CAPITAL STRATEGY

and **BUDGET BOOK**

2023- 2053

Sheffield City Council

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CONTENTS

A1 EXECUTIVE SUMMARY AND RECOMMENDATIONS

A succinct summary of our overall position and Committee priorities.

1.1 Headline summary of capital programme and levels of spend

2022 has been another challenging year. The effects of the COVID-19 pandemic continue to ripple throughout supply chains, driving up prices and causing delays to schemes. The war in Ukraine has further compounded these issues. Climate change is accelerating, with 2022 being the first year that the UK has experienced an average temperature over 10°C. The window for us to effect meaningful change continues to diminish.

The Council's budgetary position is extremely challenging. We have been very successful in securing external funding to support capital projects. But our internal funds cannot come close to addressing the issues this Council – and the wider City – needs to tackle.

We will of course continue to spend our resources as effectively as we can to 'build back better', improving our resilience and sustainability for the long term. The council will respond swiftly and with flexibility, reprioritising programmes to meet emerging needs and trends to support the City and its communities.

And as ever, we will strive to deliver the best possible value to the taxpayer.

What is 'capital' spending?

Capital spending – as opposed to *revenue* spending – pays for assets, such as buildings, roads and council housing - and for major repairs to them. *Revenue* spend pays for the day-to-day running costs of council services.

This Capital Strategy provides a high-level, longer-term view of the Council's ambitions for capital investment which reflect the priorities and concerns of Sheffield people.

Snapshot of our position

The Council is currently in an extremely challenging financial position, particularly on the revenue budget. This impacts on our capital spending.

Wherever we can, we will invest capital monies to avoid recurring revenue expenditure elsewhere in the Council. This should help our budget position in the longer term.

But our capital funds are also limited. Our Corporate Investment Fund (CIF) is a finite pot of money and calls on these funds vastly exceed the sum available.

And the scale of the challenge is immense. We are an ambitious Council: ambitious to do our bit to tackle climate change, ambitious for good jobs and opportunities for our citizens, ambitious to build a destination City where everyone can thrive. We need to carefully prioritise our activities, using our Corporate Delivery Plan to inform these priorities.

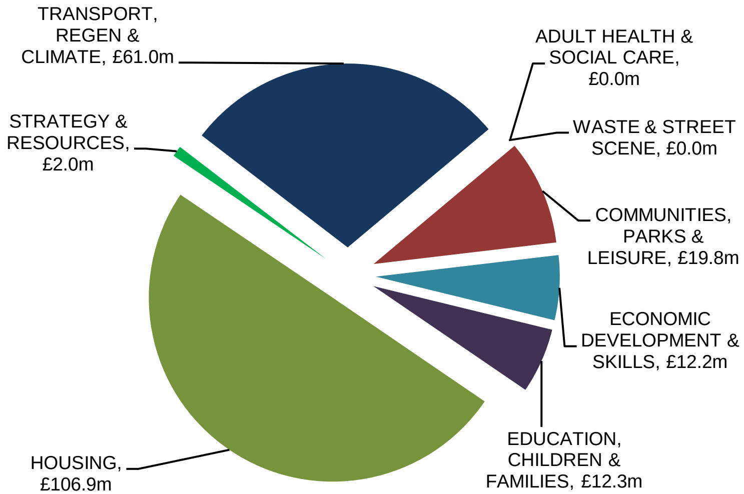
We have been successful in securing several programme-specific grants, such as those to invest in our communities, our City centre, and to address climate change. To take advantage of these funds, we will accelerate the development of 'oven-ready' schemes, so we are able to respond swiftly to funding opportunities.

We need to maximise every funding opportunity we have to deliver the very best for the people of Sheffield.

Capital Programme Committee Priorities | 2023/24 | £214.1m

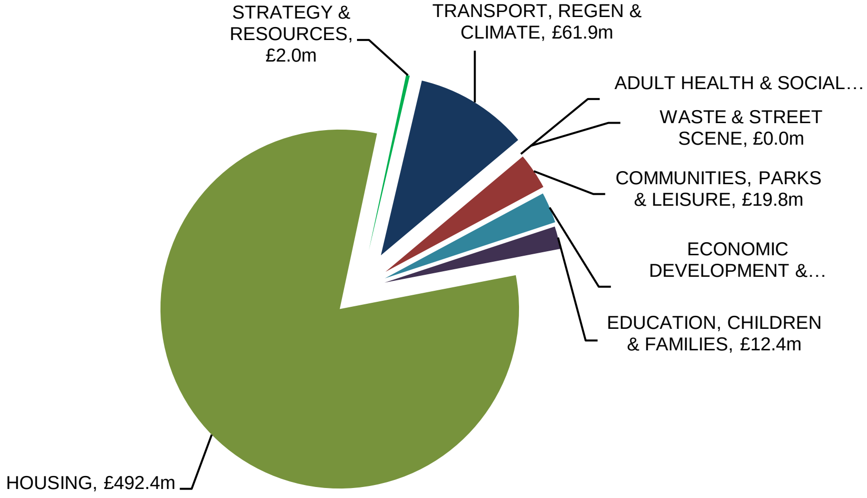
Transport Regen & Climate	**£61m**
Housing	**£106.9m**
Communities Parks & Leisure	**£19.8m**
Education Children & Families	**£12.3m**
Adult Health & Social Care	**£0m***
Economic Development & Skills	**£12.2m**
Strategy & Resources	**£2m**
Waste & Street Scene	**£0m****

*Budget for Adult Health & Social Care currently under review
**No future projects currently allocated to Waste & Street Scene



Capital Programme Committee Priorities
2023/24 to 2027/28 | £605.2m

Transport Regen & Climate	£61.9m
Housing	£492.4m
Communities Parks & Leisure	£19.8m
Education Children & Families	£12.4m
Adult Health & Social Care	£0m
Economic Development & Skills	£16.8m
Strategy & Resources	£2m
Waste & Street Scene	£0m



These amounts represent headline figures for existing commitments within the Capital Programme and those currently within the approvals process. They do not, however, include allocations for potential pipeline projects which have not yet received approval.

1.2 How this document is structured

This document is split into the following sections:

Section A2:	sets out the background to the Capital Programme, including its size, shape and how it is funded.
Section A3:	sets out our overarching approach to sustainability and climate change; a cross-cutting priority which impacts every project we undertake.
Sections B1 – 8:	set out the key investment priority principles for each Policy Committee, together with the highest value existing projects and high-level, potential 'investment pipeline projects' – some of which may be brought forward for approval following feasibility and consultation. These sections also set out potential developments over the next 30 years, together with some key challenges faced by each Policy Committee and how we are addressing them.
Appendix C1:	provides background information relating to Corporate Investment Fund, together with our investment proposals.
Appendix C2:	sets out a full list of projects in the Capital Programme for approval.

1.3 The Policy Committee areas in more detail

This section takes each of the priority areas (contained at sections B1-8) in turn, for the period 2023-2024.

1.3.1 Transport, regeneration & climate change: £61m

This Committee supports investment into Sheffield's infrastructure. We want a City that's easier to get around and better to navigate; a City that promotes active travel to its citizens. A City which attracts its residents to its centre; a destination for surrounding areas which builds on its proud heritage but is a forward looking, sustainable destination of choice. A City which is mindful of its environmental impact; a City which recognises the Climate Emergency and continually strives to do better to minimise its environmental impacts for the benefit of not only its residents, but the wider World.

1.3.2 Housing: £106.9m

This Committee exists to ensure the Council supports its aspiration to deliver – directly or indirectly - high quality, energy efficient housing for its citizens. It has two key areas of focus:

Housing growth - this focuses on not only building new Council houses through its Stock Increase Programme (SIP), but also facilitating the delivery of housing through other routes to ensure sufficient housing stock for our residents.

Housing investment - this area ensures existing Council housing is well maintained and as energy efficient as possible to minimise residents' cost of living.

1.3.3 Communities, parks and leisure: £19.8m

This Committee pulls together capital investment priorities from several areas. Investment in leisure facilities and Sheffield's precious green and open spaces is now combined with an emerging priority of investing specifically in young people in our communities, centred on bids to the Youth Investment Fund.

1.3.4 Education, children & families: £12.3m

This Committee ensures the Council supports children, young people and their families. It has six key areas of focus:

1. Giving everyone the best start in life
2. COVID-19 recovery for children and young people

3. An exemplar in children's services and support our Children Looked After to achieve their full potential
4. Delivering effective Special Educational Needs and Disabilities (SEND) services
5. Reducing exclusion in all its forms
6. Maintaining schools to ensure they are safe, warm, and dry.

Every single person in Sheffield should be able to achieve their full potential. But not all children and young people have the start in life that they deserve, and there are increasing numbers of vulnerable children whose safety we have serious concerns about. Despite huge strides over recent years, substantial educational inequalities remain in the City and are likely to have been exacerbated by the pandemic. This will be a key focus for our work.

1.3.5 Adult health and social care

In January 2020 changes to the local private sector housing policy were agreed to supplement the Disabled Facilities Grants legislation to enable 'critical Accelerated Adaptations grants (AAG)', like stairlifts, hoists, and level access showers up to a value of £10K for a disabled person or child to be delivered without means testing, and to allow for increases to the statutory DFG grant for major adaptations of up to £30,000 by an additional £20,000 at the discretion of the Director of Adult Health and Social Care.

This Committee therefore supports the delivery of adaptations recommended by Occupational Therapists to be delivered to people to enable them to fulfil the necessities of life – such as a wash or being able to get safely in and out of their home.

1.3.6 Economic development & skills: £12.2m

Our ambition is for Sheffield to be a flourishing, sustainable and inclusive City economy which creates opportunity, good jobs and better jobs for Sheffielders. As a strong partner alongside businesses, we want a City with a dynamic environment for development and enterprise with a culture of businesses able to start-up, scale up and innovate here in Sheffield.

A significant amount of the activity under the Economic Development and Skills area is revenue investment, rather than Capital. However, as we move forward with ambition on Advanced Manufacturing Innovation District (AMID), Business Support, Decarbonisation, Skills and Culture we expect there will be an increase in capital requirements and opportunities for capital bids, to add to the City's assets and underpin the capital infrastructure in these areas.

1.3.7 Strategy & resources: £2m

One of this Committee's roles is to oversee investment into Sheffield City Council's portfolio of 932 establishments (excluding Council Housing and Schools) which consist of land, buildings, assets and monuments. These establishments are physical assets which need to be properly maintained to ensure they continue to function as efficiently and effectively as possible, comply with our statutory obligations and to support our delivery of a wide range of services. We have significant backlog maintenance and we will need a radical approach to ensure our corporate estate is sustainable in the medium to long term.

The Fleet Investment Programme commenced during 2019/20. By the end of 2022/23 we will have replaced more than a third of our fleet with 397 cleaner more efficient vehicles, including 42 fully electric vehicles. This has been a significant challenge during the last 2 years due to COVID-19 related supply chain issues. In the 4th year of the programme, we are looking to replace a further 96 vehicles and 9 items of plant to further reduce our emissions and maintenance costs.

1.3.8 Waste & street scene

The projects for future investment straddle the Waste and Street Scene Policy Committee (changes to the Energy Recovery Facility, waste collection and household waste recycling centre) and the Transport, Regeneration and Climate Change Committee (District Energy Network development).

Two of the projects (Energy Recovery Facility and Waste Collection Changes) are driven by legislative changes so we have a clear mandate to implement. The Recycling Centre and District Energy Network projects reflect investments in the City's infrastructure to reduce our carbon impact.

1.4 How we will deliver these priorities

Three key cross-cutting themes run as a golden thread throughout our capital programme delivery:

- **Sustainability** is at the heart of our decision-making process. Over £114m of projects in our current capital programme have a direct or indirect impact on the City's sustainability, resilience, and carbon impact.

  Whether delivering electric vehicle charging points, promoting active travel, or further improving the environmental performance of our built assets, consideration of each project's impacts on 'net zero' is now embedded in our business cases. We're mindful of our environmental impact and have been investing for several years to begin to mitigate this.

  But there is always more we can do. We look forward to hearing the views of our residents and businesses on how we can do more to create a sustainable city for the future. Further details on our approach to sustainability are set out at sections A2.1.6 and A3.

- **Ethical procurement practices** drive real social value for our City and maximise the benefits for our residents.

  We have a strong tradition of delivering employment and skills outputs for the communities we serve, and coupled with our focus on sustainability, we're driving social value through our contracts.

  We'll support our local economy wherever we can, prioritising Sheffield's businesses whenever we can legally do so. We promise to do what we can to keep Sheffield's economy moving.

- **Effective governance** is critical to the success of our capital programme.

  Robust priority setting and effective funding strategies - coupled with sound project and programme management – are the building blocks for successful delivery.

  Further details on procurement and governance are set out at section A2.8.2.

1.5 Purpose of this Strategy

- Set out the Council's key priority areas for capital investment;
- Provide an overview of current and anticipated specific projects included in the years 2023 to 2028, together with an overview of anticipated developments and challenges up to 2053;
- Set out the overall shape of the current Capital Programme for the 5 years to 2028 (at Appendix C2) for approval. Block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate approval as part of the monthly approval cycle;
- Set out our principles for how we invest in non-cash assets; and
- Provide background to our Corporate Investment Fund Policy at Appendix C1.

A2 BACKGROUND AND KEY FACTS

The policy environment, how the programme is funded and how it is governed

2.1 The policy environment: external

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code governs how the Council manages its finances. Councils are required to produce a Capital Strategy which:

- sets out a high-level view of how capital investment, capital financing and treasury management activities contribute to the provision of services; and
- provides an overview of how the associated risks are managed.

This Strategy takes a 30-year view of capital investment. As before, we have the 5-year Capital Programme. But rather than a general list of potential projects, we now have a 10-year investment pipeline, setting out potential projects which we should prioritise seeking funding for. This is supplemented by a 30-year 'horizon scan' which, although largely speculative, provides some key pointers on the City's direction of travel over the coming decades.

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Our Capital Strategy is shaped by several central government policies:

2.1.1 Devolving of capital spending allocations

Over recent years, many capital spending decisions have been devolved to City Region authorities and Local Enterprise Partnerships (LEP). The Council anticipates that the trend to devolve capital allocations to regional and sub-regional bodies will be maintained and accelerate.

2.1.2 Creation of revolving investment funds

The Council has seen a shift towards capital funding of economic regeneration projects which generate a financial return to repay the initial investment and create a revolving investment fund. For example, the Council has intervened to ensure regeneration schemes like 'New Era' and Heart of the City take place successfully, where the benefits of increased business rates and council tax repay the cost of that intervention many times over.

2.1.3 Rewarding economic development

We can no longer rely on historical levels of revenue support grant from Government. Places are increasingly reliant on their local tax base. This means that Sheffield needs a growing, resilient local economy that provides the income streams which can be re-invested – in things that promote new growth and in wider social and environmental goals. Funding streams that reward economic development - such as Community Infrastructure Levy – have been created.

Furthermore, we expect to see the creation of UK funds which focus upon investment, job creation and economic growth (including improving transport links). We anticipate that the Sheffield City Region Mayoral Combined Authority (SYMCA) will remain the principal body to seek and allocate this funding across the South Yorkshire authorities.

2.1.4 Austerity and the wider economy

The ongoing austerity programme has reduced resources by over 50% since 2010. The impact of the Government's austerity programme on the rest of the non-housing programme has not only led to less capital funding, but is also reducing Revenue Budget funding. This has limited the scope for additional contributions to the Capital Budget and to fund the revenue implications of capital decisions (such as Minimum Revenue Provision and Interest costs).

Uncertainty surrounding the wider economy – including the impacts of rising inflation and interest rates – means we must plan to continue to deliver more, to more people, with ever-decreasing resources.

The Council is not immune from the cost-of-living crisis, fuelled by the Covid-19 pandemic and the war in Ukraine. Our energy bills are forecast to rise by over 50% next year. The wider challenges in the revenue budget are well-known. This impacts on our ability to fund prudential borrowing, as the repayments are funded from revenue budgets. This puts further pressure on our capital spending power.

2.1.5 Self-financing Housing Revenue Account (HRA)

The self-financing regime for the Housing Revenue Account (HRA) has historically provided for a relatively well-funded programme of investment in existing and new Council housing stock. However, the recently announced reductions in the permitted level of annual increases – together with the cost inflation seen over the past couple of years – is putting considerable pressure on this source of funding at a time when our ambitions to build new council housing and improve the environmental performance of existing stock are increasing. These pressures are compounded by our continually losing stock through the 'Right to Buy' initiative.

We want to increase the number of new Council houses and invest more money in upgrading our existing stock. But tough decisions need to be made. We simply cannot afford to do everything we want to do.

The HRA ‘debt cap’ has been removed, which allows us more freedom. But we must still apply the principles of prudence, affordability, and sustainability from the Prudential Code.

2.1.6 Climate Emergency

Sheffield City Council has declared a Climate Emergency. As part of our commitment to work towards Sheffield becoming ‘zero carbon’ by 2030, currently over £114m of projects are directly or indirectly related to sustainability and minimising our impacts on climate change. New projects to help us tackle this challenge will continue to be brought forward.

As well as directly funding projects relating to sustainability, central government has also introduced funding streams to support our work in this area. Grants which contribute to the costs of electric vehicle charging points, grants to support energy efficiency in our housing stock and corporate estate and funds to improve air quality through reducing emissions from Sheffield’s bus fleet are coupled with our own investments to match-fund these grants when required. We’re working with local businesses to help them trial and make the transition to electric vans. Similar pilots are underway with electric taxis. The scale of this challenge is considerable, and we all have our part to play.

We now actively consider the sustainability implications of all our projects across all Programme areas and will continue to improve our work in this area. We have embedded Climate Impact Assessments into our standard operating processes. And we’ll continue to engage with stakeholders throughout the City so we can work together to tackle not only our carbon emissions, but also improve our resilience to the effects of climate change.

2.1.7 The push to build new homes

Central government has announced new powers for councils to borrow money to build a new generation of council houses. Sheffield is already building new council properties and a Housing Growth Delivery Plan – amongst other initiatives - is now in place to stimulate the wider market. The Council is considering how best to use these new powers to increase the supply of housing in the City.

2.1.8 The drive towards academies

Education policy now mandates that all new schools should be academies. This transfers maintenance responsibilities away from the Council’s Local Education Authority (LEA) role. It will also subsequently reduce central grant funding (which is formula-driven based on pupil numbers).

2.1.9 Streets Ahead

The Streets Ahead programme is providing massive investment in the City's roads and street lighting, funded via a Private Finance Initiative (PFI) and Council investment. This expenditure now sits outside the capital programme – the final capital contribution to the initial core investment period was made in 2017/18.

2.2 The policy environment: internal

Several current or anticipated locally developed policies will impact upon our Capital Strategy over the coming years. At the time of writing, these include the Council's 2022/23 Corporate Delivery Plan and four-year journey, proposed Local Plan, Treasury Management Strategy, Corporate Asset Management Strategy, Land and Property Plan, Infrastructure Delivery Plan, Infrastructure Funding Statement and Medium Term Financial Strategy.

This Capital Strategy will be regularly reviewed to ensure it supports the aims and objectives set out in those documents.

Further details on specific capital financing policies are provided at section 2.7 below.

2.3 Working in partnership

We will work proactively and in partnership with other public, third sector and private organisations - both locally and nationally - to deliver the best possible outcomes for the citizens of Sheffield, whilst ensuring that we remain accountable and responsible for the activities we deliver.

The Council must build effective partnerships to deliver its ambitions for the City, including:

- **Sheffield City Region Mayoral Combined Authority** (SYMCA) – we continue to work closely with SYMCA to push for greater control over the things that matter to Sheffield and the wider City Region, with a focus on skills, transport and jobs. The devolution deal unlocks further investment monies for our region, and we will continue to lobby hard to get the best possible deals for Sheffield from the funding allocations.
- **Core cities throughout the North** – we are working with other northern cities with the hope of unlocking additional funding to drive economic growth. We are focussing particularly on opportunities for investment in transport to make Sheffield a more attractive place to live, work and invest.

- **Health and social care -** we are working closely with our partners in this area to take advantage of joint investment opportunities, co-location and more efficient working.
- **Other public sector partners** – we participate in a Strategic Estates Group which brings together the Integrated Care Board (the successor body to the Clinical Commissioning Group), NHS Property Services and both Universities to consider the establishment of integrated public sector hubs, mapping existing estates and developing proposals to improve utilisation to deliver ever-increasing value to the public purse.
- **Other private sector partners** – to be ambitious for Sheffield, we must all work together to drive our City forward. An example of this is our work to improve the City's sustainability through our Green City Strategy, which requires both public and private sectors to work together to create an environment where sustainable development can thrive and the threats from Climate Emergency can be tackled.

2.4 Our key capital planning and investment principles

2.4.1 Capital planning principles

Our capital spending will be used support the delivery of the Council's aims and objectives. We must also ensure we comply with all the rules and regulations which govern how local authorities can spend public money. To this end, we will always ensure that:

- Capital planning is **integrated into the Council's overall strategic planning**, ensuring capital activities are considered in relation to the Council's overall corporate plans, its revenue budget, its financial strategies and our strategic goals;
- We **maximise the external funding** of capital investments wherever possible to maximise the availability of the Council's scarce funds to support agreed activity, using our scarce funds as 'match' funding to lever in external investment;
- Our capital investments are **affordable, sustainable and prudent** (ensuring compliance with the CIPFA Prudential Code);
- Our capital projects **deliver value for money**, by ensuring that our governance processes for the appraisal and approval of capital projects are robust and challenging; and
- We ensure **effective risk management** through our governance, in accordance with best professional practice set out in the Treasury Management Code of Practice.

2.4.2 Investment principles for Non-Cash investments (including Land and Property, Loans to third parties and Equity Investments)

Land and property

The Chartered Institute of Public Finance and Accountancy (CIPFA) define investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income-driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

Some local authorities are speculatively investing monies in land and commercial property outside of their local areas to purely generate a return. This has led to several well-publicised issues in recent years when these investments have not paid off.

Sheffield City Council has made no such investments to date and currently has no intention to do so in the future. We will only acquire investment property when there is an ongoing service objective (such as the regeneration of our City).

Loans to third parties and equity investments

The Council has the discretion to make loans and equity investments for several reasons - primarily for service delivery, economic development, or regeneration. However, such investments are limited and only granted in exceptional circumstances.

In making loans, the Council is exposing itself to the risk that the borrower defaults on repayments. Therefore, in making these loans, the Council must therefore ensure they are prudent and has fully considered the risk implications of not only the individual loan, but also that the cumulative exposure of the Council is proportionate and prudent.

The Council will ensure that a full due diligence exercise is undertaken and, where appropriate, adequate security is in place. The business case will balance the benefits and risks.

Risk appetite

The Council’s risk appetite to any such investments is low. Risk taken to date and going forward on such investments has been at the amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time. It is important to note that risk will always exist in some measure and cannot be removed in its entirety.

A risk review is embedded within the investment strategy principles and will be considered in line with the risk management strategies we have in place. This risk review is commensurate with the Council’s low risk appetite.

Investment strategy principles

Sheffield City Council will invest in Land and Property and provide loan / equity investments to third parties when:

- The **primary purpose of the investment is to benefit the people of Sheffield** – for example through regeneration or redevelopment – rather than income generation for its own sake;
- The investment **supports the delivery of an existing Council policy or strategy**;
- The investment will take place **within Sheffield City Council's boundary**;
- The investment adheres to **clear criteria** set for investment decisions and risk management both individually and cumulatively;
- A **full risk and return analysis of the investment** has been completed and Members and senior officers are content that any risks are appropriate for the Council to take and proportionate to the potential benefit being delivered;
- The investment has been taken through Sheffield City Council's **robust and transparent governance** procedures and been subject to **robust decision making and scrutiny** prior to approval;
- The investment would be subject to **ongoing monitoring and management** with reporting by exception to Full Council when necessary; and
- The loan to a third party/equity investment complies with the new, international obligations on **subsidy control**.

More work will be undertaken on these principles and their implementation to specific schemes over the coming year.

The government has also published reforms to the Public Works Loan Board intended to prevent the trend of some local authorities taking on debt to buy assets primarily for income. Sheffield has not done this and will adhere to the principles set out above.

CIPFA guidance

CIPFA has recently issued new guidance which introduces a new requirement that every local authority sets a limit that cannot be exceeded for commercial income as a percentage of net service expenditure.

As set out above, our Heart of the City II investments are for regeneration purposes (as opposed to commercial activity) and are therefore not within the scope of this requirement. However, we do have some commercial income generated from advertising hoardings and 'incidental' commercial property rents.

We will therefore set a limit of commercial income not exceeding 3% of net budget. This is linked to the level of un-earmarked reserves maintained by the Council and enables us to subsume any shortfall in income in-year without affecting service delivery.

We can then amend budget plans for the following year to account for the anticipated reductions in income, but also ensure the un-earmarked reserves are repaid to the required level, as determined by the Section 151 Officer.

