

Finance Sub-Committee

Meeting held 4 January 2023

**PRESENT:** Councillors Bryan Lodge (Co-Chair), Zahira Naz (Co-Chair), Mike Levery (Deputy Chair), Maroof Raouf (Group Spokesperson), Mike Chaplin, Marieanne Elliot, Mary Lea, Shaffaq Mohammed and Joe Otten

**1. APOLOGIES FOR ABSENCE**

1.1 There were no apologies for absence.

**2. EXCLUSION OF PRESS AND PUBLIC**

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 made.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the previous meeting held on 7 November 2022 were approved as a correct record, subject to the minor typographical amendments to be made to paragraph 14.3.3.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 There were no public questions or petitions. However, it was noted that the Communities, Parks and Leisure Policy Committee have referred on a question to the Chair in respect of the accommodation strategy and details of buildings requiring critical & essential maintenance. It was stated that the Chair would provide a written response to the question and that Members would be provided with details.

**6. BUDGET MONITORING AND FINANCIAL POSITION MONTH 8, 2022/23**

6.1 The Director of Finance and Commercial Services submitted a report bringing the Committee up to date with the Council's financial position as at Month 8 2022/23 including General Fund revenue position, Housing Revenue Account and Capital Programme Monitoring (Appendix 1).

Officers agreed to provide Members with further information in respect of: Future High Streets Fund Overspend and 'de-scoping'; Electric Works lettings policy; Fieldwork staffing in Children's Services; and Broadfield Road

Junction scheme slippage.

6.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee notes the Council's financial position as at the end of November 2022 (month 8), as detailed in the report.

6.3 **Reasons for Decision**

6.3.1 The report brings the committee up to date with the Council's current financial position as at Month 8 2022/23 including the Capital Programme.

6.4 **Alternatives Considered and Rejected**

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

7. **COUNCIL TAX SUPPORT SCHEME REVIEW**

7.1 The Director of Finance and Commercial Services submitted a report providing the Committee with details of the Council's review of its Council Tax Reduction Scheme and seeks approval that the scheme for 2023/24 should not be amended, apart from statutory changes the Council is required to make. In addition, the report seeks approval to maintain the Council Tax Hardship Scheme in 2023/24.

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

1. Notes the review of the Council's Council Tax Reduction Scheme, detailed in the report;

2. Agrees that, in line with the review, the Council's Council Tax Reduction Scheme is not revised, apart from the changes the Council is required to make by statute;

3. Approves the amendments to the Council's Council Tax Reduction Scheme to accommodate the changes the Council is required to make by statute; and

4. Agrees that the Council's Council Tax Hardship Scheme continues to operate as detailed in the report.

7.3 **Reasons for Decision**

7.3.1 Legislation requires each Billing Authority to annually consider whether to revise or replace its Council Tax Reduction Scheme (CTRS). For that purpose we have carried out a review of the Council's scheme. Following from this review, it is recommended that the CTRS remains unchanged, as whilst reducing the support offered through the scheme may help with the Council's financial situation, this is countered by the fact that the burden will

fall on vulnerable households who are experiencing financial hardship as a result of the cost-of-living crisis. It is also considered that maintaining the scheme in its current form and at the same level of support provides certainty, during what are uncertain times.

7.3.2 In reaching this decision, consideration has been given to both increasing and decreasing the level of support provided under the CTRS, and to moving away from a scheme based on the previous Council Tax Benefit scheme. Further detail on these considerations is provided in the main body of the report.

7.3.3 Given the current financial position of the Council, the Council is not able to introduce a more generous scheme in 2023/24.

7.3.4 By maintaining the Council Tax Hardship Scheme, the Council will be able to continue to offer targeted support to those in the most severe financial need including those who are least able to change their financial situation.

#### 7.4 **Alternatives Considered and Rejected**

7.4.1 Introduction of an Income Banded Scheme - Under this scheme the level of support provided would be based on household income set between certain bands. If we were to consider this approach further work would need to be undertaken to work out the costs involved. The cost of our current scheme for 2023/24 based on a 5% increase in Council Tax is expected to be around £40.3m (this is the amount of Council Tax forgone). This modelling could include variations on the level of reduction and the level of income in the income bands.

The advantages of this scheme are that it:

- Gives stability to those whose wages fluctuate each month.
- All non-dependents are asked to contribute the same amount. Some applicants may have to pay less.
- Moves away from the complex means test that currently exists.
- Once established it will probably be simpler to administer and may therefore make administrative savings.
- Is less complex and easier for applicants to understand.

The disadvantages of this scheme are that:

- It would require a software change and initial enquiries indicate that the cost maybe significant and therefore prohibitive
- Depending on the income bands introduced and the maximum income level used, some current Council Tax Support (CTS) recipients may see a reduction in support and depending on the maximum level of income, some may no longer qualify
- Those customers at the “cliff edge” of the income bands may struggle to cope with the level of support provided as they move from one band to another. However, this could be mitigated by the CTHS.

7.4.2 Introducing a de-minimus income change - Under this approach any change

in income which resulted in a change in the award of CTS by a certain amount would be disregarded. Some LA's who have introduced this change have set the de –minus change in income to £5 per week. Any increase in income up to £5 per week would not result in a change to the level of CTS.

