

Overview and Scrutiny Management Committee

Meeting held 14 February 2020

PRESENT: Councillors Mick Rooney (Chair), Ian Auckland, Steve Ayriss, Ben Curran, Denise Fox, Julie Grocutt, Tim Huggan, Douglas Johnson, Mike Levery, Cate McDonald and Jim Steinke

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillor Sioned-Mair Richards.

2. EXCLUSION OF PUBLIC AND PRESS

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

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETINGS

4.1 14th November 2019

4.1.1 The minutes of the meeting of the Committee held on 14th November 2019, were approved as a correct record and, arising therefrom:-

(a) the Chair reported that he would be meeting Councillor Mark Jones (Cabinet Member for Environment, Street Scene and Climate Change) the following week to discuss plans in connection with the proposed establishment of a Citizens' Assembly to look at climate change; and

(b) the Policy and Improvement Officer (Deborah Glen) stated that (i) she had spoken to Louise Brewins (Head of Performance and Intelligence) in connection with the request from the Committee at its meeting held on 19th September 2019, and who had indicated that this would be done, and Ms Glen agreed to follow this up again, and circulate the information to Members, (ii) she would chase up colleagues in the Ethical Procurement Team to request information as to whether the ethical performance outputs were included on the Corporate Performance Framework, and circulate such information to Members; and (iii) she would chase up the information requested of the Executive Director, Resources, in connection with ethical procurement, and circulate such information to Members.

4.2 26th November 2019 (Special)

The minutes of the special meeting of the Committee held on 26th November 2019,

were approved as a correct record, subject to the amendment of Item 1 – Apologies for Absence, by the addition of Councillor Ben Curran to the list.

4.3 28th November 2019 (Special)

4.3.1 The minutes of the special meeting of the Committee held on 28th November 2019, were approved as a correct record, subject to the amendment of Item 1 – Apologies for Absence, by the addition of Councillor Ben Curran to the list and, arising therefrom, Councillor Jim Steinke reported that, further to the attendance of the Sheffield Young Advisers and Sheffield Youth Cabinet at the meeting, he, Councillor Mike Chaplin and Deborah Glen had attended a recent meeting of the Sheffield Youth Cabinet, at which positive feedback was received in terms of their attendance at this Committee's meeting on 28th November, 2019. Councillor Steinke reported briefly on the proceedings of the Sheffield Youth Cabinet meeting, at which a number of specific issues had been raised and discussed, and at which, the young people had expressed a wish to attend future meetings of the Council's Scrutiny Committees. He added that he would be discussing the production of some recommendations with the Policy and Improvement Officer, which would be submitted to a meeting of the Sheffield Youth Cabinet around March 2020, as well as to the Council's Scrutiny Committees around the same time.

4.3.2 The Chair welcomed the comments now raised by Councillor Steinke, indicating that Members needed to use this as a platform for continuing the joint working between the Council and the Sheffield Youth Cabinet.

4.4 3rd December 2019 (Special)

The minutes of the special meeting of the Committee held on 3rd December 2019, were approved as a correct record, subject to the amendment of Item 1 – Apologies for Absence, by the addition of Councillor Ben Curran to the list.

4.5 18th December 2019 (Special)

The minutes of the special meeting of the Committee held on 18th December 2019, were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 There were no questions raised or petitions submitted by members of the public.

6. REVENUE BUDGET 2020/21 AND CAPITAL STRATEGY 2020 TO 2025

6.1 The Committee received a report of the Executive Director, Resources, attaching the Revenue Budget 2020/21 and the Capital Strategy 2020 to 2025, which were to be considered at the Cabinet at its meeting to be held on 19th February 2020.

6.2 In attendance for this item were Councillor Terry Fox (Cabinet Member for Finance, Resources and Governance), Dave Phillips (Head of Strategic Finance), Ryan Keyworth (Director of Finance and Commercial Services), Phil Moorcroft (Senior Category Manager) and Mick Crofts and John Doyle (Directors of Business

Strategy, for the Place and People Services Portfolios, respectively).

6.3 Councillor Terry Fox extended his thanks to officers and the former Cabinet Member for the excellent work undertaken in connection with achieving a balanced budget for 2020/21, particularly with regard to the difficulties faced following the General Election and Brexit. He added that particular credit was due in terms of the ability to identify adequate funding for social care, despite the Government cuts in this area. Councillor Fox referred to the Big City Conversation, a consultation exercise, where local residents had been asked what they saw as priorities for the City, and which had resulted in additional investment in Council housing, green spaces and action to address climate emergency issues, such as providing infrastructure for charging points for electric vehicles and the roll out of the City Centre Clean Air Zone. As part of the 'Love Where You Live' initiative, the Authority was looking to increase investment in development schemes, such as Heart of the City 2, as well as providing statutory services. He reported that other positives had seen an increase in income for the City in terms of business rates. In response to a question from the Chair, Councillor Fox stated that he accepted that there was a need to place more emphasis on publicising the initiatives and projects the Council was involved in, and undertaking, with regard to climate change.