2.5 Size and shape of the capital programme

The capital programme over the 5 years (2023-28) shows a broadly balanced position, with proposed expenditure totalling £605.2m. The full programme is set out at Appendix C2.

Wherever possible, attempts are made to match the timing of the receipt of resources and the incurrence of expenditure to protect the Council's cash flow position. Where the levels of expenditure are significant, individual management arrangements are put in place to mitigate the impact as far as possible. These are overseen by the Director of Finance and Commercial Services (in conjunction with the respective Head of Service).

The funding of the programme comes from a diverse range of resources, such as government grants, other grants, and contributions from other public bodies or third parties, capital receipts, prudential borrowing and revenue contributions to capital. Section 2.6 below contains further detail. The majority falls within either prudential borrowing or contributions from the revenue account to the capital programme, which together represent £491.4m (81.2 %) of the overall programme value.

The 2022/23 programme was set in March 2022, and at the time totalled £302.7m. This has been revised in-year. The effect of outturn slippage from 2021/22, in-year additions, variations slippage and re-profiles result in a current approved programme for 2022/23 of £244m (as at 31 December 2022). The Council's current anticipated capital investment profile for existing commitments (excluding potential pipeline projects) is:

	Committee area	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/28 (£m)	TOTAL (£m)
1	Transport, regeneration & climate change	61.0	0.9	0.0	0.0	61.9
2	Housing	106.9	121.9	134.4	129.2	129.2
3	Parks, communities & leisure	19.8	0.0	0.0	0.0	19.8
4	Education, children & families	12.3	0.0	0.0	0.1	12.4
5	Adult health and social care*	-	-	-	-	-

6	Waste & street scene**	-	-	-	-	-
7	Economic development & skills	12.2	4.1	0.6	0.0	16.8
8	Strategy & resources (essential compliance)	2.0	0.0	0.0	0.0	2.0
	TOTAL	**214.1**	**126.9**	**135.0**	**129.3**	**605.2**

*Budget for Adult Health & Social Care currently under review **No future projects currently allocated to Waste & Street Scene

2.6 How the capital programme is funded

The funding of the programme comes from a diverse range of resources. The table below gives a breakdown of how the overall Capital Programme is currently funded:

	Source of funding	2023/24		2024/25		2025/26		2026/28		Total	
		£m	%	£m	%	£m	%	£m	%	£m	%
1	HRA contribution to capital	57.3	26.8	64.5	50.9	74.5	55.2	75.4	58.3	271.8	44.9
2	Prudential Borrowing	90.8	42.4	41.4	32.6	43.6	32.3	43.8	33.9	219.6	36.3
3	Government Grants	39.2	18.3	3.3	2.6	0.6	0.4	0.1	0.0	43.1	7.1
4	Capital receipts	8.2	3.8	1.5	1.2	1.3	1.0	2.7	2.1	13.8	2.3
5	Other grants and contrib's	17.1	8.0	16.1	12.7	14.9	11.1	7.2	5.6	55.4	9.2
6	C.I.L.	1.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.2
7	Overall total	**214.1**	**100.0**	**126.9**	**100.0**	**135.0**	**100.0**	**129.3**	**100.0**	**605.2**	**100.0**

A further breakdown of each of these funding sources is set out overleaf.

2.6.1 Revenue budget contributions to Capital

The Council can use revenue resources to fund capital projects directly. However, ever-increasing pressures on the Council's revenue budget have reduced the scope of this. Revenue contributions to capital now largely reflect the contribution to the Housing Capital Programme of £271.8m. In addition, £1m has been allocated from revenue budgets to support non-housing projects, relating mostly to the replacement of cremators at City Road, and several Parks schemes.

2.6.2 Prudential borrowing

Prudential borrowing is used where no external funding is available to fund schemes which will generate a Revenue Budget saving. This saving then repays the principal debt and interest. The Council can often borrow funds at lower cost than its commercial sector partners because of its perceived higher credit rating. It therefore makes sense to inject such capital where there is a potential economic benefit.

Under the rules of the Prudential Code 2004 (revised in 2017), the Council has the power to finance capital schemes using prudential borrowing (borrowing that does not attract financial support from the Government, which is also known as 'unsupported borrowing'). The principles for entering into such borrowing were approved by Cabinet on 22 September 2004, and generally relate to 'invest to save' schemes (including land assembly and funding for major capital projects). These principles remain in accordance with the Prudential Code for Capital Expenditure for Local Authorities, namely that they adhere to the principles of affordability, sustainability, and prudence.

It remains the Council's current view that its best overall financial interest is generally served by substituting prudential borrowing for leasing. It is considered that borrowing in lieu of leasing can be undertaken as an element of 'invest to save' (where it is considered to be more cost effective over the whole life of the asset when compared to leasing) and can be contained within an overall annual limit established for such borrowing. However, this type of borrowing does have revenue implications for the Council in the form of financing costs, which include interest payable and an allocation for repayment of debt (Minimum Revenue Provision) because of the borrowing.

Included within the 23/24 Capital Programme are the following amounts of prudential borrowing for projects funded in whole or part from prudential borrowing (last year's figures shown in (brackets):

Project	Total Project Value £m	Project	Total Project Value £m
Heart of the City II	£38.060 (£72.691)	Major sporting facilities financing	£17.608 (£16.599)
New Council housing	£34.834 (£82.207)	Transport fleet	£0 (£2.477)

Hillsborough Park developments	£0 (£0.227)	Woodbourn Road Football Hub	£0.303 (£0)
TOTAL	**£90.084 (£174.160)**		

The Heart of the City II figure has reduced representing the completion of Blocks B & C in 22/23.
The increase in major sporting facilities reflects the changing profile of the relevant bond payments.
The New Council Housing represents the reprofiling of the New Homes Delivery Plan.
The reduction in Transport Fleet reflects the fact that the next phase of purchases is awaiting formal approval.

Any amendments to these limits will be approved by Strategy & Resources Committee in line with the Prudential Code. There are other commitments outside of the capital programme and these are described in the Revenue Budget report.

Tax Increment Financing (TIF) was announced in September 2010. The principle is to allow the authority to borrow funds to undertake capital improvements in a geographic area. The money is then repaid from increased tax revenues (i.e. business rates) in the area as land values rise because of the capital investment. This scheme has been used successfully in the United States over the last fifty years, often for major transport, infrastructure, or regeneration projects.

A scheme to develop infrastructure required for Heart of the City II is partially complete and further enabling works are underway. Some of the borrowing will be repaid out of the anticipated additional rates revenue generated by the redevelopment of the City centre.

Prudential borrowing does not receive any government support. If the Council enters into any prudential borrowing, it will incur additional capital financing costs. Prudential borrowing will only be entered into where it can be demonstrated that funding is available within the overall Council budget to meet the ongoing borrowing costs.

2.6.3 Government Grants

The largest proportion of external grant funding comes as grant allocations from Government departments. Although many of these grants are to support specific areas of investment, the Government removed capital ring-fencing in 2010. This enabled local authorities to prioritise grants to support local needs, pressures, and statutory responsibilities.

Capital Grant funding falls into two main categories: recurring annual allocations and project specific grants:

- The **major recurring allocations** relate to funding for schools' places and maintenance, Disabled Facilities Grants and Local Transport. Programmes of work are developed to obtain maximum impact from the funding received.

- In relation to **project specific grants**, officers usually bid against advertised funding streams following consideration of the terms by the Council's External Funding Team and its legal advisers. Requests to enter into funding agreements are considered by our Finance sub-committee prior to acceptance of the grant. Increasingly this funding is being channelled through the South Yorkshire Mayoral Combined Authority.

We endeavour to maximise our project specific grants to support specific priorities, and we work in effective partnership to secure these. We have been successful in securing funds to improve the energy efficiency of council housing and our corporate buildings, together with investment into Attercliffe and several interventions in the City centre, amongst others. We have also been successful in our funding bids to rebuild several our primary schools. In the new landscape, the Council must work across sectors and boundaries to drive collaboration and maximise our chances of success.

Sources of grant funding continue to evolve, with increased roles for:

- **Local Enterprise Partnerships** – working as part of Sheffield City Region, these are local, business-led partnerships between local authorities and businesses which play a role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs; and

- **Education and Skills Funding Agency** – this body provides direct support and grants to specific free school and academy build projects, as well as funding education and skills projects for children, young people, and adults.

2.6.4 Capital receipts

Capital receipts also fall into two broad categories:

1. Those generated from the sale of land and buildings falling within the Housing Revenue Account (HRA) and council houses under Right to Buy schemes. There are legislative provisions in place governing the use of these receipts restricting it to investment in housing.

2. Those generated from the sale of general (non-HRA) Council assets. These funds are those over which the Council has full discretion over how to utilise and are incorporated into the Corporate Investment Fund.

These capital receipts can be reinvested in the Capital Programme or be used to reduce the Council's borrowing liability. Any projects in the Capital Programme funded by capital receipts can only be undertaken if the receipts are realised.

The receipts from the sale of surplus assets are used to fund the Corporate Investment Fund (CIF) – see Appendix C1. This allows Members at their discretion to undertake projects for which there is no external funding. We are also often required to provide 'match' funding to secure project-specific external grants; the CIF can fund this. It is also used by the authority as a strategic reserve to cover to emergencies such as the total loss of a key piece of infrastructure e.g. as occurred in the 2007 floods.

As external funding sources are reduced because of austerity cutbacks, the CIF assumes a greater significance in funding the Capital Programme. However, the CIF only funds 3.4% of the Capital Programme. Its spending power is dwarfed by the HRA or Prudential Borrowing, for example.

But the Corporate Investment Fund is under pressure. During this period construction inflation (unprecedented in this generation), we are unable to bring some schemes in within budget – despite extensive value engineering. Our Accommodation Review is likely to require investment of around £200m – a sum which will not be able to be funded from the disposal of assets alone. The sheer scale of the climate emergency facing the City will require significant investment which we simply do not have. And every Committee area in this Capital Strategy has projects and programmes which will require investment over the next ten years.

We simply do not have the funds to deliver our investment aspirations.

These huge challenges will require a balance of allowances for both risks and opportunities. The Council must maintain a prudent level of reserves to mitigate infrastructure failures, grant claw back, match funding requirements or project overspends. There is the potential opportunity to invest in growth (in accordance with our Capital Planning and Investment Principles set out at 2.4 above), which could potentially create new revenue streams for the Council. But our key principle is ensuring our statutory obligations are met. This is no small ask in the current financial climate.

We will therefore take a balanced approach, ensuring adequate investment and reserves levels to mitigate risk and ensure our infrastructure remains fit for purpose and safe to use. In addition, an assessment of the Council's dependence on profit-generating investments (and the borrowing capacity allocated to funding these activities) to achieve a balanced revenue budget will be disclosed over the life-cycle of the Medium Term Financial Strategy.

2.6.5 Community Infrastructure Levy (CIL) / Section 106 (s.106) contributions

Elements of the Capital Programme are funded by contributions from private sector developments and partners. CIL supplements the current s.106 (Town and Country Planning Act 1990) arrangements which fund many of the local neighbourhood facility improvements.

CIL allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed because of development. This includes new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces, and leisure centres.

The Council has used CIL to develop strategic infrastructure projects such as roads and flood defences (such as the development of the Bus Rapid Transit North link and the Lower Don Valley Flood Defence Scheme). Further commitments will be considered and included in the Integrated Infrastructure Delivery Plan which will feed into the Local Plan. We will always seek to use our funds most effectively to drive best value and reduce costs to taxpayers.

CIL Regulations now encourage more use of S.106 and introduce the ability to use both CIL and S.106 in delivering infrastructure priorities. Previously, the Regulations restricted this. Further details on the implications of this are given at Appendix 1. However, broadly speaking, this is good news which enables us to pursue S.106 agreements on sites that will also be making a CIL contribution.

CIL and s.106 contributions are held in the Corporate Investment Fund (see Appendix 1).

2.6.6 Private Finance Initiative (PFI) / Public Private Partnership (PPP) funding

Like many other councils, Sheffield has historically made use of government funding through the above schemes when this was often the only source of funding available. This includes some schools, waste management facilities, office buildings and, most recently, the Streets Ahead programme. Both main national political parties have signalled that new PFI / PPP initiatives are to end, and no further new funding will be allocated through this route.

Sheffield currently does not fund any PFI payments out of capital.

2.7 Capital financing strategies and associated policies

Several strategies and policies relate directly to capital financing:

2.7.1 Treasury Management Strategy

Treasury management is defined by CIPFA as: “The management of the organisations’ borrowing, investments and cash flow; its banking, money market and capital transactions; the effective control of the risk associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The nature and scale of the Council's capital programme means that it is a key factor in the Council's Treasury Management Strategy. This includes the need to borrow to fund capital works.

The Council has operated within the CIPFA Prudential and Treasury Management Codes since their inception. The Codes contain a requirement for the Council to agree an annual Treasury Management Strategy, which is approved by the Executive and Council as part of the budget process. This defines the types of investments the Council will make during the year, together with the framework for decision-making around new debt. Treasury management decision-making and monitoring is devolved to various bodies and officers, with responsibility for the delivery of the treasury management function delegated to the Director of Finance and Commercial Services.

We also have regard to the Department of Levelling Up, Homes and Communities (DLUHC) Investment Guidance and are aware of the importance of security, liquidity, and yield in treasury management investment decisions.

Interim and outturn monitoring reports are provided to the Finance Sub-Committee throughout the year.

2.7.2 Asset sales and capital receipts

All land and buildings which are surplus to existing use will be reviewed by the Head of Property before any Executive decision is made. This will be in accordance with the 'Sheffield Land and Property Plan'. Any reuse or disposal must provide best value in supporting the Council's objectives. Any exceptions to this must be agreed by Finance Sub-Committee or Strategy & Resources Committee.

As a general principle, land no longer required for its existing use should be declared surplus so that options for its future use or sale can be considered by the Head of Property and relevant Members prior to proceeding for formal decision. Ongoing surveys of our corporate estate have been commissioned to support and evidence this process. In the context of ever-increasing budget pressures, difficult decisions will need to be made which balance the budget challenges and the needs of local communities.

The Council also encourages community involvement in the delivery of local public services using the Council's assets. The Council may therefore be prepared to sell or lease Council assets at less than best value to third sector organisations which have the capabilities to use the assets to provide agreed services in accordance with the arrangements set out for Community Asset Transfers of property. This will however reduce the capital receipts available to fund other Council needs and priorities, and therefore robust governance is in place to identify proposals which have a strong strategic alignment to the Council's priorities and a good chance of success.

Capital receipts will be used to finance capital expenditure, including capitalised revenue costs under the Government's capital receipts initiative. They are also used for debt redemption in accordance with the Council's Minimum Revenue Provision (MRP)

Policy. They form part of the Corporate Investment Fund and are therefore subject to the governance for that Fund (see Appendix C1).

2.7.3 Prudential borrowing and debt; revenue budget implications

Local authorities may borrow to finance capital expenditure. The affordability of debt is the key constraint. The Council has used its prudential borrowing freedoms actively and successfully to deliver key outcomes (such as regeneration – for example, by its work to regenerate the City Centre as part of the Heart of the City II project). It continues to be an important way of funding our priorities where external funding cannot be obtained. The cost of borrowing is usually recharged to the borrowing service, thus recognising that borrowing is not a key asset, but has a revenue cost.

In approving the inclusion of schemes and projects within the Capital Programme, the Council ensures all the capital and investment plans are affordable, prudent and sustainable. In doing so, the Council will consider the arrangements for the repayment of debt, through a prudent MRP policy in line with MRP guidance produced by DLUHC.

The Council sets and monitors prudential indicators to manage its debt exposures. Forecast borrowing costs (including interest and repayment charges) are expected to peak in 2024/25 at 16.2% of net revenue, before falling slightly in subsequent years.

The Treasury Management Strategy (TMS) sets out how the Council's borrowing will meet the prudential code and good practice to ensure borrowing does not exceed permitted limits. However, an overarching consideration of affordability of these costs must be addressed (given the Council's immediate and medium-term budget constraints). This assessment of affordability in relation to the total cost of borrowing for capital projects forms part of the Section 151 Officer's review of the sustainability of budgets and level of reserves. Details of both the TMS and the Section 25 review of the sustainability of budgets and level of reserves can be found in the 2023/24 Revenue Budget report.

The Council will ensure the most cost-effective financing arrangements for the Capital Programme as a whole. Where possible, the Council aims to maximise the use of balance sheet assets so we can utilise cash balances derived from working capital and reserves, rather than borrowing externally.

We will also calculate the financing costs and interest payable for every individual scheme which is funded this way before any borrowing is sanctioned. This forms an integral part of the business case for each project.

The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and medium-term financial plans. This enables Members to consider the consequences of capital investment alongside other competing priorities for revenue funding. As part of the appraisal process, the financing costs of prudential borrowing may be charged to portfolio budgets.

Different arrangements apply to Housing Revenue Account (HRA) borrowing. We have a self-financing HRA over a 30-year investment period. The HRA plans new prudential borrowing of £181.8m in the next 5 years (23/24 to 27/28) in accordance with our approved HRA Business Plan. HRA resources can only be applied for HRA purposes, and HRA receipts may only be applied to affordable housing, regeneration, or housing-related debt redemption. This is not the same as external borrowing, as they are under-borrowed. The Council will need to externalise some of this debt over the next few years.

We assume the Public Works Loan Board will be our primary source of borrowed funds, although we will maintain a watching brief over other sources of funding to ensure we deliver best value for money for local people.

2.7.4 Debt repayment

The Prudential Code requires the Council to make an annual Minimum Revenue Provision (MRP) for the repayment of debt. This revenue provision spreads the cost of repaying the debt for an asset over the useful economic life of the asset (in accordance with DLUHC guidance). This is done in accordance with the annual MRP Policy Statement which is approved by Council each year as part of the budget process.

MRP replaces other capital charges (such as depreciation) in the statement of accounts. It has an impact on the Council's revenue outturn. It will increase and decrease throughout the capital programme and is sensitive to both expenditure and funding changes. Careful consideration is therefore given to this when considering prudential borrowing as a funding source – it bears a real cost.

2.8 Programme governance

We maintain assurance of our capital investment priorities and projects through effective governance which runs throughout the organisation:

2.8.1 Ensuring Members' leadership and engagement

Elected Members are responsible for setting the strategic direction for the Council. Our move to a Committee-based system of governance aims to increase Members' scrutiny and engagement of decision making. Therefore, in addition to setting the Council's approach through key strategies and policies, they are also responsible for signing off capital projects at key checkpoints:

- Endorsement at 'project mandate' stage by the relevant Policy Committee or Full Council (by way of this Strategy)
- Consultation and endorsement of the relevant Policy Committee Chairs at 'outline business case' stage
- Formal approval at Strategy & Resources Committee.

The ability for Members to inform – and be kept informed – of the capital programme is vitally important. They need to 'own' the capital programme, understanding the risks and opportunities facing the City. We must set the right priorities, so we invest public money in the right areas.

2.8.2 Delivering real value for Sheffield people

Value for money (VFM) is a key component of all capital projects. All projects must evidence economy, efficiency, and effectiveness in order to be approved. Projects must therefore demonstrate that there is a valid need to be addressed, that all potential options to address the need have been considered and that the option selected is the most efficient and effective way of achieving the Council's aims. We have therefore built this into our core operating model and ensure VFM in four ways:

A The Capital Approval Process

The Council requires several "checkpoints" at which the validity of the project is tested by the Programme Groups and then the Capital Programme Group. These are:

- Approval of a **project mandate** to ensure that all projects are linked to the Council's priorities so scarce resource is not wasted on irrelevant projects.
- Approval of an **initial business case** to set potential parameters to the project and to test assumptions.
- Approval of an **outline business case** which will set out the benefits of the project against our strategic objectives. It also sets out the commercial case, together with delivery and procurement options for the project. The Programme Groups will test if the proposal is value for money.
- Approval of a **final business case** once the preferred option has been selected and procurement completed, showing all the anticipated project costs, benefits and savings.

The Council's Capital Delivery Service (CDS) and Finance and Commercial Services (F&CS) functions advise on the financial, procurement and operational deliverability of the proposed project plan and procurement route at every stage. They participate in each Programme Group to provide effective challenge throughout the process.

Embedding a capital governance process ensures that we use our scarce resources in the most effective way – on the projects that make the most difference, are funded and procured cost-effectively and deliver the greatest benefits for Sheffield people.

B Effective financing

Funding options are constantly reviewed to ensure the most effective use of the Council's resources.

C Effective procurement

Robust options appraisals are carried out at outline business case stage to determine the most efficient and effective procurement route.

We have introduced new measures to prioritise local contractors within the fullest extent permitted by law. This keeps the Sheffield pound within Sheffield. We also use regional frameworks and dynamic purchasing systems whenever we can to maximise the benefits of our spend to the Sheffield City and Yorkshire regions (whilst minimising both our internal costs and the administrative burden on contractors). We want to make it easy for local companies to do business with us, and we continually challenge how we do things to minimise the barriers they may face.

As well as procurement routes, we also ensure the most appropriate forms of contract are used which deliver the best VFM for local people, protect the Council's interests and enable the market to respond with cost-effective tender submissions.

Post-Covid-19, this assumes even greater significance. We will do everything we can within the law to support local supply chains and local businesses to maintain the resilience of our economy and build back better. We particularly want to support local small to medium sized enterprises (SMEs) and social interest companies who contribute so much to the fabric of our City. Our Lifelong Learning and Skills Team will work with businesses to signpost them to training and development to enable them to grow their businesses in key areas. And we will do what we can to ensure this is linked with tendering opportunities in our Capital Programme, particularly in relation to the green economy.

We have contributed fully to the Government's latest consultation on the UK's new procurement rules following our departure from the European Union, lobbying for maximum flexibility to prioritise the local economy. We have signed up to the 'British Steel Charter' to maximise our use of British steel. And we are signatories to the 'Construction Minimum Standards Charter', which promotes fair working practices for those in the construction industry.

We will also continue to build on our Ethical Procurement Policy, maximising the social value we generate from our spend. We will continue to require employment and skills outputs for the communities we serve, building a workforce fit for the future. Over the last year, we have worked with contractors to deliver over 150 work experience opportunities, almost 5,000 upskilling opportunities and over 600 new employment opportunities through our capital programme – as well as over £25m of committed wider social value for the City.

We will also seek to minimise the environmental impacts of our capital programme wherever we can, across all our programme areas. And we will ramp up on focus on delivering social value so our spending powers delivers real, quantifiable benefits back to our communities.

In short - we will maintain an unrelenting focus on doing things better and driving greater benefits for the City and our residents.

D Effective project management

The Programme Management Office within the Capital Delivery Service provides information and guidance to continually strengthen project management skills within the Council. They ensure that lessons learned are fed back across the wider Council so we can continually improve our performance.

2.9 Slippage

Historically, there has always been an underspend against the approved capital programme. The risk of slippage is present in all capital programmes, bearing in mind the size and complexity of the schemes. Subject to Strategy & Resources Committee approval, funds are rolled forward into the next year to complete projects. Slippage reflects re-profiling of funding or delays in physical progress of a project. In most cases the work is delivered in the next financial year.

However, our current reporting system has provided greater transparency and identified instances where money appears to be repeatedly carried forward from earlier years. This allows Members to test if the funding is really needed and could be reallocated to other priorities. It also shows the delivery performance on the capital programme.

The impact of the Covid-19 pandemic has presented many challenges for delivery of capital schemes and the ripple effects on supply chains are still being felt. The war in Ukraine has contributed to rising costs which has impacted upon the affordability of schemes, often necessitating extensive value engineering and the souring of additional funding. These all add to delays in getting money out of the door and projects delivered on site. This is incredibly frustrating, and we continue to work flexibly to mitigate the impact of this on our Capital Programme. We are delaying some projects and rescoping others to ensure we can deliver the best VFM for the least cost to Sheffield residents.

As at 31 December 2022, the value of net slippage approved to date is £41.3m. Key factors in this are: delays to Heart Of The City Schemes (£25.6m), slippage on Housing Investment & Stock Increase Schemes (£8.2m) slippage on Future High Streets Fund Schemes (£3.1m) and slippage on Schools Expansion Programme (£3.5m).

£59.2m of allocations have been re-profiled - i.e. moved from current year into future years for schemes not yet in the delivery phase. These relate to revisions in the delivery timescales of the both the Housing Investment and Housing Stock Increase Programmes.

We currently expect a further £30-40m slippage at financial year end.

2.10 Effective risk management

Major capital projects require careful management to mitigate the potential risks which can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the Capital Strategy.

