>In relation to financial management and planning, the Scrutiny Management Committee is responsible for the overview and scrutiny function of:</p> <ul style="list-style-type: none"> <li>• All the Council’s strategic and longer-term planning and corporate development issues.</li> <li>• The budget setting process and budget monitoring.</li> <li>• Financial processes and day-to-day management of all the Council’s internal resources, including finance, staffing and property.</li> </ul> <p>Where a scrutiny committee considers that a decision of the Executive is not in line with the Council’s Annual Revenue Budget or Capital Programme, then it will seek advice from the Director of Legal and Governance and either the Executive Director of Resources or the Director of Finance &amp; Commercial Services.</p>

**The Executive**

The Executive has overall responsibility for ensuring that the Council’s expenditure remains within the resources available to it.

Detailed responsibilities of the Executive are as follows:

<p><b>Financial Planning</b></p> <p><b>Annual Revenue Budget</b></p> <p><b>Virements and Variations to the Annual Revenue Budget</b></p>	<p>Agreeing the annual budget for services within Portfolios, including the overall capital programme, within the Budget and Policy Framework.</p> <p>Recommending the Budget to Full Council for final approval together with a recommended level of Council Tax to be set for the coming financial year.</p> <p>Reviewing and approving requests to carry forward underspends or set up earmarked reserves. This should be linked to the annual revenue budget and, where possible, identified in the business planning process.</p> <p>Approval of variations of £500,000 and over <b>or</b> representing a major change of policy.</p> <p>Approval of virements of £500,000 and over <b>or</b> representing a major change of policy (any value), before recommending to Cabinet, as per the <a href="#">Leader's Scheme of Delegation</a>.</p>
<p><b>Capital Programme</b></p>	<p>Ensuring that the Council's expenditure remains within the available budget.</p> <p>Agreeing the Capital Programme before recommending it to the Full Council.</p> <p>Reviewing the quarterly monitoring reports.</p> <p>Approving any requests for additions and variations to projects during the year.</p>
<p><b>Income Management</b></p>	<p>Agreeing the Council's overall policy for fees and charges set as part of the Business Planning process and the 'Fair Fees and Charges' Policy (even if the level of fees and charges are set by the Government).</p> <p>Recommending any changes to fees and charges as part of the Annual Revenue Budget Report to Council.</p>

### Detailed Officer Roles and Responsibilities

The following tables provide details about the financial management roles and responsibilities of key officers within the Council.

The responsibilities have been broken down into the main areas of financial management and should be read alongside the detailed sections of the Financial Regulations.

#### The Executive Director of Resources

<p><b>Financial Management</b></p>	<p>Fulfilling the statutory role of the Chief Finance Officer (CFO) for the purposes of s151 of the <a href="#">Local Government Act 1972</a> and <a href="#">s114/114A of the Local Government Finance Act 1988</a>.</p> <p>A statutory responsibility to ensure that the Council plans for the proper administration of the Council's financial affairs. This includes ensuring the production and monitoring of these Regulations.</p> <p>As a member of the Council's <a href="#">Executive Management Team</a>, ensuring that the s151 role is fulfilled at a strategic level.</p>
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	<p>On a day-to-day basis all s151 responsibilities may be discharged by the Director of Finance &amp; Commercial Services and the Head of Strategic Finance, who will act on behalf of the Executive Director of Resources in ensuring proper discharge of these statutory responsibilities. Nothing in this paragraph diminishes the ultimate financial responsibilities of the Executive Director of Resources.</p> <p>Agreeing borrowing and investment transactions if all delegated officers in Finance are unavailable.</p> <p>Arranging the insurances considered necessary to cover risks to which the Council is exposed.</p> <p>Determining the premiums to be charged to Portfolios for Insurance as part of the Annual Budget process.</p> <p>Maintaining a continuous internal audit of all the Council's financial records and operations.</p>
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### The Director of Finance & Commercial Services

<p><b>Financial Management</b></p>	<p>Undertaking day-to-day s151 responsibilities on behalf of the Executive Director of Resources.</p> <p>Reporting the most significant risks to the Council's <a href="#">Executive Management Team</a> on a monthly basis and to Members in quarterly budget monitoring reports.</p> <p>Agreeing borrowing and investment transactions if the Head of Strategic Finance and nominated deputies are unavailable.</p> <p>Maintain a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.</p> <p>Ensuring that appropriate training is made available to support the Regulations and procedures.</p> <p>Writing financial standards, policies, procedures, forms, etc. which support the Financial Regulations and explain the Council's procedures for carrying out finance work.</p> <p>Overall responsibility for the financial elements of Council's Asset Register and for making sure all necessary accounting requirements are followed.</p>
<p><b>Financial Planning</b></p> <p><a href="#">MTFS</a></p> <p><b>Annual revenue budget setting and approval</b></p> <p><b>Financial implications</b></p>	<p>Producing the <a href="#">MTFS</a> with Executive Directors.</p> <p>Preparing detailed spending proposals for portfolios in conjunction with the relevant A&amp;I Team and Executive Directors.</p> <p>Advising on any contingency budgets required to cover exceptional in-year costs such as price increases and commitments which are uncertain in terms of their timing and likely cost.</p> <p>Ensuring the proposed budget meets relevant statutory requirements.</p> <p>Issuing guidance regarding decision that should be referred to them.</p> <p>Signing off all Financial Implications summaries (directly or by an authorised officer on his/ her behalf).</p>

<b>Purchasing</b>	<p>Ensuring <a href="#">Standing Orders</a> are correct, up to date and fit for purpose and adhered to.</p> <p>Reporting all unauthorised breaches of the <a href="#">Standing Orders</a>.</p> <p>Considering requests for waivers of the <a href="#">Standing Orders</a> and allowing them where appropriate.</p> <p>Ensuring procedures are in place for the ordering and procurement of goods and/ or services.</p> <p>Providing advice and guidance on the procurement process.</p> <p>Ensuring training and guidance is available for all officers involved in the P2P process.</p> <p>Approving suppliers of goods and/ or services. Agreeing any variations to standard payment terms and agreeing requests from suppliers for payment in advance, advice must be sought from the Director of Finance &amp; Commercial Services.</p> <p>Setting and revising the values in the Authorisation Matrix for the authorisation of Purchase Orders.</p> <p>On a day-to-day basis these responsibilities are carried out by Commercial Services.</p>
<b>Internal Charges</b>	<p>Making sure that there are proper processes and procedures in place to support the internal charging system.</p>
<b>Companies, Joint Ventures, Partnerships, Joint Committees</b>	<p>Agreeing the arrangements for robust financial governance and control where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems.</p>
<b>Council Supply Agreements</b>	<p>Providing an opinion to Executive Directors on the financial aspects of Council Supply Agreements.</p>
<b>Grant (Gift) Arrangements</b>	<p>Ensuring there are proper processes and procedures in place for the making of grant aid.</p>

### The Head of Strategic Finance

<b>Financial Management</b>	<p>Undertaking day-to-day s151 responsibilities on behalf of the Executive Director of Resources.</p> <p>Signing grant claims, statutory returns or other documents that require the authority of the s151 officer.</p> <p>Recommending amendments to the Financial Regulations to the Council where required to mirror any changes to recommended best practice or essential service requirements.</p> <p>Fulfilling the role of the Money Laundering Reporting Officer (MLRO).</p>
<b>Financial Planning</b>	<p>Producing an annual timetable for budget monitoring reporting.</p> <p>Reporting to Cabinet on the overall revenue out-turn position including details of reserves, balances and provisions held by Portfolios.</p>



<p><b>Budget Monitoring</b></p> <p><b>Virements and variations including approvals</b></p> <p><b>Treasury Management</b></p>	<p>Approving virements under £500,000.</p> <p>Reviewing requests by Executive Directors to carry forward underspends or set up earmarked reserves.</p> <p>Approving the transfer to reserves of a restricted grant.</p> <p>Produce an annual Reserves Strategy for approval, as per the <a href="#">Constitution</a>.</p> <p>Managing the need for transfers to and from reserves, in consultation with the Cabinet Member for Finance.</p> <p>Writing an annual Borrowing Strategy and Treasury Management Policy for approval by the Council.</p> <p>Agreeing any borrowing or investment on behalf of the Council ensuring compliance with the Borrowing Strategy, the Treasury Management Policy and Practices.</p> <p>Producing an annual report to Full Council on treasury management activities, transactions and decisions.</p>
<p><b>External Funding</b></p>	<p>Ensuring grant applications are correctly completed and submitted by the required date.</p> <p>Ensuring all grant offers of External Funding made to the Council are agreed and properly approved.</p> <p>Ensuring all completed grant claims and certifications are approved. If the Head of Strategic Finance is unavailable, the Head of Accounting and Infrastructure or Head of Business Partnering can complete the sign-off.</p> <p>Providing advice and guidance on funder requirements regarding match funding sources and approving documentation.</p> <p>Ensuring all statutory financial returns related to external funding are completed and submitted in line with relevant guidelines.</p> <p>Confirming the income due from grant claims is received.</p> <p>Ensuring the required financial records are kept for the reconciliation of grant income to meet External Audit requirements.</p> <p>On a day-to-day basis these responsibilities are carried out by the External Funding Team (EFT) in Finance &amp; Commercial Services.</p>
<p><b>Income Management</b></p>	<p>Reporting on levels of debts, and the changes in the bad debts provision, to the <a href="#">Audit &amp; Standards Committee</a> as part of the annual accounts process.</p>
<p><b>Purchasing</b></p> <p><b>VAT</b></p> <p><b>CIS</b></p> <p><b>Procurement / Credit cards</b></p>	<p>Ensuring Value Added Tax (VAT) related records (e.g. invoices or credit notes) are stored and in line with HM Revenue and Customs (HMRC) requirements.</p> <p>Complying with the <a href="#">Construction Industry Scheme (CIS)</a> in relation to the payment of invoices for repairs and renovation.</p> <p>Ensuring the employment status of individuals, limited companies and partnerships are valid, and records are stored in line with HMRC requirements.</p> <p>Approving all officer applications for procurement/ credit cards.</p>

	<p>Determining monthly credit and individual transaction limits for each card. Reviewing requests for alterations to these limits.</p> <p>Ensuring that a register of all procurement cards is kept, containing employee details, credit and transaction limits and the date of issue.</p> <p>Approving the use of multiple and one-off payments and verbal orders have the appropriate supporting documentation.</p>
<b>Payroll, Expenses, and Petty Cash Floats</b>	<p>Approving the arrangements made by the Director of Human Resources for approving and controlling payments to all current and former employees.</p> <p>Developing and approving procedures related to payments to individuals and the management of petty cash floats.</p> <p>Approving changes to the accounting and taxation elements of the payroll system.</p>
<b>Bank Accounts and Credit Cards</b>	<p>Opening or closing bank accounts in the name of Sheffield City Council; this includes associated bank accounts which the Council does not directly control such as joint arrangements.</p> <p>Responsibility for all negotiations of banking terms with the Council's Bankers.</p> <p>Maintaining an authorised signature list for banking transactions.</p> <p>Opening, closing and managing all credit cards, charge cards and other payment cards held in the Council's name.</p> <p>Ensuring that reconciliations of bank accounts and credit cards are supported by evidence/documentation, reviewed and certified.</p> <p>On a day-to-day basis these responsibilities are carried out by the Treasury Team in Finance &amp; Commercial Services.</p>
<b>Taxation</b>	<p>Ensuring compliance with relevant legislation by ensuring appropriate taxation advice is available to Executive Directors.</p> <p>Seeking appropriate external advice where the tax implications of a project are sufficiently complex.</p> <p>Complying with the requirements of the <a href="#">Construction Industry Scheme (CIS)</a> in relation to tax deductions on the payment of invoices for construction work.</p> <p>Establishing an appropriately skilled team to manage the Council's VAT responsibilities.</p> <p>Preparing and submitting VAT Returns to HMRC which maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>On a day-to-day basis these responsibilities are carried out by the Tax Team in Finance &amp; Commercial Services.</p>
<b>Retention of Records</b>	<p>Producing and maintaining a schedule on the retention periods of financial records in accordance with current best practice.</p>
<b>Financial Systems</b>	<p>Maintaining the Council's accounting system which the Council's Accounts are produced from.</p> <p>Controlling access to the Council's systems and information.</p>

	<p>Ensuring both the accuracy and security of the data held in the Council's accounting system.</p> <p>Ensuring the financial controls of feeder systems to Integra are robust and in line with information governance regulations.</p> <p>On a day-to-day basis these responsibilities are carried out by the Financial Systems Support Group (FSSG) in Finance &amp; Commercial Services.</p>
<b>Accounting</b>	<p>Producing the Council's Accounts in line with Accounting Standards, for approval by the <a href="#">Audit &amp; Standards Committee</a>.</p> <p>Producing a timetable and notes of guidance for the production of Final Accounts.</p> <p>Reviewing the evidence supporting material year-end accruals.</p> <p>On a day-to-day basis these responsibilities are carried out by the Accounts Team in Finance &amp; Commercial Services.</p>

### Head of Commercial Business Development

<b>Capital Programme</b>	<p>Proposing the Capital Programme for the next financial year and then present this to the Capital Programme Group, EMT, Cabinet and then Full Council.</p> <p>Ensuring that Capital projects have financial approval.</p> <p>Producing a timetable for reviewing, approving, managing and reporting Capital spending.</p> <p>Approving projects with expenditure of up to £100,000, for feasibility works on potential projects to be carried out, provided that:</p> <ul style="list-style-type: none"> <li>• Evidence confirms that the project is viable. Any recommendations from the feasibility works should be able to be implemented so that the cost of the works is not wasted.</li> <li>• There is sufficient funding in place to cover the entire project, including the feasibility works.</li> <li>• The project is classified as Capital expenditure, in line with the capital accounting rules.</li> </ul> <p>Approving Capital expenditure in line with the emergency approvals procedure together with the Executive Directors.</p> <p>As budget holder for the Council's Capital Financing costs, approving Financial Implications.</p> <p>On a day-to-day basis these responsibilities are carried out by the Capital Finance Team in Finance &amp; Commercial Services.</p>
<b>Income Management</b>	<p>Determining the standard payments methods that may be used to collect income. Approve any exceptions to the standard methods.</p> <p>Providing training and advice on these payment methods and raising of invoices.</p> <p>Approving procedures for the receipting and banking of income.</p> <p>Providing advice on best practice for cash storage and banking.</p> <p>Managing all debt recovery actions except Housing Rents.</p>

	<p>Approving exceptions to the 60-day debt rule.</p> <p>Agreeing payment arrangements that last longer than 12 months.</p> <p>Having procedures and policies in place for the administration of Direct Debits for the collection of Sundry Debts.</p> <p>Review debts covered by a Land Charge that remain outstanding after 6 years, to determine whether the debt should be written off in the Finance system.</p> <p>Receiving information about suspected Money Laundering activities within the Council.</p> <p>On a day-to-day basis these responsibilities are carried out by the Income Collection and Management Team (ICAM) in Finance &amp; Commercial Services.</p>
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Executive Directors

<p><b>Financial Management covers:</b></p> <p><b>Accountability Framework</b></p> <p><b>Asset management</b></p> <p><b>Financial risk management and Money Laundering</b></p> <p><b>Insurance</b></p>	<p>Ensuring the proper financial management of their portfolio.</p> <p>Producing and maintaining an up-to-date Accountability Framework for the Directors and Heads of Service in each Portfolio.</p> <p>Ensuring staff in their portfolio comply with the Financial Regulations.</p> <p>Ensuring the training available about the Financial Regulations is accessed by their staff.</p> <p>Ensuring adequate arrangements are in place for maintaining and protecting the Council's property assets.</p> <p>Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the <a href="#">Leader's Scheme of Delegation</a>, the Council's Disposal Framework policy and Finance are informed.</p> <p>Ensuring that risk management and business continuity are embedded at all levels within their portfolios in line with the Risk Management Framework.</p> <p>Identifying and controlling risks in their area.</p> <p>Notifying the Executive Director of Resources of any circumstances which could result in the Council incurring a substantial liability.</p> <p>Ensuring that the insurance cover chargeable to their Portfolio budgets is accurate and up to date.</p> <p>Providing renewal information annually to the Insurance Team.</p> <p>Notifying the Insurance Team of any loss, liability or damage or any event likely to lead to a claim and taking any action that may be necessary to satisfy any policy conditions.</p> <p>Informing the Executive Director of Resources of any vehicle purchases (or leases) or disposals, premises purchases (or leases) or disposals and of any occupations or vacations of premises.</p> <p>Ensuring adherence to the <a href="#">Anti-Money Laundering Policy</a>.</p> <p>Notifying the s151 Officer where there is any actual or suspected irregularity affecting the Council's assets.</p>
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<p><b>Financial Planning covers:</b></p> <p><a href="#">MTFS</a></p> <p><b>Annual revenue budget setting and approval</b></p> <p><b>Budget Monitoring</b></p> <p><b>Virements and variations including approvals</b></p> <p><b>Financial Implications and sign-off</b></p>	<p>Preparing detailed spending proposals for their portfolio in conjunction with the A&amp;I Team and the Director of Finance &amp; Commercial Services.</p> <p>Informing the Director of Finance &amp; Commercial Services of any exceptional expenditure items so that an appropriate level of contingency can be agreed by the Council.</p> <p>Ensuring that the approved Revenue Budget for their Portfolio is not overspent.</p> <p>Managing their approved Revenue Budgets within the cash allocations and financial targets approved by the Council, unless specific additional resources are provided during the year.</p> <p>Not making commitments to spend in future years without consultation with Director of Finance &amp; Commercial Services and Individual Cabinet Members.</p> <p>Ensuring that managers in their portfolios adhere to the budget monitoring and reporting timescales set by the Director of Finance &amp; Commercial Services.</p> <p>Approval of budget variations under £500,000 and not representing a major change of policy (in consultation with the Head of Strategic Finance and the relevant portfolio holding Cabinet Member).</p> <p>Ensuring that the following reports contain a section called 'Financial Implications':</p> <ul style="list-style-type: none"> <li>• Executive Reports, supporting decisions taken by the Leader, the Cabinet, Individual Cabinet Members and Committees.</li> <li>• Executive Reports supporting Officer Key Decisions.</li> <li>• Executive Reports supporting Officer Non-Key Decisions that require publication.</li> <li>• Reports to the Cabinet Members Team and the <a href="#">Executive Management Team</a>.</li> </ul>
<p><b>Capital Programme</b></p>	<p>Ensuring that managers within their Service Area comply with the procedures and timescales related to capital project management.</p> <p>Approving capital expenditure in line with the emergency approvals procedure, together with the Head of Commercial Business Development.</p> <p>Ensuring that managers adhere to SCC's Project Management Guidelines.</p> <p>Ensuring that the relevant procurement procedures have been followed in relation to Capital projects.</p>

