

SHEFFIELD CITY COUNCIL

POLICY COMMITTEE DECISION RECORD

The following decisions were taken on Tuesday 21 February 2023 by the Finance Sub-Committee.

Item No

6. CAPITAL APPROVALS MONTH 9 - 2022/23

6.1 This report provides details of proposed changes to the existing Capital Programme as brought forward in Month 09 2022/23.

6.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. approves the proposed additions and variations to the Capital Programme listed in Appendix 1; and
2. approves the issue of grants as detailed in Appendix 2.

6.3 Reasons for Decisions

6.3.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

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

6.4 Alternatives Considered and Rejected

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

7. BUDGET MONITORING AND FINANCIAL POSITION MONTH 9, 2022/23

7.1 This report brings the Committee up to date with the Council's financial position as at Month 9 2022/23 including the General Fund revenue position, Housing Revenue Account, Collection Fund Account (Appendix 1) and Capital Programme Monitoring (Appendix 2).

7.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee notes the Council's financial position as at the end of December 2022 (month 9), as detailed in the report.

7.3 Reasons for Decision

7.3.1 This paper is to bring the committee up to date with the Council's current financial position as at Month 9 2022/23 including the Collection Fund and the Capital Programme.

7.4 **Alternatives Considered and Rejected**

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

8. **VEHICLE REPLACEMENT PROGRAMME YEAR 4**

8.1 To provide an update on the Vehicle Replacement Programme, 2019 to 2025.

This report provides an update on the delivery of the programme to date and the proposals for year 4 of the vehicle replacement programme.

This report seeks approval for the commission of 105 vehicles/mechanical plant equipment, with an estimated value of £2.7m, to replace 105 financially unsustainable and operationally inefficient vehicles/mechanical plant equipment in line with Year 4 of the agreed vehicle replacement programme.

8.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves the commission of 105 vehicles/mechanical plant equipment, with an estimated value of £2.7m, to replace 105 older polluting financially unsustainable and operationally inefficient vehicles/mechanical plant equipment in line with Year 4 of the agreed vehicle replacement programme.

8.3 **Reasons for Decision**

8.3.1 Continue to purchase new greener vehicles as replacements for the older vehicles within the fleet using the Prudential Borrowing finance model. Purchasing new vehicles will significantly reduce high levels of vehicle exhaust emissions in line with SCC's target of zero carbon by 2030.

8.4 **Alternatives Considered and Rejected**

8.4.1 Option 1 - Do nothing.

This is not a realistic option as our vehicles have become financially unsustainable, operationally inefficient, and no longer align to our strategic objectives in terms of the environment and lower emissions.

8.4.2 Option 2 – Lease vehicles.

There is a potential option to lease new vehicles as replacements for the older vehicles within the fleet.

This option is not financially viable in comparison to outright purchase options due to the Council having access to Prudential Borrowing; and the council retaining the residual value of the vehicle on completion of the loan period.

8.4.3 Option 3 - Purchase all zero emission and low carbon vehicles.

Currently, the Council does not have the charging infrastructure required at the depots, nor the home charging infrastructure to charge these vehicles. Furthermore, soft market testing highlights that these vehicles are 3 to 4 times more costly than the low emission vehicles.

9. ACCEPTANCE OF HOMES ENGLAND FUNDING AND PLACE PILOT FUNDING

9.1 The purpose of this report is to provide the context for a recommendation to accept two government grant offers from Homes England (£350k) and the Office of Government Property in partnership with the Local Government Association (£504k). This funding will be used to cover development costs for regeneration, levelling up, housing and estate rationalisation programmes.

This report seeks the approval to accept the funding from Homes England, the Office of Government Property and the Local Government Association only. The funding will be revenue and all expenditure will be subject to compliance with the Council's budget processes, financial regulations and revenue approvals process.

9.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. accepts the grant offers from Homes England, the Office of Government Property and the Local Government Association;
2. authorises the completion of a Memorandum of Understanding with the Office of Government Property and agree that the Council act as Accountable Body for the Place pilot funds;
3. authorises the completion of a grant agreement with Homes England for receipt of the funding from Homes England; and,
4. authorises the Director of Legal and Governance in consultation with the Chief Finance Officer to complete and execute all necessary documentation.

9.3 **Reasons for Decision**

9.3.1 The preferred option is to accept the funding as this will allow work to continue on key programmes for the next 18 months to 24 months and alleviate pressure on the Council's revenue budget. The funding will allow us to ensure we are in the best possible position for funding opportunities with schemes already developed for inclusion in bids.

9.3.2 It is therefore recommended that approval is given to accept the funding offered by Homes England and the Office of Government Property in partnership with the

Local Government Authority.

9.4 **Alternatives Considered and Rejected**

9.4.1 Do nothing

Not accepting the funding will result in a lack of resources to support the continuation of regeneration and levelling up across the City. It would put further strain on revenue budgets and put us in a disadvantageous position for funding opportunities as the development work for schemes would not have been completed.

10. **LEVELLING UP FUND - ATTERCLIFFE ACQUISITION**

10.1 Sheffield City Council has been awarded £37m from the Levelling Up Fund, this includes £17m allocated for investment in Attercliffe. This report seeks approval for the use of some of the £17m Levelling Up Fund to acquire the property identified in Appendix 1.

10.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. delegates authority to the Chief Property Officer to acquire the property identified in Appendix 1 using resources from the Levelling Up Fund, subject to acceptable terms being agreed by the Director of Legal and Governance and Chief Property Officer and up to the purchase price set out in that Appendix;
2. adds the purchase and associated costs to the Council's capital programme; and
3. requests that the Director of Legal and Governance, in consultation with the Chief Property Officer, negotiate, agree and execute all necessary documentation.

10.3 **Reasons for Decisions**

10.3.1 This acquisition will help to stimulate investment in the area; strengthen the sense of community and pride in the local area; reduce inequalities; enhance the visitor economy; improve quality of life, health and wellbeing for local communities and contribute towards achieving corporate objectives.

10.3.2 Further, the acquisition will allow for the building and land to be used to compliment the future use of the adjoining Adelphi Social Club, increase Council land ownership and ensure wider regeneration benefits for Attercliffe.

10.4 **Alternatives Considered and Rejected**

10.4.1 Do nothing

If the Council decide not to acquire the property, this property and land would

unlikely be used for place making and regeneration purposes. It is likely that it would remain unused, inaccessible to the public and not used or repurposed for the wider benefit of the Attercliffe area. This would continue the under-investment in Attercliffe and its negative effects as such.

10.4.2 Purchase the site using Sheffield City Council funds

If the Council decided to acquire the property and land mentioned using internal funds, this would take a considerable amount of time to generate. The City Council would not be able to purchase such a prominent site which will provide great economic and social benefits to the Attercliffe area and community.