2.10.1 General Risks – Identification and Mitigation

General risks are those which are faced because of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control, but mitigations have been developed as part of the business planning and governance process. Four key risks are set out below, along with key mitigations:

A Interest Rate Risk

The Council is planning to externally borrow £290m as set out in this Capital Strategy over the next three years. This will cover new capital investment and ensure internal borrowing is maintained at a sustainable level. Whilst the Council tends to borrow at fixed rates, interest rates in themselves are variable and a rate rise could mean that there would be an increase on the cost of servicing future debt to a level which is not affordable. To mitigate this, the Council has used interest rate forecasts which include a prudent provision against interest rate rises. In the event that interest rates rose beyond this forecast, the revenue cost to the Council would increase. A rise of an extra 1% in the interest rate would cost an extra £2.9m by the end of the 3-year period.

B Inflation Risk

Construction inflation over and above that budgeted by the Council's professionals and advisors and built into project budgets impacts on the affordability of the capital programme. This was highlighted as a key risk last year, and the position has unfortunately worsened over the last 12 months:

- Tender price inflation forecasts are currently at 11-12% for Quarter 4 in 2022. We hope this is the peak.

- We have encountered delays to existing projects on site due to materials and labour shortages
- Contractors are being ever more selective about the opportunities they tender for, leading to poor returns and an even more challenging market
- Tender returns are containing more qualifications, sometimes lacking fixed prices and transferring risks back to the Council
- The impact of rising prices and delays on projects on site has given rise to contract disputes as contractors have sought to recover losses.

This situation is far from unique to Sheffield. We're taking several steps to address these challenges:

- Inflationary impacts continue to be built into the construction estimates / cost plans using relevant indices as usual - but we will now also include an additional inflation price risk of 10%, which will be included in the construction estimate / budget to reflect the possibility of higher tender returns.
- We will adopt a more flexible approach during the tender process if contractors are struggling to offer a fully fixed price on projects with longer programmes – whilst ensuring a level playing field for all tenderers.
- Clients should further increase their contingency to allow for additional price risks once on site. The standard project specific items should still be included in the priced risk register but an additional inflation / price risk should also be included to cover Contractor's seeking to recover losses through claims.

Together with the price risk included in the construction sum, this should mean a significant risk total is included.

A levelling-off of prices is estimated for later in 2023. This will mitigate many of these issues and hopefully enable a return to more normal conditions.

C Change in Law Risk

Capital schemes need to comply with the latest law and regulations which can change leading to an impact on construction costs. This is mitigated by awareness of pipeline legislative changes and through contingencies.

D Market Health / Commercial Values

The Council's Capital Programme relies on commercial activity as a key supporting strategy. This involves generation of income from property letting, generation of capital receipts from property sales (in some cases post development), attracting developers to projects based on a potential share of profits and other revenue/capital financial flows.

In some cases, it is likely that the Council will commit to large projects, property acquisitions or other forms of expenditure based on further business case assumptions about the market value of future asset or economic values. Should market movements mean that these assumptions are inaccurate, then the Council may suffer financially. This risk can be mitigated through carefully testing assumptions and allowing for contingencies in projects where necessary.

2.10.2 Management of Project Risks

Project risks are those which relate to the delivery of capital projects which in many cases can be controlled, influenced, or directly mitigated in ways other than making contingencies available. These risks would mostly be related to unforeseen project delays and cost increases which could arise from a range of circumstances. The effective management of these risks is primarily linked to the following five key strategies:

A Supplier Financial Stability

Construction companies and developers contracting with the Council would, if they experience financial instability, pose a significant risk. They may not be able to raise finance to cash flow operations. Insolvency processes could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget. The Council could also suffer direct financial loss and any defects may not be resolvable as anticipated. To mitigate this, the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible. Furthermore, the Council only pays contractors in arrears, minimising its exposure to this risk. That said, we have revised our financial evaluation processes this year in line with government guidance to ensure we do not unwittingly discriminate against new, often smaller businesses who may not be able to evidence long-term financial stability. This maintains a balance of encouraging new entrants to the market whilst effectively managing risk.

B Effective Business Case Development

This is set out at section 2.8.2.1 above.

C Risk Management

Projects are required to maintain a risk register. Risk registers are aligned with general guidance on risk review. We have now introduced costed risk registers on projects managed by the Capital Delivery Service. This enables us to maintain appropriate levels of contingency.

D Highlight reporting

Monthly highlight reports are created for all projects to flag progress and risks of projects to Programme Groups, Project Sponsors and, ultimately, Policy Committees and Strategy & Resources Committee.

E Appointment of professional team

This ensures timely delivery of projects and robust planning and review. The Capital Delivery Service has a team of professionally trained project managers. Qualified roles are in place for key surveying and financial planning roles to give assurance on quality of work and project assumptions.

2.11 Skills and knowledge

Those involved in decision-making must have the appropriate skills and knowledge to take those decisions. The Council has many years' experience delivering capital programmes, and uses this experience to evaluate new proposals, monitor on-going capital investment and manage any risks that may arise.

Capital investments are reviewed under a robust approval process that receives input from appropriately qualified and skilled finance professionals and receives scrutiny from Elected Members. Information, advice, and guidance on these processes are made available for Officers and Elected Members.

If additional skills and knowledge requirements are identified, the Council will source appropriate specialist skills and knowledge to supplement and, where possible, upskill Members and in-house staff.

A3 SUSTAINABILITY AND CLIMATE CHANGE

How we will navigate our way towards 'net zero'

1 Background and context

This year has seen continuing increases in the frequency of climate related disasters around the world, including flooding, wildfires, drought and extreme heat. While progress was made at COP27 in some areas, the goal of limiting global warming to 1.5ºC is hanging by a thread, and the need to act remains urgent. Sheffield experienced its own extreme heat event in July 2022. The Council has also faced the challenges of a shift to a Committee system for decision making, and an extremely difficult budget situation.

In the face of these challenges, we have begun to build on the 10 Point Plan for Climate Action, adopted in March 2022, through embedding climate action into the Corporate Delivery Plan, which has seen the beginning of the development of Decarbonisation Routemaps for the City.

The Decarbonisation Routemaps highlight the action we are already taking, set out the vision of Sheffield's future as a Net Zero City, and outline keys actions that the council and other partners will be taking over the next few years to move us forward and enable us to accelerate decarbonisation in the years to come. The Routemaps cover:

- Our Council
- The Way we Travel
- Our Businesses and Economy
- Our Homes
- Energy Generation and Storage
- The Way We Use Our Land
- What We Eat, Buy and Throw Away

Under this Capital Strategy, we will continue to bring projects forward which help us meet the significant challenge of responding to the climate emergency through investment in our domestic and non-domestic property, renewables capacity, transport network and land. We will focus on the wider positive benefits, increasing our resilience as a City and helping all our citizens to adapt and thrive.

2 Where we are now

This year, we introduced Climate Impact Assessments (CIAs) into the Capital Gateway process. All capital development has an impact on climate and the tool is helping us to deliver projects in a way which reduces upfront impacts and significantly reduces the lifecycle impacts of new build. CIAs cover:

- building construction and use
- demand for and type of transport
- renewable energy generation and energy efficiency
- potential for climate awareness raising
- use of resources, products and services
- production of waste
- land use and biodiversity
- climate resilience and adaptation
- impacts on sustainable businesses and green skills development.

Since June 2022, CIAs have been carried out for a variety of projects including housing, transport, parks, and schools, ensuring consideration is given to lower impact options. As carbon measurement techniques gradually develop and evolve nationally, we will be able to improve our data and begin to measure more accurately the likely emissions arising from our projects.

The Council's financial position is extremely challenging. The resources we have available within our existing budgets to drive this forward are extremely limited. So we are proactively engaging and exploring innovative funding options to close this gap. This includes a combination of bidding for central governments funds, the UK Infrastructure Bank, the private sector, and partnering with social and community enterprises such to help resource our ambitions.

Our Investment Strategy will help us to prioritise and identify funding and investment routes for our decarbonisation programme. Revenue funding is required to commission feasibility and commercial business case development, and we will be seeking a budget to fund this activity. This work will enable the Council to pursue external capital investment, as several core cities are already on this pathway and actively engaging with funders and investors.

3 A snapshot of key projects

Our £3.5 million Local Renewable Energy programme is now up and running which will deliver increased renewables capacity on Council owned buildings that will also benefit community users, such as schools, libraries, housing, and community spaces.

We have just completed installation of solar panels, heat pumps and other energy efficiency measures at Moor Market, Acres Hill and the Town Hall and are preparing plans for further works.

We are continuing to deliver energy efficiency improvements to council homes for the most vulnerable. We're delivering housing energy improvement schemes through the Homes Upgrade Grant (HUG), Local Authority Delivery 2 (LAD2) and the Energy Company Obligations (ECO Flex) and have also recently submitted bids for further funding from the Social Housing Decarbonisation Fund and HUG 2, which, at the time of writing, we're waiting to hear the outcome of.

Our 'Connecting Sheffield' programme continues to deliver a £50m+ programme of active travel and public transport improvements across the City. We're also installing charging points for electric vehicles to encourage air quality improvements and this Summer approved a strategy for wider roll out of EV charging across the City.

And we are working with the Government's Department of Business, Energy and Industrial Strategy (BEIS) on a Heat Network Zoning Pilot Programme. This has identified areas where existing or new heat networks can provide the lowest cost, lowest carbon form of heat to large domestic, industrial, and commercial and public sector buildings, and we are now seeking additional funding to investigate the expansion of existing networks.

4 How we will engage with the wider City

Sheffield is blessed with people and organisations with a wealth of skills, knowledge, experience, and passion for acting on climate change. Many more want to act but may not have the skills or confidence.

We held a second city-wide climate engagement event in Autumn 2022 to bring City partners together to show case the exciting work already being done, identify where we can better work together and accelerate the pace of action. The development of the Decarbonisation Routemaps will include consultation and engagement throughout.

Perhaps most excitingly, the 2022 Youth Climate Assembly took place in Sheffield this year, providing education and empowerment for young people to be active participants in our decarbonisation journey. We owe it to future generations to do all we can to fight climate change.

B CAPITAL STRATEGY SPLIT BY POLICY COMMITTEE

This section sets out the strategic context for capital investment in each of the Policy Committee areas.

This section covers each of the following Policy Committee areas in turn (in no particular order):

B1 Transport, regeneration & climate change
B2 Housing
B3 Education, children & families
B4 Communities, parks & leisure
B5 Adult health & social care
B6 Economic development & skills
B7 Strategy & resources
B8 Waste & street scene.

Each section is first broken down by themes of activity within each Policy Committee area – such as Transport, Regeneration and Climate Change. Each section follows the same format, covering the following five key areas:

1) Background and context
This sets the strategic context for each area; key policy drivers and strategic goals we wish to achieve.

2) How do these activities contribute towards 'net zero'?
This sets out how we are promoting positive impacts and minimising negative ones.

3) What do we want to invest in over the next ten years?
This sets out our potential 'investment pipeline' – key projects, themes of activity or funding streams we will need to pursue over the coming years. It is subject to continual review and can be amended at any time by the Policy Committee.

4) Our forward look to the 2050s
A section for 'horizon scanning'. Whilst necessarily more speculative due to the longer timeframe, we need to start thinking about managing our assets and investing our capital over a longer timeframe – such as the lifespan of each asset.

5) **Key challenges and how we are addressing them**
A section that sets out how we are tackling – or proposing to tackle – some of the largest impediments to our success.

The final section for each Policy Committee then sets out – again split by theme of activity:

6) **Projects completed in 2022/23**
Key projects which we anticipate will be completed within the financial year 2022/23 (at the time of writing – January 2023)

7) **Projects currently in delivery**
Key projects which are underway but have not yet completed – these projects often straddle several years.

As the Committee system becomes increasingly embedded, it is proposed that each Policy Committee area effectively 'owns' its capital investment strategy, revisiting priorities throughout the year and receiving project mandates for endorsement and inclusion within the ten-year investment pipeline.

B1 TRANSPORT, REGENERATION & CLIMATE CHANGE

Fit-for-purpose transport infrastructure which encourages other means of transport than the car. A thriving City Centre which is a destination of choice for residents, businesses and visitors alike. Delivering our net zero commitments to mitigate the worst impacts of climate change.

Directors: William Stewart (Investment, Climate Change & Planning) | Sean McClean (Regeneration)

This Committee supports investment into Sheffield's infrastructure. We want a City that's easier to get around and better to navigate; a City that promotes active travel to its citizens. A City which attracts its residents to its centre; a destination for surrounding areas which builds on its proud heritage but is a forward looking, sustainable destination of choice. A City which is mindful of its environmental impact; a City which recognises the Climate Emergency and continually strives to do better to minimise its environmental impacts for the benefit of not only its residents, but the wider World.

The Capital Strategy for this Committee area is split into three key areas of focus:

A. Transport
B. Regeneration; and
C. Climate Change.

This section will address each of these areas in turn, with a combined list of projects across this Committee area at the end.

A Transport

Head of Service: Tom Finnegan-Smith | Head of Strategic Transport & Infrastructure

1 Background and context

The key principles which underpin our investment strategies are set out in Sheffield's Transport Strategy. This is further complemented by the regional and national transport agenda, whereby improvements in sustainable and inclusive connectivity will be key to ensuring a strong recovery from the covid-19 pandemic. On a practical level, the publication of government advice around sustainable transport infrastructure design and implementation, the consultation on long standing requests for legislative changes to highway powers to Highway Authorities outside of London and the funding allocations for transport further outline an ongoing commitment to transport improvements.

On a local level, the City's Transport Strategy outlines the policy position for this investment:

A City that's easier to get around

- Faster, better integrated and simpler bus services
- Securing the future of Supertram and supporting its expansion
- New mass transit routes and services creating more public transport capacity for a growing City
- An inner ring road that has more capacity and is easier to cross into the City centre

A better connected Sheffield

- Faster, longer and more frequent train services to other cities and to the rest of the City region
- A transformed Sheffield Station bringing High Speed rail services into the heart of the City
- Improved major road network, keeping Sheffield connected to motorways, airports, and other cities

A safer and more sustainable Sheffield

- Sustainable safety, safe walking and cycling as standard
- Improved air quality and working to manage congestion
- Improving poor health and poor access to jobs and services

All our projects are focused upon delivering these priorities for the City.

It is the Council's ambition that public transport, cycling, and walking are natural choices for making journeys within our City, whether this be to the local shops or for journeys to work. We believe that by working closely with our communities, the third sector, and the wider public and private sector, a strong basis for achieving our sustainable transport ambition can be developed, and ultimately delivered.

The Council wants to support the transformation of local areas through this ambition to promote sustainable forms of transport. Making the change away from private car ownership will tackle congestion, improve physical and mental health through mobility, support local economies whilst being a fundamental cornerstone to achieving local and national climate change resilience. Specifically, capital delivery of an improved and seamlessly connected active travel network will see employers benefit from a healthier workforce, whilst at the same time creating more opportunities by delivering thriving streets which are made more accessible with reduced severance caused by car movements.

As this ambition is bold and will require a significant change in behaviour, the Council has undertaken several recent public consultations. Specific questions were asked about people's perceptions of active travel, the barriers of use and associated expected outcomes and benefits.

The Big City Conversation survey covers a wide range of Council functions to help understand from the public's perspective what the Council should be prioritising and investing in. Now complete, the findings from this survey identified that traffic congestion, poor air quality and the need to improve local streets are all key areas of public concern. This further outlines the importance of the investment associated with the Transforming Cities Fund and the Clean Air Zone mandate. Investment in active travel and public transport should be positively received.

Realising the Council's ambition to create an environment without reliance on the private car will take sustained investment in supporting infrastructure. It will take long-term transport planning and will require a change in attitudes, specifically amongst, businesses, communities, and individuals.

2 How do these activities contribute to 'net zero'?

Transformation of our transport system to achieve net zero emissions mobility is one of the most significant challenges the City and the country faces in the prevention of extreme climate change and the achievement of environmental sustainability objectives. Yet transport decarbonisation also offers us a powerful opportunity to achieve positive change at a global scale, improving the quality of mobility for all is an outcome we should pursue as part of decarbonisation. This has been clearly recognised in the Pathways to Zero report, but also more strategically through the Department for Transport and Transport for the North Decarbonisation Plans.

We are developing strategies to support alternatives to individual motorised journeys. For example, the Connecting Sheffield investment programme is seeking the designing and delivering public realm enhancements with a movement strategy that improves integration of transport modes and supports the behavioural shifts needed to encourage more people to travel using sustainable modes. This will inherently alter how we use carbon in the transport system.

The decarbonisation agenda creates a fantastic opportunity to drive other beneficial outcomes, from better connected communities to cleaner air for Sheffield. Transport is becoming a flywheel for change, not only within the transport sector itself, but by catalysing wider change in energy systems and other operational functions of the Council. This includes the roll of electric vehicles for the in-house fleet, but also how charging points are deployed across the Council's estate, such as housing provision, car parks and the highway itself.

Transport decarbonisation is about far more than vehicle choice and modal mix. System-wide decarbonisation is also about the carbon implications of transport infrastructure design, construction, and operation. In particular, minimising embodied carbon in both infrastructure and vehicles must be tackled to achieve credible, comprehensive transport decarbonisation, as is operational emission reduction across supply chains

3 What do we want to invest in over the next 10 years?

The transport investment landscape is changing radically, with Department for Transport guidance specifically highlighting the need for a step change in both active travel provision and bus priority. Funding criteria is moving away from the previous predict and provide ethos of road capacity enhancements, with a clear focus on how highway schemes must demonstrate a benefit for public transport and provide improvements to pedestrian and cycling facilities. This follows the backdrop of the need to manage the demand of private car trips, related to the decarbonisation and environmental initiatives.

In addition to this, the Levelling Up agenda places transport and connectivity at the heart of economic recovery post Covid-19. Therefore, the focus on the next 10 years of pipeline transport projects is how interventions can support the City's regeneration aspiration, linked to the emerging Local Plan objectives and where congestion and modal shift is currently restricting growth. Improved journey time reliability and improving access from growing neighbourhoods to jobs, education and training as well as improving conditions for business through effective network management are critical outcomes to be achieved.

The design of new transport schemes will seek to introduce a safer approach to scheme implementation from the outset. This will follow the Safe Systems Approach which is being proposed by the South Yorkshire Safer Roads Partnership. The standards for providing the correct type of infrastructure are established, with new guidance now in place from the Department for Transport. This will contribute towards an inclusive transport network and improve health outcomes.

There is a need for greater monitoring and evaluation post scheme implementation. This will ensure the benefits of investment in transport infrastructure continue year after year and we will seek to understand the impacts of the project as well as highlight where retrospective improvements can be made. This will also include how we plan for the introduction of alternative fuel and automotive technologies where appropriate.

	Priority	Impacts
1	City Region Sustainable Transport Settlement (CRSTS)	The CRSTS is the capital funding allocation for all transport spend. The allocation and settlement will contain the next 5 years allocation of the Integrated Transport Block, as well as the final year instalment of the Transforming Cities Fund and the future 5-year major scheme transport funding. This fund will therefore deliver the day-to-day improvements on the local network, as well as provide the funding for larger scale strategic interventions. This will build upon the work currently in progress to further develop a joined up and seamless network.
2	Active Travel Fund and Mini Holland	The Active Travel Fund and Mini Hollands schemes will deliver the national commitment to travel behavioural change at a local level. Active Travel is a regional priority through the South Yorkshire Mayor and the Active Travel Commissioner. The impacts of this will be providing the correct infrastructure, with supporting revenue activity to promote walking and cycling as an attractive travel alternative.
3	Electric Vehicle Charging	There are several outstanding issues related to the delivery and management of electric vehicle charging infrastructure. Challenges around third-party venture, including private sector mobilisation are yet to be understood, as well as some of the practical issues like cables on the highway and the management of kerbside availability. The impact of when these details are clear, will be a programme of work which seeks to ensure that Sheffield isn't left behind in this revolution and there will be a network across the City that serves the needs of the population.
4	Infrastructure investment	Continued investment in the maintenance of the transport system will ensure its safe and secure purpose. The other element to this is making sure that effective monitoring and evaluation takes place to inform future schemes and develops a strong case for further investment through local, regional, and national funding sources.
5	Improving Air Quality and supporting the decarbonisation of the transport system	Decarbonisation and a move towards a sustainable city is very much at the forefront of funding decisions. Schemes must contribute towards both reducing carbon through design as well as delivering schemes that support the transition to a low carbon future. The impact of this will inevitably be a cleaner, greener, and more efficient living environment, that supports the needs of residents and business.

4 Our forward look to the 2050s

By 2050, the transport network is predicted be a very different offer. Innovate UK have recently published a paper regarding how the transport system could look in 2050 and what investment needs to take place to get there. There is much uncertainty on the transport system given the changing behaviour of Covid-19, with travel habits altering substantially through different working patterns and consumer habits.

The 2050 vision of the transport enables the movement of people and goods from one location to another through seamless, safe, net zero, connected, cost effective, accessible, and reliable means. However, there are attitudinal, technical, and economic challenges to be addressed. Understanding these will be paramount to any progress being made.

The way people travel and behave will change and this will be accelerated by advances in technology that will improve transport services, reduce costs, and revolutionise business models. We expect to see an increase in the use of most travel modes despite the impact of the Covid-19 pandemic, a push for travel reduction, and a trend towards alternative forms of mobility. There will be some shifts in travel use between modes - such as less bus use and more use of shared services - and some shift from road and rail freight to short-sea shipping. Walking and cycling are expected to grow, as is the use of electric bicycles and scooters. However, it is difficult to predict transport use beyond 2025 because of the large number of variables in future scenarios. The growth in transport is a challenge to plans to reduce carbon emissions. We expect to see efforts directed towards demand reduction, zero emission technologies, and a shift away from more polluting modes of transport.

Improved communicators and data connectivity will create opportunities for greater efficiency, new services for travellers (access to information, fares, and ticketing), and new business products and amenities. We expect all road vehicles to be capable of fully cooperative driving by 2050. Road maintenance, traffic planning and routing, traffic management, refuelling systems, freight operations, train operations and air traffic management will all benefit significantly.

The move to net zero by 2050 will require a complete shift from fossil fuels to sustainably produced electricity, hydrogen, and other alternatives. Fossil fuels will still be the dominant energy source in 2025, and even 2030. However, electric will need to be the dominant by 2050 if we are to achieve net zero. We also expect hydrogen to be a significant fuel for heavy goods vehicles, buses, and aircraft by 2050.

Autonomy will make road vehicles smarter, create opportunities for new services such as last-mile delivery by drone and deliver fully autonomous urban transport. We anticipate that the urban transport system, air transport, rail freight and 90% of motorway HGVs will be fully autonomous by 2050.

Advances in technology and new government policies will transform business models and lead to bundling of services, better use of resources and mass customisation. The growth of online retail, improved logistics, use of drones, greater understanding of insurance and risk and improved connectivity will all have an impact on business models

Regionally, the implications of investment taken - or not - by national bodies in the Sheffield area will have major bearing over the next 20 years. Recent announcements from the Department for Transport on the Integrated Rail Plan for the North have concluded with a poor rail offer for the City with minimal investment in inter-regional rail connectivity for Sheffield. This demonstrates another setback for rail provision on a strategic level, with the likely impact being the retention of private cars trips for journeys to Leeds, Manchester and the Midlands area.

On a more local level, the Amey PFI contract will have expired and decisions around future highway maintenance would need to have been resolved. This is large undertaking and has the discharge of several statutory functions attached to the decision. Although there are many more years left on the contract, it would be prudent to begin exploring the implications of this as soon as possible.

The continued operation of Supertram is a key risk over the coming years, as the asset replacement programme of £400m is yet to be approved. This casts doubt over future operation franchises. The tram is clearly an asset for the City and the wider region, and the failure to operate is a major economic, social and environmental risk. To help address this, the City is seeking to work with the South Yorkshire Mayoral Combined Authority to outline a support package, both in terms of how the capital costs for asset renewal can be funded but also future extensions and operating models could be developed.

The bus network is undergoing fundamental change following the introduction of the Bus Service Act (2017) and the requirement for a change of operating model. Enhanced Partnerships are currently being explored. But with commercial revenue risk of bus operations falling to private bus companies, there is the potential for systemic changes to the bus network. It is too early at this point to understand the implications of this.