<b>External Funding</b>	<p>Ensuring all applications for external funding are made in line with written processes.</p> <p>Ensuring all offers of external funding are only accepted in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Ensuring all the terms and conditions attached to a grant are met and evidence to confirm this is collected and retained.</p> <p>Ensuring grant claims are prepared and submitted as required.</p> <p>Managing all external funding within their area of responsibility using the Council's systems and processes. Setting fair fees and charges to cover the cost of the spending in their services.</p>
<b>Income Management</b>	<p>Setting fair fees and charges to cover the cost of the spending in their services.</p> <p>Allowing customers to make payment up front wherever possible and for making sure that their services are able to safely store and bank cash.</p> <p>Ensuring that cash can be transported securely and that their services have insurance to cover the storage and transport of cash.</p> <p>Immediately informing the Police, Internal Audit and the Insurance Team where any theft of cash (or its equivalent e.g. debit or credit cards) is discovered or suspected.</p> <p>Ensuring that where customers do not pay up front, that debtor accounts are created, and the customer(s) are informed within the required timescales.</p> <p>Ensuring that staff use only approved payment methods to collect payments from customers and that more than one option is offered so that customers have a choice.</p> <p>Determining how their Portfolio and, where applicable, their partner organisations, manage each payment option.</p> <p>Ensuring that, where their services work in partnership with other organisations, that the partner organisations only use the standard payment methods which are approved by the Head of Commercial Business Development.</p> <p>Ensuring that all systems and processes related to customer payments comply with all relevant legal and security requirements e.g. the Payment Card Industry Data Security Standard (PCI DSS).</p> <p>Effectively managing the level of debt within their Portfolio, in conjunction with the Income Management Team in FCS to:</p> <ul style="list-style-type: none"> <li>• reduce the level of payments which aren't automatically linked to a specific debt,</li> <li>• resolve customer disputes within the required timescales,</li> <li>• identify debts that will never realistically be paid by the customer and authorising these to be written off.</li> </ul>

	<p>Ensuring that all relevant documentation is kept and is accessible in case it is required for debt recovery procedures, up to and including court action.</p> <p>Ensuring that their staff are aware of the possibility of money laundering activities and that they comply with the Council's <a href="#">Anti-Money Laundering Policy</a>.</p>
<b>Purchasing</b>	<p>Ensuring expenditure is not incurred where it represents a departure from Council policy or where it is not in line with the Council's approved Budget.</p> <p>Ensuring expenditure incurred in the name of the Council is appropriate and legal.</p> <p>Ensuring Suppliers of the Council have the necessary HMRC certification enabling them to be paid through the Council's payments system. Ensuring that Purchasing to Payment (P2P) arrangements comply with The Council's <a href="#">Constitution</a> and <a href="#">Standing Orders</a>, HMRC requirements, Health and Safety Regulations, Environmental Policy and EU and Domestic Law.</p> <p>Informing the Head of Strategic Finance, if action must be taken to cancel stolen or lost credit/procurement cards, or those issued to employees who have resigned from the Council.</p>
<b>Internal Charges</b>	<p>Ensuring that their managers and staff follow the procedures for internal charges, including the requirement for an internal order and the use of specified financial codes.</p>
<b>Payroll, Expenses and Petty Cash Floats</b>	<p>Providing correct payroll information, in line with the agreed payroll timetables.</p> <p>Ensuring any changes to the payroll, (e.g. post, establishment and contract of employment changes etc.) are communicated in line with the procedures approved by the Director of Human Resources.</p> <p>Ensuring all payments to employees are:</p> <ul style="list-style-type: none"> <li>• Made through the payroll.</li> <li>• Made only to official employees.</li> <li>• In accordance with individual contracts of employment.</li> </ul> <p>Ensuring all necessary information is supplied so that deductions such as PAYE and superannuation are correctly applied.</p> <p>Determining petty cash requirements for their portfolio.</p>
<b>Taxation</b>	<p>Ensuring that the VAT element of any transaction is considered with the objective of maximising VAT recovery and minimising the level of irrecoverable VAT being incurred by the Council.</p> <p>Ensuring that VAT is properly accounted for on all transactions entered into by the Council.</p> <p>Keeping VAT records within their area of activity, with a proper allocation of costs to exempt and other activities.</p> <p>Complying with all VAT legislation and regulations applicable to the delivery of their service.</p>

	<p>Monitoring and planning for any changes in VAT legislation or regulations which affect their areas of activity.</p> <p>Advising the Head of Strategic Finance of any capital projects that are under consideration which contain the risk of irrecoverable VAT being incurred by the Council, whether by way of exempt input tax or otherwise.</p> <p>In circumstances where an individual, rather than a company, is engaged to provide a service to the Council; ensuring that all HMRC regulations relating to that engagement are adhered to.</p>
<b>Stores, Stocks, Assets and Security</b>	<p>Controlling access to stores etc. and making sure that stocks and assets are only used on Council business.</p> <p>Ensuring that arrangements are sufficient for adding new stock to stores and for controlling the issue of items. Appropriate records must be maintained.</p> <p>Maintaining a record of stock levels for each item which should be physically checked at a frequency agreed by Executive Directors which reflects factors such as stock values, usage etc.</p> <p>Maintaining an inventory of all assets over £100 in value, together with all attractive and portable items below this figure.</p> <p>Ensuring a physical check of assets is undertaken on an annual basis.</p> <p>Reporting obsolete or missing items to the relevant Head of Service for approval to write-off. Following formal, documented approval, the Inventory Records should be amended accordingly.</p> <p>Maintaining a register of assets removed from Council premises for use on official Council business.</p> <p>Providing the Head of Strategic Finance with a certificate of the stock value held by their Portfolios at the end of the financial year.</p>
<b>Retention of Records</b>	<p>Ensuring that all records, are managed in line with the Council's Document and Records Management Policy.</p> <p>Ensuring records are retained for a period that meets the requirements of HMRC, the Council's External Auditors and any other appropriate Body.</p>
<b>Financial Systems</b>	<p>Reconciling portfolio feeder systems to the information reported in the Council's financial system.</p> <p>Ensuring that Portfolio systems, e.g. Controcc, produce financial returns in a format and to timescales required by the Head of Strategic Finance.</p> <p>Controlling the access to Portfolio systems and information and ensuring both the accuracy and security of the data.</p> <p>Ensuring that the data on their systems (whether this is hard copy or in electronic format) is held in accordance with EU or domestic data protection legislation.</p> <p>Ensuring that the Director of Finance &amp; Commercial Services and their BCIS Business Partner are consulted prior to the purchase and implementation of any new computerised financial systems including any income collection systems.</p>



<b>Internal Audit</b>	Agreeing and implementing relevant Audit recommendations.
<b>Companies, Joint Ventures, Partnerships, Joint Committees</b>	Reporting at least annually to the appropriate portfolio holding Member and the Cabinet Member for Finance on the financial affairs of any partnership bodies.
<b>Grant (Gift) Arrangements</b>	<p>Ensuring that any funds set aside to make individual grants are properly approved in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Ensuring that all grant payments to voluntary organisations (or other recipients) are properly approved in line with the <a href="#">Leader's Scheme of Delegation</a>, these Regulations and all other relevant documentation.</p> <p>Where a grant payment is withdrawn or reclaimed, ensuring that this is agreed in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Ensuring that the external relationship with any recipient of grant aid is managed in line with all guidance provided by the Director of Legal Services.</p> <p>Ensuring that any Grant/ Gift arrangements within their area of responsibility are made in line with the Procurement Guidelines, and all other relevant processes and procedures.</p>
<b>Council Supply Agreements</b>	<p>Ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>This includes seeking the opinion of either the Executive Director of Resources or the Director of Finance &amp; Commercial Services.</p>

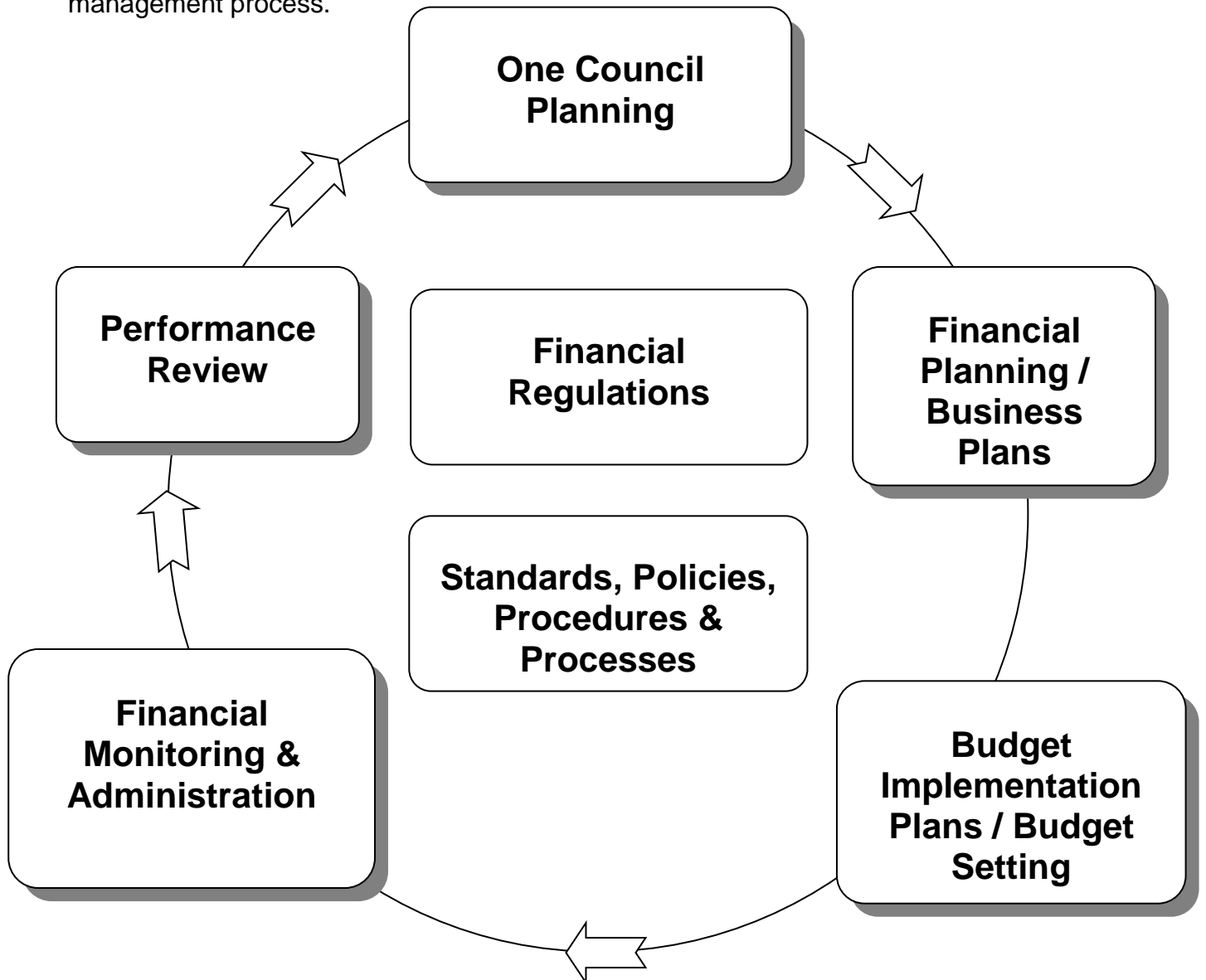
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## 2. Financial Management

### The Cycle

The following diagram shows the financial management process starting with Service Planning and ending with the review of performance before the cycle starts again.

These Financial Regulations and the operational financial policies and procedures issued by the Director of Finance & Commercial Services support the financial management process.



### Asset Management

This section outlines how the Council will manage, maintain and protects its assets.

<p><b>The Asset Management Strategy</b></p>	<p>The Chief Property Officer is responsible for Asset Management across the Council. When market conditions are good this includes considering the disposal of surplus capital assets as part of the Council's Asset Management Plan.</p> <p>Any acquisition or disposal of assets must be approved in line with the <a href="#">Leader's Scheme of Delegation</a> and the Council's Disposal Framework policy.</p>
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## Risk Management

This section details the arrangements for risk management, including financial risk management.

<p><b>Risk management is the practice of identifying potential risks in advance, analysing them and taking steps to reduce/curb the risk.</b></p>	<p>Specific responsibilities relating to risk management are set out in the Risk Management Framework and Guidance.</p> <p>The Council's Risk Management Strategy is based on good risk management being an integral part of good management and not a separate activity.</p> <p>Risk management and business continuity must be embedded at all levels within portfolios in line with the Risk Management Framework.</p> <p>Directors are responsible for maintaining and monitoring a Service Risks and Assurances log which must include financial risks.</p> <p>Financial risk management is built into these Regulations and many of the core processes that the Council expects managers to follow on a day-to-day basis.</p> <p>Good practices for good financial risk management include:</p> <ul style="list-style-type: none"> <li>• monitoring budgets,</li> <li>• complying with the processes in these Regulations,</li> <li>• following the decision-making framework, and</li> <li>• maintaining and monitoring key financial risk registers.</li> </ul>
<p><b>Money Laundering</b></p>	<p>The <a href="#">Anti-Money Laundering Policy</a> was produced by Internal Audit on behalf of the Director of Finance &amp; Commercial Services.</p> <p>In line with the <a href="#">Anti-Money Laundering Policy</a>, the Head of Strategic Finance is the Officer nominated to receive information about possible Money Laundering activity within the Council – the MLRO.</p> <p>The roles and responsibilities of the MLRO are set out in Appendix B to the Policy.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client in line with the Council's <a href="#">Anti-Money Laundering Policy</a>.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council's MLRO.</p>
<p><b>Fraud</b></p>	<p>The Council's "Code of Conduct for Employees" and 'Whistleblowing Policy' requires any Council officer, who becomes aware of potential theft, fraud or corruption, to bring this to the attention of the appropriate manager.</p> <p>Executive Directors are responsible for notifying the s151 officer where there is any actual or suspected irregularity affecting the Council's assets. The reporting of concerns to the Council's Internal Audit Service is considered adequate for discharging this responsibility.</p>

<b>Insurance</b>	<p>Appropriate Insurances will be in place to cover the risks that the Council is exposed to. The cost of insurance cover will be chargeable to portfolios.</p> <p>Insurance arrangements are reviewed regularly in consultation with the Executive Directors.</p> <p>On a day-to-day basis, Insurance arrangements are managed by the Insurance Team in Strategic Finance. This team should be notified of any loss, liability or damage or any event likely to lead to a claim.</p> <p>Additionally, the Insurance team should be promptly notified of any circumstances involving both existing and new risk, which could result in the Council incurring a substantial liability. This will include details about Members, Officers, service users, third parties, property, vehicles, plant/ other assets, trading activities undertaken with organisations external to the Council, and any alterations affecting existing insurances.</p>
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### 3. Financial Planning

There are 3 key elements to Financial Planning at Sheffield City Council:

- Medium Term Financial Strategy ([MTFS](#)).
- Capital Programme.
- Annual Revenue Budget.

Each element has a specific purpose and is designed to ensure the robustness of the Council's overall financial arrangements.

<p><b>The <a href="#">MTFS</a> is a three-year integrated financial plan.</b></p>	<p>The <a href="#">MTFS</a> is a key part of good governance and is a tool to help the Council deliver its priorities.</p> <p>The <a href="#">MTFS</a> links closely to the Corporate Plan. The Corporate Plan in turn, informs the spending priorities included in the <a href="#">MTFS</a>.</p> <p>The Director of Finance &amp; Commercial Services will be responsible for producing the <a href="#">MTFS</a> along with Executive Directors. This will be supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making. The <a href="#">MTFS</a> is refreshed and updated every year.</p> <p>The <a href="#">MTFS</a> sets an integrated financial plan for at least a three year period and will form the basis of the Annual Revenue Budget and Capital Programme for the next year with projections for at least the following two years. This will include details of the amount of money available or financial targets for Executive Directors for the forthcoming financial year and guideline allocations / targets for the following two years. The <a href="#">MTFS</a> will also include projections of the Council's reserves and balances.</p>
<p><b>Capital Programme lists the projects that involve capital expenditure</b></p>	<p>The Capital Programme is a list of planned capital projects, together with their supporting funds, that are linked to the Council's outcomes and objectives.</p> <p>The Programme is agreed by Council in March each year and can cover up to the next 5 years.</p>
<p><b>The Annual Revenue Budget sets the budget proposals for the Council for a one-year period.</b></p> <p><b>It also sets the City Council element of the Council Tax.</b></p>	<p>The one year budget is informed by the policy options presented to Cabinet as part of the <a href="#">MTFS</a>.</p> <p>Each Portfolio will prepare detailed spending proposals. These financial estimates are then finalised with Executive Directors before inclusion in the Annual Revenue Budget.</p> <p>The Director of Finance &amp; Commercial Services will advise on any contingency budgets required to cover exceptional in-year costs such as price increases and commitments which are uncertain in terms of their timing and likely cost. Executive Directors must inform the Director of Finance &amp; Commercial Services as soon as they become aware of any exceptional items so that an appropriate level of contingency can be agreed by the Council.</p> <p>As part of the Annual Revenue Budget, the Director of Finance &amp; Commercial Services will ensure that the budget proposed meets relevant statutory requirements.</p>

<p><b>Annual Revenue Budget Approval must be complete by 11<sup>th</sup> March each year.</b></p>	<p>The Executive is responsible for agreeing the annual budget for services within Portfolios, including the overall capital programme, within the Budget and Policy Framework.</p> <p>The Executive will then recommend the Budget to Full Council for final approval together with a recommended level of Council Tax to be set for the coming financial year. To meet statutory requirements this must be done by the 11<sup>th</sup> March each year.</p> <p>Once the Annual Revenue Budget has been approved by the Council, Executive Directors may spend up to the amount approved for the period covered by that budget.</p> <p>Individual items of expenditure within the budget must still be approved in line with the Council's <a href="#">Standing Orders</a> and Procurement Guidelines. Where the expenditure constitutes an executive function, approval must follow the requirements of the <a href="#">Leader's Scheme of Delegation</a>.</p>
<p><b>Annual Revenue Budget Monitoring is undertaken in line with an agreed timetable.</b></p>	<p>An annual timetable for budget monitoring reporting is produced and the following principles will apply:</p> <ul style="list-style-type: none"> <li>• Monitoring reports, prepared on an accrued basis, will be reported to Portfolio Management Teams on a monthly basis (except month 1).</li> <li>• Quarterly overall monitoring reports will be presented to the <a href="#">Executive Management Team</a> and Cabinet).</li> <li>• Consolidated monitoring reports will be presented to the Scrutiny Management Committee if requested.</li> </ul> <p>As soon as practical after the end of the financial year, the Head of Strategic Finance will report to Cabinet on the overall revenue out-turn position including details of reserves, balances and provisions held by Portfolios.</p> <p>The report should include recommendations relating to the treatment of any under and overspending by Portfolios.</p>

### Virements and Variations to the Annual Revenue Budget

This section explains what virements and variations are and how they should be approved.

