



Report to Policy Committee

Author/Lead Officer of Report: Lisa Firth,
Director of Parks, Leisure and Libraries / Dawn
Shaw, Director of Communities

Report of: Executive Director, Operational Services

Report to: Communities, Parks and Leisure Committee

Date of Decision: 26 September 2022

Subject: Budget Proposals 2023/24

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?				
Some of the options may have equality impact if accepted. Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee agrees which options to take forward. This will then go to the Committee in November for full agreement where a full EIA for each option will be presented for consideration.				
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Appropriate consultation is being considered and will be completed once this Committee agrees which options to take forward. This will then go to the Committee in November for full agreement where a full consultation plan for each options will be presented for consideration.				
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Some of the options may have a climate impact if accepted. Climate Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee agrees which options to take forward. This will then go to the Committee in November for full agreement where a full Climate Impact Assessment for each option will be presented for consideration.				
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Recommendations:

This Committee:

1. Acknowledges the recommendation approved at the Strategy and Resources Committee on 5 July 2022 that “Policy Committees will be asked to develop savings / additional income options that cover their own pressures – in effect cash standstill” and to “require Policy Committees to report at their meetings in September on how they can balance their budgets.”
2. Notes, as this Committee's initial response to the Strategy and Resources Committee's request, the set of budget proposals set out in this report [and in any appendices].
3. Notes that Officers will now work with Members to consult with relevant stakeholders (including with partners, trades unions and in respect of equalities and climate change) on the proposals in this report so as to inform final budget proposals.
4. Notes that Officers will work to develop any necessary detailed implementation plans for the proposals in this report so that the proposals, if ultimately approved, can be implemented as planned before or during the 2023/24 financial year.
5. Ask to receive a further report in November that will set out the final budget for this Committee following consultation and any adjustments requested by the Strategy and Resources Committee.

Background Papers:

None

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: Ann Hardy/Kerry Darlow
	Legal: David Hollis / Sarah Bennett
	Equalities & Consultation: Ed Sexton
	Climate: Jessica Rick
	<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	EMT member who approved submission: Ajman Ali
3	Committee Chair consulted: Cllr Richard Williams

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 Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
Lead Officer Name: Lisa Firth Dawn Shaw	Job Title: Director of Parks, Leisure and Libraries Director of Communities	
Date: 26 th September 2022		

1. Proposal

1.1 This paper asks Members to consider Communities, Parks and Leisure services General Fund savings options for 23/24	<p>Each Committee is required to deliver a cash standstill budget for 2023/24, which requires them to find mitigations for any Service pressures over above 2022/23 budget. The purpose of this is to allow the Council to achieve a balanced position for 2023/24 by the time the Strategy and Resources meets on 12 October 2022.</p> <p>The pressures and savings proposals to address this are set out in this paper. Currently this Committee has a gap of £0.1m to meet its target.</p> <p>Further work will be required to address this gap and to ensure delivery plans are in place.</p> <p>All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2023/24 budget for the Council as a whole.</p>
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2. Background

2.1 The Council has an overall budget shortfall for 23/24	<p>The Strategy and Resources Committee considered the overall budget situation being faced by the Council in their report in July 2022. This identified an overall £53m budget shortfall for 23/34. These figures have been slightly revised following further increases in utility costs and on-going national pay discussions for Council staff.</p>
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2.2 The timetable was approved by S&R on 31 May 2022	Throughout June 2022	Budget Monitoring and timetable Reports to Policy Committees at Month 1 2022/23.
	5 July 2022	Medium Term Financial Analysis to Strategy and Resources Committee. Strategy and Resources Committee sets Policy Committee budget targets.
	July September 2022	Policy Committees develop Revenue and Capital budget proposals to address any cost or demand pressures within the budget allocated by Strategy and Resources Committee.
	Throughout September 2022	Policy Committee meetings to formally set out how they are going to deliver their budget – reporting the results of the work done over the summer.
	12 October 2022	Consolidated budget report based on individual Policy Committee work to Communities, Parks and Leisure Committee.

Throughout November 2022	Policy Committee meetings formally to sign-off budgets after any changes from Strategy and Resources Committee in October
5 December 2022	Overall budget formally signed off by Strategy and Resources including the Housing Revenue Account Rent setting report as part of the Housing Policy Committee's budget.
24 January 2023	Budget report formally approved by Strategy and Resources with recommendations to Full Council
1st February 2023	Housing Revenue Account budget approved at Full Council, together with the Rent Setting decision
1st March 2023	2023/24 Revenue and Capital Budgets to Full Council

2.3 S&R Committee have set a Communities, Parks and Leisure services General Fund savings target of £2.4m for 23/24

The target saving set by Strategy and Resources Committee for the Communities, Parks and Leisure services General Fund is now £2.323m. The majority of this is due to the pressure for energy costs and employee pay award.

The amount of cost pressure for the Parks, Leisure and Libraries service in 2023/24 is c£1.721m. 89% of this amount relates to inflationary pressures for the pay award and energy costs: The 23/24 pay award pressure is based on the latest offer to the Unions (£1,925 per employee plus one day annual leave). Services will be expected to absorb the impact of any increments within their existing budgets. The 2022/23 energy cost pressure has been further increased by 30% on both gas and electricity for 2023/24. The remaining pressure is mainly arising from additional transport and road fuel costs.