The resilience of the transport network, particularly in relation to flooding and the environmental challenges of climate change, is a major feature for 2050. How we design, maintain, and operate transport functions in response to these implications will need consideration. This is already happening to some extent, with schemes like Grey 2 Green and the proposed Connecting Sheffield work. Highway designers are considering how greenery, biodiversity and sustainable drainage can be integrated into design solutions. These changes - when combined - will provide an extra level of protection of the highway and improve resilience.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Lack of appropriate funding to develop 'pipeline' schemes identified in the Sheffield Transport Strategy	The lack of revenue funding for this activity has been escalated within the Council and is being considered for funding from the Corporate Investment Fund. Without development funding we will not be able to develop a business case for projects to effectively secure external funding to assist in delivering our Transport Strategy adopted in 2019. This has the potential impact on the Council's ability to develop significant infrastructure projects that are required to support the City's Housing and Economic ambitions.
2	Ongoing maintenance of the highway infrastructure (commuted sums)	Agreement on way forward required to provide confidence in our ability to address infrastructure required to support economic growth. There are constraints on the majority of Sheffield City Region (SCR) funds and Government funds that mean these cannot be used to fund the commuted sums associated with projects. This acts as a constraint, as either Local Transport Plan (LTP) funding or local revenue funding needs to be identified to pay the commuted sum. Wherever possible, we seek to reduce the upfront cost of the commuted sum through design and aligning projects to Amey's programmed maintenance work, but these opportunities are limited following the Core Investment Period. A review of commuted sum liabilities will be undertaken for all projects at an early stage of project development to inform implications on future programmes.
3	Constrained timescales to meet the Government direction for Air Quality and associated Clean Air Zone (CAZ) development and delivery Transforming Cities Fund (TCF) constrained timescales – still subject to decision	The scale and required speed of delivery is a significant challenge. Resources from across the Council have been brought into a virtual team and this will be kept under review. Ongoing engagement with key stakeholders and the public to clearly articulate the programme of work and its benefits. There has also been discussion around design and build contracts to ensure that the programme of works is delivered on time and within budget. Each scheme has been designed to be scalable, therefore opposition and scope creep can be managed within the programme.
4	Public engagement and acceptability	As described in point 3, funding for major transformative projects has stringent funding deadlines which are controlled by associated legal agreements. With all projects of this nature, consultation needs to be meaningful and engaging with the public and stakeholders is critical to obtaining success and delivering a project that meeting competing demands and expectations. Doing this under funding specific deadlines means a focused approach to obtain and address any matters arising. This has been mitigated through Transforming Cities Fund (TCF) by using new ways of consultation and setting a new blueprint for consultation procedures, including specific communications resource.
5	HS2 and the Integrated Rail Plan for the North (IRP)	The IRP has published several future rail investments that do not include the transformational improvements for Sheffield. The commitments in the IRP are still yet to be fully understood, however,

		the challenge is how to reverse some of these omissions from the IRP and secure rail improvements for the City.
6	Post Covid-19 bus and tram market recovery and operating model	The impact of the removal of the Bus Recovery Fund is potentially going to result in reduced bus services. This will need to be brought into the spotlight and highlighted in respect of other improvements to the bus offer, including our existing capital investment. Continued engagement in the BSIP development will be critical to understand the local authority commitments as well as how we can harness SYMCA funding for these projects. This will feed into discussions with the operators around their investment packages to support the capital investment. The SYMCA budget setting process for 2022/23 needs to consider these funding risks as a key issue. SYPTE 2020/21 budget earmarked c.£7m reserves which, along with the potential reduction in concessionary funding support (c.£5m), provided a c.£12m “fighting fund” to mitigate some of the impacts of the £22m funding gap for tram and bus. It is unclear if some of this has fund has been used already, for initiatives such as the discounts for 18-21year olds and the summer 25% off Travelmaster range.
7	Ceasing operation of Supertram	There is an immediate focus to work with the other South Yorkshire Local Authorities on the funding position and how to mitigate the risk of not renewing the Supertram asset. In the first instance a commitment to the £400m Department for Transport business case will be critical, and in the longer term a ‘vision piece’ around future expansion is critical for wider partner buy in.

B Regeneration

Director: Sean McClean | Director of Regeneration

1 Background and context

Heart of the City II is one of Sheffield’s key regeneration projects being delivered by Sheffield City Council. The scheme will contribute positively to social and economic terms, making the city centre a more dynamic place to live and work.

In addition to encouraging new retailers to the City Centre, the scheme will provide Grade A office space, including the City’s first net zero carbon in use workspace, a quality hotel, new homes, restaurants and cafes, leisure destinations and stunning public realm including a new “pocket park” right in the City Centre – all creating the type of high-quality development that helps attract jobs and investment.

The scheme will bring together the old and the new, maintaining the existing street patterns and balancing heritage with striking new architecture and unique outdoor squares and spaces. Rooted in the city’s unique character, it will help knit together The Moor, the Devonshire Quarter and Fargate, providing a new home for Sheffield’s cultural, commercial, and creative trailblazers.

Sheffield has significant assets that will continue to provide opportunities for development, investment, and growth to produce sustainable regeneration activity to support the city and region. We will be working with partners to create investable propositions around these assets:

- The City Centre Vision, will create a thriving city centre, with a strong focus on housing-led growth in the city centre, alongside catalytic employment projects like West Bar and Castlegate, and the ongoing development of Heart of the City II
- District centres and communities

We will work alongside South Yorkshire Mayoral Combined Authority and will also seek to partner with the public and private sector partners, including the Sheffield Property Association, Chamber of Commerce, University of Sheffield, Sheffield Hallam University and Homes England. This will maximise our effectiveness and ability to unlock funding opportunities.

2 How do these activities contribute to “Net Zero”

Wherever possible the development will be to the lowest environmental impact including:

- Retaining as much existing building as possible
- Buildings designed to meet Building Research Establishment Environmental Assessment Method (BREEAM) rating of excellent
- Connection to District Heating network
- Use of photovoltaic arrays at rooftop level
- (H2) office has been designed with technologies that support net zero carbon.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	City Centre Vison and Catalyst Sites	Development and delivery of the City Centre Vison and progression of catalyst sites.	TBD
2	Parkwood	Creation of a country park in the City and improved access to an investment site for an adventure operator	Levelling Up
3	Sheaf Valley Masterplan	Regeneration of key City Centre site	TBD
4	Heeley	Creation of community workspaces, hubs and public realm improvements	Levelling Up

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4 Our forward look to the 2050s

With a population set to increase to over 600,000 by 2043, it is important that the city fulfils its role as an economic driver for the City Region, presenting opportunities for growth and renewal. Sheffield should be seen as the place to live, work and play with a successful city centre and vibrant and thriving district centres serving their local communities. Across the city there will be a need to accommodate a wide range of activities and amenities which encourage footfall and provide a reason for people to visit the city centre and their district centres.

The city centre itself will become an important driver of housing growth. Bringing more people into city centres - and creating city centre neighbourhoods - will support other components that will develop as city centres transform from places traditionally associated with employment and retail into a broader offer to benefit the wider economy.

Delivering this strategic vision will not happen if we rely solely on market forces. Public sector intervention will be needed, working alongside strategic partners and key stakeholders. Key areas of investment in transforming the city will include:

- Placemaking, public realm and grey to green type initiatives
- Providing a diversified city centre offering
- Creating sustainable communities across the city
- Infrastructure

- Transport and active travel
- Homes of a variety of types and tenures
- New office developments and places to work
- Culture, arts and leisure
- City centre animation and Outdoor City.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Managing costs within budget and keeping to programme in an increasingly challenged construction sector with inflationary and supply pressures amplified by COVID-19 pandemic.	Review and manage procurement routes to secure most competitive appointments. Pass risk on the contractors when/where appropriate. Strong project management.
2	Changing UK retail market leading to lack of demand for physical retail space alongside more aggressive commercial terms being demanded.	Constant review of leasing strategy, focussing on elements that cannot be digitised such as experiential retail, food and drink, and competitive socialising. Targeting the right mix of international, national, and local brands who are adapting their business models to suit the changes in shopper behaviour and the digital world. Diversification of mix of properties as set out in section 6 of the 'New homes' priority.
3	Changing requirements for office space following the COVID-19 pandemic.	Continual review of emerging trends.
4	Lack of revenue funding for early development and feasibility works for capital projects. Lack of funding for wider Economic Development activity	Corporate Investment Fund to ensure investment in development of projects that are best aligned to Member priorities and strategic objectives for the City
5	Availability of match funding for capital investments	As above - and continue to explore and identify options for external funding
6	Uncertainty about future availability of Central Government and the replacement of European funding	Work with European funding partners to maximise current opportunities for funding, minimising risk of clawback and keep implications of Brexit under scrutiny. Work closely with the SYMCA to maximise access to Government funding.

C Climate change

Head of Service: Mark Whitworth | Head of Sustainable City

1 Background and context

The Council adopted its 10-point plan for climate action in March 2022. This plan reaffirmed the Council's commitment to become net zero carbon - both as an organisation as well as a City. The Council also made further commitments, including putting climate at the centre of its decision-making.

The transition towards a net-zero City and Council will require significant long term financial resources, as well as an acceleration in both the pace and scale of investment being made. It will also mean the council using its resources to leverage and attract considerable private sector investment into the city. Climate mitigation projects are expensive and sometimes complex and will require funding at a significantly higher level than we have seen historically. The hope is that, over time, technologies and methods developed to reduce the impact of climate change because more efficient and cost effective.

We have already committed to ensuring our budget-setting process and medium-term Financial Strategy take account of climate impact and consider appropriate mitigation measures, and that we will prioritise and identify funding and investment routes for our decarbonisation programme through work on our Investment Strategy.

The allocation of £3.5m to develop a Local Renewable Energy Programme is clearly a step in the right direction. But this sum is dwarfed by the estimated investment costs associated with achieving net zero as a Council and a City. Local Authorities simply do not have the available resources to invest at these levels. We will therefore need to collaborate and work with partners to access a wider range of funding and investment, as well as looking to more creative and innovative financial models. As mentioned above, this will include private sector funding and investment.

To do this, we will need resources to invest in feasibility studies and develop outline business cases and project proposals that will put us in strong position to secure much greater investment and funding. The council must demonstrate that it is able to deliver pilot projects that show credibility and capability in climate mitigation. Pilot project will allow the council to learn how best to develop climate strategies and will give a platform to then seek private sector investment. The council will seek additional resources over the next 1 – 3 years to fund this activity, as well as seeking further allocations of capital funding to enable the transition to net-zero carbon to move forward.

2 How do these activities contribute to ‘net zero’?

The activities that will be delivered through this programme constitute the Council’s principal climate action programme. Other programmes across the organisation will contribute towards our climate goals, and over time we need to ensure that all capital projects and programmes include sufficient budget allocations to support the delivery of net zero carbon.

The approved £3.5m Local Renewable Energy Programme will deliver projects which support the Council’s ambition to become net zero carbon, and delivery of the programme is a specific goal within the Council’s One Year Delivery Plan 2022- 23 in the ‘Delivering Clean Economic Growth’. This programme will allow pilot projects to be developed, which can than be scaled up across the city using additional grant funding, institutional investment, and private sector capital.

Currently no other capital budget has been directly allocated to support the Climate Action Programme. But revenue funding is being sought to support activities identified in section 1 (Feasibility and scoping studies, primarily related to renewable energy opportunities and energy system resilience) as well as revenue to support wider engagement activity. There is also a role for the council’s city partners in climate change mitigation projects. Work to develop collaborative strategies and joint funding opportunities is underway, as there is a need for city-wide strategy that recognises that the council is just one of a range of partners and institutions that will need to develop and invest in projects over the coming years.

3 What do we want to invest in over the next 10 years?

The transition to net zero will require significant up-front capital investment. This level of investment is beyond the reach of public finances, particularly at a local government level. Many cities are exploring alternative approaches to secure investment, such as the UK Infrastructure Investment Bank or Core Cities UK through their emerging 3Ci platform.

3Ci, founded by the Connected Places Catapult, Core Cities UK and London Councils has been created to build financial partnerships between urban investors and city leadership with the aim of accelerating Net Zero investment across the UK. It aims to bring new investment to support cities to transition to net zero.

Programmes such as these have the potential to provide cities such as Sheffield with capital investment, however, to participate the Council will need to initially fund and develop a robust investment pipeline.

Revenue funding is required to commission feasibility and commercial business case development. Capital is then needed to develop a series of pilot projects and investable propositions that build credibility and capability within the council. A revenue budget of **£1-2m** will be needed to develop the programme and a capital allocation of **£5-10m** over the next 10 years is needed to invest in projects around the city.

We must also evaluate how our existing capital programmes can be flexed to support this agenda, as its significance is expected to increase in coming years and whilst other investment will be sought, match-funding may be required to support funding applications.

4 Our forward look to the 2050s

Climate change is one of the biggest challenges of our time and its effects will become much more apparent as we move towards 2050. Significant climate adaptation costs to existing and planned major infrastructure projects and programmes will be incurred if climate goals are not achieved well before this date. If the goal of limiting global warming to 1.5°C is missed, Meteorological Office data forecasts predict that the City will face very significant climate risks, including heat wave, fire and drought, as well as increased risk of flood.

Adaptation costs for infrastructure must be built into our programmes now, and plans for mitigating the social / health impacts will also need to be developed as projects and programmes are designed.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	No revenue funding – unable to undertake further engagement activity with stakeholders	Seek Flexible Development Funding (FDF) and other sources of revenue
2	No revenue funding – unable to undertake feasibility or scooping studies, required to provide commercial investment case, funding bids etc.	Seek Mayoral Combined Authority (MCA) place-based revenue
3	Future energy system resilience – unknown risks to future growth sites/ EV / Resi/ Commercial / Ind.	Seek MCA place-based revenue stream and private sector capital
4	Climate Resilience Plan - no plan in place – risk to city/ businesses/ residents – no resources to complete this	Seek MCA place- based revenue and private sector capital. Capital funding requirements to follow
5	No capital to deliver schemes which are identified in (2/3/4)	Seek allocation from capital programme as soon as feasibilities completed. Develop investable propositions to attract institutional and private sector investment.

D PROJECTS UPDATE | Transport, regeneration & climate change

1 Projects completed in 2022/23 (Transport)

	Project and total value	Impact
1	Clean Bus Technology (£4.9m)	Improved Air Quality
2	Electric Van Trial Scheme (Van Purchase) (£0.9m)	Business confidence in electric vehicles has been radically improved, encouraging the transition away from diesel and petrol powered vans. Start of 2 year trial.
3	Electric Taxi Trial Scheme (Taxi Purchase) (£0.5m)	Taxi industry confidence in electric vehicles has been radically improved, encouraging the transition away from diesel and petrol powered vans. Start of 2 year trial.
4	Station Road / Halfway Crossing (£0.3m)	Improved access to the local area and improvement in road safety
5	Sheaf Valley Cycle Route (Phase 1) (£0.4m)	The first stage of a shift towards increasing active travel use along one of the core routes into the city
6	20MPH Zone (£0.3m)	Road safety and enhancement and reduced highway severance at three locations
7	Pedestrian Crossing Enhancements (£0.3m)	Improved access to the local area and improvement in road safety at four locations
8	Nether Edge & Crookes Active Travel Neighbourhoods (Phase 1) (£0.7m)	Improved access to the local area and improvement in road safety
9	Completion of legacy cycle scheme works (£0.5m)	Improved access to the local area and improvement in road safety
10	School Streets (£0.3m)	Improved access to the schools

2 Current projects already in delivery (Transport)

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Broadfield Road junction	£3.7m	2018/19 – 2023/24	Remodelled junction to improve bus journey times and reliability
2	Clean Air Zone Implementation	£3.8m	2019/20 – 2022/23	Infrastructure to implement Clean Air Zone Charging
3	City centre Connecting Sheffield	£14m	2019 – 2024/25	Improved Cycle Connectivity across city centre including major public realm enhancement. Improved bus infrastructure
4	Neepsend Kelham Parking Scheme	£0.6m	2021/22 – 2023/24	Regulated parking improvements
5	Abbey Lane Crossing	£0.4m	2022 – 2024	Creation of crossing point along Abbey Lane
6	Transforming Cities Kelham Island and Neepsend Connecting Sheffield *	£16m	2020/21 – 2024/25	Bus and Active Travel improvements
7	Transforming Cities Attercliffe to Darnall Connecting Sheffield *	£18m	2020/21 – 2024/25	Bus and Active Travel improvements
8	Transforming Cities South West Bus Corridors Connecting Sheffield *	£1.4m	2020/21 – 2023/24	Bus and Active Travel improvements
9	Transforming Cities Magna Tinsley Connecting Sheffield *	£5.4m	2020/21 – 2024/25	Creation of a joined-up cycle network from Meadowhall to Rotherham via Tinsley. Also, access to new tram stop at Magna.
10	Transforming Cities Nether Edge Connecting Sheffield *	£12.5m	2020/21 – 2024/25	Creation of a cycle route from Sharrow Lane Crossroads to the city centre and the Broomhall
11	Road Safety Fund Programme Connecting Sheffield	£4m	2020/21 – 2023/24	Infrastructure to support local movement and address road safety issues
12	Other Local Transport Plan	£17.5m	2022/23 to 26/27	Local transport interventions

	Project	Budget (£) (all years)	Year(s)	Outputs
13	Shalesmoor Gateway *	£22.5m	2021/22 – 2025/26	Remodelled junction to improve bus journey times and reliability and introduce access improvements to the wider area.
14	Electric Vehicle Charging Points	£0.5m	2021/22 – 2022/23	Provision of electric vehicle charging infrastructure

*Transforming Cities Fund Schemes and Shalesmoor Gateway Scheme currently approved for feasibility works only, budgets shown are indicative for full project delivery awaiting confirmation of external funding.

3 Projects completed in 2022/23 (Regeneration)

	Project and total value	Impact
1	Grey To Green 2 (Angel Street) - **£0.8m**	Safer and more sustainable transport through segregated cycling and footpaths Sustainable Urban Drainage (SUD) Enhanced public spaces
2	HoCII Block E Telephone House - **£4.5m**	Bringing back into life several previously vacant properties and improved exterior of the multi-story car park. Secure storage of bikes to enable more active travel options for users of the city.
3	Porter Brook Pocket Park Enhancements **£0.07m**	The improvement works are part of a wider strategy to enhance the area and access to the river, both in terms of improving the environment and encourage economic regeneration by creating an improved environment and setting to attract private sector led investment
4	Block B Burgess, Athol and Laycock Houses **£20.8m**	Development of 56 residential units, small office, and ground floor retail. The increased residential offer in the city centre, helping to make a more vibrant city neighbourhood
4	Temporary animation of Cambridge Street/Barkers Pool **£1.0m**	Animation of the former John Lewis Partnership building and pop-up spaces. Providing vibrancy and footfall in the area around Barkers Pool ahead of future building developments
5	Block C Isaac's Building **£20.9m**	Increased quality office capacity in the city centre, attracting inward investment. Terms being developed with 2 tenants for leasing of all floors

4 Current projects already in delivery (Regeneration)

	Project	Budget (£) (all years)	Year(s)	Outputs
1	HoCII Block H1 Leah's Yard	£12m	2021-2025	Bringing back into life an iconic heritage building. Operator now secured.
2	HoCII Block H Formerly Henrys now, Elshaw House, Cambridge Street Collective and Bethel Chapel	£57.9m	2021-2025	Increased leisure offers in the city in a cutting-edge food hall concept combined with further grade A Zero Carbon office space attracting inward investment and Jobs. Food Hall operator now secured
3	HoCII Block A 'Radisson Blu / Gaumont Building'	£48.6m	2021-2024	Development of mix of Hotel, Leisure unit. Hotel pre-let to Radisson Blue.
4	HoCII Block G 'Pound's Park'	£7.5m	2020-2024	Development of a pocket park "Breathing Spaces" funded by GBF Grant
5	HoCII Infrastructure & Public Realm	£1.4m	2018-2024	Improved street grid and high-quality public spaces and public art.
6	JLP Building Asbestos Strip-out and enabling works	£3.0m	2022-2024	Stripped out and safe building enabled for future development.
7	HoCII Block G Development Plots	£0.9m	2021-2024	Remainder of Block G site to be sold as development plots for private development of commercial space
8	Upper Don Valley Flood Scheme	£10.6m	2021-2024	Comprehensive linear flood defence to three discrete flood 'cells' within an area at high risk of flooding on the River Loxley (a tributary of the River Don) and at the confluence of the Loxley and the River Don.
9	Future High Streets Fund Public Realm	£14.4m	2022-2024	Improved City Centre Public Realm & Infrastructure
10	Future High Streets Fund Events Central (refurbishment element)	£5.6m	2022-2024	A new cultural venue that will host up to 184 events annually, attracting a total of 55,600 attendees
11	Future High Streets Fund Front Door Scheme	£3.7m	2022-2024	Landowners to benefit from grant assistance to repurpose vacant/underused space for new work and residential accommodation. The public investment will

	Project	Budget (£) (all years)	Year(s)	Outputs
				secure £26.1m of private sector investment for improvements to existing buildings on Fargate and High Street
12	Levelling Up Fund - Attercliffe - Centre for Child health technology *	£8.8m	2022-2025	4100 m2 Floorspace, 100+ jobs, healthcare facility
13	Levelling Up Fund - Attercliffe - Connection and Movement *	£4m	2022-2025	2 Improved tram stops, 5km of highway improved Secure storage for 100 bikes Site preparation for Innovation centre
14	Levelling Up Fund - Attercliffe - Adelphi Square *	£4.2m	2022-2025	1200m2 Floorspace improved 2 heritage buildings saved
15	Levelling Up Fund - Castlegate – Castle Site	£15.7m	2022-2025	Site preparation 8120sq m public realm
16	Levelling Up Fund - Castlegate – S1 Artspace *	£1.6m	2022-2025	New art galleries Learning studio
17	Levelling Up Fund - Castlegate Harmony Works *	£1.7m	2022-2025	Collaborative music and education centre 200m2 commercial space

*Levelling Up Fund schemes show indicative budgets awaiting formal submission of Business Cases

5 Current projects already in delivery (Climate Change)

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Community Renewable Energy Fund	£3.5m	2022-2025	A range of community renewable energy projects

B2 HOUSING

Increasing the City's stock of new housing – for both rent and sale - through delivery by the Council, the Council's Joint Venture, Registered Providers or private developers. Ensuring the Council's existing housing stock is well maintained for our tenants.

Director: Janet Sharpe | Director of Housing

This Committee exists to ensure the Council supports its aspiration to deliver – directly or indirectly - high quality, energy efficient housing for its citizens. It has two key areas of focus:

A. **Housing growth**: building new Council houses through its Stock Increase Programme (SIP) and facilitating the delivery of housing through other routes to ensure sufficient housing stock for our residents; and

B. **Housing investment**: ensuring existing Council housing is well maintained and as energy efficient as possible to minimise residents' cost of living.

This section will address both these areas in turn, with a combined list of projects across this Committee area at the end.

A Housing growth

Head of Service: Kerry Bollington | Head of Housing Growth Delivery

1 Background and context

Sheffield is England's fourth biggest city. In mid-2018, around 583,000 people lived in the city and by 2043 this is projected to increase to around 648,000. Over 60,000 students now live in the city. In common with other UK cities, there are very significant disparities in housing market. The city offers some of the highest quality and most affluent neighbourhoods in the country, but it also has some of the most deprived areas: 8 wards fall into the 10% most deprived in the U.K.

Sheffield currently faces significant housing challenges and needs to build around 36,000 new homes over the next 17 years, of which over half will be in the city centre and half in the suburbs. While the city is delivering against its current housing need target of around 2,000 units per annum, only one third of the approximately 900 affordable homes required per annum are being delivered.

The Council has a proposed Local Plan which will give greater clarity to the housing requirements for the City and how these will be delivered. At present, planning policy does not require a percentage of affordable homes to be delivered on market housing sites in much of the Central Area (20,000 of the 36,000). But this is being reviewed as part of the Local Plan and it is likely that we will require a contribution in all areas of the city between 10% and 30%.

We recognise that developing new homes is not without challenge: an industrial past combined with topographical challenges and segmented land ownership can mean development - particularly on brownfield sites - will not always come forward through market forces alone.

To further tackle this challenge, the Council, Homes England, Sheffield Property Association, and representatives of housing associations have this year established a joint Sheffield Housing Growth Board. Chaired by the Council's Chief Executive, this new Growth Board focuses its efforts on achieving housing targets and implementing key placemaking, environmental, and carbon reduction principles. As part of this Board, Homes England and the Department for Levelling Up, Homes and Communities (DLUHC) are well underway with considering how the Agency can best play a stronger role in securing new homes, regeneration and placemaking in Sheffield.

The Board is supported by a Joint Delivery Team, who have prepared a Land Development Pipeline and are in the process of further developing the Integrated Affordable Housing Programme (IAHP). The Land Pipeline work has resulted in an agreed top ten sites for public sector intervention which could result in c.7000 new homes, and the IAHP builds on the Council's continued commitment to meeting the need for more affordable housing.

The IAHP builds on the emerging 'Housing Strategy' and the 'Homes for All Delivery Plan' (Nov 2018). It will feature - but not be limited to - Sheffield's Stock Increase Programme (SIP), the work of the local housing company, and schemes undertaken by housing associations. It will establish a clear strategy for housing growth. Housing associations in the City have been tasked to prepare a five-year rolling programme, ramping up to 1,000 starts per annum. This compares with only 500 affordable units being delivered by RPs in the last 5 years (as at January 2022).

The current target for the SIP is to build and acquire 2,137 units over the lifetime of the current programme (to 2029). This forms part of the projected total number of new homes across the city. It is aiming to add 1,073 new properties up to 2023/2024, funded from our Housing Revenue Account and external grant funding. This will also enable us to increase the use of local supply chains and boost local employment and apprenticeship opportunities through our contracts, as we have done for many years. We will deliver this through building new Council homes, appropriating or acquiring land to build on and acquiring existing homes to bring into the Council's rental portfolio, improving the range of homes we can offer to residents.