<p><b>A virement is the transfer of monies from one budget head to another.</b></p> <p><b>For example, one budget is overspending, or a function has moved from one portfolio or service to another.</b></p>	<p>Virements allow the Executive and Executive Directors to manage budgets with some flexibility, provided they remain within the overall Budget and Policy Framework as agreed by Full Council.</p> <p>Key controls for virements are that:</p> <ul style="list-style-type: none"> <li>• They must be approved in line with these Regulations.</li> <li>• They must not create an increase in expenditure, for example by creating future commitments from one-off additional spending.</li> <li>• Both parties to the virement must agree to it.</li> </ul> <p>Virements will not be allowed from capital financing charges, levies or other areas of spending without the specific approval of the Head of Strategic Finance.</p>
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<p><b>Virements between Services and Portfolios must be approved in line with specific limits.</b></p>	<p>Approval of virements must be made in line with the following limits:</p> <ul style="list-style-type: none"> <li>• Less than £500,000: the virement may be approved by the Head of Strategic Finance.</li> <li>• £500,000 and Over: the virement may only be approved by the Executive, before recommending to Cabinet, as per the <a href="#">Leader's Scheme of Delegation</a>.</li> </ul> <p>Regardless of value, if a virement represents a <b>major change of policy</b> it must be approved in line with the <a href="#">Leader's Scheme of Delegation</a>.</p>
<p><b>Budget underspends may only be carried forward or put into earmarked reserves following review by the Head of Strategic Finance.</b></p>	<p>Requests by Executive Directors to carry forward underspends or set up earmarked reserves, may only be done following review by the Head of Strategic Finance.</p> <p>The key condition for assessing requests for carryforwards is the overall budget of the requesting Portfolio must be underspending, i.e. the Portfolio cannot exceed its approved budget.</p> <p>Carry-forwards or transfers to earmarked reserves should be linked to the annual revenue budget and, where possible, identified in the business planning process.</p> <p>Once reviewed, requests will be presented to the Executive as part of the quarterly Revenue Budget Monitoring process. Approved requests will be included, where feasible, in the Budget Implementation Plan for the relevant Service.</p> <p>The Head of Strategic Finance, or delegated Officer, can approve the transfer to reserves of a restricted grant where the expenditure is not expected to happen in the current financial year. Restricted grants are ones which have been received by the Council and have to be used for a specific activity/ purpose.</p> <p>An annual Reserves Strategy is produced for approval in line with the <a href="#">Constitution</a>. The Head of Strategic Finance, or delegated Officer, will then manage the need for transfers to and from reserves, in consultation with the Cabinet Member for Finance.</p> <p>Where the proposed transfer does not relate to an approved strategy and is not a restricted grant then, subject to the urgency procedure, the decision may only be taken by Full Council.</p>
<p><b>Variations are changes to the <u>total</u> amount of expenditure.</b></p>	<p>Variations are changes to the total amount of expenditure across a portfolio, service or the Council as a whole that results in a change to the Council's overall level of resources as set out in the Revenue Budget Report that is approved by Council.</p>
<p><b>Any changes to the overall level of resources set out in the budget must be appropriately approved.</b></p>	<p>Changes to the overall level of available resources as set out in Budget must be approved by Full Council in line with the Council's <a href="#">Constitution</a> (article 4.02f).</p> <p>Requests for variations may be submitted to Full Council for approval as detailed below:</p> <ul style="list-style-type: none"> <li>• Under £500,000 <b>and</b> not representing a major change of policy: may be approved by an Executive Director after consulting with the Head of Strategic Finance and relevant portfolio Cabinet Member.</li> </ul>

	<ul style="list-style-type: none"> <li>• £500,000 and over <b>or</b> representing a major change of policy: may only be approved by the Executive in line with the <a href="#">Leader's Scheme of Delegation</a>. These will be proposed by the relevant Executive Director and then actioned by the Head of Strategic Finance.</li> </ul> <p>Variations requiring Cabinet support will normally be presented to Cabinet as part of the normal budget monitoring cycle and in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>All approved Virements and Variations must be recorded on the Council's Finance System.</p>
<b>Cash Limit Adjustments</b>	<p>Cash Limit adjustments can be done between services, within a service or between months on the Q-tier system.</p> <p>If the adjustment doesn't meet the definition of a virement and is under £100,000, these can be signed off by the relevant Finance Manager (one for each side of the transaction).</p> <p>Over £100,000 and a Senior Finance Manager for the portfolio will need to authorise the adjustment.</p>

### **Borrowing and Investment (Treasury Management)**

The Council must make sure it has sufficient money to cover payments, such as salaries, supplier payments and interest payments, when they become due.

This section outlines the arrangements for entering and agreeing any borrowing or investments that may be required.

<p><b>Treasury Management involves undertaking investments and borrowing transactions for the Council.</b></p>	<p>An annual Treasury Management Strategy is produced for approval by the Council in line with the <a href="#">Constitution</a>. This covers the borrowing and investment strategies and Capital Programme financing.</p> <p>The Head of Strategic Finance must then ensure compliance with the Treasury Management Strategy.</p> <p>Managing borrowing and investments is key to supporting the Council's Strategic Planning process.</p> <p>The capital programme provide a guide to the borrowing needs of the Council; informing longer term cash flow planning to make sure that the Council can meet its capital spending obligations.</p> <p>The Head of Strategic Finance must agree any borrowing or investment on behalf of the Council. In an emergency the Executive Director of Resources or Director of Finance &amp; Commercial Services can agree borrowing and investment transactions.</p> <p>Twice per year (mid-year and at the end of a financial year) a report is produced for Cabinet on treasury management activities, transactions and decisions. The reports will focus on the identification, monitoring and control of risk as this is key to the effectiveness of Treasury Management. The mid-year report is presented alongside budget monitoring information.</p>
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<p><b>If income over £50,000 is expected, the Treasury Team should be notified</b></p>	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Council's Treasury Management Team.</p> <p>Knowing that a large receipt is due will help this Team to manage the Council's cash flow which may well reduce the need for short term loans to cover Council expenditure.</p>
<p><b>If services have any special payment requirements over £50,000, the Treasury Team should be notified</b></p>	<p>The Treasury Team should be notified a week in advance of any special payment requirements above £50,000.</p> <p>If this is not possible, to make any special payments, the Treasury Team <u>must</u> be notified by no later than 10am on the day the payment is expected to be made.</p>

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#### 4. Financial Implications

This section explains the process for considering the financial implications of decisions.

<b>Before any decision is made by Officers or Members, the financial implications of that decision need to be considered.</b>	<p>The financial implications section of Executive Reports must summarise the capital and revenue implications of the proposals, together with details of any potential risks.</p> <p>Officers involved in making non-key decisions (that are not published) must also give proper thought to the financial implications. This includes consulting with their A&amp;I contact where necessary. The implications identified should be documented and retained, in case of future challenge or audit requirement.</p> <p>Whilst it is not compulsory, it is good practice, for reports made to other meetings, such as less formal Member's meetings, management teams etc. to also include a Financial Implications section.</p>
<b>Arrangements for the sign-off of Financial Implications.</b>	<p>All Financial Implications summaries must be signed off by the Director of Finance &amp; Commercial Services, or an authorised officer on their behalf.</p> <p>Only the Head of Commercial Business Development, as the budget holder for the Council's Capital Financing costs, (or officers specifically authorised to do this on his/ her behalf) may approve Financial Implications which affect the cash-flow of the Council.</p> <p>Before signing off financial implications, the Finance &amp; Commercial Services officer must ensure that the officer who has prepared the report has taken all relevant advice, e.g. specialist financial, commercial or taxation advice.</p> <p>The name of the Finance &amp; Commercial Services officer who has signed-off the financial implications must appear on the Financial Implications section of the covering checklist.</p>

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## 5. Capital Programme

The following section explains what the capital programme is, factors that are considered when it is planned and the arrangements for approving and amending capital projects.

<p><b>What is the Capital Programme?</b></p>	<p>The Capital Programme is a list of planned projects which involve capital expenditure, together with their supporting funds, that are linked to the Council's outcomes and objectives. The Programme is agreed by Council in March each year and can cover up to the next 5 years.</p> <p>As the Capital Programme is made up of several different projects, the size and scope of the Programme can vary over time.</p> <p>The International Financial Reporting Standards (IFRS) and the Statement of Recommended Accounting Practice (SORP) provide guidance on accounting for Capital projects.</p> <p>The revenue expenditure implications of the proposed Capital Programme will be considered as part of the approval process, as well as the Annual Revenue Budget and <a href="#">MTFS</a> processes.</p>
<p><b>How is the Capital Programme approved?</b></p>	<p>The proposed Capital Programme for the next financial year is put together by the Head of Commercial Business Development, together with the Executive Directors.</p> <p>The Programme must be reviewed by the Capital Programme Group before being recommended to the <a href="#">Executive Management Team</a>. It is then taken to Cabinet before being presented to Full Council at the same time as the Annual Revenue Budget.</p> <p>Just because a project is included within the Programme, this does not mean it has automatic approval to take place.</p>
<p><b>What are Capital Approval Forms (CAF's) used for?</b></p>	<p>Capital Approval Forms (CAFs) are used to obtain financial approval for projects within the Capital Programme. Capital expenditure can only occur if fully funded, unless any funding gaps are approved by the Head of Commercial Business Development.</p> <p>A CAF must be completed for any new projects added to the Programme, or changes to existing approved projects.</p> <p>A CAF must be signed off by the appropriate manager and include all relevant documentation. The form is then signed off at Cabinet. This is a necessary step to proceed with a project.</p> <p>The CAF requires the following signatures:</p> <ul style="list-style-type: none"> <li>• For new projects and changes to existing projects - the signatures of the Project Manager, sponsoring Director, and Capital Finance Team.</li> <li>• For emergency approvals - the signatures of the Project Manager, sponsoring Director, Capital Finance Team, an Executive Director and the Head of Commercial Business Development.</li> <li>• For cases considered sensitive by the Executive Director and/or the Head of Commercial Business Development, the signatures of the Project Manager, sponsoring Director, Capital Team and the Individual Cabinet Member for the Portfolio.</li> </ul>

<p><b>Project Stage Approval</b></p>	<p>Approval for the Design, Procure and Build stages of a project will not be granted without recommendations from the Head of Commercial Business Development in respect of funding implications. As part of this process the Head of Commercial Business Development will need to consider both the Revenue and Capital implications of these approvals. The level of contractual commitments in future years must be considered.</p> <p>The Project Manager must obtain approval for each stage of the project from the Head of Commercial Business Development, the Chief Property Officer (if appropriate) and the Capital Programme Group. Only the Capital Programme Group can recommend to the Director of Finance &amp; Commercial Services the award of a contract for Capital works in line with the Council's <a href="#">Standing Orders</a>.</p> <p>The build stage of a project cannot take place until a thorough review has been completed by the Project Manager. This must be approved by the sponsoring Director, as well as reported to the Capital Programme Group.</p>
<p><b>What to do if External Funding is used to support a capital project?</b></p>	<p>If external funding (e.g. a grant) is needed to support a Capital project, this must be approved by either the Head of Commercial Business Development or an authorised Finance Officer.</p> <p>If the grant requires the Council to become the Accountable Body for the funding, agreement for this must be obtained BEFORE any offers of funding are accepted.</p> <p>Funding can only be accounted for once all conditions of the grant have been met. Before this point, expenditure must be covered by either the relevant Portfolio's budget, or by corporate funding sources by agreement.</p> <p>If any part of a Capital project involves the Council guaranteeing the liabilities of a third party then this must also be approved in accordance with the requirements of the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Capital Grant Funding cannot be used to fund day-to-day revenue expenditure.</p>
<p><b>Arrangements for making variations to Projects in the Capital Programme</b></p>	<p>Changes to a project's finance are known as 'Variations'. Any variations made to a project require approval and will depend on whether there are the Capital resources available.</p> <p>For existing projects, the approval levels for variations are:</p> <ul style="list-style-type: none"> <li>• Variations of up to £25k can be approved by the responsible Director.</li> <li>• Variations between £25k and £100k require approval from the <a href="#">Executive Management Team</a>.</li> <li>• Variations between £100K and £150K require approval by the relevant Cabinet Member(s).</li> <li>• Variations above £150k require Cabinet approval. These are raised during monthly monitoring reports.</li> </ul>

	<p>For approval purposes, the limits apply to the total of all the variations since the last time approval was granted by the Executive.</p> <p>Virements between Capital projects are not allowed. Any changes to a project's budget is treated as a variation.</p>
<b>Emergency Approvals</b>	<p>Where an emergency approval is required, this must be obtained in line with urgency procedures in the <a href="#">Constitution</a> and the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Emergency approvals must also be referred to the Executive Director of Resources, the Head of Commercial Business Development or any Officer authorised to act on his or her behalf.</p> <p>All emergency approvals which have taken place in a month should be reported to Cabinet in the next monthly report. If, by the time the decision has been reported to Cabinet, no action has been taken, the emergency approval may be cancelled by the Cabinet.</p>
<b>Slippage and / or accelerated spend within a project</b>	<p>When projects are approved, an annual profile is created which forecasts at which point in the year spending will occur.</p> <p>Accelerated spend occurs when a project has spent more than expected at a set point in time. Slippage occurs when a project has spent less than expected at a set point in time.</p> <p>This should be reflected in monthly forecasts, and Capital Finance should be made aware of the situation.</p> <p>Where spending is forecast to move between financial years, this must be included in the monthly report to Cabinet requesting approval.</p> <p>Where an overspend is anticipated, despite actions being taken to prevent this, the overspend must be covered from revenue.</p>
<b>Capital Receipts</b>	<p>Capital Receipts are the proceeds the Council receives from a buyer when it sells a capital asset. This can be used to fund new Capital projects.</p> <p>Any decision on the use of Capital Receipts will be taken as part of the overall approval for the project through recommendation by the Capital Programme Group.</p>
<b>Procurement for capital projects</b>	<p>Directors and Executive Directors must ensure that the relevant procurement procedures have been followed in relation to Capital projects.</p> <p>The Head of Design and Project Management and the Director of Finance &amp; Commercial Services must be made aware of any procurement activity.</p> <p>Where the project is financed, either fully or in part through external funding, then the requirements of the funder in relation to procurement must also be met.</p>

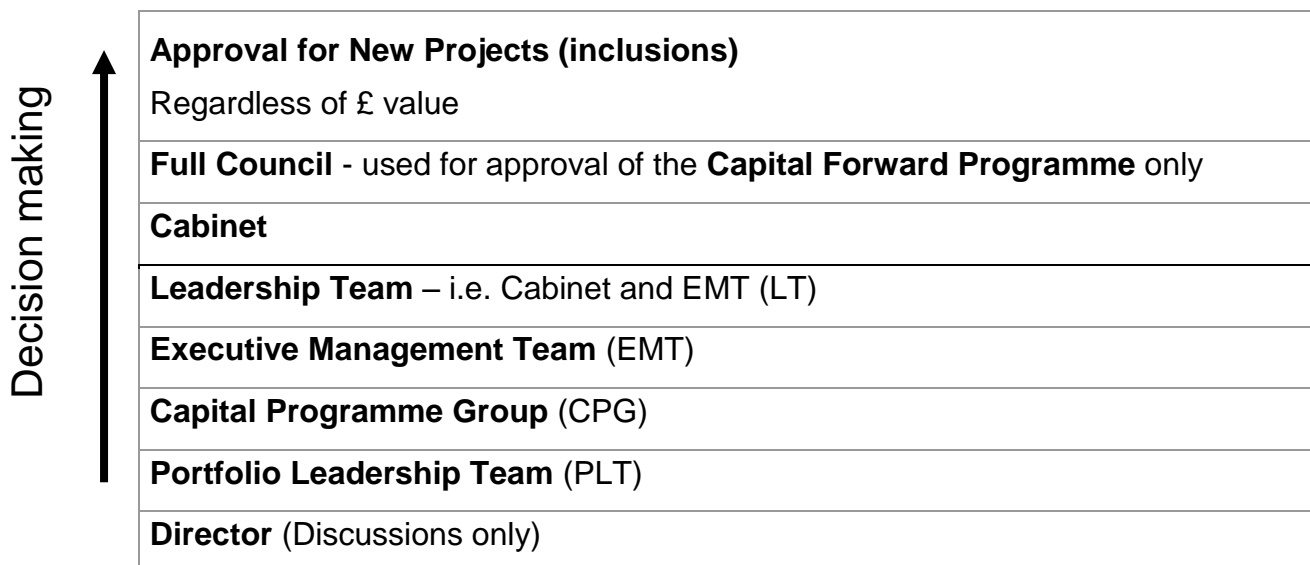
## Roles and Responsibilities

A number of specific groups, teams and managers have additional roles in relation to the capital programme. These are included in the table below.

<p><b>The Capital Programme Group</b></p>	<p>Is responsible for:</p> <ul style="list-style-type: none"> <li>• Overseeing Capital Management.</li> <li>• Providing advice and recommendations to the <a href="#">Executive Management Team</a> on new projects. These recommendations will be made to Cabinet on a monthly basis.</li> <li>• Approving variations to existing projects, as well as the progression of projects to their next stages.</li> <li>• Approving the use of Capital receipts and grants.</li> </ul>
<p><b>Directors and Project Managers</b></p>	<p>Are responsible for:</p> <ul style="list-style-type: none"> <li>• Ensuring that all projects comply with the relevant laws and regulations. Complying with the <a href="#">Leader's Scheme of Delegation</a>.</li> <li>• Complying with the relevant external funding procedures.</li> </ul>
<p><b>Project/ Budget Managers</b></p>	<p>All projects must be managed in line with the Council's Project Management Guidelines.</p> <p>Project Managers are responsible for:</p> <ul style="list-style-type: none"> <li>• Considering revenue, environmental, property, and opportunity costs related to a project.</li> <li>• Considering the legal, human resources, equalities impact and sustainability implications of the project.</li> <li>• Considering the impact of VAT on Capital projects and property transactions (disposals, purchases and leasing of land/property) and seek the advice of the Head of Strategic Finance if required. On a day-to-day basis this advice will be provided by the Council's Tax Manager.</li> </ul> <p>Managing the project within budget and preventing overspends. Project Managers must consider the risks of, and the solutions to, any forecast Capital overspends.</p>
<p><b>The Capital Finance Team</b></p>	<p>Is responsible for:</p> <ul style="list-style-type: none"> <li>• Steering a project through the financial approval process, alongside the Project Manager.</li> <li>• Reviewing, quality checking and challenging the monthly actuals and forecast expenditure and income.</li> </ul> <p>Reporting monthly on Capital expenditure and its financing, in line with the Capital Projects Approval Route.</p>

## Capital Projects Approval Route

The diagram below shows the stages a project must go through to be approved for inclusion in the Capital Programme.