If we were to adopt this scheme consideration would need to be as to the level of changes in income that would be considered to be de-minimus.

We would also need to set a baseline income level for each customer against which any future increases in income are compared.

The advantages of this scheme are that:

- All the other current entitlement rules are still maintained so there is no significant divergence from the way HB claims are processed.
- It gives a degree of stability, but in all probability lesser than the banded scheme, to those whose wages fluctuate each month.

The disadvantages of this scheme are that:

- As we may not be responding to all changes in income and this could make some people worse off.
- We are foregoing more Council Tax than we otherwise would.
- It would require a software change which may not be achievable or the cost maybe prohibitive.
- It would potentially be more difficult to administer
- It may cause confusion amongst customers as they may think any increase in income beyond an initial increase, which was treated as a de-minimis change, and did not lead to a change in the award of CTS, does not affect the level of CTS they receive, and does not need to be reported to the Council.

- 7.4.3 Introducing a Universal Credit (UC) specific scheme - Introducing this type of scheme would result in different rules on entitlement eligibility for those working age customers in receipt of UC and those on legacy benefits and credits.

This could significantly increase the cost of administration and may require expensive software changes. It also has the potential to cause significant confusion amongst customers.

As a result of the complexity it would bring in terms of both administration and customer understanding, this is the least preferred option. It could also bring a significant risk of challenge as it would treat UC claimants differently to those who do not move onto UC.

- 7.4.4 Having a scheme which sets fixed assessment periods - This scheme would see an award of CTS fixed for a certain period of time, regardless of any income changes within that time.

The advantages of this scheme are that:

- It would be simple for customers to understand.
- It would mitigate any impact that regular fluctuations in income have on Council Tax billing and collection.

The disadvantages of the scheme are that:

- Claims would still have to be reassessed periodically, and;
- Depending on whether changes on reassessment are applied retrospectively or not we could:
  - be making customers worse off;
  - be missing out on Council Tax revenue as we are awarding more CTS than necessary or;
  - be impacting Council Tax collection rates as customers may have more Council Tax to pay over a shorter period of time.

Whilst consideration of the feasibility of introducing any one of the options outlined above was given, it is considered that there is significant merit in providing certainty during these uncertain times, and as such it was decided not to replace the current CTRS with one of the above alternative options for 2023/24.

## **8. APPROPRIATION OF THE FORMER KNOWLE HILL RESIDENTIAL CARE HOME FOR HOUSING PURPOSES**

- 8.1 The Committee received a report of the Executive Director, Operational Services seeking approval for the former Knowle Hill Residential Care Home site (Streetfields, Halfway, Sheffield, S20 4TB) to be appropriated for the purposes of Part II of the Housing Act 1985.

The former residential care home has been vacant since the service was relocated in 2017. The site and buildings are no longer required for this purpose and are now held for general purpose provision. The site has been identified as suitable for the delivery of new Temporary Accommodation as part of the Council's Stock Increase Programme (SIP).

The site needs to be formally appropriated for 'housing purposes' to enable work to progress on the delivery of new Temporary Accommodation (e.g. disconnection of utilities, demolition of existing structures, completion of ground investigation surveys).

- 8.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves that the former Knowle Hill Residential Care Home site is appropriated for the purposes of Part II of the Housing Act 1985.

### **8.3 Reasons for Decision**

- 8.3.1 The site is designated Housing Area in the adopted Sheffield Local Plan and is considered a mix of greenfield and brownfield, with the buildings being previously developed and the 'garden' area being greenfield. Core Strategy policy CS24 allows for this, with part (b) stating that small greenfield sites within the existing urban area may be developed where it can be justified on

sustainability grounds.

8.3.2 There is a clearly identified need for additional purpose-built temporary accommodation across the city to enable the Council to meet its statutory duties.

8.3.3 There is a significant cost to the Council in using expensive emergency Bed & Breakfast accommodation to meet the current shortfall in available temporary accommodation.

8.3.4 The proposal provides an opportunity to regenerate a Council-owned brownfield site, thereby removing liabilities associated with a vacant building and disused site.

#### 8.4 **Alternatives Considered and Rejected**

8.4.1 Do nothing: The site became vacant in 2017. The site remains a maintenance liability for the Council and is an underutilised brownfield site in Council ownership. As a result of further deterioration due to vandalism and ongoing anti-social behaviour, continuing to 'do nothing' is not considered a suitable long-term option.

8.4.2 Site disposal: In November 2019, the then People portfolio intended to declare the site as surplus and put it forward for disposal through Property Services. As part of this process, there was an opportunity to explore the site for alternative council uses. Following a review of surplus council assets, the site was selected for consideration to provide temporary accommodation.

8.4.3 Building refurbishment: Initial feasibility work identified significant risks with the existing fabric of the building and reduced capacity for self-contained accommodation. It was therefore considered unviable for refurbishment, with recommendations for demolition and new build.

### 9. **STEP UP TO SOCIAL WORK POST GRADUATE DIPLOMA COHORT 8**

9.1 **RESOLVED UNANIMOUSLY:** That consideration of the Step up to Social Work Post Graduate Diploma Cohort 8 item be withdrawn from consideration. The item will be considered at the Strategy and Resources Policy Committee at its meeting on 24 January 2023.