By March 2023, the Council will deliver a city-wide Housing Growth Plan 2023 – 2028. This will build on all the partnership work already being developed. The Plan will focus on the period from 2023 to 2028, but will also take a longer-term look at the housing growth plans for the city over the next ten years in alignment with the Local Plan. The report will be supported by the new emerging Housing Strategy, the City Centre Vision, and the Strategic Asset Management plan.

In addition to the capital asks reported within this document to deliver the SIP, the Housing Growth team are working closely with external funding partners to secure inward investment into the city including South Yorkshire Mayoral Combined Authority, Homes England and other external investment institutions.

2 How do these activities contribute to ‘net zero’?

The Council will encourage high quality construction and architecturally sound designs in new developments. We also support the retrofit of existing buildings where conversion and reuse is being considered. Encouraging higher density developments - both in the city centre and beyond - and investing in infrastructure and place-based design, will encourage lifestyles that are less carbon-intensive.

New homes built through the Council’s own stock increase programme help move Sheffield City Council along the path to carbon neutrality. Prior to the 2021 Building Regulations update to Parts L and F, our thermal performance was higher than the statutory requirements. We achieved this by employing a ‘fabric first’ strategy of construction techniques and fitting mechanical ventilation and heat recovery (MVHR) units. These recover heat from outgoing stale ventilation air and use it to warm incoming fresh air, saving energy and making the dwellings healthier by doing so.

For new properties subject to the 2021 Building Regulations update, we will be removing fossil fuel use by eliminating gas boilers in favour of electrical alternatives (such as air-source heat pumps). We will also be further improving the thermal performance of our windows and doors, increasing our construction air tightness requirements and providing EV chargers in line with Regulations. The proposed 2025 Building Regulations update (to meet the Future Homes and Building Standards) will also require the addition of solar panels and battery storage to reduce electricity bills and demand on the grid. In 2029 - in readiness for hitting the Council’s net-zero target of 2030 - our plans are to introduce further increased air tightness requirements in construction.

To future proof our current new builds for future electrification of heat and hot water, the masterplanning of estates and designs of each building will ensure the predominate roof plane of each house or communal building faces south or south-west. This will allow easy and effective future fitment of photovoltaic (solar) panels to generate solar power for each dwelling. Internally, additional space will be allowed for future fitting of electrical gear, hot water storage cylinders and battery storage. Pipework and radiators will be sized to allow for future low temperature systems aligned with electrification.

To further reduce environmental impacts, we have introduced a Biodiversity Net Gain on all developments of +10% and are also including sustainable drainage systems in our plans.

3 What do we want to invest in over the next 10 years?

With the Council's emerging Local Plan, the work done with partners on the Land Pipeline, and The Integrated Affordable Housing Programme the longer-term vision for Housing Growth across the city will be further solidified in the March 2023 Housing Growth plan.

The Plan will focus on the period from 2023 to 2028 but will also take a longer-term look at the housing growth plans for the city over the next 10+ years in alignment with the Local Plan. The report will be supported by the new emerging Housing Strategy, the City Centre Vision and the Strategic Asset Management Plan.

	Project	Value	Year(s)	Funding source(s)	Outputs	Outcomes for Sheffield people
1	Strategic Site Assembly in priority locations	£10.0m	Ongoing	Corporate Investment Fund (revolving brownfield fund – sales of previous acquisitions will replenish fund)	Ha TBC of brownfield land acquired to increase pipeline	Regeneration of city centre neighbourhoods and creation of new homes to meet demand
2	Temporary Accommodation New Build – sites TBC	£18.6m	2023/24-2025/26	Housing Revenue Account	75 units to provide temporary accommodation for families and single people	Accommodation provided funded by SCC to support vulnerable people.
3	Temporary Accommodation New Build - Knowle Hill	£6.8m	2023/24-2024/25	Housing Revenue Account	25 units to provide temporary accommodation for families and single people	Increased council housing stock to improve quality and choice of homes available to address housing register demand
4	Newbuild infill/Demolition and rebuild - Gleadless Valley	£54m	2024/25 – 2026/27	Housing Revenue Account	197 general needs	Increased council housing stock to improve quality and choice of homes available to address housing register demand
5	SCC New Build Acquisitions TBC	£25.4m	2023/24-2028/29	Housing Revenue Account	120	Increase affordable housing

6	SHC New Build Acquisitions TBC	£48.5m	2023/24-2028/29	Housing Revenue Account	216	Increase affordable housing
12	Central Area Strategy Catalyst Housing Sites: • Moorfoot • Neepsend • Furnace Hill	TBC	2022-2030	SYMCA Brownfield Housing Fund and successor funds Homes England	Site assembly and preparation to enable private sector delivery of c 3,475 homes	Kickstart creation of sustainable neighbourhoods in the city centre, helping to protect the Green Belt.

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4 Our forward look to the 2050s

Long term, our ambition is to create neighbourhoods that are of mixed types and tenures, that provide well-designed, high quality new homes catering for all segments of the community including young professionals, families, the elderly, and downsizers. This will create a more balanced, diversified residential population and achieve vibrant, sustainable communities. The investment in housing should be coupled with the provision of supporting services, facilities, and amenities to support local communities.

The affordable housing need across the city will continue well into the future. We are ambitious to continue the programme post 2028/29 and are well underway with the delivery of the current Stock Increase Programme. The Council is playing an important role in addressing the increasing need but needs to continue to work actively with Registered Providers, partners, and private sectors developers to creatively influence and deliver additional affordable homes for rent and sale in the city.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	**Funding challenges** RTB 141 spending rules changes Homes England Affordable Housing Programme funding restrictions,	Close monitoring of legislation changes with ability to quickly model the impact and flex programme accordingly

	Responding to declaration of Climate Emergency and meeting requirements of Future Homes Standards Building Regulations changes, Sourcing, obtaining, appropriating, and purchasing land required to maintain delivery of affordable homes Maintaining strategic requirements and statutory obligations i.e. Nationally Described Space Standards, adaptability, specialist and supported accommodation Meeting political desire to increase number of SCC units whilst balancing HRA Borrowing versus income and associated risks Absorbing changes in construction market conditions – price increases	Continue with ongoing land assessments and work with Property to identify SCC land opportunities initially and pick up market opportunities. Close monitoring of programme, financial reporting suit and funding matrix Close monitoring of programme, financial reporting suit and funding matrix Include current industry inflation models in SIP refresh and HRA Business Plan, update models when new tenders take place and continue to work on discovering and using efficient delivery models as per point 1 above
2	**Future design challenges** Reducing Embodied Carbon in Design, Future Homes Standard Government implementation 2025 via Building Regulations update, Sheffield's Climate Emergency Declaration – Carbon Neutral City by 2030, Balancing political priorities, budgets and legislation with strategic housing requirements	Continue with New Build Carbon Assessments at early development stage to inform decisions and outcomes. Design team already working on new ideas to reduce embodied carbon in design and specification. Consult with different frameworks and contractors to assess and find the most efficient ways to deliver the programme incorporating the Future Homes Standard. Current SCC new build standard already partly way to delivering the required standard. On top of the above actions, work with Transport Planners to deliver sustainable transport and EV charging strategies for Housing in line with government guidance. Review design and space standards for all types of new build to ensure correct standard is achieved that matched strategic priorities and Local Plan aspirations
3	**Site assembly challenges** Key sites in priority locations under a variety of ownerships Existing businesses require relocation Designation of land for housing in Local Plan will increase 'hope value' of landowners	Homes England acquisitions team engaged to assemble catalyst sites. Support businesses in finding suitable alternative premises. Comprehensive master planning will help establish clear basis for compulsory purchase if necessary, helping to achieve purchases by agreement.

B Housing investment

Head of Service: Dean Butterworth | Head of Housing Investment

1 Background and context

This priority covers housing investment and asset management priorities for our Council-owned properties within the context of the wider Housing Revenue Account (HRA) business plan. The Council wants to deliver well-maintained homes that are safe and decent which will improve the quality of our existing homes and tenants' lives. We also want to minimise the volume of (comparatively expensive) responsive repairs.

Council tenants should live in safe, warm, secure, and modern properties in attractive neighbourhoods. These overarching principles inform our investment priorities. Keeping our residents safe, we are putting in place over the next five years several fire prevention and fire safety measures for high rise blocks and high-risk properties and upgrading electrics within our homes. We started the installation of fire suppression systems on four blocks in 2021/22 which is currently projected to complete in early 2023. We have started developing the fire safety work proposals to the remaining high-rise blocks during 2022 and will continue this work along with consulting with residents of these blocks into 2023/24. The proposals will include closing waste chutes in tower blocks and providing modern day waste facilities.

We will continue planned work programmes already identified as priorities with tenants, such as roofing, windows and doors, kitchens, bathrooms, and heating. These activities contribute towards maintaining homes to the government decent homes standard. The social housing white paper commissioned a review of the Decent Homes standard, and when this is published we will need to revisit our level of compliance against any new decency standards and check that our investment plans are fit for purpose.

2 How do these activities contribute to 'net zero'?

We will also continue to increase the number of homes in the Council's stock and develop a clear plan for neighbourhood environmental improvements across the city. A key priority for Sheffield is working towards the net zero carbon target for 2030 and we will be investigating the contribution we can make in council housing to reduce the carbon emissions in our stock. Our current funded investment plans aim to bring all homes to EPC level C by 2030, we have been successful in obtaining grant funding to support this target through the LAD 2 (Local Authority Decarbonisation Phase 2) and further pipeline bids for external grant funding through ECO4, Home Upgrade Grant Phase 2 and Social Housing Decarbonisation Fund Phase 2.

Currently within the 5-year housing investment plan 2023 to 2028, there is £35m funding that will contribute to reducing carbon emissions and improving the energy efficiency in the council stock. When compared with other peer social landlords, the energy efficiency of the council stock is very good, but we know we need to do more. Our plans include bringing the estimated 6900 homes that are below EPC level C up to a minimum of EPC level C by 2030. Sheffield is going beyond the government guidance on this (which is that all social housing must meet this standard by 2035).

The Housing Service will support carbon reduction through:

- Improving the fabric of homes
- Reducing energy consumption in homes
- Reducing or removing fossil fuels where practicable
- Improving ventilation in homes to reduce or eliminate mould or damp.
- Providing advice to customers
- Generating renewable electricity and
- Deliver zero carbon new build council homes.

Each of the above actions are being adopted in varying scales. The most significant areas of investment with developed delivery plans are several external wall insulation projects. These homes are some of our worst performing homes that also require remedial works to property structures. We will continue to prioritise other investment in energy efficiency homes on a ‘worst first’ basis.

Across the council housing stock, 99% of homes have their heating and hot water supplied by gas boilers. Since 2008, we have installed ‘A-rated’ energy efficient boilers in approximately 32,000 homes. In addition, we have 130 community heating boiler schemes powered by gas that will need replacing in the next 5 years. These are currently less efficient than new products on the market. We have identified several community heating sites that require boiler updates, and the proposals will reduce carbon emissions at those sites.

The investment we have made in heating has already led to a significant reduction in emissions. We are now revisiting our heating strategies and will be bringing forward revised strategies in 2023. We recognise the need to reduce our reliance on gas, but we do anticipate that gas boiler replacement will still figure in some way in any revised heating plans for at least the next 5 years. The heating obsolescence within the housing stock will require replacement before technologies – such as hydrogen - are able to deliver viable and affordable solutions. There are also technical and spatial reasons why gas will still be the most viable solution for some sites. However, we will ensure that any new gas boilers have higher levels of efficiency and are combined with other measures so that a net reduction in carbon emissions is still achieved overall.

For each project we bring forward we will look at all options and weigh up the social, financial, and net zero issues and benefits. For example, nationally an important concern amongst social landlords is that the switch to electric heating at this time will place additional financial burdens on those already in fuel poverty. Our future plans for net zero need to ensure that proposals do not increase fuel poverty amongst council tenants through the works that may be proposed, particularly in the current climate of global increases energy prices.

Estimates of the cost of the net zero challenge for the housing stock indicate that it cannot be funded from a balanced HRA business plan. External grant funding or increases in income will be needed to support further investment beyond the current plans. The final Net Zero Carbon Road Map currently being finalised by our strategic partners is anticipated to inform the investment options and solutions available to the us and of the likely costs. The outcome of this work and its implications will be reported to the appropriate Council Committees.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	External Fabric Upgrades	Render, improved cladding, roofing / rainwater goods.	Housing Revenue Account (HRA) / External Grant funding
2	Asbestos Works	Surveys and Removal Works	HRA
3	Fire Safety – High Rise and Older Persons Independent Living (OPIL) Schemes	New sprinkler and fire suppression systems	HRA
4	Environmental Works (including Boundary Walls and Fencing)	Attractive and safe environment around homes	HRA
5	Door Entry Upgrades	Replacement of old systems and door upgrades	HRA
6	Community (District) Heating	Boiler and network upgrades, new radiators and insulation	HRA

7	Gleadless Valley Regeneration	A range of work to regenerate housing and HRA owned land. This includes refurbishment, remodelling and replacement housing, environmental and green space improvements	HRA
8	Lifts	Replacement lifts across the estate	HRA
9	Waste Management	Accessible and clean waste facilities that support recycling	HRA
10	Carbon Reduction Projects	Energy efficient homes	HRA / External Grant funding where available
11	Edward Street Flats Refurbishment	Warm, weathertight and safe homes	HRA

4 Our forward look to the 2050s

Investing in stock condition surveys has allowed us to build an asset management database of stock needs beyond 2050. Regular updates to the data will build confidence when further reviews are undertaken. Lifecycle modelling within the database indicates that typically the existing stock of around 38,000 will require annual investment of £50m per annum (unadjusted for inflation) to stand still. To maintain the decent homes standard, investment in elements such as kitchens, doors, bathrooms, heating, windows, and doors will need a significant slice of the investment plan. The new build housing currently in progress will require further capital investment.

By 2050 elements of fire safety work currently in progress will need to be replaced as will new heating solutions should we aim to meet the challenges of net zero by 2030. These items of investment are not one-off costs to homes.

Most of the housing stock in 2050 will be 80-110 years old and inevitably will require substantial investment. This may not be sustainable or adequately meet the housing needs of the city. Appraisals of the housing stock at an estate and property type basis will proactively be undertaken and it is likely that regeneration in some areas is the right solution for the city. This will require funding through a structured investment programme.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Construction industry cost inflation and increase in interest rates	Modelling inflation / interest rates through the asset management database and Housing Revenue Account (HRA) Business Plan and the effect of changes on the programme. Reviewing levels of contingency and risk at project level. Maximising economy of scale principles through smart procurements.
2	Fire Safety legislation and skills shortages	Work with the Fire Safety Board, government bodies to ensure the full implications are understood and planned for. Investment in staff.
3	Social Housing White Paper indicates greater regulation of the social housing sector	Prioritising investment in safety compliance works and decency works. Increasing tenant engagement and scrutiny role.
4	Increase in the number of 'right to buys' which reduces the levels of Council-owned stock	Modelling within business planning to mitigate funding pressures; build and acquire new Council houses (see 'Housing Growth' section) and maximising grant from the Government to reduce costs for the HRA Business Plan
5	Funding to achieve net zero in housing	Complete roadmap work to have certainty on the funding needed and maximise grant bid submissions for Sheffield City Council
6	Lack of trained / accredited skilled personnel within Sheffield City Council and contractors in the field of retrofit work	Investing in staff training and working with government and contractors to develop the skills and knowledge in the sector

C PROJECTS UPDATE | Housing

1 Projects completed in 2022/23 (Housing Growth)

	Project and value	Impact
1	Adlington Road Older Persons Independent Living - £23.7m	132 new housing units

2	Adlington Road LD Accommodation - £1.4m	6 new housing units
3	Daresbury / Berners General Needs - £12.6m	73 new build completions for general needs housing
4	Baxter Court Temporary Accommodation Acquisitions - £1.3m	Acquisition of 9 x 2 bed apartments
5	Council Housing General Acquisitions - £8.5m	Acquisition of approximately 80 existing properties for general needs

2 Projects completed in 2022/23 (Housing Investment)

	Project and value	Impact
1	Local Authority Decarbonisation (LAD 2) Grant Works (£3.5m)	120 Council homes, 255 Private homes (Non HRA) benefitting from energy efficiency work
2	Roofing replacements programme (£9m)	1386 new roofs completed – this contract was terminated early due to the contractor entering into administration.

3 Current projects already in delivery (Housing Growth)

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Newstead Older Persons Independent Living	£28.1m	2022-26	141 new housing units
2	Hemsworth Older Persons Independent Living	£20.2m	2022-25	81 New Housing Units
3	Corker Bottoms General Needs Acquisitions	£8.3m	2022-24	47 New Housing Units
4	Move On Accommodation	£1.4m	2022-24	9 New Housing Units

	Project	Budget (£) (all years)	Year(s)	Outputs
5	Handsworth General Needs Acquisitions	£4.7m	2022-24	28 New Housing Units
6	Owlthorpe Shared Ownership Acquisitions	£2.6m	2022-24	15 New Housing Units

4 Current projects already in delivery (Housing Investment)

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Obsolete Heating	£1.9m	2022-23	1,056 replacement boilers and / or heating systems installed
2	Heating Breakdowns	£0.73m	2022-23	460 Heating breakdown replacements
3	EWI Package 2	£13.2m	2022-24	117 Airey properties refurbished
4	EWI Package 3	£10.4m	2022-24	External Wall insulation to 255 non-traditional properties
5	Asbestos Surveys	£0.550m	2022-27	7279 properties Surveyed
6	Asbestos Removals	£0.236m	2022/23	40 properties and communal areas
9	Electrical Upgrades Phase 2	£21.8m	2021-24	18,000 properties included for electrical rewiring
5	Single Staircase Tower Blocks (SSTB's)	£10.2m	2020-23	4 Tower Blocks Fire and Health & Safety Measures
10	Adaptations (ongoing programme)	£8.9m	2022-25	2,400 properties anticipated to receive adaptation works
11	Stairlifts (Adaptations)	£1.5m	2022-25	631 stairlifts installed
12	Tower Block Flat Roofing Replacement	£3.1m	2022-26	18 Tower Block Roof replacements
10	Elementals 2021-26	£14.4m	2022-26	Kitchen, bathrooms, windows, doors, electrical and loft insulation upgrades as required to 3399 properties and 552 void properties.

	Project	Budget (£) (all years)	Year(s)	Outputs
11	OPIL Laundry Upgrades	£0.3m	2022-25	88 Laundry facilities upgraded
12	CCTV refurbishment and upgrade	£0.373m		Upgrade 34 existing CCTV systems and install 6 new CCTV systems to housing sites

B3 EDUCATION, CHILDREN & FAMILIES

We want all people in Sheffield to feel safe, happy, healthy, and independent: to love living here. We want them to have access to a wide range of educational opportunities to support and enable them to achieve their full potential

Directors: Andrew Jones (Acting Director of Children's Services) | Greg Fell (Director of Public Health) |

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This Committee exists to ensure the Council supports children, young people and their families. It has six key areas of focus:

1. Giving everyone the best start in life
2. COVID-19 recovery for children and young people
3. An exemplar in children's services and support our Children Looked After to achieve their full potential
4. Delivering effective Special Educational Needs and Disabilities (SEND) services
5. Reducing exclusion in all its forms
6. Maintaining schools to ensure they are safe, warm, and dry.

Every single person in Sheffield should be able to achieve their full potential. However not all children and young people have the start in life that they deserve, and there are increasing numbers of vulnerable children whose safety we have serious concerns about. Despite huge strides over recent years, substantial educational inequalities remain in the city and are likely to have been exacerbated by the pandemic – this will be a key focus for our work.

As in the rest of the country, we face a significant and unresolved crisis in children's social care, with the complexity and demand for services increasing, an increasingly stretched workforce, and a decade-long underfunding of services by central Government.

In the longer term, we want people to be able to take charge of their wellbeing and support them to stay fit and healthy throughout their lives, so fewer people reach crisis point. That should mean more children able to live safely at home, more children who have had an excellent start in life, more people with physical and learning disabilities able to play a full part in society. This does not mean that we will stop being a council that provides excellent quality care and support for those who need it – that will always be a core part of who we are – but if we are able to make that shift it will result in fewer people needing that intensive support.

A significant element of our Capital and Growth Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. Over the years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary. These are shining examples of the new education facilities available to Sheffield children.

Our capital investment strategy is currently centred on four key areas:

A. **Building condition** of our school estate
B. **Basic need** – ensuring there are enough mainstream school places to meet demand
C. **SEND sufficiency** – ensuring the right provision in the right place for pupils with special educational needs and disabilities
D. **Children Looked After** – ensuring the right facilities are in place for children in residential care.

This section will address each of these areas in turn, with a combined list of projects across this Committee area at the end.

A Building condition of our school estate

Head of Service: Mark Sheikh | Head of Business Strategy

1 Background and context

The Council has a responsibility to ensure the school estate for which it is responsible (community schools) is fit for purpose. The backlog of maintenance remains significant. However, progress is being made with a programme of projects to address key issues, prioritised through a survey programme and funded by the annual Schools Condition Allocation (SCA) of capital grant funding. The need far outweighs the funding allocated annually and continues to present a significant challenge. The maintenance backlog is estimated at £45m for 72 maintained schools.

It is important to maximise all capital grant funding available to the Council. This includes successful application to the Department for Education School Rebuilding Programme to rebuild Brunswick Primary school. It has also recently been announced that further bids in relation to Pipworth, Lydgate Junior, Carfield, Ballifield and Lowfield have been successful. We will be revisiting our capital investment strategy because of this announcement.

There are significant risks associated with the statutory duties placed on the local authority regarding SEND, within the context of rising demand with limited resources. There is a financial shortfall, which is unlikely to be met through additional funding from the

Department for Education. Alternative sources of support will be required. Demand for SEND places is forecast to rise by 30% - 50% in the next 5 years - the variation in this forecast is due to different potential scenarios for number of learners supported in mainstream. Whilst there are two new special schools in the pipeline (due September 2022 and 2023), further growth is required.

Sufficiency of local placement remains a priority for the Authority. We need to consider development of our own residential provision. There is a strong business case for expansion of children's social residential estate, including the possibility of income generation from other local authorities, which will rely on Council funding as well as external grants.

2 How do these activities contribute to 'net zero'?

The primary environmental impacts of this priority area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements. The scale of this challenge cannot be underestimated. Further information is contained in the 'Essential compliance and maintenance' priority later in this Strategy.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Building Condition	Programme of repairs and upgrades to a range of schools. Maintaining schools to ensure they are safe, warm, and dry.	Capital Grant – Education and Skills Funding Agency
2	School Rebuilding Programme	Programme to rebuild schools in the highest condition need. Providing new state of the art buildings that are built to meet net zero targets	Department for Education funded project

4 Our forward look to the 2050s

- Critical tipping point in building repair reached if a target baseline on mounting backlog of maintenance is not set and achieved.
- Potentially all schools transferred to Academy status.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Backlog maintenance is currently estimated at £45m for 72 maintained schools.	Prioritise repairs on a ‘worst first’ basis, whilst aggregating requirements wherever possible to maximise efficiency of delivery. Continue to lobby DfE for additional funding. Consider making funding requests to the Corporate Investment Fund to tackle this backlog, Opportunities for SCC Schools to be included in DfE funded significant refurbishment and rebuild programmes will be maximised
2	Existing resources of around £3m annually are largely absorbed by reactive maintenance and essential programmes such as Fire Risk mitigation. Using current SCA allocation it would take us over 12 years to fully implement lifecycle maintenance.	
3	Annual reduction to the Building Condition Grant allocated to Local Authorities as more schools’ transfer to Academy Status. Demands on the capital budget will also decrease proportionately. However, significant challenges relating to the condition of the primary estate remain.	

B Basic need – ensuring sufficient mainstream places

Head of Service: Sam Martin | Head of Commissioning

1 Background and context

A significant element of our Capital and Growth Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. Over the years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary. These are shining examples of the new education facilities available to Sheffield children.

We have secondary school pressures, particularly within the Southwest of the city, for which we are using £14.7m of Basic Needs funding and the Council have agreed for up to £1.5m Council funding to provide permanent and temporary places. We have further secondary school pressures in the East of the city and are exploring options to provide more places in this area. The Council has now received details of its Basic Need Funding Allocation up to 2024/25, these total £9.8m. Existing commitments from this and balance brought forward from previous years leaves £5.5m available for investment. It was agreed at the Education, Children and Families Policy Committee in November 2022 that up to £5.5m could be used to meet demand for secondary school places in the East of the city (School Planning Area 5).