## Financial Management and Reporting for Capital Accounts

This section details how projects within the Capital Programme are monitored and reported on.

<b>Financial Management</b>	<p>The Council's financial management system is used to manage the projects within the Capital Programme.</p> <p>Project Managers are required to carry out monthly monitoring and forecasting for both Revenue and Capital expenditure.</p>
<b>Reporting Process</b>	<p>Monthly Capital reporting is based on CAF, Project Closure Forms (PCF), financial monitoring and approval request reports.</p> <p>At year end, the Head of Commercial Business Development reports on the overall Capital outturn position to the Executive. The Revenue outturn position is also reported at this time.</p>

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## 6. External Funding / Grants

External Funding refers to additional resources, above and beyond those normally provided to the Council. This funding can be used to develop and improve the quality of services, better meet the needs of clients or to do something that would not otherwise be affordable.

<p><b>Accountable Body Status must be agreed before any external funding is accepted.</b></p>	<p>The <b>Accountable Body</b> is legally responsible for making sure that the requirements of the funder are met.</p> <p>The decision to agree to the Council becoming the Accountable Body for external funding must be taken BEFORE any offers of funding are accepted, in line with the requirements of the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Where the Council is guaranteeing the liabilities of a third party this must also be approved in line with the requirements of the <a href="#">Leader's Scheme of Delegation</a>.</p>
<p><b>The External Funding Team have day-to-day responsibility for the management of external funding.</b></p>	<p>The External Funding Team, on behalf of the Head of Strategic Finance, are responsible for ensuring grant applications and subsequent offers are completed properly and authorised appropriately.</p> <p>All completed grant claims, statutory financial returns and certifications must be properly approved. If the Head of Strategic Finance is unavailable to fulfil this role, the Head of Accounting and Infrastructure or Head of Finance Business Partnering can complete the sign-off.</p> <p>In the event that a grant requires the provision of match funding, the External Funding team will provide advice and guidance on sources of match funding and how this can be evidenced.</p>
<p><b>Audits of External Funding may be required.</b></p>	<p>Internal and External audits of grant funding may be carried out. If required, this will be detailed in the terms and conditions from the grant funder.</p> <p>Any associated costs will need to be funded from the relevant business unit's budget.</p>
<p><b>Retention of documentation</b></p>	<p>All evidence required by the funding body must be collected and held in line with the terms and conditions of the grant.</p> <p>Documents supporting European projects must be stored for at least 3 years after the UK receives its final payment to the programme or for such longer period as may be defined by the funder in a particular case.</p> <p>Where the retention period in the grant agreement is longer than the one prescribed in the Financial Records Retention Schedule (<a href="#">Appendix A</a>), the funder's requirements will take priority. In all other cases, the Records Retention Schedule should be followed.</p>

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## 7. Income Management

Many of the services which are delivered by the Council are funded by Government grants and local taxation (Council Tax and Business Rates). There are also some services that service users and other customers pay a fee for.

This section explains how fees and charges are set, how income is collected and what the Council will do to recover debts.

Separate detailed rules apply to Housing Rent, Council Tax, Business Rates and Benefit Overpayment debt, so the Regulations below do not apply to these.

Refer to [section 20](#) for Council Supply Agreements.

### Roles and Responsibilities

Individual Cabinet Members and all officers involved in the sundry debt process have the following specific roles and responsibilities in relation to income management.

<b>Individual Cabinet Members</b>	Individual Cabinet Members are responsible for agreeing, in consultation with the Leader, changes to existing fees and charges in relation to their Portfolio areas, other than those set by Full Council as part of the budget process.
<b>All officers involved in the sundry debt process</b>	Officers who are responsible for raising invoices, credit notes, refunds, debt recovery and write-offs must not carry out these activities where they relate to debts owed by themselves or family members, or where they have a vested interest.
<b>Officers with Authority to Collect Cash</b>	<p>Only officers with specific authorisation from their Manager may collect cash on behalf of the Council. These officers will be issued with a “Style 1” photo identification card which clearly states that they are authorised to collect cash.</p> <p>Before any new Style 1 photo identification card is issued, the request must be approved by the Head of Commercial Business Development or their designated officer, in line with the procedure for the issue of photo identification cards.</p> <p>Managers should keep a register containing details of the style of card held by each member of staff and ensure that the card held is appropriate to the officer’s current duties.</p>

### Separation of Duties

The system in place for the collection and banking of income must include separation of duties between the different functions as a key form of internal control. This means that a single person should not be responsible for all of the activities related to the collection and banking of income – the activities should be carried out by different people. This is to help prevent fraud.

To comply with this principle, Managers must ensure that an officer does not carry out functions from both Table 1 and Table 2 (below) in any given time period. This ensures that, for example, an officer does not check that the amount of money they themselves have collected equals the money that has been banked.

**Table 1**

Function	Examples
Identifying charges or taking a booking	Telling a customer the cost of a particular service, e.g. removing a wasp's nest. Booking an appointment for removal of a wasp nest.
Billing	Sending an invoice (if appropriate to do so).
Collection and receipt of income	Collecting the payment, irrespective of the method of payment (i.e. cash/ credit card) for removing the nest and giving the customer a receipt for the payment. Receipts might be a 'till receipt' or handwritten one from a preprinted receipt book.

**Table 2**

Function	Examples
Reconciling receipts to income	Adding up the payments received, and all the receipts issued and then making sure they come to the same amount.
Banking income	Doing the Cash Management Lodgement Journals so the income appears on the finance system as being in the bank. This also puts it into the correct Business Unit. Arranging for cash to be physically put into the Council's Bank Account. This may be done via the cash collection service – currently provided by LOOMIS.
Monitoring income received, banked and outstanding	Checking money that has been banked equals the amount that is on the receipts. Monthly monitoring of outstanding debts.

When money needs to be transferred between members of staff, this must be evidenced by the recorded signature of the officer receiving the money.

### **Paying Fees and Charges**

All systems and processes related to customer payments must comply with all relevant legal and security requirements, e.g. the Payment Card Industry Data Security Standard (PCI DSS), which is a set of guidelines designed to help keep customer's payment card data secure.

<b>Non-invoiced income</b>	<p>Wherever possible, customers should be asked to pay for services up-front or at the time they receive the service they are paying for.</p> <p>Allowing customers to pay on credit, e.g. by issuing an invoice, should be avoided as often as possible. This reduces both the potential for invoices not being paid by customers and the administration costs to the Council.</p> <p>The Council is legally required to provide a tax invoice, if a customer asks for one. Any requests received should be referred to the Taxation Team within Finance &amp; Commercial Services.</p>
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<p><b>Invoiced Income</b></p>	<p>The minimum value for a sundry debt invoice is £25. If a Council service area wishes to raise an invoice for lower than this amount, they will need to obtain the approval of the Head of Commercial Business Development.</p> <p>All sundry debtor accounts must be raised on the Accounts Receivable section of the finance system unless exceptions have been agreed with the Head of Commercial Business Development.</p> <p>Invoices should be issued within 10 working days of the:</p> <ul style="list-style-type: none"> <li>• goods or services being supplied, or</li> <li>• month end if there is an on-going service provision.</li> </ul> <p>In line with standard accounting practice, income will be credited to the relevant Business Unit at the point the invoice is raised on the finance system - not when the money is received.</p> <p>To comply with all relevant HMRC regulations, the date of the invoice must be within 60 days of the actual date that the goods or services were supplied. If you cannot meet this timescale, you must contact the Council's Tax Manager for advice.</p> <p>The information on the Sundry Debt invoice must be correct, complete and supported by all necessary and relevant evidence to show that the Council is actually owed the income. If debt recovery action needs to be taken, including Court proceedings, this evidence will be required.</p> <p>Officers raising invoices are also responsible for ensuring that the correct amount of VAT is applied. If an officer is not sure what the correct VAT treatment is, they should contact the Taxation Team within Finance &amp; Commercial Services.</p> <p>To ensure that invoices are raised correctly, they must only be raised by officers who have had appropriate training.</p>
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### **Standard Payment Methods**

Only the payment methods outlined in the tables below can be used by all Services and partner organisations. These are the payment methods which have been approved by the Head of Commercial Business Development.

Not all the methods are relevant to every Council service area or customer group, but they are all the options the Council will support.

<p><b>Debit/Credit cards (including the payment of transaction fees)</b></p>	<p>The Council will accept all major debit and credit cards, except American Express, Diners Club, JCB and Solo.</p> <p>Credit cards may be used for both non-commercial debts (such as Business Rates and rent arrears) and commercial debts (such as hire of sporting facilities and pest control).</p> <p>Card transaction fees will be funded centrally from within Finance &amp; Commercial Services, subject to annual reviews of costs. They may also be recharged to the Housing Revenue Account.</p>
<p><b>Direct Debits</b></p>	<p>Direct debits must only be used to collect payment:</p> <ul style="list-style-type: none"> <li>• For invoices that are raised on a regular basis (e.g. monthly rental agreements).</li> <li>• Where an arrangement to pay an invoice in instalments has been agreed by the Head of Commercial Business Development or their designated Officer.</li> </ul> <p>Direct debits should not be used where the annual value to be collected is less than £100. This amount may be changed at any time by the Head of Commercial Business Development.</p> <p>If a customer's Direct Debit fails twice in a 12 month period then the option to pay by Direct Debit must be withdrawn from that customer and may only be reinstated with the agreement of the Head of Commercial Business Development or his/ her designated Officer.</p> <p>Under the Direct Debit Guarantee scheme, the Council must give customers at least 10 working days' notice if the amount that is due to be collected will change. If the amount changes on a regular basis, such as Home Support, an invoice must be issued. This is for information purposes only and the customer does not need to pay the invoice separately to their Direct Debit.</p>
<p><b>Cash</b></p>	<p>The option of payment by cash will be considered by Finance &amp; Commercial Services on a case-by-case basis.</p> <p>Cash can be used to pay bills at Post Offices and PayPoint outlets subject to maximum values of £1000 and £200 respectively.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client in line with the Council's <a href="#">Anti-Money Laundering Policy</a>.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council's MLRO.</p>
<p><b>Administration Costs</b></p>	<p>If there are any administrative costs associated with implementing a particular payment method, this will be funded by the Service requesting the method.</p>
<p><b>Expected income over £50,000</b></p>	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Council's Treasury Management &amp; Banking Team.</p> <p>Knowing that a large receipt is due will help this Team to manage the Council's cash flow which may well reduce the need for short term loans to cover Council expenditure.</p>

## Payment Channels

The following tables outline the payment methods and payment channels for both invoiced and non-invoiced income, together with any limits applicable to these methods.

Invoice/ Not Invoiced	Payment Method	Payment Channel	Minimum Amount
Invoice/ Not Invoiced	Credit or debit card online via the Council website.	On-line - Customer self-service	None
Invoiced	Credit or debit card using an automated telephone service.	Telephone - Customer self-service	None
Invoice/ Not Invoiced	Credit or debit card over the phone where a member of staff transfers the customer to Call Secure so they can enter the payment details using touch-tone functionality.	Telephone - Customer assisted service	
Invoice/ Not Invoiced	Credit or debit card using chip-and-pin machine (either mobile or at a Council/ partner office).	Face to face - Customer assisted service	
Invoiced	Cash at a Post Office; or PayPoint up to a certain value.	Face to face - Customer assisted service	£1,000 at a Post Office. £200 at PayPoint outlet.
Invoiced	Cheques and debit card at a Post Office up to a certain value.	Face to face - Customer assisted service	Cheques max £1,000.
Invoiced	Direct Debit – within the parameters set by the Head of Commercial Business Development.	Face to face - Customer assisted service	£100 per annum
Invoiced	BACS/ CHAPS – within the parameters set by the Head of Commercial Business Development.	Face to face - Customer assisted service	

## Credit Notes and Refunds

The following section outlines the use of credit notes and refunds on invoiced income.

<p><b>Credit Notes are used to correct an invoice that has been raised incorrectly</b></p>	<p>Credit notes are issued to customers to correct an invoice that has been incorrectly raised. However, credit notes represent a control risk and as such must be properly authorised. Credit notes must be authorised by the manager responsible for the corresponding budget.</p> <p>Customers can use credit notes to pay future invoices, but they can also request a refund if they have already paid an incorrect invoice, or paid money into a Council bank account in error. Refunds may only be actioned by the Head of Commercial Business Development or his/her designated Officers.</p>
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	Where a refund is for a significant amount, i.e. £1,000 or more, officers should check the identity of the client in line with the Council's <a href="#">Anti-Money Laundering Policy</a> , fees and interest charges.
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### Banking of Collected Income

The following section outlines arrangement for receipting, storing and banking collected income.

<b>All income must be receipted and banked promptly</b>	All income received by the Council must be receipted and paid into the appropriate bank account as soon as possible following the procedures approved by the Head of Commercial Business Development for the banking of income.  Income must be paid into the bank account in full. Third party and personal cheques must not be cashed from monies held on behalf of the Council.
<b>Collected income must be stored safely and adequately insured</b>	Executive Directors are responsible for ensuring that all income collected prior to banking is kept in a safe location and that adequate insurance cover has been arranged.  The amount of cash which a Service can keep in a safe overnight will depend on the insurance arrangements. If the Service believes that the amount they will need to store will be higher than the agreed limit, then arrangements must be made to bank the income as soon as possible.
<b>Reconciliation of receipts to banked income should be performed at least monthly</b>	Reconciliation of receipts to banked income should be performed on a regular basis and at least monthly. The higher the value and quantity of the receipts, the more often reconciliations should be performed. Staff responsible for reconciliation should not be involved in day to day banking or receipting procedures.

### Debt Recovery

The Council will do everything in its power to recover money owed to it. The following sections outline the recovery process and debt management arrangements.

<b>Recovery Process</b>	The Council's standard payment terms and conditions are that sundry debts should be paid immediately and in full, unless there is a contract in place to agree alternative payment terms, or unless the debt is payable by installments.  The Council will do everything within its power, up to and including Court action, to recover money owed to it. The costs of recovering sundry debts, including court fees, will be funded by the relevant Business Unit which is owed the debt.
<b>Arrangements to Pay</b>	If a customer is unable to pay the full amount of a sundry debt invoice immediately, arrangements can be negotiated to clear the debt in the shortest possible amount of time.  These arrangements can be negotiated by the ICAM Team on behalf of the Business Unit Manager, or directly by the Manager. If the Business Unit Manager chooses to negotiate arrangements themselves, they must tell the ICAM Team so that the arrangement can be documented and monitored.

	<p>The Head of Commercial Business Development must agree payment arrangements that last longer than 12 months.</p> <p>If the customer does not follow the arrangement to pay, then debt recovery action will be commenced or continued.</p>
<b>Interest on late payment of debt</b>	Interest on late payment of debt by commercial customers will be applicable where agreed by the Head of Commercial Business Development.
<b>Disputed Debts</b>	<p>A 'dispute' is an issue that must be resolved before a customer pays an outstanding sundry debt.</p> <p>When a debt is put into dispute, debt recovery action is suspended to allow time for the issue to be resolved.</p> <p>The relevant Business Unit Manager is responsible for resolving the dispute and they must do so within 28 days. Where the Business Unit Managers thinks that a longer timescale is required to resolve the dispute, they must contact the ICAM Team to request an extension. The request must be supported by details about the customer, what the dispute is about, and the extra length of time required must be specifically stated.</p> <p>If a request to extend a dispute beyond 28 days has not been received, the appropriate debt recovery action will be re-instated, or where appropriate the debt will be written off.</p>
<b>Legal action</b>	<p>Legal action will only be used as the last resort in the recovery process, and the final decision to act will be made by the ICAM Team Finance Manager.</p> <p>Legal action will only be taken if:</p> <ul style="list-style-type: none"> <li>• The full end to end legal enforcement process can be used (e.g. County Court bailiffs, High Court Enforcement action, etc.).</li> <li>• The total balance of the debt is greater than £500. The ICAM Team Finance Manager can agree to lower this balance if appropriate.</li> <li>• The debt is less than 12 months old, meaning the invoice date is less than 12 months ago. This deadline may be extended in exceptional circumstances by the ICAM Team Finance Manager.</li> </ul>

### **Bad and Doubtful Debt Provisions**

When an invoice is raised, the Business Unit is immediately credited with the income, but if the debt is not paid within 60 days, the Business Unit Manager should not rely on that income to cover expenditure.

<b>Bad and doubtful debt provision</b>	<p>If a debt is not paid by day 60 after the invoice date, the Business Unit will be debited to make full provision for the debt not being paid. This means that money is set aside in the Council's accounts to cover the possibility of the debt not being paid.</p> <p>Exceptions to this can only be approved by the Head of Commercial Business Development. A list of the agreed exceptions is kept by the ICAM Team in Finance &amp; Commercial Services.</p>
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	<p>At the year-end, a bad debt provision will be estimated based on historic trends in debts not being recovered.</p> <p>Creating a provision for bad or doubtful debt does not mean that recovery action will stop. The Council will continue to take recovery action after the provision is made.</p>
<b>Payments received after 60 days</b>	<p>If an outstanding debt is paid after day 60 and before day 91 the Business Unit will be credited with 50% of the income. The remaining 50% will be diverted to help balance the Council's overall budget.</p> <p>If the debt is paid after day 90, 100% of the income will be diverted to help balance the Council's overall budget and the Business Unit will not receive any.</p>

### Bad Debt Write-offs

If recovery action is unsuccessful, the Council may write-off debts or register the debt as a local land charge. The following sections explain these processes.