6.4 Revenue Budget 2020/21

6.4.1 Dave Phillips introduced the report, providing a summary of the key messages set out in the budget. Mr Phillips made reference to the previous 10 years of austerity and stated that the Government's spending review in 2019 was the first positive review in 10 years, and this had helped to reduce the gap between the Council's budget pressures and its resources. Mr Phillips stated that whilst the Council's budget position for 2020/21 was therefore more positive, there was a considerable level of uncertainty after that date, although mid-case forecasts were that the Council had adequate reserves over the period to 2023/24.

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

- It was accepted that further expected staff redundancies could have an adverse effect on the morale and general wellbeing of those members of staff still working for the Authority. Efforts were being made to restart former staff development programmes and relevant training programmes in order to assist those members of staff struggling in this regard. The redundancies would however, provide the Council with a level of stability, as well as the ability to absorb some of the losses suffered over the years.
- It was expected that approximately £278,000 would be raised in terms of Council Tax receipts by encouraging owners of long-term empty dwellings to bring them back into use, which equated to approximately 250 to 300 properties.
- With regard to corporate risks, and specifically to the reference to the Council maintaining a substantial, but manageable under-borrowed position, the words under borrowing was a technical term, and occurred when the Council

has used its cash balances to cash-flow capital spend, rather than borrow externally. If the Council simply continued to borrow, the result would be higher cash balances, which would earn less interest than the interest payments necessitated by the borrowing. Consequently, the Council tried to use its internal cash balances where prudent to do so, resulting in a technical 'under-borrowing' position. It was recognised that this was a judgement call, and the Council was ready to switch to taking more longer-term borrowing as interest rates looked like they were likely to rise (as the Council would then wish to take advantage of the historically low long-term rates), and 'lock-in' these rates. It was, of course, difficult to predict the growth of interest rates, so this issue was flagged as a corporate risk in case there was a rise in interest rates.

- The increases in Small Business Rates Relief in 2017/18 and the introduction of the Retail Relief Scheme for 2019/20 had significantly reduced the level of Net Business Rates income. The Council, however, received Government compensation for this through Section 31 grants.
- The Council would often lose income from business rates as a result of inaccurate assessments made by the Government, as indicated by the number of appeals which were not upheld. The Council had therefore approached the Local Valuation Office and the Chamber of Commerce to discuss different ways of doing this.
- The Council was not permitted to borrow to fund revenue expenditure, only to fund capital projects. These projects should result in benefits over the long-term.
- There was always a risk that, under the Government spending review, Sheffield would receive less funding than anticipated. Current indications showed that funding allocations for local authorities in 2020/21 would represent an increase on the previous year overall. The bigger risk for the Council was how this allocation was to be divided up. Current assumptions were that a cash-neutral allocation represented a reasonably prudent planning scenario, recognising this had the potential to impact adversely on the focus on Adult Social Care. Regardless, the Council had sufficient reserves under the main planning scenarios for the next few years if required.
- There had been a recent transfer of £2.6 million of funding from the Sheffield Clinical Commissioning Group to the Council, in recognition of the Council's requirements with regard to health. Whilst there had been progress made in terms of improved joint working between the two organisations, which had comprised a considerable level of work, it was considered that the funding received by the Council still did not fully reflect its responsibilities and requirements. One of the remaining challenges was to focus on Sheffield issues, as opposed to regional issues.
- Whilst there were no guarantees, all indications were currently pointing towards the Government allocating capital funding, as opposed to revenue funding, in the North, through the Towns Fund.

- This was the first year in many when the Government, as part of its spending review, had recognised the in-year pressures faced by the Council with regard to adult social care, and the budget allocation had reflected this. Around six months ago, the Council was confident that it had a baseline budget for 2020/21, but the spending review due summer 2020 adds a level of uncertainty. It was hoped that the new Chancellor would be aware of the Council's financial requirements.
- Details on the review of the Voluntary, Community and Faith (VCF) Sector, and whether the wider picture of engagement between the Council and the VCF Sector, not just in terms of grant aid to the nine organisations concerned, would be forwarded to Members.
- Whilst the Council had been provided with an indicative figure in September 2019, in terms of the Government's funding allocation for public health spend, this figure had now been amended due to pension cost allocations.
- The future cost reduction plans in respect of the Streets Ahead contract would not result in a reduction in gritting. The Council continued to work with Amey in connection with making improvements to the contract.
- Any budget reductions that were likely to have an adverse effect on service delivery, following a reduction in the level of support to Sports Trusts, would have involved the undertaking of an Equality Impact Assessment (EIA). Copies of the EIA would be forwarded to Members.
- There had been a moderate increase in the number of businesses in the City, which had partly been helped by Heart of the City II and the introduction of the Business Enterprise Zones.