Most of our primary schools will be experiencing falling rolls and have surplus places due to a period of low birth rates, so we are working with the sector to manage this decline in demand and remain sustainable. However, there are some primary hotspots where demand is forecast to increase due to new housing, so we are currently looking to expand two primary schools to meet localised demand in these areas. Section 106 monies are available to contribute towards these projects, however until feasibility studies are complete, we will not know if the S106 funding will cover all the costs, so other funding will be required.

We are forecasting some surplus secondary school places towards the end of the decade and will need to plan for this, so we make effective use of the school estate. For example, we may seek to utilise surplus space for Post 16 or SEND provision, and there may be a capital requirement for this.

Sheffield's Local Plan aims to deliver 2,100 new homes per year between 2019 and 2039. We need to plan for and potentially provide additional primary and secondary places where new housing developments increase the pupil yield. We will seek developer contributions where additional school places are necessary, but other funding may also be required.

Key points:

- Secondary school expansions in Southwest and East
- Primary school expansions in North and East
- Increased pupil yield from new housing developments

2 How do these activities contribute to 'net zero'?

Climate Impact Assessments are completed for all school expansion proposals. Expanding schools in areas of high demand means children can access a local school and thus reduces travel needs. The Capital Delivery Service, Finance and Commercial Services and the Sustainability Team will work with contractors to ensure the climate impact is considered and mitigating factors are included.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Statutory Delivery of mainstream school places	Expansion of secondary school places within the city, particularly in the East, for peak in 2023/24. Another peak is forecasted for 2027/28 so further expansions may be required. Expansion of primary school places within the city, particularly in localised hotspots of high demand in the North and East due to new housing developments.	Department for Education (DfE) / Education & Skills Funding Agency (ESFA) / Sheffield City Council
2	Post 16 Sufficiency Review	Increase of Post 16 places likely, with the potential requirement of capital investment.	DfE / ESFA / Council

4 Our forward look to the 2050s

- Local Plan ambition to deliver 2,100 new homes per year between 2019 and 2039 – we need to analyse the plans and calculate likely pupil yield as we may need to provide additional primary and secondary school places where pupil yield is increased.
- Managing falling rolls in secondary schools and the impact of not securing future Basic Need capital, whilst managing hotspots of continued/increased high demand.

- Patterns of migration have been based on more recent migration into the city (e.g., Hong Kong, Ukraine), however there is a risk of uncertainty of how migration patterns may change over time and impact the demand for school places.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	**School Places:** The Local Authority has a statutory duty to provide sufficient pupil places. However, there is a risk that the Basic Need capital grant allocated to support expansion projects will be insufficient – the allocation for the city is fully committed until 2024/25. The DfE provide updated capital allocations annually. We are expecting the next funding allocation confirmation in Spring 2023. We will then receive the funding allocation in 2025/26.	An ongoing review of all pupil places. Continue to raise the profile of statutory duties and to lobby national government. The Local Plan has improved our opportunities to secure developer contributions through Section 106.
2	**Post 16 Capital:** Following Post 16 Sufficiency Review there may be insufficient capital to intervene in the market if required.	Ongoing capital discussions linked to sufficiency review and any future Post 16 capacity fund that may be implemented by DfE to support capital investment and growth of Post 16 places.

C SEND sufficiency

Director: Joe Horobin | Director of Integrated Commissioning

1 Background and context

Under the 2014 Children and Families Act, the Local Authority has a statutory duty to provide sufficient school places for children and young people with special educational needs and disabilities (SEND). Since 2014, Sheffield has seen significantly increasing demand for specialist places for children and young people with SEND.

Since 2018, the number of special school places in Sheffield has been increased by 20%. Looking ahead, continued pressure is expected, with 300 additional special places forecast to be needed in the next five years (there are currently approximately 1500).

This rising demand presents key risks, include the potential for an increase in high-cost independent placements due to lack of physical capacity in Sheffield. Capital investment must be managed carefully, as the allocation from the Department for Education does not appear to be sufficient.

To do this, strategic work is focusing on long-term sustainable solutions, this includes focusing on mainstream, developing special free school bids to provide sustainable special school places, and improving post 16 provision.

2 How do these activities contribute to 'net zero'?

The primary environmental impacts of this priority area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements.

For SEND, a key contributor is the significant use of buses and taxis outside the Council's own fleet for transportation for SEND pupils. These issues are being considered when identifying the location of new schools and targeting activity in mainstream – to reduce travel across the city.

3 What do we want to invest in over the next 10 years?

	Priority / Project	**Impacts**	**Potential funding source(s)**
1	Integrated Resource Growth	Double number of IR places in the city – 300 place increase, reduce demand on special through mainstream places.	High Needs Capital

2	Joint Free School bid with Barnsley	100 additional special school places for children with complex autism. Profile of school matched to high-cost independent settings to reduce expenditure on independent and out of area places.	High Needs Capital
3	Alternative Free School bid	100 new alternative provision school places – places will be designed to prevent exclusion and escalation of needs to settings such as Social, Emotional Mental Health special school or independent places.	High Needs Capital
4	Relocation of Kenwood School	Need to relocate as Moncrieffe and Kenwood buildings not suitable in long-term. Impact of high quality local special school provision, possible capital receipt from Moncrieffe and Kenwood.	High Needs Capital Capital receipt
5	Post 16 Growth	Provide capacity for growth in post 16 of up to 300 places, provision of places will increase flow through system, releasing special school places for younger year groups.	High Needs Capital
6	Adaptations	Accessible maintained schools for children with complex needs.	High Needs Capital

4 Our forward look to the 2050s

It is likely that pressure relating to SEND will continue for the foreseeable future, growth in demand for SEND places is currently bucking wider trends such as falling birth rates. This doesn't appear likely to change in the immediate future.

The national policy direction in this area is unclear, The Government has produced a Green Paper, with a greater emphasis on inclusion, but the timing of implementation is not clear. A possible change of Government in 2024 may also impact on the policy direction in this area.

The legacy of Covid in relation to SEND should become fully apparent in the next few years. There is a risk of greater demand relating to SEND, due to significant periods of missed school, as well as other factors such as family loss and trauma.

Despite the uncertainty, through all our work we are looking to bring the SEND system onto a stable footing, with a clear focus on delivering sustainable, long-term schemes, whilst managing day to day pressures. By 2050 we would hope to be a long way into working in this way.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	High demand for SEND places	Development of integrated resources to meet need earlier. Long term sustainable developments to increase special places in a controlled manner – Free School bids, post 16.
2	Insufficient capital funding from the Department for Education	Strategic modelling of capital funding demands for next five years. Close working with corporate colleagues to identify opportunities to exploit other funding sources outside DfE to meet needs of SEND and the city.
3	Below average mainstream inclusion	Working with Education and Skills on Inclusion Strategy. Working with sector to understand barriers to inclusion and address. Strategic emphasis on mainstream through developments of integrated resources.

D Children Looked After

Head of Service: Victoria Gibbs | Head of Children's Commissioning

1 Background and context

We want to be an exemplar in children's services and support our Children Looked After to achieve their full potential.

Sufficiency of local placement remains a priority for us. We need to consider the potential to develop our own in-house residential provision in order for the Council to meet its statutory duty 'to secure, so far as reasonably practical, sufficient accommodation for looked after children [in their local authority area] in order to enable a child to stay at the same school and near to family where contact can easily take place' (Section 22G, The Children Act 1989).

There is a clear increase in demand for residential placements which supports the business case for expansion of children's social care residential estate, however, challenges around the revenue costs of existing in-house residential provision make the case for prudential borrowing very challenging. Developments would only be possible through external grants or potentially with funding being allocated from the Corporate Investment Fund.

Nationally, numbers of Children looked after (CLA) are increasing. At the end of March 2022, they stood at 82,170 - up 2% on 2021. Post-pandemic increase in demand is being evidenced across Children and Families services, impacting on unemployment and family debt - leading to more domestic violence, substance misuse, emotional and mental health issues.

Sheffield has experienced an increase in demand for placements. At the end of March 2020 (when the Covid 19 pandemic and the first lockdown began) the CLA population was 628 children. This increased sharply, peaking at 697 then reducing and stabilising to 674 as at October 2022. The increase in demand has led to an increase in external residential placements and an increase in costs (alongside a reduced supply of placements). We therefore need to consider developing local residential provision.

2 How do these activities contribute to 'net zero'?

Buildings to increase provision of children's social care residential placements within the city will reduce the need for out-of-city travel. Best practice heating systems - such as air source heat pumps (ASHP) - will be considered in any buildings. Consideration will also be given to improving the environmental performance of our buildings at the same time as undertaking repairs and larger scale maintenance.

The main climate impacts associated with increasing Sheffield's children's homes residential estate are the building construction specification, including energy efficient design and impact of materials used. It is proposed to take a 'fabric first' approach to ensure the building envelope is as efficient as possible. ASHP will be considered for heating, which will have a significant impact on carbon emissions, especially as grid electricity decarbonises more and more over time. The embodied carbon of materials used in construction would be investigated further as any design develops and lower embodied carbon materials used where possible. Full assessments - specifying suitable mitigation measures - will be conducted as projects move into more detailed business case and design stages to ensure specific carbon reduction measures and targets are carried through into project delivery.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	2 bed placements for children with exceptionally complex needs requiring smaller group living	• improve placement choice for children and young people • increase the number and range of local, in city care placements, including improved occupancy across existing residential estate • care for young people closer to home • support a return for children and young people to Sheffield in line with their Care Plan • reduce reliance on independent provision • stabilise placement overspend • alleviate future year pressures • provide stability for children and young people • ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination	Current revenue costs for in-house placements are high – risk that in-house provision could be created at a greater cost than external placements. If in-house residential delivery costs can be reduced, then there may be a case for prudential borrowing against savings to the placement budget. Alternative Corporate Investment Fund (CIF)
2	2 bed children's home for young people with complex learning difficulties and disabilities.	• improve our placement choice for children and young people • increase the number and range of local, in city care placements, including improved occupancy across existing residential estate • care for young people closer to home • support a return for children and young people to Sheffield in line with their Care Plan • reduce reliance on independent provision • stabilise placement overspend • alleviate future year pressures • provide stability for children and young people • ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination	
3	Loans for Foster Carers	Increase number of In-House Foster placements in the city Under the scheme Foster Carers may apply for a loan to extend or adapt their home to support additional foster placements. Loans are secured as a legal charge for 5 years, after which the loan will not be repaid if conditions have been adhered to. The cost of this measure is anticipated to be met by diverting funding from the placement budget by reducing the need for IFA's. This assistance will help increase the supply of available	Prudential Borrowing

		foster placements in the city and thereby reduce the annual cost burden of using Independent Fostering Agencies.	
4	Secure Children's Home	Maximise revenue potential from other Authorities by creating a second 12 bed secure home based on Aldine House, to meet national need.	Initial feasibility indicates that this would cost around £35m, this project would only be feasible if funded though external grants and is therefore not being progressed at this time.
5	6 bed home for children with learning difficulties and disabilities.	• improve our placement choice for children and young people • increase the number and range of local, in city care placements, including improved occupancy across existing residential estate • care for young people closer to home • support a return for children and young people to Sheffield in line with their Care Plan • reduce reliance on independent provision • stabilise placement overspend • alleviate future year pressures • provide stability for children and young people • ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination.	Already allocated from CIF Current revenue costs for in-house placements are high – risk that in-house provision could be created at a greater cost than external placements.
5	4/5 bed children's home	• improve our placement choice for children and young people • increase the number and range of local, in city care placements, including improved occupancy across existing residential estate • care for young people closer to home • support a return for children and young people to Sheffield in line with their Care Plan • reduce reliance on independent provision • stabilise placement overspend • alleviate future year pressures • provide stability for children and young people • ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination	Current revenue costs for - house placements are high – risk that in-house provision could be created at a greater cost than external placements. If in-house residential delivery costs can be reduced, then there may be a case for prudential borrowing against savings to the placement budget. Alternative CIF

4 Our forward look to the 2050s

Looking ahead further than ten years is probably too far ahead given the current landscape. We will of course continually revisit our investment strategies as time progresses and circumstances change.

5 Key challenges and how we are addressing them

<table>
<tr><th></th><th>Challenge</th><th>Actions to address</th></tr>
<tr><td>1</td><td>Post pandemic increase in demand for Children’s Social Care is being evidenced across Children and Families services, impacting on unemployment, and family debt leading to more domestic violence, substance misuse, emotional and mental health issues.

Sheffield has experienced an increase in demand for placements. At the end of March 2020, when the Covid 19 pandemic and the first lockdown began, the looked after children population was 628 children this increased sharply peaking at 697 then reducing and stabilising to 674 at October 2022.

The increase in demand has led to an increase in external residential placements, an increase in costs, alongside reduced supply of placements.</td><td rowspan="3">Consider development of further in-house provision.

Current residential overspend could be addressed through review and realignment of staffing structures.

A clear business case approach to capital investment will focus on ensuring the impact of any changes is effectively monitored and achieving the outcomes set out.

Long-term sustainable developments that provide care closer to home.

Increased sufficiency will reduce the reliance on the external placement market.</td></tr>
<tr><td>2</td><td>Increased complexity - there is an increased demand for placements that meet the needs of looked after children with very complex needs, including increasingly poor emotional wellbeing among young people, presenting with complex and challenging behaviours, requiring placements that provide an intensive trauma informed approach and young people with extremely complex learning difficulties and disabilities.</td></tr>
<tr><td>3</td><td>Lack of market capacity - the capacity in both the in-house placements and the independent sector has not kept pace with demand. This has resulted in reduced choice of placements and therefore proportionately more young people being placed in residential accommodation and proportionately fewer children placed in foster families. This can be further impacted by providers exiting the market leaving the LA in a position to identify alternative provision at little or no notice.

The Placements Team are searching for a high number of placements from the external sector, competing with other Local Authorities.</td></tr>
</table>

4	**A 'dysfunctional' market** - the Competition and Markets Authority (CMA) report, March 22, confirms that the market in care placements has become increasingly 'broken'. It found: • a shortage of appropriate places in children's homes and with foster carers, • children are not getting the right care from their placement, • children are being placed too far away from where they previously lived, • children being placed away from their siblings • lack of placements means that high prices are often being paid by local authorities. • the total income of the largest 20 providers was more than £1.6bn. • the top 10 children's homes providers make up 33% of private homes • the top 10 providers of children's social care placement made more than £300m in profits in the last year. Currently 83% of the children's residential care market is owned and operated by the private sector. The recently published Independent Review of Children's Social Care May 2022 identified: • Weak Oversight - the Competition and Markets Authority (CMA) has expressed concern about the risk of unmanaged exit by large children's home providers due to their levels of debt and dominance of the market. • High cost and Profiteering - the average operating profit made by private residential children's home providers has increased over time. The CMA found that profits in the children's residential home sector increased from £702 to £910 per child per week, between 2016 and 2020 averaging 22.6%.	

E PROJECTS UPDATE | Education, Children & Families

1 Projects completed in 2022/23:

Building condition

	Project and value	Impact
1	FRA Works x 6 sites £1.7m	Ensuring fire safety at six school sites
2	Structural Works x 3 sites £1.8m	Ensuring the structural integrity of three school sites is maintained
3	Heating and Mechanical Works x 2 sites £301k	Undertaker heating and mechanical works at two sites
4	Lowfield Chimney £29k	Chimney repair

SEND sufficiency

	Project and value	Impact
1	Discovery Special School (£0.8m abnormal costs only DfE meeting main build costs)	New special school providing 80 places.
2	The Bridge Expansion (£3m)	Expansion to 90 places for Talbot and Seven Hills
3	Greenhill Integrated Resource (£0.16m)	12 Integrated Resource places for children with communication/interaction needs.
4	Acres Hill Integrated Resource (£0.1m)	10 Integrated Resource places for children with communication/interaction needs.

Children looked after

	Project and value	Impact
1	Aldine House 2 Bed Extension and MUGA (£2.9m)	Increased beds and facilities for looked after children in need of secure accommodation for both Sheffield Children in Care but also increase sufficiency in the national market.
2	Care Leaver Accommodation (£1m)	Delivered 6 trainer flats for care leavers transitioning to independent living.

2 Current projects already in delivery:

Building condition

	Project	Budget (£) (all years)	Year(s)	Outputs
1	FRA Works x 4 sites	£1.8m	2023-25	Fire safety enhancements to properties
2	Nether Green Junior Roof	£1.4m	2023	Safe secure and water tight building
3	Waterthorpe Roof	£0.9m	2022-24	Safe secure and water tight building
4	Carfield Roof and Windows	£1.8m	2022-24	Safe secure and water tight building
5	Abbey Lane RAAC Roof planks	£0.5m	2023-24	Safe secure and water tight building
6	Heating Programme x 5 sites	Costs TBC at feasibility stage only	2022-24	Warm / energy efficient buildings

Basic need

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Silverdale School Expansion	£7.5m	2022/23 – 23/24	Permanent expansion to accommodate additional 60 mainstream pupils per year group plus additional Post 16 and SEND places
2	King Ecgbert School Expansion	£6.5m	2022/23 – 23/24	Permanent expansion to accommodate additional 47 mainstream pupils per year group plus additional Post 16 and SEND places
3	Manor Lodge Primary School Expansion	£50k feasibility costs only	2022/23 – 24/25	Permanent expansion to accommodate additional 15 pupils per year group
4	Wharncliffe Side Primary School Expansion	£50k feasibility costs only	2022/23 – 24/25	Permanent expansion to accommodate additional 10 pupils per year group

SEND sufficiency

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Free School 2	£0.8m	2024	80 special school places
2	Malin Bridge Integrated Resource (IR)	£0.4m	2023	20 Integrated Resource places
3	Stannington Infant IR	£0.4m	2023	10 Integrated Resource places
4	Stocksbridge High IR	TBC (Feasibility)	2024	20 Integrated Resource places

Children looked after

	Project	Budget (£) (all years)	Year(s)	Outputs
1	2/3 bed smaller group living children's home for young people with complex needs	£590K	22/23/24	Deliver a new build 2-bedroom children's home that can scale up to provide support for 3 young people with additional vulnerabilities

B4 COMMUNITIES, PARKS & LEISURE

Capital investment in this Committee area is focused on improving people's quality of life by investing in their local communities. Every part of our city should have a clean physical environment with well-maintained green and open spaces, sports, leisure and library facilities that are accessible to all. We also want to see happy, safe young people who have the start they need for the future they want.

Lead Directors: Lisa Firth (Culture and Environment) | Dawn Shaw (Libraries, Learning, Skills and Communities)

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This Committee area pulls together capital investment priorities from several areas. Investment in leisure facilities and green and open spaces is now combined with an emerging priority of investing specifically in young people in our communities, centred on bids to the Youth Investment Fund.

This section of the Capital Strategy is therefore split into two main areas:

1. Parks, leisure and libraries; and
2. Youth investment

A Parks, leisure and libraries

Heads of Service: Ruth Bell (Parks and Countryside) | Tammy Barrass (Sport, Leisure and Health) | Ellie Fraser (Bereavement and Coronial) | Hilary Coulson (Libraries, Archive and Information)

1 Background and context

We care about making Sheffield's neighbourhoods clean, green and safe places to live. We will listen to our residents about the things that matter to them, making improvements and getting the basics right.

We can achieve this by putting investment into activities that:

- Improve public health by ensuring that people have access to green and open spaces which are well-managed and maintained
- Provide people with access to quality sports, leisure and play facilities; and
- Deliver investment into the communities which need it most.

We will continue investing in our parks and green and open spaces, working with communities, Friends Groups, and relevant stakeholders. We will also continue to deliver our Trees and Woodland Strategy.

Funded primarily from contributions from developers (which must be spent on green spaces), Public Health monies (committed to reduce health inequalities in green spaces) and external funding (through bidding processes), we're focused on our aims to restore and enhance civic pride in our parks, green spaces, naturalistic sites, playgrounds and recreational facilities. We are ambitious for these precious assets and are investing as much as we can to sustain and enhance 'fit for purpose' green spaces with a focus on accessible, inclusive, safe, enjoyable, and well-used.

The Council undertakes a wide range of improvements, including restoring green spaces, enhancing biodiversity and heritage value, replacing damaged, worn, and dated playground and recreational equipment, improving inclusion through design, and promoting accessibility for all our citizens. Promoting accessibility is also achieved through the renewal of infrastructure such as footpaths, stiles, aiding interpretation, and measures that reduce vandalism and fear of crime.

Local authorities have a statutory duty to improve the health of the people who live in their areas under the 2012 Health and Social Care Act. The importance and significance of well designed, safe, and accessible green space in achieving this duty should not be underestimated. Sheffield has a proud tradition of varied and beloved parks and green spaces. This priority demonstrates our commitment to ensuring the high quality of those spaces is maintained and improved upon, even in challenging financial circumstances.

The link between health and green spaces has become evident over recent years with GPs prescribing outdoor activities in nature as an alternative to traditional medicines in some cases. In more recent times, the importance of access to quality outdoor spaces was brought to the forefront of the nation's mind through the COVID-19 pandemic. During national (and local) lockdowns, residents visited green spaces for their daily exercise and to help their mental wellbeing during a time of crisis. Record numbers have been seen in many parks and countryside spots. This significantly increased use of local green spaces has continued beyond lockdowns which may indicate a reconnection with green spaces that will last for a generation.

2 How do these activities contribute to 'net zero'?

Investment in our leisure facilities will not only improve financial viability and long-term sustainability of our services, ensuring that facilities are up to date, relevant and based on evidenced need. It will also support delivery of the Council's commitment to the climate emergency by improving the environmental sustainability of facilities.

For example, we know that swimming pools utilise a significant amount of energy. The water needs to be constantly heated, circulated and filtered. We will look at options to improve energy efficiency, such as installing systems to control the flow of water through pumps which can help to cut down on the power used. Further detailed work will be undertaken to inform an Environmental Impact Assessment for each site. But we envisage that investment in new facilities will improve energy efficiency and enable more environmentally friendly management.

The cremators at City Road Crematorium were recently replaced after they were unable to meet the latest environmental standards and became difficult (and increasingly expensive) to maintain. The replacement of this important facility helps ensure that Sheffield has an appropriate, sustainable cremation service in the city that caters to the needs of bereaved families.

In partnership with the Football Foundation, the Woodbourne Road project will enable us to undertake research into recyclable carpets with organic infill materials. Although a range of materials are available, we have limited experience of them in the UK climate and on pitches with high levels of use. The Woodbourne Road Testbed Project - if approved - will enable us to test the performance, durability, longevity and availability of a range of sustainable pitch surfaces. Investing into a multi-pitch site for the purpose of 'real-life' research of different pitch systems would provide a unique opportunity to gather objective 'live' performance data. The Sheffield Test Hub would provide a platform for innovation and incentivise the industry to push forward with better performing and more environmentally sustainable artificial pitches.