<b>Write-off of bad debts</b>	<p>Bad debt write-offs will usually be done after 12 months have passed since the invoice date and all debt recovery procedures have been attempted, unless:</p> <ul style="list-style-type: none"> <li>• The debt is covered by an on-going payment arrangement.</li> <li>• There is on-going action, up to and including Court action, to recover the debt.</li> <li>• The debt has been recorded on the Local Land Charges Register.</li> </ul> <p>Write-offs must be proposed by the Executive Director of the Portfolio which holds the debt. A list of proposed write offs will be passed to the relevant Finance &amp; Commercial Services Leadership Team (FCSLT) member to approve. The ICAM Team, on behalf of the Head of Commercial Business Development, will then update Integra to complete the write off.</p> <p>By the time a debt is written off a full provision must have been created for it.</p> <p>The Head of Strategic Finance will report debts, and the changes in the bad debts provision, to the Audit Committee as part of the annual accounts process.</p>
<b>Local Land Charges</b>	<p>One option for recovering a debt is to register the debt as a local land charge.</p> <p>By law, the Council must keep and regularly update a register of all the local land charges they have created e.g. road and other financial charges, home improvement grants, tree preservation orders, notices of restriction, etc., that will either secure the payment of a sum of money or limit the use of the said property. This is known as the Local Land Charges Register.</p> <p>Anybody who is thinking of purchasing a piece of land or property can then search the register and find out whether there are any charges on that land or property.</p>



When Services secure a Sundry Debt account in the Local Land Charge Register, the following will apply:

- Sundry Debt accounts recorded in the Land Charge Register will be managed using the Council's standard debt recovery process and taking a bad debt provision.
- The Business Unit Manager who is responsible for any debt that is listed in the Land Register must ensure that the debt is still valid and collectible on an annual basis.
- Debts covered by a Land Charge that remain outstanding after 6 years will be reviewed by the Head of Commercial Business Development to determine whether the debt should be written off in the Finance system.

The above requirements relate specifically to sundry debt invoices, and do not apply to any debts in the Local Land Registry manually raised outside of the Finance System.

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## 8. Purchasing

### Roles and Responsibilities

Budget managers and all officers involved in the purchase to payment process have the following specific roles and responsibilities in relation to income management.

<b>Budget Managers</b>	<p>Ensuring that the Council is obtaining value for money, and that all expenditure complies with the Council's <a href="#">Standing Orders</a>.</p> <p>Using in-house and existing contracted providers wherever possible. If not possible, advice must be sought from Finance &amp; Commercial Services on choosing an alternative supplier.</p> <p>Complying with the relevant procurement processes is documented and evidenced.</p> <p>Declaring any relationships with existing or potential Council contractors prior to obtaining quotations or awarding of contracts.</p>
<b>All Officers involved in P2P process</b>	<p>Referring to the Council's <a href="#">Standing Orders</a> for details of procurement procedures, with special attention to the need to use in-house and existing contracted providers.</p> <p>Formally declaring any relationships with existing or potential Council contractors, prior to obtaining quotations, or the awarding of contracts. (Failure to do so may be punishable as a criminal offence)</p> <p>Withdrawing from any P2P process when either they themselves, a member of their family or one of their close associates are involved directly or indirectly with the transaction.</p>

### Ordering and Authorisation of Expenditure

This section covers the principles of procurement in the Council. These are standard across the Council and must be complied with unless written exception has been approved by the Director of Finance & Commercial Services.

<b>General Procurement Principles</b>	<p>All orders for goods or services are to be placed on the Council's Finance system. The controls, approval routes and processes detailed in these regulations will apply.</p> <p>All procurement must comply with <a href="#">Standing Orders</a> and the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>Suppliers of the Council must have the necessary HMRC certification enabling them to be paid through the Council's payments system. Contractors who do not comply with these conditions, or those who do not provide the necessary evidence, should be set up as temporary employees and paid through payroll.</p>
<b>Ordering of Goods and Services</b>	<p>A Purchase Order is required for all purchases and must be fully approved before requesting the supply of goods and services.</p> <p>Exceptions to this would be for the payment of those deemed as 'employed' by the <a href="#">HMRC Employment Status Enquiry Tool</a>, for which payment has to be made via Payroll in order to account for the correct taxation, recurring payments, 'multiple' and 'one-off' payments.</p>

	<p>Verbal orders should take place only in exceptional circumstances and should be followed immediately by a fully authorised order. Officers making verbal orders will be asked to support their decision by the Head of Strategic Finance.</p> <p>Orders must fully detail the goods and services to be supplied and the budget from which the expenditure is to be met. Final costs or an estimate of the costs (net of VAT) should also be provided in the order.</p> <p>Orders can only be raised for goods and services provided to the Council or for official Council business. Individuals must not raise official orders for their own private use.</p> <p>Variations to an order can only be made if properly authorised, issued orders cannot be verbally amended.</p>
<p><b>Procurement Cards</b></p>	<p>A small number of credit and procurement cards are available. The use of credit/ procurement cards is intended to complement, rather than replace, the Purchase Order procedure, and should only be used when the use of a Purchase Order is not possible.</p> <p>Executive Directors must promptly inform the Head of Strategic Finance, if action must be taken to cancel stolen or lost cards, or those issued to employees who have resigned from the Council.</p>
<p><b>Authorisation of Expenditure</b></p>	<p>Before authorising an order, approvers must ensure that the decision to spend the money has been taken in line with the Council's decision-making framework by Council, the Leader, Cabinet, a committee, an individual Member or an Officer exercising delegated powers.</p> <p>These Officers must also ensure that the Council's procurement rules and <a href="#">Standing Orders</a> have been complied with before approving.</p> <p>Approvers should be satisfied that:</p> <ul style="list-style-type: none"> <li>• The Order represents a legitimate cost to the Council.</li> <li>• The required checks have been evidenced and necessary documentation attached.</li> <li>• Sufficient budgetary provision exists to cover the payment.</li> <li>• Expenditure will be paid through the correct business unit.</li> </ul>
<p><b>An Authorisation Matrix will be held in the Finance System</b></p>	<p>A list will be held in the finance system containing the officers authorised to approve Purchase Orders, Recurring Payments, Foreign Payments and Individuals paid via payroll.</p> <p>Multiple and one-off payments must only be used in exceptional circumstances and must be approved by the Head of Strategic Finance.</p> <p>This matrix will apply to all orders including those connected to the spending of grant funding, contract payments and partnership arrangements.</p> <p>A Cabinet report approving a grant payment or awarding a contract will not over-ride this authorisation hierarchy.</p>

	<p>This hierarchy will also apply to the authorisation of payments which do not require a Purchase Order.</p> <p>The table below shows the authorisation hierarchy limits.</p>
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### **Authorisation Matrix**

All Purchase Orders must be approved in line with the Council’s authorisation hierarchy levels, as set by the Director of Finance & Commercial Services and shown below:

Order Amount	Financial Approval Limits
< £100	No further financial approval
Up to £250	Supervisor / Line Manager
Up to £500	Middle Manager
Up to £2,500	Business Unit Manager
Up to £25,000	Assistant Head of Service / Assistant Director
> £25,000	Head of Service / Director / Assistant Chief Executive / Chief Executive

### **Delivery of Goods and Services**

The following section details arrangements for checking and receipting goods and services.

<b>Goods receipting</b>	<p>When goods/services are delivered, they should be checked against the following to ensure the delivery is correct:</p> <ul style="list-style-type: none"> <li>• Cost.</li> <li>• Quantity.</li> <li>• Quality.</li> <li>• Fitness for purpose.</li> </ul> <p>Delivery notes must be retained in accordance with the Financial Documents Retention Schedule (appended to these Regulations). Where possible, the reference from these documents should also be recorded in the Finance system.</p> <p>Officers are required to enter a receipt (Goods Received Note) on the Council’s finance system to confirm delivery of the goods or services.</p>
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### **Payments to Suppliers**

The table below details the arrangements for paying supplier invoices together with the standard payment terms of the Council.

<b>Supplier invoices</b>	<p>Suppliers will be expected to provide an electronic invoice. These should be sent directly to the outsourced accounts payable processing facility, as detailed on the Council's Purchase Order.</p> <p>Where paper invoices are unavoidable these should be sent directly to this same address for prompt processing. On no account should they be sent to the service requesting the supply. Failure to adhere to this rule may result in delays to the payment process. Paper invoices will be scanned and attached to the invoice records.</p>
<b>Payments</b>	<p>No payment will be made unless it is supported by an authorised Purchase Order and Goods Received Note, to acknowledge the receipt of goods and services.</p> <p>Exceptions to this are Recurring, Multiple, One-Off, Individuals paid via Payroll, Foreign Payments and purchases made using a Credit or a Procurement Card.</p> <p>Where the details on the supplier invoice, the Goods Received Note and the Purchase Order are the same, the automated matching process will clear the invoice for payment. This is referred to as a 3-way matching process.</p> <p>Where the details are not the same, the order raiser should liaise with the supplier to resolve the mismatch.</p>
<b>Standard Payment Terms</b>	<p>The Council's standard payment terms are to make payment within 30 calendar days of the invoice date. Any variation to this standard must be agreed by the Director of Finance &amp; Commercial Services, either as part of the letting of a contract or by ad-hoc exception to the standard terms.</p> <p>Where a supplier makes a request for payment in advance, advice must be sought from the Director of Finance &amp; Commercial Services.</p>

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## 9. Internal Charges

This section explains what internal charges are, and when they will be used.

<b>Internal charges are used to recharge costs between services/portfolios.</b>	<p>The Council's internal charging system covers:</p> <ul style="list-style-type: none"> <li>• Specific ordering and the recharges for these.</li> <li>• Agreed Annual Service Level Agreements and the recharges for these.</li> <li>• Overhead apportionment.</li> </ul>
<b>All parties must be clear that the charging system exists.</b>	<p>A key requirement of the internal charging system is that both customers and suppliers are clear that the system is in operation and that they adhere to the relevant procedural guidance.</p> <p>This includes the need for an internal order and the use of specified financial codes.</p>

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## 10. Payroll, Expenses and Petty Cash Floats

This section details arrangements for payments to all employees and the use of petty cash.

<p><b>Payroll</b></p>	<p>Payments to all employees and former employees of the Council must only be made under arrangements approved and controlled by the Director of Human Resources and approved by the Head of Strategic Finance. This includes, salaries, wages, pensions, expenses, and any other payments.</p> <p>Amendments to the payroll, e.g. for absences and variations to pay, is limited to those Officers authorised to do so.</p> <p>Payment of fees to individuals who are not Council employees must be made through the Purchase to Payment system, in accordance with HMRC requirements and relevant procedures laid down by the Director of Finance &amp; Commercial Services.</p> <p>All Payment and personnel records must be held securely.</p>
<p><b>Expenses</b></p>	<p>Members and officers are only entitled to incidental, subsistence and travel expenses if these are incurred legitimately in performing Council duties.</p> <p>Claims must be made in line with relevant Council policies including the requirement to upload receipts to the iTrent (Payroll/HR) system. All such payments will be made through the payroll system and are paid in line with the agreed policy and rates.</p> <p>Payments of expenses to individuals who are not Council employees must be made through the Purchase to Payment system, following the procedures set out by the Director of Finance &amp; Commercial Services.</p> <p>Any Expense incurred by agency staff is included in the Agency charge and paid through the Purchase to Payment system.</p>
<p><b>Petty Cash – payments from a float and reimbursements</b></p>	<p>The use of money from petty cash floats must be limited to non-payroll related expenditure up to a maximum of £25, which does not justify an order being raised through the Purchase to Payment system.</p> <p>Petty cash should not be used for the payment of regular suppliers other than in exceptional circumstances, with prior approval from Heads of Service.</p> <p>Wherever possible purchases should be made in advance and, if applicable, VAT receipts provided before the petty cash is issued.</p> <p>At the manager’s discretion, a maximum of £5 employee-related expenses may be paid from a petty cash float where an employee has been asked to travel to meet a service need and has no way of funding this.</p> <p>The following rules apply to the of petty cash floats:</p> <ul style="list-style-type: none"> <li>• Personal or third-party cheques must not be cashed.</li> <li>• Money cannot be borrowed from petty cash floats.</li> <li>• Private monies must not be used to supplement the floats.</li> </ul>

	<p>Cash income from other sources must not be used to reimburse petty cash unless specific arrangements are in place.</p> <p>Officers who have been assigned responsibility for a float must follow the administration procedures of petty cash floats as laid down by the Head of Strategic Finance.</p>
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## 11. Bank Accounts and Credit Cards

The following sections details arrangements for opening and closing bank accounts, banking transactions, credit cards and reconciliations. On a day-to-day basis these responsibilities are carried out by the Treasury Team in Finance & Commercial Services.

<b>Bank Accounts</b>	<p>Bank accounts can only be opened or closed in the name of Sheffield City Council with the authority of the Head of Strategic Finance; this includes associated bank accounts which the Council does not directly control such as joint arrangements. The Head of Strategic Finance is responsible for all negotiations of banking terms with the Council's Bankers.</p> <p>All stand-alone systems which create payments and do not link with the financial ledgers must have a separate bank account and subsequent local reconciliation responsibilities. The Payroll interfaces and systems which create BACS files or print cheques are currently the stand-alone systems which have these additional requirements.</p>
<b>Banking Transactions</b>	<p>The authorised signatories list for banking transactions is developed and approved by the Head of Strategic Finance in consultation with the Individual Cabinet Member for Finance.</p> <p>Authorised Signatories will normally be senior Finance officers.</p>
<b>Credit/ Procurement cards</b>	<p>Credit cards, charge cards and other payment cards held in the Council's name are opened, closed and managed by the Head of Strategic Finance.</p>
<b>Reconciliations</b>	<p>Bank reconciliations and reconciliations of credit cards, etc. are completed on at least a monthly basis by an officer who is not responsible for the processing of transactions through the bank accounts.</p> <p>The Head of Strategic Finance is responsible for ensuring that reconciliations, together with supporting documentation, are reviewed and appropriately certified.</p>

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## 12. Taxation

The following section outlines the arrangements for managing the impact of VAT.

<b>Overall aim to maximise VAT recovery and minimise unrecoverable VAT incurred.</b>	<p>The overall aim of SCC in relation to taxation is to maximising VAT recovery where this is consistent with effective delivery of the service, while minimising the level of irrecoverable VAT being incurred by the Council.</p> <p>In practice this means:</p> <ul style="list-style-type: none"><li>• Ensuring that VAT is properly accounted for on all transactions entered by the Council.</li><li>• Keeping VAT records with a proper allocation of costs to exempt and other activities.</li><li>• Complying with all VAT legislation and regulations.</li><li>• Monitoring and planning for any changes in VAT legislation or regulations.</li></ul>
<b>The Taxation Team</b>	<p>Within Strategic Finance, an appropriately skilled team has been established to manage the Council's VAT responsibilities. This Team will receive all training necessary to provide appropriate service delivery and challenge.</p> <p>The Taxation Team prepare and submit VAT Returns to HMRC. Such returns are submitted at times which maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>Where required appropriate external advice is sought where the tax implications of a project are sufficiently complex.</p>
<b>Penalties and charges</b>	<p>Portfolio budgets will bear the financial impact of any penalties or other charges imposed by HMRC for transactions entered into by that Portfolio.</p>

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### 13. Stores, Stock, Assets and Security

This section details the controls required to effectively manage stores, stock and assets.

Stores and Stock	<p>Access to stores is controlled and measures are in place to ensure that stocks and assets are only used on Council business.</p> <p>Appropriate records must be maintained for adding new stock to stores and for controlling the issue of items.</p> <p>The record of stock levels for each item is physically checked at a frequency agreed by Executive Directors which reflects factors such as stock values, usage etc.</p> <p>At the end of each financial year a certificate of the stock value held by each Portfolios (as well as such information as required for the accounting, costing and financial records) is provided to Strategic Finance.</p>
Assets and Security	<p>An inventory of all assets over £100 in value, together with all attractive and portable items below this figure is maintained within each portfolio. The inventory will include the make, model, serial number and purchase value of each item. Items should be recorded promptly in the inventory, at the point of purchase.</p> <p>A physical check of assets is undertaken on an annual basis. This should be completed by an officer not involved in producing the inventory.</p> <p>The Head of Service will be informed of obsolete or missing items to for approval to write-off. Following formal, documented approval, the Inventory Records should be amended accordingly.</p> <p>A register of assets removed from Council premises for use on official Council business is maintained by each portfolio. This includes assets such as laptops, mobile phones and RAS cards issued to officers.</p> <p>Assets should not be used other than for official Council purposes or in line with arrangements sanctioned by the Council, Cabinet, an Executive Director or a Director.</p> <p>All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner. All information assets must always be appropriately protected. Further details can be found in the Council's Information Governance and Security Policy.</p>

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## 14. Retention of Records

The following section details requirements for retaining records.

<b>Record retention</b>	<p>All records must be managed in line with the Council's Document and Records Management Policy.</p> <p>Records must be retained for a period that meets the requirements of HMRC, the Council's External Auditors and any other appropriate Body.</p> <p>The <a href="#">Financial Records Retention Schedule</a>, provides guidance on appropriate retention schedules (Appendix A).</p>
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## 15. Financial Systems

The following section outlines the key function of the finance system and how it is controlled.

Integra	<p>The Council's finance system (Integra) is the key source of accounting and financial information which is used to produce the Annual Financial Accounts.</p> <p>Any Portfolio systems which feed into Integra must have robust financial controls in place for ensuring both the accuracy and security of the data.</p> <p>Access to all Council's systems must be controlled.</p> <p>Data held on these systems, whether held as hard copy or in electronic format, must be retained in accordance with EU or domestic data protection legislation. Business Partners from the Business Change and Information Systems (BCIS) Team should be consulted for advice and guidance on data protection and information management issues.</p> <p>Prior to the purchase and implementation of any new computerised financial systems, including any income collection systems, the Director of Finance &amp; Commercial Services and BCIS Business Partner must be consulted.</p>
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## 16. Accounting

The following section details arrangements for producing the Council's Accounts as well as accounting requirements throughout the year and at year-end.

<b>Statement of Accounts</b>	<p>The Council's Accounts are produced annually for approval by the <a href="#">Audit &amp; Standards Committee</a>.</p> <p>The Accounts must present a true and fair view of the financial position and transactions for that financial year and be must be prepared in accordance with statutory requirements and all applicable professional Codes of Practice.</p> <p>The Accounts will be prepared on an accruals basis.</p> <p>The Accounts will be prepared on a prudent basis with income only included if it is likely to be received. Proper allowance should be made for known liabilities and losses.</p>
<b>Accounting during the Financial Year</b>	<p>All Accounts and Accounting Systems must be properly maintained throughout the year to provide timely and accurate information.</p> <p>All financial transactions must be adequately supported and referenced back to original documents and working papers, which started the transaction.</p> <p>Control Accounts, Holding and Suspense Accounts must be reconciled at least monthly. Reconciliations must be produced and authorised by Officers not directly responsible for the transactions in the accounts.</p>
<b>Year-end requirements</b>	<p>Each financial year end the Head of Strategic Finance will produce a timetable and guidance to produce the Final Accounts.</p> <p>All balances on Control Accounts, e.g. Debtor Control, must be explained. Balances may only be carried forward into the next year if there is a reasonable prospect that they will be cleared.</p> <p>The Accounts for the year should be "closed" at the end of business on 31<sup>st</sup> March and all income received and payments made to that date must be accounted for. The Officers responsible must certify sums held, i.e. not banked, at the close of business on 31<sup>st</sup> March.</p> <p>Accruals must be supported by evidence and the Head of Strategic Finance will require evidence for material accruals. The process and amounts will be included in the year-end guidance issued by the Head of Strategic Finance.</p> <p>The Officers responsible for cash floats and other cash accounts must balance and certify the amount of cash held at the close of business on 31<sup>st</sup> March. Officers responsible for stocktaking must certify the value of stock/ stores at close of business on 31<sup>st</sup> March.</p> <p>Expenditure and income due for the year, but not paid or received by 31<sup>st</sup> March must be accounted for. The Officers responsible must certify the transactions concerned.</p> <p>Appropriate working papers, records and prime documentation must be maintained in support of the above requirements. These will be used to support the Accounts and provide a clear Audit trail for the external auditors.</p>

## 17. Internal Audit

This section outlines the role and remit of Internal Audit.