The amount of cost pressure for the Communities service in 2023/24 is c£602k. 63% of this (£382k) pressure relates to pay award costs and a funding shortfall on staffing. The remaining pressure results from the ending of temporary funding for the Team Around the Person (TAP) pilot at Shortbrook.

Pressures	Description	Parks, Leisure & Libraries	Communities	Total
	Pay Award	926k	316k	1,242k
	Pay Award DSG	-	25k	25k
	Energy costs	598k	-	598k
	TAP funding gap	-	220k	220k
	Loss of Funding	-	41k	41k
	Transport/Fleet costs	105k	-	105k
	Business Applications	57k	-	57k
	Road Fuel costs	35k	-	35k
	Total Pressures	1,721k	602k	2,323k

2.4	There are a number of options for Cllr's to consider which have been developed with officers, Chair, Vice Chair and Lead Spokesperson	Savings to be proposed for consideration fall into one of the following categories: <ul style="list-style-type: none"> • Increase income via increased charges and/or charging for services • Doing things more efficiently • Reducing some services • Stopping some services
2.5	What are the risks / impacts of making these savings?	Our approach to maintaining sites and land management will need to be reviewed and changed – we cannot continue to do everything in the same way it has been done in the past. With limited revenue funding to manage projects, work will have to be (further) prioritised and some improvement projects will be deprioritised. Any increase in charges may reduce the take up of the services
2.6	Policy Committee will need to agree a balanced budget in November	A further report setting out the options for achieving the required 2,323k savings will be drafted for the next meeting of this Committee in November 22. The Committee will be asked at that meeting to agree recommendations for achieving a balanced Communities, Parks and Leisure services General Fund budget for 23/24. These recommendations will then be further considered by the following Strategy and Resources Committee in December as part of the overall Council budget setting process for 23/24.
2.7	Initial savings options are presented as a Part 2 report	Initial options for achieving the required Communities, Parks and Leisure services General Fund savings are contained in a Part 2 report to this Committee.
3. How does this decision contribute?		
3.1	The proposals recognise the difficult financial situation	The proposals in this report are aimed at maximising financial resources to deliver Communities, Parks and Leisure services outcomes to citizens in Sheffield considering developments in national policy especially with the impending Environmental Act, the current economic climate, and that rightly public expectations are still high for Communities, Parks and Leisure services.
3.2	Communities, Parks and Leisure services General Fund services are part of the	The services within the scope of this policy committee listed have made significant contributions to the delivery of the One Year Plan on the themes of: <ul style="list-style-type: none"> • Engaging, enabling and empowering our residents through Local Area Committees • Neighbourhoods that are clean, green, safe and thriving

current One Year Plan

- Supporting communities as Covid restrictions ease
- Investing in our sport and leisure facilities to support better health and wellbeing
- A city council that is well-run, connected to communities and committed to excellence
- A city council that is ready for the future

3.3 Services will need to reflect the emerging Medium Term Corporate Plan	<p>The Council have developed a new set of strategic priorities for 2023/24 (Our Sheffield – administration priorities) with the intention for these priorities to form the basis of the new medium term Corporate Plan which is currently in development. As the new Corporate Plan emerges from these administration priorities, we will continue to ensure that our own priorities link and feed into to broader corporate priorities where relevant.</p> <p>In particular Goal 2 “strong and connected neighbourhoods which people are happy to call home”</p>
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4. Has there been any consultation?

4.1 Consultation will be undertaken as proposals develop	<p>Briefings have been held with Cllr Williams, Cllr Wood & Cllr Elliot and a further briefing with all Communities, Parks and Leisure committee members.</p> <p>Further consultation will be undertaken as proposals develop.</p>
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5. Risk analysis and implications of the decision

5.1 There are no direct equality implications arising from this report	<p>Equality Implications</p> <p>There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.</p>
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5.1 There are no direct financial implications arising from this report	<p>Financial and Commercial Implications</p> <p>Each Committee is required to deliver a cash standstill budget for 2023/24, which requires them to find mitigations for any Service pressures over above 2022/23 budget. The purpose of this is to allow the Council to achieve a balanced position for 2023/24 by the time the Strategy and Resources meets on 12 October 2022.</p> <p>The pressures and savings proposals to address this are set out in this paper. Currently this Committee has a gap of £0.1m to meet its target.</p> <p>Further work will be required to address this gap and to ensure delivery plans are in place.</p>
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All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2023/24 budget for the Council as a whole.

5.3	These are budget recommendations so there are no direct legal implications at this stage.	Legal Implications Some of the options may have legal implications if accepted. Legal implications will be completed once this Committee agrees which options to take forward. This will then go to the Committee in November for full agreement where full assessment of the legal implications for each option will be presented for consideration.
5.4	There are no direct climate implications arising from this report	Climate Implications Some of the options may have a climate impact if accepted. Climate Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee agrees which options to take forward. This will then go to the Committee in November for full agreement where a full Climate Impact Assessment for each option will be presented for consideration.
6.	Alternative options considered	
6.1	All options were considered	The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. All the options to achieve this are being presented to this Committee for consideration.
7.	Reasons for recommendations	
7.1	Members are asked to note the challenging budget situation	Members are asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in July 2022. This report and its recommendations, sets out the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.