6.5 Capital Strategy 2020 to 2025

6.5.1 Phil Moorcroft (Senior Category Manager) introduced the Capital Strategy 2020 to 2025, referring to the strategic priorities for 2020/21, together with the longer-term priorities up to 2025.

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

- Officers were currently considering the terms of the £50 million electric bus trial and whether the Council met the criteria to submit a bid for this. Further funding opportunities would also present through Sheffield City Region, and the Council would continue to lobby hard to ensure it received a fair proportion of the funding.
- The Council was looking at the issue with regard to increasing its housing stock, which had included a pilot regarding modern methods of construction, including consideration of air-source heat pumps, as part of its plans to scope how the Council could move away from gas heated properties.

- There were comprehensive governance arrangements in place in order to mitigate against any slippages in the Capital Programme. These included programme groups and business cases and project mandates, whereby Members and officers would undertake strict monitoring of projects to ensure that they had been financed and procured in the correct manner. Current governance arrangements were considerably stronger and more effective than they had been in the past.
- In terms of the priority areas, the £1.2 million under Green and Open Spaces was in addition to the £72.4 million under Love Where You Live. The focus of the allocation under Green and Open Spaces was on existing sites, where the funding would be used to upgrade and repair facilities in the City's green and open spaces. The funding would also be used towards upgrading other facilities, such as toilets, which would hopefully help attract more visitors.
- It was accepted that there were issues, together with a high level of frustration, in connection with improving transport infrastructure in the City, predominantly with regard to the bus network, only to see the bus companies reduce the frequency of, or withdraw, bus services. Councillor Bob Johnson (Cabinet Member for Transport and Development) was planning to lobby the Mayor of the Sheffield City Region on this issue.
- The Council always aimed, wherever possible, to use its capital funding allocation, as with its revenue allocation, to achieve its policy targets. Such targets included apprenticeships, work experience, school visits and other 'employment and skills' outcomes, where a considerable amount of work was being undertaken and, which had resulted in a major increase in the number of apprenticeships delivered as a result of the capital programme over the last ten years. Officers had also worked closely with local suppliers to ensure the tender documentation in connection with bidding for contracts was easy to complete. In addition, the Council's Contracts Standing Orders had been amended, enabling the Council to approach local suppliers directly in connection with contracts up to £500,000. Another initiative - Building Blocks, involved residents from the Manor area of the City being able to obtain a Construction Skills Certification Scheme Card to work on construction sites, and which had a 75-80% employment rate.

6.6 RESOLVED: That the Committee:-

- (a) notes the contents of the report of the Executive Director, Resources, now submitted, on the Revenue Budget 2020/21 and Capital Strategy 2020 to 2025, together with the comments now made and the responses provided to the questions raised; and
- (b) recommends that the report of the Executive Director, Resources, on the Revenue Budget 2020/21 and Capital Strategy 2020 to 2025 be approved by the Cabinet without amendment.

7. SCRUTINY PROGRESS REPORT 2018/19 TO 2019/20 AND SUGGESTIONS

FOR THE WORK PROGRAMME 2020/21

- 7.1 The Committee received a report of the Policy and Improvement Officer (Deborah Glen) containing a summary of the Committee's activities during 2018/19 and 2019/20, together with a list of suggested topics for the Committee's Work Programme for 2020/21.
- 7.2 Members, whilst agreeing it was difficult for them to determine which topics should be included on the Work Programme for 2020/21, on the basis that some Members may not be appointed to either the Committee or the Council, in May 2020, suggested that Governance Review and Climate Change be added as topics to the list.
- 7.3 RESOLVED: That the Committee:-
- (a) notes the contents of the report now submitted; and
 - (b) approves the contents of the Work Programme for 2020/21, taking into consideration the comments now made.

8. ISSUES TO RAISE FROM SCRUTINY COMMITTEES

- 8.1 Councillor Mick Rooney reported that the Children, Young People and Family Support Scrutiny and Policy Development Committee had considered the Sheffield Inclusion Strategy 2020 to 2025, in response to the local area Special Educational Needs and Disabilities inspection, at its last meeting held on 3rd February 2020, and which had been generally accepted by Members.
- 8.2 Councillor Denise Fox reported that the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee had received an update on City Centre Growth and Development at its meeting held on 14th January 2020, which had been very positive.
- 8.3 Councillor Cate McDonald reported that the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee had received updates on the Neighbourhood and Primary Care Network and Locality Social Care and South East Neighbourhood Working, at its last meeting held on 15th January 2020.
- 8.4 Councillor Ben Curran reported that the Safer and Stronger Communities Scrutiny and Policy Development Committee had received reports on Hate Crime and Selective Licensing at its last meeting, held on 13th January 2020.
- 8.5 The Committee noted the information reported.

9. DATE OF NEXT MEETING

- 9.1 It was noted that the next meeting of the Committee would be held on Thursday, 16th April 2020, at 1.30 pm, in the Town Hall.

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