<b>Internal Audit</b>	<p>A continuous internal audit of all the Council's financial records and operations must be maintained.</p> <p>Internal Audit has the authority to access any Council officer and information necessary to carry out their duties on behalf of the section 151 Officer.</p> <p>An annual audit plan is prepared by the Senior Finance Manager (Internal Audit) and agreed by the <a href="#">Audit &amp; Standards Committee</a> and the Council's Section 151 officer. The strategy for Internal Audit work is to focus on areas of high-risk activity in order to provide assurance that risk and internal control systems are being properly managed by Directors in service areas.</p> <p>As part of the audit planning process Executive Directors are responsible for managing risk and for informing Internal Audit of the risks in their area. They are also responsible for agreeing and implementing relevant Audit recommendations.</p> <p>Internal Audit report on the output of its activity to the Council's <a href="#">Audit &amp; Standards Committee</a>. The Senior Finance Manager will provide an annual audit opinion to assess the adequacy of the risk management, governance and internal control framework. This opinion supports the Annual Governance Statement.</p>
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## 18. Companies, Joint Ventures, Partnerships, Joint Committees etc.

This section details the arrangements where the Council has a controlling or minority interest in a Company, Joint Venture, Partnership or Joint Committee.

<b>Companies, Joint Ventures, Partnerships and Joint Committees.</b>	<p>Where the Council has a controlling interest in Companies, Joint Ventures, Partnerships, Joint Committees, or is the Lead Authority, then these organisations will be required to use the Council's finance system and to follow these Regulations.</p> <p>Where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems, the Director of Finance &amp; Commercial Services must agree the arrangements for robust financial governance control. The controls in these Regulations will be used as a starting point for that agreement.</p> <p>No agreement shall be entered into with a Partnership which commits the Council to additional expenditure or other financial risk without approval as set out in the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>The relevant Executive Director, in conjunction with the Director of Finance &amp; Commercial Services will report at least annually to the appropriate portfolio holding Member and the Cabinet Member for Finance on the financial affairs of the partnership body.</p>
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## 19. Grant (Gift) Arrangements

The following sections outlines the control and approvals required for grant (gift) arrangements.

<b>Grant (Gift) Arrangements</b>	<p>Any funds set aside from which to make individual grants must be properly approved in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>All grant payments to voluntary organisations (or other recipients) must be properly approved in line with the <a href="#">Leader's Scheme of Delegation</a>, these Regulations and all other relevant documentation.</p> <p>Where a grant payment is withdrawn or reclaimed, Executive Directors are responsible for ensuring that this is agreed in line with the <a href="#">Leader's Scheme of Delegation</a>.</p> <p>The external relationship with any recipient of grant aid must be managed in line with all guidance provided by the Director of Legal Services.</p> <p>Any Grant/ Gift arrangements must be made in line with the Procurement Guidelines, and all other relevant processes and procedures.</p>
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## 20. Council Supply Agreements

This section details arrangements for the Council delivering non-statutory services, works or supplies to individuals or other organisations and receiving payment for this.

<b>What is a Council Supply Agreement?</b>	<p>A Council Supply Agreement is a contractually binding agreement where the Council agrees to provide works, services or supplies to a third party in return for payment, either in money or in-kind.</p> <p>This does not apply to the delivery of statutory services, or instances where the Council receives a grant to fund an activity.</p> <p>Executive Directors are responsible for ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the <a href="#">Leader's Scheme of Delegation</a>. This includes seeking the opinion of either the Executive Director of Resources or the Director of Finance &amp; Commercial Services.</p>
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## Appendices:

### A. Financial Records: Recommended Retention Schedule

(Note that all figures used relate to years, e.g. Current + 6 is Current Year's records plus the previous 6 years documents).

#### A.1. Accountancy/Financial

General example of type of Record	Recommended Retention	Action after retention
Abstract of accounts	Current + 6	Destroy as confidential records
Annual Budget	Current + 6	Destroy as confidential records
Annual statements	Current + 6	Destroy as confidential records
Budgetary control records	Current + 6	Destroy as confidential records
Costing records	Current + 6	Destroy as confidential records
Estimate working papers	Current + 2	Destroy as confidential records
Financial ledgers	Current + 6	Destroy as confidential records
Grant claim records	Current + 6	Destroy as confidential records
Investment records	Current + 2	Destroy as confidential records
Journals	Current + 6	Destroy as confidential records
Leasing Records	Current + 2	Destroy as confidential records
Record re closing ledgers	Current + 6	Destroy as confidential records
School Fund records	Current + 6	Destroy as confidential records
Telephone call records	Current + 2	Destroy as confidential records
VAT claims	Current + 6	Destroy as confidential records
VAT records	Current + 3	Destroy as confidential records
Voluntary fund accounts	Current + 6	Destroy as confidential records

#### A.2. Bank related records

Type of Record	Recommended Retention	Action after retention
Bank pay-in books/slips	Current + 6	Destroy as confidential records
Bank reconciliation	Current + 6	Destroy as confidential records
Bank statements	Current + 6	Destroy as confidential records
Cancelled cheques	Current + 2	Destroy as confidential records
Cheque books and counterfoils	Current + 6	Destroy as confidential records
Cheque lists (creditors/ payrolls)	Current + 2	Destroy as confidential records
Loan records and correspondence	Current + 2	Destroy as confidential records
Paid cheques	Current + 4	Destroy as confidential records
Returned cheque records	Current + 2	Destroy as confidential records

### A.3. Contracts

Type of Record	Recommended Retention	Action after retention
<b>Pre Contract Advice</b>		
The process of calling for expressions of interest	2 years after contract let or not proceeded with	Destroy as confidential records
<b>Specification and Contract Development</b>		
The process involved in the development and specification of a contract	Ordinary Contract: 6 years after the terms of contract have expired.  Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records  Destroy as confidential records
<b>Tender Issuing and Return</b>		
The process involved in the issuing and return of a tender (Opening Notice)	1 year after start of contract	Destroy as confidential records
<b>Evaluation of Tender</b>		
Successful tender document	Ordinary Contract: 6 years after the terms of contract have expired.  Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records  Destroy as confidential records
Unsuccessful tender document	1 year after start of contract	Destroy as confidential records
<b>Post Tender Negotiation</b>		
The process in negotiation of a contract after a preferred tender is selected	1 year after the terms of contract have expired	Destroy as confidential records
<b>Awarding of Contract</b>		
The process of awarding contract	Ordinary Contract: 6 years after the terms of contract have expired.	Destroy as confidential records

	Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records
<b>Contract Management</b>		
Contract operation and monitoring	2 years after terms of the contract have expired.	Destroy as confidential records
Management and amendment of contract	Ordinary Contract: 6 years after the terms of contract have expired.  Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records  Destroy as confidential records

#### A.4. Creditor records

Type of Record	Recommended Retention	Action after retention
Copy orders	Current + 2	Destroy as confidential records
Credit notes	Current + 6	Destroy as confidential records
Creditor invoices	Current + 6	Destroy as confidential records
Delivery notes	Current + 2	Destroy as confidential records
Imprest documentation (petty cash)	Current + 2	Destroy as confidential records
Period payment records	Current + 6	Destroy as confidential records

#### A.5. Income records

Type of Record	Recommended Retention	Action after retention
Cash books	Current + 6	Destroy as confidential records
Correspondence (income)	Current + 2	Destroy as confidential records
Debtor accounts (records non-current)	Current + 2	Destroy as confidential records
Dinner/milk registers	Current + 6	Destroy as confidential records
Income posting slips and tabulations	Current + 2	Destroy as confidential records



Periodic income records	Current + 2	Destroy as confidential records
Receipt books	Current + 2	Destroy as confidential records
Record of receipt books issued	Current + 2	Destroy as confidential records
Registrar's quarterly returns	Current + 2	Destroy as confidential records
Sales records	Current + 2	Destroy as confidential records

#### A.6. Insurance records

Type of Record	Recommended Retention	Action after retention
Expired insurance contracts	Current & Permanent preservation	Destroy as confidential records
Insurance claims	Current + 7 from date of closure or year in which claimant reaches 21 (paper) Up to 60 years (electronic)	Destroy as confidential records
Insurance policy documentation	Current & permanent	Destroy as confidential records
Insurance register	Current & permanent	Destroy as confidential records

#### A.7. Miscellaneous records

Type of Record	Recommended Retention	Action after retention
Capital works tabulations	Current + 2	Destroy as confidential records
Car leasing and mileage records	Current + 6	Destroy as confidential records
Car Loans	Current + 6	Destroy as confidential records
Computer system documentation	Current + 2	Destroy as confidential records
Inland Revenue docs	Current + 6	Destroy as confidential records
Internal requisitions	Current + 1	Destroy as confidential records
Inventory records	Current + 6	Destroy as confidential records
Land searches	Current + 6	Destroy as confidential records
Member allowance (statutory registers)	Current + 2	Destroy as confidential records
Minutes	Current + 2	Destroy as confidential records

Postal remittance registers	Current + 2	Destroy as confidential records
Road fund licence records	Current + 2	Destroy as confidential records
School meal records	Current + 2	Destroy as confidential records
Small holdings records	Current + 2	Destroy as confidential records
Stock lists	Current + 2	Destroy as confidential records
Travel claims	Current + 6	Destroy as confidential records
Vehicle logs	Current + 2	Destroy as confidential records

#### A.8. Payroll Records

Type of Record	Recommended Retention	Action after retention
BACS amendments and output	Current + 3	Destroy as confidential records
Copy payslips	Current + 6	Destroy as confidential records
Correspondence	Current + 6	Destroy as confidential records
Payroll adjustment documentation	Current + 6	Destroy as confidential records
Part – time employees' claim forms	Current + 6	Destroy as confidential records
SSP records	Current + 4	Destroy as confidential records
SSP variations	Current + 3	Destroy as confidential records
Staff transfer records	Current + 6	Destroy as confidential records
Starters forms	Current + 2	Destroy as confidential records
Tax and NI records	Current + 6	Destroy as confidential records
Tax code notifications	Current + 2	Destroy as confidential records
Timesheets and Pay Returns	Current + 6	Destroy as confidential records
Union documentation	Current + 2	Destroy as confidential records
Personnel files	Current + 2	Destroy as confidential records
Staff contracts	Current + 6	Destroy as confidential records
Unsuccessful applications	Current + 1	Destroy as confidential records

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# Agenda Item 9

Minutes of the Meeting of the Council of the City of Sheffield held on Wednesday 6 January 2021, at 2.00 pm, as a remote meeting in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, and pursuant to notice duly given and Summonses duly served.

## PRESENT

THE LORD MAYOR (Councillor Tony Downing)  
THE DEPUTY LORD MAYOR (Councillor Gail Smith)

- |   |  |    |   |    |  |
|---|--|----|---|----|--|
| 1 | <i>Beauchief &amp; Greenhill Ward</i><br>Simon Clement-Jones<br>Bob Pullin<br>Richard Shaw | 10 | <i>East Ecclesfield Ward</i><br>Andy Bainbridge<br>Vic Bowden<br>Moya O'Rourke    | 19 | <i>Nether Edge &amp; Sharrow Ward</i><br>Peter Garbutt<br>Jim Steinke<br>Alison Teal           |
| 2 | <i>Beighton Ward</i><br>Bob McCann<br>Chris Rosling-Josephs<br>Sophie Wilson               | 11 | <i>Ecclesall Ward</i><br>Roger Davison<br>Barbara Masters<br>Shaffaq Mohammed     | 20 | <i>Park &amp; Arbourthorne</i><br>Julie Dore<br>Ben Miskell<br>Jack Scott                      |
| 3 | <i>Birley Ward</i><br>Denise Fox<br>Bryan Lodge<br>Karen McGowan                           | 12 | <i>Firth Park Ward</i><br>Abdul Khayum<br>Alan Law<br>Abtisam Mohamed             | 21 | <i>Richmond Ward</i><br>Mike Drabble<br>Dianne Hurst   |
| 4 | <i>Broomhill &amp; Sharrow Vale Ward</i><br>Angela Argenzio<br>Kaltum Rivers               | 13 | <i>Fulwood Ward</i><br>Sue Alston<br>Andrew Sangar<br>Cliff Woodcraft             | 22 | <i>Shiregreen &amp; Brightside Ward</i><br>Dawn Dale<br>Peter Price<br>Garry Weatherall        |
| 5 | <i>Burngreave Ward</i><br>Jackie Drayton<br>Talib Hussain<br>Mark Jones                    | 14 | <i>Gleadless Valley Ward</i><br>Lewis Dagnall<br>Cate McDonald<br>Paul Turpin     | 23 | <i>Southey Ward</i><br>Mike Chaplin<br>Tony Damms<br>Jayne Dunn                                |
| 6 | <i>City Ward</i><br>Douglas Johnson<br>Ruth Mersereau<br>Martin Phipps                     | 15 | <i>Graves Park Ward</i><br>Ian Auckland<br>Sue Auckland<br>Steve Ayris            | 24 | <i>Stannington Ward</i><br>David Baker<br>Penny Baker<br>Vickie Priestley                      |
| 7 | <i>Crookes &amp; Crosspool Ward</i><br>Tim Huggan<br>Mohammed Mahroof<br>Anne Murphy       | 16 | <i>Hillsborough Ward</i><br>Bob Johnson<br>George Lindars-Hammond<br>Josie Paszek | 25 | <i>Stocksbridge &amp; Upper Don Ward</i><br>Jack Clarkson<br>Julie Grocutt<br>Francyne Johnson |
| 8 | <i>Darnall Ward</i><br>Mazher Iqbal<br>Mary Lea<br>Zahira Naz                              | 17 | <i>Manor Castle Ward</i><br>Terry Fox<br>Sioned-Mair Richards                     | 26 | <i>Walkley Ward</i><br>Ben Curran<br>Neale Gibson  |
| 9 | <i>Dore &amp; Totley Ward</i><br>Joe Otten<br>Colin Ross<br>Martin Smith                   | 18 | <i>Mosborough Ward</i><br>Tony Downing<br>Kevin Oxley<br>Gail Smith               | 27 | <i>West Ecclesfield Ward</i><br>Alan Hooper<br>Adam Hurst<br>Mike Lavery                       |
|   |  |    |   | 28 | <i>Woodhouse Ward</i><br>Mick Rooney<br>Paul Wood  |

**1. MINUTE SILENCE - DEATH OF COUNCILLOR PETER RIPPON**

- 1.1 The Lord Mayor (Councillor Tony Downing) reported with sadness, the death, on 20<sup>th</sup> December 2020, of Councillor Peter Rippon, who had served as a Member of the Council since 2003 and was Lord Mayor of Sheffield during the Municipal Year 2014/15.
- 1.2 Members of the Council observed a minute's silence in memory of their former colleague, and time was allocated at the end of the meeting for Members to pay tribute to him.

**2. APOLOGIES FOR ABSENCE**

- 2.1 An apology for absence was received from Councillor Jackie Satur.

**3. DECLARATIONS OF INTEREST**

- 3.1 There were no declarations of interest made by Members of the Council.

**4. APPOINTMENT OF A NEW LEADER OF THE COUNCIL**

**4.1 Position of Leader of the Council**

RESOLVED: On the motion of the Lord Mayor (Councillor Tony Downing), seconded by the Deputy Lord Mayor (Councillor Gail Smith), that the Council notes the information contained in the report of the Director of Legal and Governance now submitted, in particular the resignation of Councillor Julie Dore as Leader of the Council with effect from 6<sup>th</sup> January 2021, and determines that a new Leader of the Council be appointed at this meeting, to serve for the remainder of the 2020/21 Municipal Year.

**4.2 Appointment of a new Leader of the Council**

RESOLVED: On the motion of Councillor Tony Damms, seconded by Councillor Dianne Hurst, that Councillor Bob Johnson be appointed Leader of the Council for the remainder of the Municipal Year 2020/21.

**5. NOTIFICATION OF EXECUTIVE ARRANGEMENTS**

- 5.1 The newly appointed Leader of the Council (Councillor Bob Johnson) notified the Council of his arrangements for discharging the Executive functions of the Council. He reported that he was to appoint Councillor Julie Grocutt to serve as a Cabinet Member with effect from this day (6<sup>th</sup> January 2021), with responsibility for the Transport and Development Portfolio, and that the present

composition of the Cabinet, including the portfolio areas of responsibility, and existing scheme of delegation for the discharge of Executive functions, will continue unchanged.

5.2 The Council noted the information reported by the Leader of the Council.

## **6. PUBLIC QUESTIONS AND PETITIONS AND OTHER COMMUNICATIONS**

### Public Questions

6.1 The Lord Mayor (Councillor Tony Downing) invited eight members of the public to ask the questions which they had submitted prior to the published deadline for submission of petitions and questions for this meeting.

### 6.2 Public Question Concerning Leader and the Business Community

Martin McKervey, Chair of the Sheffield Property Association and Chair of the Castlegate Partnership referred to Councillor Julie Dore stepping down from the role of Leader of the Council. He spoke about Councillor Dore and to her working for and with the business community in Sheffield in a spirit of public and private sector partnership and collaboration. Mr McKervey also welcomed both Councillor Bob Johnson as the Leader of the Council and Kate Josephs, the Council's new Chief Executive.

He asked whether those present at this meeting of the Council would please join him in expressing the thanks and gratitude of the business community in Sheffield for everything that Councillor Dore had done to help and support business in the city.

The Leader of the Council (Councillor Bob Johnson) responded and said that he recognised the work that had been done by Councillor Dore and Mr McKervey as part of the Local Enterprise Partnership and Transport for the North and which led to the development of HS3 (High Speed 3). Councillor Dore had also worked with the business community on the project to relocate HS2 and had also served as a member of the HS2 growth task force. She had also worked on other projects in partnership with the business community including the city centre regeneration, Heart of the City, World Snooker, supporting the devolution deal and economic projects such as the Olympic Legacy Park.