Across our green and open space activity:

- Quality recreational spaces locally reduce the need to travel further afield to access the great outdoors
- Habitat enhancement works within green and open spaces including: quality management of woodland estates, tree planting, meadow creation, peatland restoration in the eastern moors, wetland management and creation all contributes to carbon capture
- Improved health and wellbeing through access to local natural sites and recreational spaces reduces demands on NHS and Health Service resources
- Active travel is encouraged and where possible supported as part of improvement projects within green and open spaces

Within our Library estate many of our buildings are older and requiring maintenance. We will work with others across the Council as we review our community buildings to ensure these are fit for purpose and sustainable, acting as a focal point for local communities to come together as well as providing access to books, computers, and community events.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Leisure Investment Review	Improve core sport and leisure facilities so they are modern, welcoming, inclusive, and meet the needs of everyone in Sheffield helping more people to be more active which will benefit health and wellbeing and contribute to reducing health inequalities. Investment in facilities will support Climate Action by contributing to carbon net zero targets	TBC - Will include SCC borrowing and external grants / investments
2	PlayZones (multi-use games areas enhancement and creation)	Enhancement of quality of sites, and the ‘ball court’ recreational provision at several public open spaces across Sheffield. This will benefit the health and wellbeing of communities across Sheffield.	Football Foundation S106 Public Health
3	Football Foundation Portfolio of Projects	Invest in improvements to pitches and ancillary facilities at keys sites across the City, as outlined in the Playing Pitch Strategy, improving the quality of the sites and providing improved opportunities to improve health and wellbeing through sport and physical activity.	S106 Football Foundation
4	Green and Open Space Improvement	Improve the quality, accessibility, biodiversity and recreational value of green and open spaces across Sheffield to support health and wellbeing, and contribute positively to the	Public Health Funding, S106, CIL Revenue

	Projects (see Green and Open Spaces Priority)	climate & ecological emergencies. The aim within the next 10 years will be to ensure all sites are managed to a good level of quality - the Sheffield Standard. And that there are sites of exceptional quality for communities across Sheffield – assessed by Green Flag award scheme.	Contribution, Capital Receipts, Local Fundraising, External Funding Streams, BNG
5	Refurbishment and new investment in cemetery infrastructure e.g., review of chapel locations and other income generating opportunities	Investment in existing and new infrastructure to improve our offer to bereaved families as they say goodbye to loved ones at a variety of sites across the city. Improving and modernising our offer to the bereaved helps improve mental health and wellbeing across the city whilst having the potential for new income generating opportunities.	TBC
6	Review of burial provision across the city leading to new cemetery space and associated infrastructure	Existing burial provision is running low. New burial space is needed across the city to ensure people can have access to burial space which is suitable and accessible.	TBC
7	Review of (and increase in) body storage capacity	Ensure that the Coroner and associated coronial teams can maintain the dignity of the deceased and provide an appropriate and scalable service to the bereaved following sudden and unexpected deaths. To develop Sheffield as the Regional Centre of Excellence and ensure it is able to respond to winter pressures, a mass fatality incident and pandemic or post-pandemic demands.	TBC
8	Masterplan development and implementation projects	Review and plan site improvements and developments in consultation with local residents and stakeholder groups to help ensure a holistic approach to site management.	Various including s.106, external funding including HLF .
9	Access and environmental improvements including Biodiversity Net Gain and Nature Recovery investment.	This will make a positive contribution to the climate & ecological emergencies. Enhancements and developments of Nature Recovery Networks will also contribute to enhancing green links important for ecological resilience and active travel networks development (important for health and wellbeing and net zero ambitions)	s.106 and Public Health Funding, developer contributions, Defra, Natural England, Utilities & Infrastructure companies
10	New park and new recreational facilities developments	Improve the quality, accessibility, biodiversity and recreational value of green and open spaces across Sheffield to support health and wellbeing and contributes positively to the climate & ecological emergencies.	s.106, Public Health and Stocksbridge Towns Fund (and possibly further external funding), developer

11	Better Parks investment – to provide quality P&C services and support income generation targets. A key project currently in development is the Hillsborough Park Activity Hub.	Improve the quality, affordability, accessibility and provision of attractions and services that support the health and wellbeing of communities across Sheffield.	Prudential borrowing, LTA, private investment, Sport England plus other external funding.
112	Phase 2 Parson Cross Pavilion Improvements	Further improvements to Parson Cross Pavilion to develop sports, social, alternate provision and youth provision of building – to reconfigure changing provision so it meets modern standards, develop class room and social space and provide toilet facilities for site users.	S106, possible Football Foundation and YIF

4 Our forward look to the 2050s

- Replacement of cremators at Sheffield City Council sites (Hutcliffe Wood potentially before 2040 and City Road potentially before 2050) - cremators have an estimated lifespan of 20 – 25 years
- Closed landfill infrastructure – the ongoing requirements to manage our closed landfill sites / leachate are being explored currently
- Refurbishment of infrastructure / facilities within green and open spaces – ongoing investment will be required in sites across the city to ensure that they remain safe, accessible and appropriate for the residents of Sheffield
- Refresh / refurbishment of Medico-Legal Centre – building refurbishment completed in 2017/18
- As part of creating a Climate and Ecologically (and flood) resilient city, the design and management of landscape scale networks of green spaces to maximise benefits for wildlife and people will be important.
- Access to high quality local green space will continue to be important for everyone and a priority for Sheffield. The spaces themselves are likely to change as we meet the challenges presented by both the climate and ecological emergencies. Those spaces will also be significant parts of the solution to these emergencies as habitats for wildlife, flood storage and alleviation and carbon sequestration. Ongoing investment in these spaces to meet changing needs will be vital. Maintenance regimes will need be adapted to remain appropriate and responsive.
- Ensuring our Library estate is sustainable and meets changing needs of communities – whilst communities will grow and change over time access to information and digital access will remain a priority as will spaces where communities can meet and local events can take place. We will need to work with others in the Council to ensure our estate is in the right places as communities change and provides access to services near where people live and work.
- Ensuring our leisure estate is fit for purpose, sustainable and encourages residents to live healthier, more active lives.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Limited revenue funding for initial project development and feasibility work to assess things like return on investment and likelihood of achieving benefits	Ongoing review of Corporate Investment Fund priorities to ensure investment in development of projects that best fit with strategic priorities
2	Identifying and securing match funding for capital investments and complying with match funding requirements	Explore and identify options for external funding working with finance and legal services to ensure that the match funding requirements are understood and can be complied with
3	Ensuring alignment with delivery partner priorities where this is relevant	Collaborative working with delivery partners at strategic and operational levels
4	Section 106 monies are quickly becoming depleted and are likely to be exhausted by 2023.	Proactively seek alternative funding sources to replace section 106; ensure we can evidence benefits to maximise our chances of success. Progress the ‘Better Parks’ initiative to selectively seek out and secure appropriate increases in income (such as more and better catering opportunities, increased social value initiatives and new franchises and activities/events) on appropriate sites. We must however ensure we maintain the balance between people’s desire for open green space and income generating activity.
5	Quantifying the outcomes for our communities.	This is required in order to evidence benefit to current (e.g.Public Health) and future funders. A project is underway to scope measurable metrics, such as activity levels and usage.
6	Prolonging asset life in challenging financial circumstances.	Engagement of, and consultation with, local communities at the planning stage pays dividends in reducing vandalism when the works are complete. We also often undertake improvements to sightlines and boundaries as part of our works, minimising the potential for vandalism and ensuring people feel safer using the facilities. We allocate funds for maintenance (currently five years) as part of our project approvals. And we are currently developing an asset management strategy for our play equipment to strike the right balance between efficient and effective asset management whilst ensuring that the equipment choices of funders (such as local ‘Friends Of’ groups) can be accommodated where possible.

7	Dealing with backlog maintenance in existing buildings	Working closely with Facilities Management as part of the accommodation review to ensure community buildings are fit for purpose and sustainable, and align with the needs of local communities

B Youth investment

Head of Service: Chelsea Renehan (Head of Youth Services)

1 Background and context

This emerging priority seeks to ensure that young Sheffielders are happy, safe and have the opportunities they need to be fulfilled and reach their potential in a changing world. This forms part of our delivery of Youth Strategy 2022-25.

We are seeking Youth Investment Fund (YIF) monies to develop and improve youth facilities across the City. YIF is a government funded programme to transform, modernise and inspire young residents in the universal (out of school) youth sector. It will provide truly innovative youth facilities in priority areas and provide early-stage/seed resource funding to underpin them, enabling more positive activities that deliver improved outcomes for young residents.

2 How do these activities contribute to ‘net zero’?

A key principle of the YIF funding is to improve the environmental sustainability of existing buildings, using modern methods of construction and retro fitting to existing buildings. The programme will fund new buildings that are designed to minimise environmental impact including CO2 emissions from both the construction and operation of the buildings. Alongside this the financial sustainability of providing Universal Youth Services in the buildings will be paramount with opportunities for co-location and enterprise.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Youth Investment Fund investment in youth facilities across the city	Delivery of youth (and community facilities) that: • represent positive value for money, • are environmentally sustainable, • and enable positive activities for young residents aged 11 to 18 (up to 25 for young people with Special Educational Needs and Disabilities) Projects complete by March 2025. Indications are this will be a hard stop and therefore if the programmes are not completed then funding post March 2025 will not be available or could be clawed back.	Youth Investment Fund phase 2

4 Our forward look to the 2050s

As an emerging priority directly linked to a funding stream, this investment window is too long for us to make meaningful projections at this time.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Potential for resource implications linked to multi-site projects within the YIF funding and deadlines for completion of the work	Early discussions on resource requirements with services and forward planning

C PROJECTS UPDATE | Communities, Parks & Leisure

1 Projects completed in 2022/23

	Project and value	Impact
1	Capital Investment into Ponds Forge £1.2m	There has been a significant refurbishment of the leisure pool in Ponds Forge, this has transformed the space which now looks and feels much fresher and will be more inviting to members of the public. In addition, there have been improvements to the pumps and filtrations system and the wave machine has been restored to include several additional settings. The leisure pool is due to reopen to members of the public in January 2022. There have also been improvements to the Building Management System and improvements to support ventilation in the building. This will help to support compliance with COVID-19 measures.
2	Essential works to Woodbourn Road football pitch	The site was closed because of the Health and Safety issues. The current health and safety issues at the site have been addressed through a programme of essential works to the pavilion and pitches. The reopening of the football area - along with putting in an experienced operator to run the site – will ensure the facilities continue to provide equality of provision, providing valuable activities for a key demographic area and deliver positive physical and mental health and wellbeing impacts. The opening of the football facility will improve accessibility to improved playing pitches and ancillary facilities for all ages. Children and adults of all abilities and backgrounds will have the greatest possible access to outdoor sports and will therefore experience greater activity and sport opportunities.
3	Small scale playground & recreational improvements at approx. 10 sites: Exter Drive, Wadsley Park Village, Sycamore Park, Woodseats Playground, Angram Bank, Millhouses Park, Chambers Valley Rd, Rivelin Valley, Cardwell Drive, Bolehills Recreation Ground, Mt Pleasant Park. C. £200k	Improved health and wellbeing. Increase in community pride and value. Increased number of users of site. Raise the overall quality of the site.
4	Hillsborough Park access and drainage improvements. £420k	Improved quality of site through the enhancement of accessibility infrastructure (aiming for Green Flag award for 23/24). Increased number of users of site; improved health and wellbeing

5	Millhouses Park – cricket pavilion renewal. C. £350k	Improved health and wellbeing through the provision of a new cricket pavilion
6	Mather Road, play, environmental and sports improvements - £192k	Provision of play facilities, environmental improvements & sports facilities enhancements. Improved quality of site and recreational facilities. Improved opportunities to engage in physical activity to support health and wellbeing
7	Sport & Physical Activity Projects - Parson Cross Park Pavillion Project	Phase 1 works refurbishment M&E works to pavilion to enable usage and fencing to top plateau pitches to improve safety and protect pitches
8	Sport & Physical Activity Projects - Cruyff Courts	New Cruyff 3G courts – refurbishment of existing Multi Use Games are at Parson Cross Park Provision of Cruyff Court in Burngreave area - site tbc
9	Replacement Cremators City Road - £2.5m	Improved infrastructure supporting the offer to bereaved families across Sheffield. Reduced environmental impacts with a cremator estate that meets newer environmental regulations.

2 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	General Cemetery Phase 2	£3.4m	2019/20 – 23/24	Address structural / infrastructure repair issues. Conserve and interpret the heritage Create a safe and more accessible public park
2	Green and Open Space Improvement Projects (see Green and Open Spaces priority)	£0.4m	2022 - 23/24	Improvements in green and open spaces Enhancing play and recreational facilities Improved infrastructure that supports access and inclusion
3	Parkwood Springs Active Urban Country Park	£0.9m	2021/22 – 2023/24	Improved sporting facilities Improved recreational facilities

				Toilets and refreshments provision
4	Ecclesfield Park – Site wide improvements (and Hollinsend Park – tennis renewal)	£340k	2021/22 – 2023/24	2 x Tennis court provision 1 MUGA reprovision Play improvements Access and environmental improvements
5	Skye Edge Playing Fields	£190k	2021/22 - 20 23 24	Access controls and improvements to make the site feel safe and useable
6	Woodbourne Road Football Hub Project	£2.8 million	21/22-23/24	Refurbishment of Woodbourn Road Stadium and 3G pitches including 3G pitch sustainability pilot
7	New entrance at Hillsborough Library	£365K	2022/2023	Easier access to the library for families, particularly those with prams and buggies. Better access to the library for people visiting the nearby café.
8	Frecheville Pond. Recreational improvements including play and ball court.	£130k	21/22 - 23/24	Renewal of play facilities Gym creation and environmental improvements

B5 ADULT HEALTH & SOCIAL CARE

We will make optimal use of Disabled Facilities Grant to support people to be active and independent, and to live a fulfilling life at home, connected to the community and resources around them.

Director: Alexis Chappell | Director of Adult Health and Social Care

Assistant Director: Liam Duggan | Assistant Director Care Governance and Inclusion

1 Background and context

Disabled Facilities Grant (DFG) is provided from Central Government and is ringfenced to fund equipment and adaptations identified by Occupational Therapists for people and children living in their owner occupied, private rented or registered provider homes.

Delivery and use of the DFG is governed by legislation in the Private Sector Housing Policy, the Housing Grants, Construction and Regeneration Act 1996, the Disabled Facilities Grants Delivery: Guidance for local authorities in England (2022) and Sheffield City Council's Private Sector Housing Policy.

In January 2020 changes to the local private sector housing policy were agreed to supplement the DFG legislation governed by the Housing Grants, Construction and Regeneration Act 1996 as follows:

1. Enable 'critical Accelerated Adaptations grants (AAG)', like stairlifts, hoists, and level access showers up to a value of £10K for a disabled person or child to be delivered without means testing
2. To allow for increases to the statutory DFG grant for major adaptations of up to £30,000 by an additional £20,000 at the discretion of the Director of Adult Health and Social Care.

This policy change was to streamline the DFG process, pre pandemic, and to support the delivery of adaptations which the DFG team were not able to deliver through the Covid pandemic, and to enable adaptations recommended by Occupational Therapists to be delivered to people who had already waited up to 18 months for necessities of life, like a wash, or being able to get safely in and out of their home.

In accordance with government guidance, during the Covid pandemic, the DFG team were only able to deliver critical need adaptations to children and adults. This subsequently resulted in both a waiting list and a DFG underspend. The DFG underspend was used to support the Integrated Community Equipment Loans contract to support hospital discharge, and City Wide Care alarms to support digital transfer of alarm systems.

Through a programme of recovery work undertaken by Occupational Therapists in the Equipment and Adaptations Team to address the waiting list over 2500 people have been assessed since April 22. Addressing the waiting list and the subsequent increase in provision of equipment and adaptations has in turn generated additional financial pressure on the DFG grant.

In 21/22 the DFG spend on Critical need Accelerated Adaptations Grants (AAG) was £400k but this spend has now grown to £1.2m and this increase in demand is also placing pressure on the mandatory statutory DFG spend. This limits the funding available to meet the demand for level access showers and extensions for people needing that major adaptation living in owner occupied and private rented households.

Construction costs and building materials have also increased significantly since the pandemic and the average cost of major works has increased significantly as a result.

As the recovery plan aimed at working through the waiting list for DFG gains momentum, more equipment and adaptations are likely to be recommended to the DFG team. Due to this, its likely that between addressing the waiting list, responding to increased demand and complexity there is a risk of an overspend on the Grant.

To respond to the financial pressure, a financial recovery plan was agreed on 16 November 2022 through the Adaptations, Housing and Health Update to Committee and endorsement of the Equipment and Adaptations Delivery Plan to enable fair and equitable provision of equipment and adaptations across all tenures but within current resources available.

At Committee for approval on 19 December 2022 is the request for approval of an Equipment and Adaptations Eligibility Criteria and endorsement of use of the Private Sector Housing Policy approved at Committee on 17 November 2021. In addition, the reports seek endorsement of a scrutiny function in relation to use of the mandatory DFG grant for major adaptations and approval of any high value decisions over £50k through a budget update report to each Committee.

A review of DFG spends other than use of adaptations is also due for approval for future allocation of and use of current funding for consideration by Committee in February 2022.

2 How do these activities contribute to ‘net zero’?

Whilst the opportunity to address net zero issues is limited when implementing small adaptations, we will wherever possible ensure that building construction specifications include energy efficient design and that we will consider the impact of materials used. As with all Council buildings, we will take a ‘fabric first’ approach to ensure the building envelope is as efficient as possible. The embodied carbon of materials used in construction would be investigated further as any design develops and lower embodied carbon materials used where possible.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Additional funding to this area	Maximising independence in addition to the development of accommodation	TBC – additional DFG funding request of government/ BCF

4 Our forward look to the 2050s

Our forward look focuses on two cohorts/ sectors where capital resourcing would make a significant impact on the long erm sustainability of adult health hand social care in Sheffield:

- **Older adults** – residential care
- **Working age adults -** supported living

Older Adults

The publicly funded independent sector residential care market in Sheffield (and elsewhere) is facing two key challenges;

1. **A dependency on aging stock** that will need significant modernisation or replacement to ensure accommodation that is fit for purpose.

   There are a high number of former Council-owned residential care homes in the city which are increasingly difficult to maintain, do not modern design standards and expectations and will become unfit for purpose. There is also a dependency on historic buildings repurposed as care homes some years ago which are not appropriate by today’s standards, and which require major investment.

Such care homes typically include shared bathrooms and toilets, small bedrooms, limited scope to use modern assistive technology and a lack of outdoor space. They tend to be isolated from their community and not conducive to a quality care offer or opportunities for social inclusion and activity. These issues create a growing risk of increasing voids/ vacancies, increasing repair costs and reducing viability.

2. **Low level of Council investment in capital costs** resulting from Council budget pressures as a result of 10 years of Government austerity

   Sheffield City Council has a relatively low fee rate for care homes and funds an annual fee increase each year following consultation with the sector. The Council's priority is for this fee increase is for it to be used to improve the wage of front line workers and meet the national minimum wage (if not the Foundation Living Wage).

   The Council is aware from its engagement with the sector, and from research papers, that often the fee income is often required by providers to fund the servicing of debt in relation to care home financing and staffing costs. These factors together can inhibit the ability of some providers to develop long term investment plans.

   The objectives of the Council are to develop a range of means by which it is able to value and support the care home provider market to meet its objectives without sole reliance on annual fee and its author, based at Sheffield University may be supportive of further research.

Working age adults

The number of people disabled adults requiring social care support is growing, and the rate of new requests from working age adults for adult social care support is increasing nationally.

The number of 20–24-year-olds on Sheffield's Learning Disability Case Register has increased from 260 to 460 between 2009 and 2019. Adults with more complex needs are living longer now than ever before. Increasing demand for special schools is an indicator of an ever-increasing demand for adult services in the future

The city must develop the right accommodation for disabled people now so that it is able to properly meet the housing need of the future.

Key areas of new demand which will need to be accommodated by the city in the coming years include:

- Young people coming through the system – there has been a significant increase in the number of people coming through the system and many need appropriate housing. This is the most pressing demand area
- There are an increasing number of 30–50-year-olds living with aging parents in the family home who are likely to need supported living accommodation in the future
- The transforming care programme is seeing people requiring intensive support return to the city from institutional care and consideration needs to be given to their housing needs as well as the housing needs of people who might be prevented from needing hospital admission in the future.

The accommodation required in the city is likely to be self-contained flats with their own front door as people in order that people have their own tenancy. Clustered accommodation with shared some community space promotes social interaction and allows for some efficiency of care. The CQC recommends increasingly smaller cluster sizes to prevent care feeling institutional. Clusters of 6 units are ideal.

The Council's preferred model is a separation of housing/ landlord from support to avoid conflict of interest and to promote transparency.

Some disabled people in Sheffield still live in houses of multiple occupation and some larger (deregistered) schemes but these can feel institutional, can be inefficient when not fully occupied and are likely to be harder to fill in the future as younger people increasingly aspire to live independently alone.

If the city council doesn't actively plan and commission the development of the accommodation it needs to meet future need then it will be more dependent on ad hoc approaches from private developers which will be less likely to deliver the accommodation needed and will typically result is higher rents and bigger clusters in smaller spaces.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
	The DFG Grant is now insufficient to meet commitments because of:	
1	Increases to building costs/ materials	

2	A backlog which emerged during Covid because of national restrictions and the use of grant during that period to support other priorities such as hospital discharge	1. Means test for major adaptations for consideration by Committee in December 2022 to offset costs associated with rising demand. 2. Stronger governance/ senior officer scrutiny in relation to use of the mandatory DFG grant for major adaptations and approval of any high value decisions over £50k. 3. Review of DFG spend other than use of adaptations. This review seek approval for future allocation of and use of current funding for consideration by Committee in February 2022. 4. Eligibility Criteria for equipment and adaptations which will be brought to Committee in December 2022. The Criteria will set out proposals for what will be funded, timescale for when equipment and adaptations are provided, information on funding streams and alternative provision so that we are managing our finite resources in a fair, equitable and transparent way
3	An increase in demand and complexity	

6 Projects completed in 2022/23

	Project and value	Impact
1	Accelerated Adaptations Grants - £5m	Minor adaptations/equipment provided to support independent living
2	Mandatory Disabled Facilities Grants - £1.9m	Major adaptations to properties to support independent living
3	High Value Equipment / Telecare support - £1.2m	Provision of equipment and upgrading of Telecare provision to support independent living
4	Minor Works - £0.25m	Provision of support for minor remedial works to homes to support independent living
5	Disabled Persons Relocation Loans - £0.2m	Provision of loans to support disabled people relocate to suitable properties to retain independence

7 Current projects already in delivery

	Project	Budget (£) (all years) *	Year(s)	Outputs
1	Accelerated Adaptations Grants	Approx. £4.6m	Ongoing Activity	Minor adaptations/equipment provided to support independent living
2	Mandatory Disabled Facilities Grants	Approx. £0.9m	Ongoing Activity	Major adaptations to properties to support independent living
3	High Value Equipment / Telecare support	Approx. £1.3m	Ongoing Activity	Provision of equipment and upgrading of Telecare provision to support independent living
4	Minor Works	Approx. £0.2m	Ongoing Activity	Provision of support for minor remedial works to homes to support independent living
5	Disabled Persons Relocation Loans	Approx. £0.3m	Ongoing Activity	Loans to support disabled people relocate to suitable properties to retain independence

* Budget figures are annual estimates based on potential demand for services. The anticipated 23/24 allocation of Disabled Facilities Grant from Government of £5.1m will not be sufficient to meet this requiring either additional resources or review of services.

B6 ECONOMIC DEVELOPMENT & SKILLS

We will seize opportunities to rebuild and renew our economy whilst becoming a cleaner and more sustainable city. Supporting our city centre and district centres to adapt to the changing economic circumstances to build future resilience and growth.

Director: Diana Buckley | Director of Economy, Skills and Culture
Head of Service: Ben Morley | Head of Programmes and Accountable Body

1 Background and context

Our ambition is for Sheffield to be a flourishing, sustainable and inclusive city economy which creates opportunity, good jobs and better jobs for Sheffielders. As a strong partner alongside businesses, we want a city with a dynamic environment for development and enterprise with a culture of businesses able to start-up, scale up and innovate here in Sheffield.

The last 3 years have been extremely challenging. The Covid pandemic and more recently the cost-of-living crises has had a significant impact on jobs, businesses and livelihoods. Furthermore, the pandemic accelerated structural changes that were already underway, such as the shift to digital in work and in retail, and increased automation. It has also created new trends, such as the rapid shift to home working for some sectors of the economy. These developments create new opportunities, but also have the potential to exacerbate existing inequalities and bring significant uncertainty to different sectors in our economy.

We had already begun the process of addressing some of these trends prior to the pandemic, with major innovation assets focused on advanced manufacturing and life sciences. Work was underway to reinvigorate the city centre and diversify its offer by focusing on culture and entertainment as well as retail and work. Whilst this activity must accelerate the ability to do so has been seriously impacted upon by the Cost of Living crisis. Businesses are facing very significant increases in energy costs at the same time as consumer are facing net reductions in their disposable income. Inflation is impacting on investment choices and public funding is constrained - it has never been more important for Local Authorities to invest wisely and back winners.

We declared a climate emergency in 2019 and a nature emergency in 2021. We have published an independent assessment of the steps needed to get to Net Zero by 2030, much of which is concerned with the fundamentals of our economy. Responding to the climate emergency gives new and unique opportunities for innovation – in manufacturing businesses, in energy generation, in quality of housing and transformation of our transport systems – on a city scale. By creating a more sustainable economy we will support our city and its businesses to thrive. We can create community wealth by accelerating the business and economic opportunities that will arise from the move towards a low carbon future, including renewable energy, sustainable transport, smart technologies, research, and development.

Sheffield has significant assets that will continue to provide opportunities for development, investment, and growth to produce sustainable economic activity to support the city and region. We will be working with partners to create investable propositions around these assets:

- The developing innovation assets in the Advanced Manufacturing Innovation District, including The University of Sheffield's Advanced Manufacturing Research Centre (AMRC) and Sheffield Hallam University's Advanced Wellbeing Research Centre (AWRC)
- The developing City Centre Strategy, to create a thriving city centre, with a strong focus on housing-led growth in the city centre, alongside catalytic employment projects like West Bar and Castlegate, and the ongoing development of Heart of the City II
- The city's burgeoning digital and tech sectors
- The vibrancy of the city's culture sector
- District centres and communities
- Our Universities and Colleges.
- Sheffield's unique offer as 'The Outdoor City', sitting within the Peak District National Park.

These assets will become the cornerstone of a City Investment Plan setting out our ambitions for the short and medium term within the context of a new City strategy – 'City Goals'.

We will work alongside SYMCA in delivering their Strategic Economic Plan and make use of Gainshare to deliver our priorities. We will also seek to partner with the public and private sector partners, including the Sheffield Property Association, Chamber of Commerce, University of Sheffield, Sheffield Hallam University and Homes England. This will maximise our effectiveness and ability to unlock funding opportunities.