Councillor Johnson said that he would join with Mr McKervey in thanking Councillor Julie Dore for the work that she had done with businesses and much more. Councillor Johnson thanked Mr McKervey for attending the Council meeting to recognise that work.

### 6.3 Public Question Concerning Safe School Streets

Graham Turnbull made reference to a petition submitted to Council in December 2018 asking for Safe School Streets to be trialled in Sheffield. He said that there had been such a trial and he thanked the Council and those that had

worked on the schemes. He asked whether 2021 would be the year that safe school street schemes would be rolled out and how many schemes could be expected.

The Leader of the Council (Councillor Bob Johnson) responded that the initial assessment of the ten schools in the safe school streets project had been completed and the aspiration was for the schemes to be delivered in 2021, notwithstanding any restrictions in the context of the pandemic and related difficulties. He explained that the schools were located across the city and schemes were individually tailored to suit a particular location.

He explained that the designs were currently undergoing a review to consider the feasibility and implications of various options. It was noteworthy that such schemes could only be implemented with the support of the schools and the local communities and would involve a great deal of consultation and planning prior to a scheme going ahead. He said that consultation was a key element and this had been affected by the circumstances of the pandemic and it was acknowledged that Council resources had also been stretched. However, it was the hope and aspiration that the schemes would be delivered in 2021.

#### 6.4 Public Question Concerning Improving Local Democracy

Russell Johnson asked whether Councillor Johnson, as the Leader, would commit to implementing a modern committee system for the Council before the outcome of the referendum vote in May. He asked if the Leader would agree with him that this would enhance accountability and reduce the 'tribal' character of the Council in recent years, thus helping to rehabilitate Sheffield Labour in the eyes of the public.

The Leader of the Council (Councillor Bob Johnson) stated that Councillor Terry Fox (the Deputy Leader and Cabinet Member for Finance, Resources and Governance) and the Overview and Scrutiny Management Committee had led on work relating to governance and the Big City Conversation had taken place. He said that he would be looking at the issues raised and including how the Council engaged with people, made decisions and was accountable. He said that he understood that there was a lot of consensus about what could be done and improvements that could be made. He said that Councillor Fox and others would take the work forward.

#### 6.5 Public Questions Concerning Street Trees and Injunction Costs Monies

Russell Johnson asked whether the Leader of the Council would bravely seize the opportunity created by the regime change to initiate a meaningful process, without fear or favour, to uncover the whole truth about the 'Street Tree Scandal'.

Russell Johnson then asked whether the Council, under new leadership, would take the bold step of placing the Injunction Costs monies in a new tree planting fund to be focused on wards with a high level of deprivation. He said that he believed that such a move would go some way to redefining the Council's

position on peaceful protest against injustice, in keeping with fine Labour Party traditions.

The Leader of the Council (Councillor Bob Johnson) stated that the Local Government Ombudsman had conducted an inquiry and the Forestry Commission had also done so. The Council had published a document entitled Review of Tree Investigations: Lessons Learned and Actions and which set out how the Council had learned lessons and the extensive work which had taken place over two and a half years to develop a new approach, including a new tree strategy developed jointly with partners, including STAG (Sheffield Tree Action Groups). The lessons learned document set out ten lessons learnt and fourteen actions that had been taken to improve future practice. An archive project had been set up to make sure all relevant information was in the public domain. Councillor Johnson said that if, having gone through the archive, there were any specific things that remained unanswered relating to this issue, he would be pleased to meet with Mr Johnson with regard to those matters.

(NOTE: Russell Johnson had submitted three questions for this meeting of the Council. The Lord Mayor explained that some of the content in question 3 was inaccurate and defamatory and therefore permission to ask the question, as submitted, would not be granted unless that content was withdrawn. Mr. Johnson agreed to withdraw the relevant content from his question.)

#### 6.6 Public Question Concerning Council Housing Repairs

Sophie Thornton asked why Council housing repairs waiting times were so long in Sheffield when compared to the waiting times of other local authorities in Yorkshire?

Councillor Paul Wood (Cabinet Member for Neighbourhoods and Community Safety) said that emergency repairs were attended to within four hours if there was a major breakdown and it was classified as such. Urgent repairs were attended to within 24 hours. There was a 25 day timescale for normal repairs. However, some work in progress repairs did extend to 55 days. The time taken to do repairs had reduced in the past 12 months and he said that he hoped that would reduce further. There were some restrictions because of the Coronavirus pandemic and relating to safe working practices which had affected the service and some programmed work which had not been allowed previously during the first lockdown had subsequently been permitted to go ahead.

Councillor Wood explained that the Council undertook up to 10,000 repairs each month and sometimes a very small number of repairs were not completed to the level which was expected. New technical solutions were being deployed for the repairs service and he expected that would improve the time taken to complete repairs. Councillor Wood said that he apologised if people had waited for a repair. He also said that he would look at the details of individual cases if these were provided to him. He would also look at cases and concerns brought to his attention by all councillors.

6.7 Public Questions Concerning Streets Ahead Contract

Isabel O'Leary asked whether there were any unavoidable financial losses to the Council if Amey did not carry out the tree "felling programme" (as referred to in other legal communications to court) pursuant to Service Standard 6.38 or any other part of the Streets Ahead contract and if so, please could the relevant clause be specified.

Councillor Mark Jones (Cabinet Member for Environment, Streetscene and Climate Change) responded that he had asked Council officers to brief him on this specific issue and he would then provide a written answer to Isabel O'Leary.

6.8 Public Questions Concerning Streets Ahead

Justin Buxton asked the following 3 questions:

Why did the Leader of the Council specifically state, when asked by the presiding Judge, that she was "happy" with the Council's attempt to imprison residents pursuant to a civil injunction previously granted, when all the Council needed to do was implement an excusing clause to the Streets Ahead contract at no cost to the City?

What was the total net cost of all the legal action, evidence gathering and any other associated costs related in any way to all actions related in any way to the civil injunction Sheffield City Council obtained from Justice Males at Leeds Crown Court, including all subsequent committal proceedings; this would include any other associated costs related to each case, as mentioned above.

Mr Buxton said that the then Cabinet Member (Councillor Bryan Lodge) had previously stated on record that clause 19.1 of the Streets Ahead contract was effectively overridden by another clause(s) in the contract. He asked the Council to please specify and provide the clause(s) to which he was referring.

Councillor Mark Jones (Cabinet Member for Environment, Streetscene and Climate Change) stated that questions concerning court proceedings had been asked previously and answered by Councillor Julie Dore and he referred Mr Buxton to the answers previously given. He said that both he and Councillor Dore had continued to work with campaigners and other stakeholders to find solutions to issues regarding the retention of street trees. There was a new Street Tree Strategy which had been co-produced with partners and the Council was working to adopt learning and recommendations from the consultative process. He said that there were many challenges in seeking to retain and renew the tree stock and to preserve the public realm from which people could all benefit.

Councillor Jones said that in respect of the question regarding costs, he did not have this information at present and had asked for the information so that a written answer could be provided to Mr Buxton.



He said that with regard to the question concerning the particular clause of the Streets Ahead contract, he would provide a written answer to Mr Buxton. Councillor Jones suggested, because of the current restrictions relating to Coronavirus, that a remote meeting was arranged in future with Mr Buxton to discuss these matters.

(NOTE: Justin Buxton had submitted four questions for this meeting of the Council. The Lord Mayor explained that question 3 was not permissible under the Council Procedure Rules as it concerned a named former officer of the Council and that Mr. Buxton's other three questions would be permitted.)

#### 6.9 Public Questions Concerning Proposed Crossing on Station Road in Halfway

Kurtis Crossland asked the following questions in relation to the proposed crossing on Station Road in Halfway:

1. When will the feasibility study take place?
2. Will the results of the study be made public? If so, when?
3. Will the incoming Cabinet Member support the campaign for the crossing?

The Leader of the Council (Councillor Bob Johnson) stated that officers were in the process of evaluating the potential for a crossing on Station Road and that work was ongoing. He said that he had asked for the results of that study to be made available to him by the end of January. Whilst this was not usually information that would be published, a decision could be made regarding that and, if there was public interest, the information could be disseminated by local Councillors and the Member of Parliament. He said that the new Cabinet Member would work with the Cabinet and decisions were made collectively. He reassured Mr Crossland that he would be made aware of the decision, together with other local people.

#### 6.10 Public Questions Concerning Conduct

Ruth Hubbard stated that at November's full Council meeting, the former Leader responded to a member of the public presenting a petition about free school meals and asking for greater collaboration by delivering an extraordinary attack on that member of the public. She said that the Leader was egged on by at least one other member of the ruling group and that whilst this was not the first time the Leader was rude or, in her view, aggressive in responding to members of the public, the attempt to belittle and humiliate this member of the public was particularly nasty and bullying. She said that to be clear, and to ensure that councillors were aware of the impact of such behaviour, she would say that many members of the public were nervous before asking questions because the Leader was known for responding in a hostile way. She said that as a result, the Ante Room at the Town Hall before full Council, where public questioners are asked to gather, was frequently something of a support group for members of the public, sometimes attending the Town Hall for the first time. Ruth Hubbard said that in November's full Council, the Leader was called out by two

other public questioners for her behaviour. She asked what action the Monitoring Officer or others, took following the November full Council meeting in response to this bullying incident?

The Leader of the Council (Councillor Bob Johnson) said that he would welcome questions and petitions and that members of the public should be encouraged to ask questions and hold elected representatives to account. Public questions were one way of seeing local democracy in action and were an opportunity for legitimate public concern and should be free of political opportunism.

He referred to the Council's commitment to provide free school meals to children in Sheffield over half term and for the Christmas holidays and to a petition submitted to Council relating to free school meals. Councillor Johnson expressed concerns about the use of public questions and petitions for party political reasons. He said that complaints about the behaviour of Members were dealt with by the Standards complaints process and the information relating to complaints was personal and treated in confidence. Standards fell within the remit of the Audit and Standards Committee and a report was produced annually summarising the number and outcome of complaints.

#### 6.11 Public Questions Concerning Streets Ahead

Ruth Hubbard stated that in recent months the former Leader ruled out a public inquiry into 'the street trees scandal' in Sheffield. She asked, given that the former Leader was likely, herself, to be a main subject of the inquiry, how is it possible that the decision on this could be made by her given the clear conflict of interest involved, how has this been dealt with? Ruth Hubbard said that she noted that the Monitoring Officer who might normally step in to deal with this clear conflict of interest was likely also to be a key subject for an inquiry.

The Leader of the Council (Councillor Bob Johnson) responded that lawfully, a decision to embark on a public inquiry was one for the Council's executive to make, taking into consideration whether the public interests would outweigh the potential costs. The Leader, as the Chair of the Council's executive, had been clear that the Council had apologised and had taken steps to remedy any mistakes made.

#### 6.12 Public Questions Concerning Written Responses to Questions

Ruth Hubbard stated that one of the key reasons members of the public ask full questions at full Council was in order to ensure there was a public record of answers given. She said that frequently people are told they will be responded to in writing. Also frequently, members of the public return to say they had not received an answer in writing. She said that she had often been told she will receive an answer in writing but didn't think she had ever received such a letter. She asked whether the Council would consider a follow up mechanism to ensure that where written replies are committed to that these were completed, and – in the absence of other reasons why information should remain confidential - will the Council ensure that these answers were made public in

Council minutes given that the reason for asking was precisely to ensure they are made on public record.

The Leader of the Council (Councillor Bob Johnson) explained that a schedule of questions and petitions received from members of the public and answers provided by Cabinet Members was now published on the Council's website with documents for each of the Council meetings. The schedule indicated whether a response was made at the meeting and was recorded in the minutes or that a written response was provided and a copy of that response was included in the schedule. There was a schedule of questions, petitions and responses for the Council meetings in March, October, November and December 2020.

Councillor Johnson said that there was also a follow-up mechanism now in place to help make sure that members of the public do receive those answers in writing when promised and where appropriate. He said that anybody not receiving a written response could contact him and he would make sure that happened.

## **7. MEMBERS' QUESTIONS**

### **7.1 Urgent Business**

- 7.1.1 With the permission of the Lord Mayor (Councillor Tony Downing), Councillors Sioned-Mair Richards and Angela Argenzio asked the following questions relating to urgent business, under the provisions of Council Procedure Rule 16.6(ii):-

*Councillor Richards – “With the recent closure of schools, there were concerns, certainly within my Ward, about the digital divide and the lack of digital connectivity, as well as hardware, for all the school students who are now having to learn from home, and wished to ask what the Council was doing to ensure that students have access to the hardware but also to connectivity when so many parents are operating on pay as you go contracts or do not have access to wi-fi / broadband services at all?”*

*Councillor Argenzio – “Following the closure of schools on Tuesday, has Sheffield Council undertaken an audit to ensure that all children entitled to support are being provided with laptops, tablets and internet connections to help children and families access remote education? If not, what action will they be taking to ensure children from disadvantaged backgrounds aren't disproportionately affected by the latest closure?”*

- 7.1.2 In response, Councillor Abtisam Mohamed (the Cabinet Member for Education and Skills) thanked the questioners for their timely questions given the recent announcement that schools were to close and move to remote learning with immediate effect. She stated that the Council did recognise the issues raised by the questioners and she agreed that learning online was not just about access to hardware but was also about connectivity and digital inclusion and she recognised that there were many families struggling to ensure their children

have adequate access to remote learning because of either lack of connectivity or because siblings were having to share devices. She referred to the Government's offer of laptops to schools, but commented that this initiative had been extremely slow to get up and running, with many schools having complained about the length of time taken between requesting and receiving the devices, and she added that this situation was not good enough, leaving students with inequitable access. She stated that the Council believed that there should be equitable access for all students and was working hard to address this issue as quickly as possible with the aim of ensuring that children from disadvantaged backgrounds were not disproportionately impacted by the closure of schools. Working with colleagues from Learn Sheffield, an audit of schools was to be undertaken within the next few days to establish what the current demand is in terms of unmet need, and the Council will be working, along with the city's business sector and the campaign Laptops For Kids, to meet the hardware and connectivity needs as soon as possible, once this has been established by the audit.

7.1.3 In response to a supplementary question, permitted by the Lord Mayor, from Councillor Argenzio, Councillor Mohamed stated that schools had undertaken audits earlier in the school year based on their previous method of operation whereby pupil bubbles would be asked to learn from home for short periods of time, whereas this latest audit was being conducted on the basis of full closure of all schools.

## 7.2 South Yorkshire Joint Authorities

7.2.1 Questions under the provisions of Council Procedure Rule 16.6(i), relating to the discharge of the functions of the South Yorkshire Fire and Rescue Authority, were asked by Councillor Martin Phipps as follows:-

*“Residents of North Bank flats were evacuated shortly before Christmas after a fire service inspection which deemed the flats not fit to live in. Why did it take so long for North Bank's fire safety issues to be treated so seriously? Issues to do with North Bank were known for years before.”*

*“Are we confident that other flats in Sheffield with similar known fire safety issues, such as cladding, are fit for human habitation? How can we be sure, given the time it took to declare North Bank unfit for humans, that those flats are fit for human habitation? How are flats with known fire safety issues in Sheffield being supported?”*

7.2.2 Councillor Tony Damms, the Council's Spokesperson on the Fire and Rescue Authority, responded by stating that he would arrange for a detailed written response to be supplied by the Chief Fire Officer. He stated, however, that the South Yorkshire Fire and Rescue Authority had a duty to inspect certain types of buildings, of which there were 180 such buildings in Sheffield. He added that thorough inspections were being carried out as quickly as possible by the Fire Service and that he had recently been made aware that 59 of the 180 buildings had been inspected.

## **8. CORONAVIRUS (COVID-19) UPDATE**

- 8.1 Greg Fell, the Director of Public Health, provided an update on the latest position in relation to the Coronavirus (Covid-19) pandemic, including the latest epidemiology and key metrics. He explained that, in the past year, mobility of the population had reduced and markedly so during periods of lockdown including walking, driving and public transport, although the disease continued to circulate. The 7 day incidence of Covid-19 was high and rising. Transmission of Covid-19 was still principally between households. Incidence of Covid-19 was lowest in the younger population and growth was being driven by the working age population. The rate of positivity of those tested was 9.7 percent. A significant proportion of Sheffield Teaching Hospital beds had a patient with Covid-19 and the situation remained very difficult to manage. The new variant of the disease was much more transmissible, although the mitigation measures were the same. The fundamentals remained the same, namely people getting tested if they had symptoms, contact tracing and isolation, together with reducing social contact, hand washing, wearing face coverings and social distancing; and supporting individuals and businesses.
- 8.2 Mr Fell said that the effect of restrictions upon rates of infection depended on people's behaviour and it was acknowledged that there were also harmful social and economic consequences associated with the actions taken to tackle the virus. In regard to vaccinations, things were developing quickly and that many thousands of people had now received the first dose of the vaccine.
- 8.3 Greg Fell's presentation was followed by an opportunity for Members of the Council to ask questions and a summary of the questions and responses was as follows:
- 8.4 Questions were asked about the decision to write to schools telling them to open and whether that was now considered to be the right decision; and as to whether teachers and other staff in schools should be vaccinated as a priority. Mr Fell responded that there was very little in-school transmission associated with the way in which schools were run and he praised schools for the work they had done to manage risk. However, any environment which brought people together carried a risk of transmission of the virus. Importantly, children received an education in school. He said that the case rate was lowest in school age children and there was local data to support that.
- 8.5 The decision regarding schools was a matter for the Department of Education and government. The City was very mindful of clusters, cases, and the importance of management of bubbles in schools and the schools had done a good job in relation to comprehensive risk assessments and working to a Covid-secure standard, although as in any context, this did not imply absolute safety.
- 8.6 He said that from an epidemiological perspective, there was a valid case that schools being open placed an upward pressure on the reproduction number (R). Nonetheless, taking into account the negative effect of schools being closed,

such as missed education, loss of life chances and life opportunities, his recommendations to the Council was that it should support schools to open. Importantly, it was not the Council's decision as to whether schools should open or not. SAGE (Scientific Advisory Group for Emergencies) had never called for schools to close, although it had made the point that if schools were open, it would be difficult to keep the R number on or below 1.

- 8.7 Greg Fell explained that on Sunday 3 January, he advised the Cabinet that he believed the Council should support schools to be open. However, he had not anticipated the change in government policy on Monday 4 January when the Prime Minister put the country into lockdown. Schools were open for children of key workers and vulnerable children. He said that it was a difficult, very complex and fast-moving situation and he would stand by the advice he provided to Cabinet.
- 8.8 He said that on the question of vaccinations, government policy was based largely on age and with one occupational category which was health and social care and care home care workers. A change to that policy would be a national policy issue and people were vaccinated according to the Joint Committee on Vaccination and Immunisation priority list. He would make available further information on the rationale relating to the order of vaccination.
- 8.9 In response to a question concerning the effect of poor air quality on Covid-19, including incidence, deaths and long-Covid and evidence in relation to Sheffield with regard to hospitalisation and death, there was national evidence that in areas of poor air quality, there was a higher instance of hospitalisation, admission to intensive care and early death. Areas of poorer air quality also tended to be more deprived places and there may be other factors to consider. There was however hypothetical and theoretical evidence to say that poor air quality, whilst it might not be a causal factor in Covid-19 outcomes, was not helpful and the City continued to do what it could to improve air quality. However, local research had not been done on this issue.
- 8.10 Questions were asked about changes to the number of doses of the vaccine that people would receive, the lateness of the changes and that some people were receiving two doses whilst others had the appointment for their second dose cancelled, and with regard to concerns about whether a single dose was effective.
- 8.11 Greg Fell responded that two doses would be given of either the Pfizer-BioNTech vaccine or the Astra-Zeneca vaccine. The change in policy was based on the Joint Committee on Vaccination and Immunisation recommendations to Chief Medical Officers and which was accepted and in turn recommended to the Government and it became policy. The change concerned the space between the two doses and the recommendation now was for a 12 week period between doses. Nonetheless, everyone should still receive two doses. Mr Fell explained the rationale which was to provide more people with covering immunity in a limited period of time by providing them with a single dose. The limiting factors included the availability of the vaccine and the availability of clinicians to administer it. The original studies were done on the

basis of the doses being given relatively close together. He went on to explain the basis of the science behind the recommendation and policy and said that it was partly a matter of trust in the Joint Committee and the science.

- 8.12 He said that it was a difficult situation, because there were thousands of people who had received the first dose of the Pfizer vaccine and expected to receive a second dose and had consented to do so, whilst national policy was that those appointments should be cancelled to enable more people to receive a first dose. It was also problematic for local GPs who were managing the situation as well as they could and making clinical judgments on a patient by patient basis.
- 8.13 He said that the vaccination programme was one delivered by the NHS. There would be a citywide vaccination programme delivery board established, comprising the Council, principally for logistical support, and the clinical input of the NHS to achieve the shared aim of vaccinating people as quickly as possible. Mr Fell remarked on the considerable effort by the NHS in terms of the roll out of the vaccination programme.
- 8.14 Questions were raised about balancing the effort required in respect of the vaccination programme with other interventions such as test, trace and isolate and as to how much control it was anticipated that Sheffield would have over how measures to tackle the virus were implemented. A further question was asked about asymptomatic infections and lateral flow tests and as to whether there would be mass testing. Thirdly, a question was put about NHS volunteer responders and registrations from people in Sheffield; how many requests had been taken up; and with regard to the number of people undertaking specific roles.
- 8.15 Greg Fell responded that he did not have information about volunteer responders and would endeavour to find that information out so that it could be published. As regards asymptomatic infections and mass testing, there were several schemes using lateral flow devices. However, there was not capacity to implement and coordinate such schemes into a coherent whole. There was some lateral flow testing, for instance to enable care home visiting, and care homes had identified the difficulties in administering such schemes because of the resources required. At the moment, he did not anticipate implementing mass testing in the way it was made operational in the Liverpool pilot, nor was he aware of evidence that such an approach made a difference, only that it was operationally possible.
- 8.16 Testing of those who had symptoms using a rapid test and then contact tracing and isolation made a significant difference. Although asymptomatic testing might add some value, the cost in terms of necessary resources was high. Liverpool had initially used 2,000 troops to implement the testing programme.
- 8.17 He explained that asymptomatic testing was an imperfect test and false negatives were a key concern and in the order of 40 percent of test results would be false negative. That may have consequences for the way people behaved, having received a negative test and which was false.

- 8.18 In terms of current epidemiology, the COVID-19 prevalence was 2 percent. Of those, 70 percent had symptoms and 30 percent were asymptomatic. That 30 percent comprised a mix of truly asymptomatic; those with symptoms and who had not noticed the fact; or those who were pre-symptomatic. The science regarding asymptomatic testing and lateral flow devices was valid in relation to very niche areas and very defined target cohorts, such as testing of contacts of cases and to minimise isolation periods which would be appropriate and would provide definite benefits. However, the science did not support mass testing of whole populations.
- 8.19 In relation to the question concerning the balance of national and local control, Mr Fell said that the response was appropriately a national one as it was a national pandemic. There had been some shift towards local control. There were areas such as contact tracing, that he would wish were within local control. The local contact tracing was performing well and the completion rates and the proportion of cases of contacts that were found, contacted, and given advice, was in the order of 80 percent, as compared to 50 percent for national test and trace. He wanted to do that a lot quicker but required the resources to do so.
- 8.20 Questions were asked about the extent to which there might be further restrictions next winter, as indicated recently by the Chief Medical Officer; secondly, whether the vaccine would become an annual one akin to the flu vaccine; and thirdly, whether Covid-19 was just bad influenza.
- 8.21 Mr Fell responded that Covid-19 was definitely not a bad flu. He explained that the case fatality rate i.e. the proportion of people that had flu and who then die, was in the order of 0.1, whereas it was a fatality rate of 1 percent for Covid-19, which was significant and particularly in the context of how easily the virus was spread. Severe illness from Covid-19 was significantly worse than illness from flu and people were more likely to die. There was also the cluster of syndromes known as long-Covid, which often had no bearing to the severity of the initial infection. Covid was much more severe and more serious than flu.
- 8.21 Most Coronaviruses were seasonal and this was the case for Covid-19, which was a Coronavirus. There may be other virological reasons but principally, people spent more time indoors during winter and the risk of transmission was higher indoors and particularly in places and touch points that were not cleaned regularly, such as in our homes. People tended to be closer to each other indoors and not as Covid-secure and there was less ventilation.
- 8.22 Mr Fell said that as regards next winter, whilst it might be too far away to predict, it was likely and he hoped that, the population would be fairly well vaccinated by next winter. Covid-19 would still exist and will not have been eradicated. There might be some degree of measures in place, including handwashing, distancing, and wearing of face coverings. He was not in a position to say whether there would be other restrictions.
- 8.23 Current thinking was that the Covid vaccine was a two dose and one off vaccine and not an annual measure. However, it was not known how long immunity would last because the studies had not gone on for long enough and



Coronaviruses may mutate. Currently, the vaccine was effective against the identified mutated strain.

- 8.24 In response to a question about what the local authority could do to ensure that people were vaccinated as quickly as possible, Greg Fell stated that activity would include communications and myth-busting and the Council's role in community leadership. This was particularly as the AstraZeneca vaccine was implemented because it was much easier to handle so the vaccination programme could be accelerated. The clinical element of the programme was the role of the NHS. The Council had a role in relation to communications, building confidence and addressing people's legitimate concerns about safety. It also had a role with regard to logistics support as well to enable the NHS to deliver the vaccination programme as quickly as possible. For example, that might include the use of marquees outside primary care centres to enable people to queue under shelter.
- 8.25 A question was asked about the fatality rate, the age profile of those in hospital and vaccination priority for those people in hospital when they had recovered. Mr Fell said that there were approximately 300 people in Sheffield hospitals with Covid-19 and they were mostly over 60. The 1 percent fatality rate was referring to the proportion of all people who developed symptoms that would die. The fatality rate was higher in hospitals. However, the risk of death had significantly reduced because of two things. Firstly, NHS intensive care clinical practice had changed so that intensive care clinicians used the prone position, turning patients on to their front to help their breathing and that had definitely had an impact on reducing hospital mortality. Secondly, was the use of a drug Dexamethasone, which had massively reduced mortality. Many people now in hospital would not have survived in the first wave but they were now surviving with complex illness for longer and they were in hospital for longer.
- 8.26 He said that he was fairly certain and would seek clarity on the point that, even if a person had had Covid-19, the recommendation was that they should still be vaccinated and that would be addressed at the point of the individual consenting for the vaccine.
- 8.27 A question was asked about plans and agreements and support that was in place with the City's two universities in relation to students returning to Sheffield and how might they advise students in that regard. Greg Fell explained that the Council provided regular input and advice to the two universities on interpreting national policy and in relation to Covid-secure campuses, teaching and learning environments and accommodation. There was also support to help the universities manage cases and clusters as they occurred, as had been the case throughout the pandemic. The universities were independent institutions with policy responsibilities to the Department of Education. The Government Minister of State for Universities, Michelle Donelan MP, wrote to universities before the lockdown and advised them that they should not start routine face-to-face teaching other than for courses where it was very difficult to do otherwise, such as for nurses and doctors, health professionals and teacher training. He believed that both universities were offering online teaching as the default for most types of courses but with some exceptions.

- 8.28 He said that even in circumstances where students had travelled back to university, the vast majority of people did not have the illness, although it was critically important that when people developed symptoms they were managed appropriately and the individual concerned needed to get rapidly tested and to isolate.
- 8.29 Greg Fell said that both universities had managed the situation well. There had been a big spike in cases in Sheffield at the start of the September university term, as occurred in all university cities and which was principally in 18 to 24 year olds but that had not bled into the general population as might have been feared. If 18 to 24 year olds were removed from the data in Sheffield, its epidemic curve was the same as every other place in South Yorkshire. Whilst he did have concerns, the reality was that some face-to-face teaching was necessary and the universities had practical systems to manage the situation.
- 8.30 Questions were asked about immunity following someone having had and recovered from Covid-19 and having received two vaccinations for the virus; and whether people that had received a vaccination could go out and mix with others. Mr Fell said that people would be breaking the law if they mixed with others outside of the restrictions that were in place. The recommendation would be that having had a vaccination, an individual should wait for 10 to 15 days whilst the antibody response developed. However, even then people could carry the virus on their hands and it was not known whether or not being vaccinated reduced transmission. It was known that it reduced the risk of death and people may have milder illness but could still be infectious to others.
- 8.31 Questions were asked about whether the universities were carrying out lateral flow tests with returning students and with regard to the provision of teaching and learning in the context of lockdown and restrictions. Greg Fell said that, whilst he did not know the precise nature of the teaching offer at the two universities, both the universities and students placed a high value on face-to-face teaching and the Vice Chancellors had been clear that in terms of the mental well-being of students, face to face contact was really important. However, at present that was not an option for significant numbers of courses. His role and that of the Public Health team in relation to the universities concentrated on Public Health support, rather than the teaching and learning offer.
- 8.32 With regards lateral flow testing, it was notable that at the end of the last term, the two universities tested approximately ten thousand students and found about 12 cases of Covid-19 and there had been a similar ratio across the university sector. Whilst lateral flow testing involved a large commitment of resources for what appeared to be little benefit, the universities would continue to undertake the tests and the Government had mandated them to do so.
- 8.33 A question was asked about early years provision and whether it was safe for early years providers to remain open to parents of non-key workers and non-vulnerable children and what was being done to support the early years sector.

- 8.34 Greg Fell said that not as much had been done in relation to the early years sector as it had in relation to schools and he had not been aware of concerns among early years professionals about a lack of guidance and he would address that issue. He said that it might be the case that work had already been done in that regard.
- 8.35 Standard operating protocols had been developed for how cases of Covid-19 in the early years sector were managed, as they had been for schools. He said that he would check the level of coverage of that guidance in the early years sector. Regular updates had been provided to the sector, although there was probably more that could be done. With regard to opening of early years provision and safety, the early years sector was likely to be no more or less safe than schools and this was subject to national policy decisions. He said that he was not clear about why it was that early years provision remained open to all, whilst the schools did not.
- 8.36 A question was asked about the new variant and as to the adequacy of guidelines and measures which remained the same despite the new variant being significantly more transmissible. Greg Fell explained that the mitigations and the behaviours of individuals required to reduce the risk of transmission were the same in relation to the new variant as for Covid-19 more generally (i.e. to wash hands, wear face coverings, keep distance and limit social contact). He said that the problem was with implementation and adherence to the guidelines, rather than the guidelines themselves not being appropriate. He could provide a recent paper that had been produced and that was relevant to this. He was not aware of any fundamental change to the guidance and whilst he might accept that the approach should be toughened up, that would be in relation to implementation of measures and adherence to the measures.
- 8.37 A question was asked about the common areas in hospitals, such as accident and emergency and outpatient areas and as to work that had been done in relation to infections in hospital settings. Mr Fell responded that he would request a written answer from the NHS to address the question.
- 8.38 A question was asked about the situation with regard the vaccine for patients that used an EpiPen and who had been turned away because they had allergies.
- 8.39 A further question was asked concerning the welfare of people who had been instructed to isolate or were shielding and remained in their homes and were having financial difficulty and whether any consideration had been given to provide a winter fuel allowance to those people on lower incomes.
- 8.40 Greg Fell responded that he would ask for an answer to the question concerning EpiPens as it was a detailed clinical policy question for the NHS.
- 8.41 He said that the Council had arrangements in place with regard to community hubs and the helpline to support people. He did not know whether there had been discussion about additional winter-fuel payments for those who were shielding and he would provide a response to the question.

- 8.42 The Council noted the information reported and thanked Greg Fell for attending the meeting and providing the update and for answering Members' questions.

**9. REVIEW OF THE MEMBERS CODE OF CONDUCT AND COUNCILLOR COMPLAINTS PROCEDURE**

- 9.1 RESOLVED: On the motion of Councillor Sioned-Mair Richards, seconded by Councillor Simon Clement-Jones, that this Council adopts the proposed changes to the Members' Code of Conduct and the Procedure for Dealing with Complaints regarding City, Parish and Town Councillors and Co-Opted Members, as set out in the report of the Director of Legal and Governance now submitted.

- 9.1.1 (NOTE: 1. Councillors Angela Argenzio, Kaltum Rivers, Douglas Johnson, Ruth Mersereau, Martin Phipps, Paul Turpin, Peter Garbutt and Alison Teal abstained from voting on the Motion, and asked for this to be recorded; and

2. Prior to the passing of the resolution, a proposed amendment to the Motion, moved at the meeting by Councillor Alison Teal, was rejected by the Lord Mayor (Councillor Tony Downing) on the grounds that the proposed amendment had not been submitted in writing to the Chief Executive by 12 noon on the day preceding the meeting, as required by Council Procedure Rule 12.1.)

**10. APPOINTMENT TO THE POST OF INTERIM EXECUTIVE DIRECTOR OF PLACE**

- 10.1 RESOLVED: On the motion of Councillor Bob Johnson, seconded by Councillor Mary Lea, that this Council notes the information contained in the report of the Director of Human Resources and Customer Services now submitted, informing the Council of the recent appointment of Mick Crofts to the post of Interim Executive Director of Place, and that Mr. Crofts will take up his new role on 6<sup>th</sup> January 2021.

**11. MINUTES OF PREVIOUS COUNCIL MEETING**

- 11.1 RESOLVED: On the motion of Councillor Tony Damms, seconded by Councillor Garry Weatherall, that the minutes of the meeting of the Council held on 2<sup>nd</sup> December 2020 be approved as a true and accurate record.

**12. REPRESENTATION, DELEGATED AUTHORITY AND RELATED ISSUES**

- 12.1 RESOLVED: On the motion of Councillor Dianne Hurst, seconded by Councillor Tony Damms, that:-

(a) approval be given to the following changes to the memberships of Committees, Boards, etc.:-

- |   |  |
|---|--|
| Senior Officer Employment Committee                           | - Remove Councillor Julie Dore, creating a vacancy and to appoint Councillor Bob Johnson as Chair of the Committee |
| Appeals and Collective Disputes Committee                     | - Councillor Garry Weatherall to fill a vacancy  |
| Corporate Joint Committee with Trade Unions                   | - Remove Councillor Julie Dore, creating a vacancy   |
| Corporate Members Group                                       | - Councillor Bob Johnson to replace Councillor Julie Dore, and Councillor Tony Damms to fill a vacancy             |
| Local Area Partnership Lead Ward Member for Manor Castle Ward | - Councillor Sioned-Mair Richards to fill a vacancy  |
| Place Portfolio Joint Consultative Committee                  | - Remove Councillor Bob Johnson, creating a vacancy  |

(b) representatives be appointed to serve on other bodies as follows:-

- |  |  |
|--|--|
| Sheffield City Region Combined Authority | - Councillor Bob Johnson to replace Councillor Julie Dore, and Councillor Terry Fox to replace Councillor Bob Johnson as the rotational Member |
|--|--|

Sheffield City Region Combined Authority Executive Boards (*1 Member, plus 1 Reserve*):-

- |   |   |
|---|---|
| Business Recovery and Growth Board        | - Councillor Bob Johnson to replace Councillor Julie Dore as the Reserve Member |
| Education, Skills and Employability Board | - Councillor Bob Johnson to replace Councillor Julie Dore as the Reserve Member |
| Housing and Infrastructure Board          | - Councillor Bob Johnson to replace Councillor Julie Dore as chair of the Board |
| Church Burgesses Trust Charity            | - Councillor Garry Weatherall to fill a vacancy                                 |

Great Places: Sheffield Housing Board	- Councillor Sioned-Mair Richards to fill a vacancy
River Stewardship Company	- Councillor Garry Weatherall to replace Councillor Andy Bainbridge
Sheffield Business Adviser Panel	- Councillor Bob Johnson to replace Councillor Julie Dore
Sheffield City Region Local Enterprise Partnership	- Councillor Bob Johnson to replace Councillor Julie Dore
Sheffield Partnership Board	- Councillor Bob Johnson to replace Councillor Julie Dore
South Yorkshire Leaders' Group	- Councillor Bob Johnson to replace Councillor Julie Dore
Southey/Owlerton Area Regeneration Board	- Councillor Garry Weatherall to replace Councillor Moya O'Rourke

- (c) it be noted that the Senior Officer Employment Sub-Committee, at its meeting held on 26<sup>th</sup> November 2020, appointed Laura Wileman to the post of Head of Communications within the Chief Executive's Portfolio and that Ms. Wileman is expected to start in post on 26<sup>th</sup> January 2021; and
- (d) it be noted that the Senior Officer Employment Sub-Committee, at its meeting held on 4<sup>th</sup> December 2020, appointed Andrew Jones (the Interim Director) to the post of Director of Education and Skills within the People Services Portfolio.

### **13. TRIBUTES TO COUNCILLOR PETER RIPPON**

- 13.1 The Lord Mayor (Councillor Tony Downing) provided an opportunity for Members of the Council to pay tribute to Councillor Peter Rippon, who sadly had died on 20<sup>th</sup> December 2020.
- 13.2 Councillor Rippon had served as a Member of the Council since 2003, representing the Shiregreen and Brightside Ward and, more recently, the Richmond Ward. He was the Lord Mayor of Sheffield during the Municipal Year 2014/15 and, for the past five years, was a Co-Chair of the Planning and Highways Committee.
- 13.3 Several Members of the Council spoke to pay tribute to him.