A significant amount of the activity under the Economic Development and Skills area is revenue investment, rather than Capital. However, as we move forward with ambition on AMID, Business Support, Decarbonisation, Skills and Culture we expect there will be an increase in Capital requirements and opportunities for capital bids, to add to the cities assets and underpin the capital infrastructure in these areas.

2 How do these activities contribute to 'net zero'?

Reducing the impacts of climate change will help stabilise and mitigate significant impacts on our local economy. Supporting efforts that recognise the valuable contribution the natural environment makes will help our local economy.

Analysis shows that in 2017 the emissions from the commercial and industry sector contributed 801ktCO2, equivalent to 35% of Sheffield's emissions. Commercial buildings accounted for 54% of these emissions, whilst industrial buildings accounted for 46%. 92% of EPCs for non-domestic buildings in the city are below level B, with 57% at D or below.

To address this the following actions are in delivery or development:

- Continuation of Economic Renewal Fund that has previously looked to support 'green' projects in district centres.
- Continuation of a low carbon business support project support capital investment in businesses. European Regional Development Fund funding being replaced with United Kingdom Shared Prosperity Fund (UKSPF).
- Continuation of the South Yorkshire 'JESSICA' investment fund to promote low carbon development with an expectation of Excellent BREEAM rating and EPC ratings of 'A'.
- Development of a grants programme for energy efficiency measures in community and cultural buildings.

There are opportunities to create a growing green sector. By embracing sustainable development, we create demand for businesses and skills in the green economy, as well as making our developments and businesses more attractive and resilient.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Sustainable Community/Cultural Spaces	• Reduced running costs for community and cultural buildings. • Reduced CO2 emissions	UKSPF
2	Improved Growth Facilities across South Yorkshire	• Increased start up numbers • Growth potential for existing firms • Increased R&D • Increased GDP • Job creation	UKSPF

3	Low Carbon and Productivity Grant programmes	• Reduced CO2 emissions • Job creation • Increased GDP • Firm survival rates improved	UKSPF

4 Our forward look to the 2050s

With a population set to increase to over 600,000 by 2043, it is important that the city fulfils its role as an economic driver for the City Region, presenting opportunities for growth and renewal. We will need to be flexible and responsive to emerging funding pots to enable the continued investment in our City.

Moving to a more resilient economy will be critical for future success, ensuring that growth is both sustainable and improves the health and living standards of the people within the city. Looking forward we want to focus on inclusive growth, and ensure that the benefits of growth are shared across the city.

To aid the future vision for Sheffield, we have embarked on a new long term goal setting process, called ‘Sheffield City Goals’, this is led by the Sheffield City Partnership Board, and bring together public, private and third sector partners to work collective on a new long-term vision and set of priority actions to underpin future collaboration and investment. This will also inform the City Investment Plan which will be the bed rock of future projects for this strategy.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Lack of long term vision	Development of City Goals and City Investment Plan Application to the Feasibility Fund
2	Capacity to develop projects	Application to the Feasibility Fund
3	Economic performance of the region	Implement and support others to implement the City Investment Plan
4	Access to funding	Develop funding strategy alongside City Investment Plan

6 Projects completed in 2022/23

No projects completed in 2022/23.

7 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Stocksbridge	£27m	2022/23 to 25/26	30,000 sq. ft. Community hub containing a modernised library service. 400 sq. meters of new public realm and public spaces Improved accessibility to high street services and a wayfinding scheme New cycle and walking trails including over 1.5km of over road provision A new local bus service Post-16/ Adult education facility An all-weather 3G pitch and new cricket pavilion and improvement infrastructure at the Football and Rugby Club A hydrotherapy centre A new skate park and an improved footpath network, connecting the leisure centre directly to the park Improved resilience and biodiversity of the Little Don river.

B7 STRATEGY & RESOURCES

Ensuring legal and regulatory compliance for our corporate accommodation estate, improving its fitness for purpose for the customers we serve and our workforce when budgets allow. Spending on essential maintenance works to avoid further deterioration in the building fabric which will then cost more to repair. Improving the energy efficiency of our estate to reduce our carbon footprint and save money on energy bills. Investing in our fleet to lower emissions and reduce maintenance costs.

Director: Tom Smith (Direct Services)

Heads of Service: Nathan Rodgers (Facilities Management) | Mick Barlow (Transport Services)

1 Background and context

Sheffield City Council has a portfolio of 932 establishments (excluding Council Housing and Schools) which consist of land, buildings, assets and monuments. These establishments are physical assets which need to be properly maintained to ensure they continue to function as efficiently and effectively as possible, comply with our statutory obligations and to support our delivery of a wide range of services. The Council's strategic objectives are all supported by services that deliver them working from the Council's estate. If parts of that estate are no longer able to remain open due to failures in the fabric or infrastructure of a building, it will impact directly on the ability of those services to deliver these objectives effectively.

The deterioration of buildings due to the lack of maintenance can lead to future financial burdens, pose health and safety risks, create legal liabilities and a range of other issues that affect the delivery of services. The maintenance of establishments is critical to the proper management of physical assets, ensuring we provide an appropriate environment for customers, staff, and other users of our buildings.

An ongoing programme for the management of maintenance is required to provide a consistent approach to the planning, management, and reporting of building maintenance within the current challenging financial environment. Works funded via this programme are primarily aimed at maintaining the existing fabric of the estate. Although the priority is to ensure buildings are safe, warm, and dry we will also be addressing where possible works that will address the decarbonisation agenda by improving the efficiency and sustainability of our assets.

The aim of the Essential Compliance and Maintenance Programme is to set out what short, medium, and long-term investments are needed and ensure we prioritise spend effectively.

Covid-19 has changed the way the Council and partners use our buildings. Hybrid working and the development of online systems have reduced the use of many Council buildings significantly. Many of our buildings are now underoccupied and underused. The accommodation review has been tasked with rationalising the corporate estate which is particularly important as we seek to recover from the COVID–19 pandemic and re-set our asset strategy to reflect new norms. Recommendation was presented to Finance Sub Committee on the 7th of November highlighting issues facing the Council's corporate estate and sought committee approval to reduce the running cost of the corporate estate over the next five years by 25%, with Moorfoot being the first major building approved for closure.

Rather than trying to spread money across the entire corporate estate (which would leave no money for other priorities), we must ensure we invest according to our new mantra: "Right asset, right place, right time, right decision". An Asset Management Strategy has been developed and a first round of a rolling programme of condition surveys have been completed and with the second round due to start during the 2023/24 financial year. The information provided from the condition survey programme supports us in identifying elements of work where we should focus our efforts and links into other strategic reviews such as the accommodation review that is looking to repurpose and resize our estate so that it meets the council strategic outcomes.

We estimate that £200m is required to meet all building condition needs based on estimated figures from the condition survey and £48m required to address the most urgent condition issues however, actual costs could be much greater due to a range of factors such as higher logistics costs, returning demand from industry workload, higher material costs for example the increase in global metals and fuel prices.

Over the next five years (2023 – 2028) we estimate that we will have a total funding envelope of £23m, this is made up of an, one off pot capital pot of £6m plus £17m Revenue, (£3.4 m pa). Unfortunately, this is not sufficient to deliver the full programme therefore, the only option is to either increase funding to address the future maintenance needs or reduce the size of the estate and invest the money saved into the building that are to be kept, or a combination of both.

As we cannot afford to properly maintain the estate within the current funding envelope, we have developed a plan to prioritise works using the condition survey data where we have prioritised elements with a weighting score between 60 and 100 based on the following calculation. Condition (1 to 4) x Risk (Probability (1 – 5) x Severity (1 – 5)), the maximum weighting score possible is 100 for the worst condition elements with a high probability of failure and severe consequences should that failure be realised.

This approach will enable us to prioritise capital works based on those elements with the highest probability for failure and where the consequences of that failure would have a major impact on service. A report is due to be presented to Strategy and Resources Committee in February 2023 that outlines and requests approval for this approach.

The Fleet Investment Programme commenced during 2019/20. By the end of 2022/23 we will have replaced more than a third of our fleet with 397 cleaner more efficient vehicles, including 42 fully electric vehicles. This has been a significant challenge during the last 2 years due to COVID-19 related supply chain issues. In the 4th year of the programme, we are looking to replace a further 96 vehicles and 9 items of plant to further reduce our emissions and maintenance costs.

2 How do these activities contribute to 'net zero'?

The schemes identified as part the condition programme will be developed on a like for like replacement basis plus a 'most deliverable' green option (based on the funding available) to contribute in the move towards net zero.

The estimated costs following condition surveys was based on indicative costs on a 'like for like' replacement basis. Due to current market conditions we are seeing significantly increased costs in materials and labour rates.

Green technologies cannot deliver carbon savings in isolation. A 'whole building' approach is often required to achieve net zero. Due to the age and construction of a significant amount of the estate, there will be occasions where a 'gas for gas' heating replacement will be the greenest option available for the building on the basis that the replacement heating plant will be considerably more efficient than the one being replaced.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	Fire Risk Assessment Mitigation	Delivery of suitable fire precautions to meet statutory compliance to provide safe premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing
2	Mechanical Services	Replacement and upgrades to mechanical services to improve energy efficiency and to provide warm premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing
3	Electrical Services	Replacement and upgrades to electrical services, hardwiring & lighting to ensure electrical services are safe to use and comply with current industry standards	Capital Investment Fund / Prudential Borrowing
4	Roofs	Replacement and repairs to pitched roof, flat roofs, rainwater systems, facias & soffits and chimneys to ensure building are weather tight and fit for occupation	Capital Investment Fund / Prudential Borrowing

5	Energy Efficiency and Renewable Energy Projects	Various energy efficiency and renewable energy projects on council buildings, working towards net zero for start of next decade	Grant Funding
6	Essential Compliance & Refurbishment	Fire precautions, electrical installation, mechanical installation, structural repairs, and general refurbishment to provide safe premises for our customers and staff	Capital Investment Fund / Prudential Borrowing
7	External Walls Windows and Doors	Window & door replacement to improve energy efficiency and to provide warm premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing
8	Internal Walls and Doors	Repairs to internal walls, doors, and skirting to ensure building are safe for our customers and staff	Capital Investment Fund / Prudential Borrowing
9	Floors and Stairs	Structural repairs to floors & stairs, and replacement of floor and stair coverings to ensure building are safe, clean and provide a welcoming environment for our customers and staff	Capital Investment Fund / Prudential Borrowing
10	CCTV Programme	Upgrade of CCTV system in line with SCC policy to meet statutory compliance	Capital Investment Fund / Prudential Borrowing
11	Ceilings	Repairs and decoration to ceiling finishes to ensure our buildings clean and provide a welcoming environment for our customers and staff	Capital Investment Fund / Prudential Borrowing
12	Redecorations	Internal & external decoration to ensure our buildings clean and provide a welcoming environment for our customers and staff	Capital Investment Fund / Prudential Borrowing
13	External Areas	Repairs to hardstanding's, drainage systems, gates etc. to ensure it is safe customers and staff to access our buildings	Capital Investment Fund / Prudential Borrowing

4 Our forward look to the 2050s

The outcome of the Accommodation Review will identify the buildings that the Council will need in the medium/long term. These are the buildings that will be the focus of a future maintenance regime including life cycle and planned preventative maintenance to ensure these sites are compliant and maintained to a required standard. These buildings will be the ones that will have the latest green technologies installed and building fabric changes to support the pre and post 2030 net zero target.

With the changes to building use post COVID-19 and the way SCC employees work and the public access services the way SCC's estate will be used will be different to how it is now. More shared flexible space within the Council and with public bodies, voluntary and private sector and will undoubtably take place and the requirements of those using the space will change. As a result, it is vital that SCC continue to review property requirements and factor this into future maintenance and investment programmes.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Continuing to obtain granular data on the Condition, Utilisation, Suitability and Quality of buildings that make up the Council's estate	We have established an ongoing rolling programme of Condition Surveys and the first round of these has contributed to identifying schemes for the first 5 years of the investment programme. This has continued to progress during 2021/22.
2	Strategic review of the Council estate, to concentrate maintenance investment in viable buildings and divest those buildings that are surplus to core delivery	Working with Members and officers in Property Services and team undertaking the accommodation review to understand and support a Corporate Asset Management Strategy.
3	Insufficient funding to adequately maintain the existing corporate estate in a satisfactory condition	Ensure resources for the next 5-years are used to deliver works in line with our approach set out in section one, to prioritise works based on those elements with the highest probability for failure and where the consequences of that failure would have a major or server impact on service. We will continue to identify additional funding and judiciously invest it to maintain the core estate in a satisfactory condition, continuing to utilise the data from the Condition Survey programme.
4	Insufficient funding, resource, and expertise within SCC to impact on the aim of achieving Net Zero and the decarbonisation of the estate	Utilise the existing and new funding streams and opportunities to maximise the impact on decarbonisation and look to draw down available loan or grant funding if it becomes available. On the shelf Net Zero building schemes to be developed to enable immediate funding applications to be made and improve timescales for delivery.

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6 Projects completed in 2022/23

	Project and value	Impact
1	Transport Efficiency 21/22 - **£2.5m**	Replacement of vehicle fleet reducing emissions and maintenance costs

2	Bolehills Pavilion Reinstatement - **£0.4m**	Delivery of new bowls pavilion. Fit for purpose recreational facilities
3	Structural wall repairs – Millhouses Park / Glen Howe Park / City Road Cemetery / Shiregreen Cemetery - **£0.4m**	Make safe and repair collapsing external walls. Safe space for public use and access
4	Town Hall Fire Alarm and Atrium Works - **£0.6m**	Fit for purpose and safe public buildings

7 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Corporate Buildings Fire Risk Assessment Works x 10 sites	£1.9m	2021-24	Installation of Fire Safety Compliance measures at sites
2	Abbeydale and Carr Forge Dam Repairs	£0.6m	2021-24	Enhancement of infrastructure to prevent flooding

B8 WASTE & STREET SCENE

This Committee's capital investment is targeted at ensuring our waste and street scene services receive the investment they need to deliver high quality and efficient services to the communities we serve.

The Sheffield Delivery Plan strategic objectives include strong and connected neighbourhoods which people are happy to call home; having efficient waste services is a key element to keeping our neighbourhoods clean and attractive. Another objective is clean economic growth which the Energy Recovery Facility, Recycling Centre and District Energy Network investment reflect.

Director: Richard Eyre | Director of Street Scene and Regulation

Head of Service: Gillian Charters | Head of Waste Management

1 Background and context

The projects for future investment straddle the Waste and Street Scene Policy Committee (changes to the Energy Recovery Facility, waste collection and household waste recycling centre) and the Transport, Regeneration and Climate Change Committee (District Energy Network development).

Two of the projects (Energy Recovery Facility and Waste Collection Changes) are driven by legislative changes so we have a clear mandate to implement. The Recycling Centre and District Energy Network projects reflect investments in the city's infrastructure to reduce our carbon impact.

2 How do these activities contribute to 'net zero'?

The changes to waste collection services will contribute to increasing recycling and reducing the carbon impact from our waste.

The Household Waste Recycling Centre development will also contribute to increasing recycling and with the new reuse offer will actively prevent waste maximising resource/ material use. The investment in District Energy is to reduce dependency on gas and electric for heating. Whilst the National Grid continues to de-carbonise with our investment in the Energy Recovery Facility it is the most efficient heat source for the city. The network provides the opportunity for other heat sources to be added and can be future proofed in this way.

3 What do we want to invest in over the next 10 years?

	Priority / Project	Impacts	Potential funding source(s)
1	New Legislation: Changes to Emissions permitted from Energy Recovery Facility	Veolia are required to reduce the daily average levels of Sox emissions from the Energy Recovery Facility. The Environment Agency has issued a new permit for the plant from December 2023. Veolia will need to retro fit the plant with the technology to neutralise the Sox emissions to the permitted levels.	Veolia capital – but borrowing costs maybe higher than SCC
2	New Legislation: Changes to Waste Collection to meet new Environment Act (by 2025)	Introduction of new weekly food waste collections (new collection vehicles and containers needed) Increase materials collected for recycling may mean changes to existing containers and collection vehicles Awaiting confirmation if required to provide free garden waste collections, requiring new collection vehicles and containers.	New burdens funding from Government (but unlikely to meet full costs). Veolia can capitalise some costs – but borrowing costs maybe higher than SCC
3	New Waste Recycling Centre offering reuse opportunities and pay as you go for commercial waste	New waste recycling centre as we do not have space on our existing sites to offer the full range of materials we need to separate for recycling. We also do not have space for reuse, preventing waste or for offering services for commercial waste. We are also seeking to handle the council's waste through this site, such as Parks and Repairs and Maintenance again providing increased opportunity for recycling and resilience for our services.	Veolia can capitalise some costs – but borrowing costs maybe higher than SCC
4	District Energy Resilience and Development	Thermal storage would offer the opportunity to increase the number of customers on the network reducing the city's carbon footprint and resilience from gas and electric networks for heat. Further investment in pipe network would also contribute to this.	Veolia can capitalise some costs – but borrowing costs maybe higher than SCC Grant Funding – but will be a max of 33% of cost

4 Our forward look to the 2050s

Our Highways Maintenance PFI Contract culminates in 2037. Capital investment is likely to be needed for depot refurbishment, including the salt dome, future schemes and operational delivery such as investment in fleet.

Our Veolia Integrated Waste Contract culminates in 2038. Capital investment is likely to be needed for exit costs of buy-back of facilities, equipment, and fleet. We may also need to invest in either a new treatment / recycling facility or alternatively require capital monies for the refurbishment of the existing facilities.

5 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Energy Recovery Emissions Legislation Change	Veolia are testing a range of solutions to reduce the SOx (suphur oxides) emissions
2	Environment Act changes to Waste Collection	Modelling options with Veolia and externally with Local Partnerships (a government agency)

6 Projects completed in 2022/23

	Project and value	Impact
1	N/A	

7 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	City Centre Safety	£2m	2018-24	Installation of barriers to increase pedestrian safety

C1 CORPORATE INVESTMENT FUND (CIF) POLICY

This appendix C1 sets out our proposed policy for the Corporate Investment Fund (CIF)

1 Background

The Corporate Investment Fund (CIF) was created in 2017/18 to provide a single co-ordinated fund to prime economic and housing growth activity in the city. It is comprised of a range of individual funding streams – New Homes Bonus, Community Infrastructure Levy (CIL), section 106 and elements of the Corporate Resource Pool (CRP). It is the Council's structure for managing discretionary capital funding.

Historically, the CRP had been made up largely of capital receipts from the sale of surplus Council land and assets. It was used to fund investment needs not met by Government funding, such as backlog maintenance demands / core repairs and unplanned failures of large critical assets or other property losses caused by natural disasters (such as the floods in 2007).

CRP was also used to demolish empty properties to redevelop land for sale. This brought benefits to the Revenue Budget by reducing the costs of safeguarding vacant properties, as well as replenishing the CRP.

With the advent of the New Homes Bonus and Community Infrastructure Levy as further "unrestricted" funds available for investment at the discretion of the authority, it was decided to combine the income from these new funding streams with those previously included in the CRP (i.e. non HRA Capital Receipts). Together, these create the Corporate Investment Fund (CIF). It is therefore a blend of restricted and unrestricted funds.

The national programme of expenditure reductions has increased the importance of this facility as central government support has decreased. We may be required to use our own resources to fund essential infrastructure. And we also need to maintain sufficient funds to match - often at short notice - those available from external funders like the Heritage Lottery Fund, Sport England etc. in order to lever in funding to replace that lost from Central Government.

Demand for CIF funding vastly exceeds supply. The CIF currently represents only 3.6% of the Capital Programme.

2 Purpose of the Corporate Investment Fund (CIF)

The CIF is intended to fund investment projects which cannot attract other sources of funding. This may include maintenance of our corporate buildings, or projects which have attracted external funding but require an element of matched funding to proceed. It may also provide funding for growth projects – whether as core funding or feasibility funding – which generate sustainable growth for everyone in the city.

The need for a new vision and strategy for Sheffield's City Centre has been identified as part of our wider recovery plans following the impact of the COVID pandemic. However, the City Centre is one of several key areas where a lack of funding and/or agreement on the way forward has prevented progress for some time, for example in relation to the Town Hall and the Central Library/Graves Art Gallery. And our wider corporate estate needs urgent rationalisation, followed by investment in our remaining buildings.

We often need to use CIF funds to temporarily 'underwrite' projects until external funding is formally secured. Our Accommodation Programme alone is anticipated to require around £200m of investment.

Each of the Policy Committees has several key priority projects within their ten-year investment pipeline; many of these require CIF investment to proceed.

And we should maintain a prudent level of CIF reserves to mitigate the risks of unexpected spend, such as project overspends or urgent emerging priorities.

We simply do not have the money to invest in everything we need to. We have very difficult decisions to take over the coming months and years.

3 Risks and demands on the CIF

Key risk factors on the ability to allocate the CIF relate to the uncertainty surrounding the income flows from the key components of capital receipts, and Community Infrastructure Levy.

Payment of Capital Receipts will continue to be subject to the inherent risk in all property and land transactions, such as local / national economic factors and the housing market. Furthermore, the application of the Affordable Housing Policy, to address the city-wide affordable housing shortfall, will affect the level of capital receipts generated, although potential reductions may be partially offset by future Council Tax and New Homes Bonus (although New Homes Bonus is now coming to an end). The Council will also receive S.106 commuted sum (on and off site) contributions for the provision of new affordable housing. This income will be used to increase the number of affordable homes in the Affordable Housing Programme.

Community Infrastructure Levy income will be dependent on the level of development taking place in the city which is subject to the levy. While estimations can be made of potential receipts, again, wider economic factors can quickly impact on the level of development in the city.

4 CIF Allocation Policy

Our previous policy was that Members approved capital expenditure commitments no more than one year in advance. Lower levels of capital receipts put considerable constraints on the CIF. However, in the current difficult financial circumstances, the Council must be ambitious and bolder in its vision to progress the city's development. We will therefore agree allocations up to a ten-year lifespan. Anything beyond this would be on an exceptional basis.

Consideration of the granting of CIF funds will only be given to projects which meet the following criteria:

A Funding

Projects requesting CIF funding will:

- Have no other available funding sources from central government, internal investment funds (e.g. Housing Revenue Account) or other grant funding bodies; or
- Already be in receipt of external funding and require an element of match funding to proceed; or
- Are strategic projects which require cash flow support until a funding package can be arranged.

B Suitability

Projects requesting CIF funding will:

- Be in line with corporate priorities; and
- Have a robust business case; and
- Where applicable, be necessary to make an asset compliant with legislation; or
- Where applicable, be an emergency requirement not capable of prior notification and a failure to undertake the project as an emergency will result in a threat to life and limb.

Non-cash investments (such as in land or property) will comply with the Investment Strategy Principles set out at section 2.4.2 of this Capital Strategy.

Outcomes and benefits will, as ever, be robustly assessed. And if any project does not proceed, abortive project costs will have to be financed from the sponsoring portfolio's Revenue Budget.

Alongside the funding of key development and investment priorities, a suitable reserve level will be maintained within the CIF to allow swift response to emergency situations such as the floods of 2007 and to provide match funding at short notice to lever in additional grant funding from central government and others.

5 Future developments – s.106, CIL and the Local Plan

New CIL Regulations that impact on the operation of CIL and S.106 came into force in September 2019.

The Council has published its Infrastructure Funding Statement (IFS), delivering greater transparency of CIL and S.106 receipts and spending. Going forward, it will also require us to set out a list of priorities for projects to be funded by CIL. This replaces the previous ‘Regulation 123 List’.

When determining our proposed priorities in the future, we will have to have regard to the Infrastructure Delivery Plan (IDP) – which is being prepared to support the Local Plan- together with the Corporate Integrated Infrastructure Delivery Plan (IIDP) which will set out the Council’s infrastructure priorities. This should dovetail with the Corporate Investment Fund (CIF) priorities for funding as much as possible. All these Plans will be considered as part of the ongoing development of the Council’s overarching Capital Strategy. The opportunity to provide an interim list of priority areas for spend linked to CIL funds is to be explored.

The new CIL Regulations encourage more use of S.106 and introduce the ability to use both CIL and S.106 in delivering infrastructure priorities. Previously, the Regulations restricted the ability to ask for both S.106 and CIL for the same project and restricted how many S.106s could be used for the same item of infrastructure. These restrictions have now been removed. The viability assessments that underpinned the setting of the CIL rates always allowed for S.106 contributions, so the Council should now be able to pursue S.106 agreements on sites that will also be making a CIL contribution, where a S.106 is required to make an application acceptable in planning terms.

The Local Plan

The proposed Sheffield Local Plan, an ambitious vision for the city, was approved at Full Council in December 2022, paving the way for investment and development across the City’s communities.

Along with the proposed Plan, the consultation strategy was also agreed, setting out how the Council will engage with local people to get their views on important aspects of the city’s future and to agree the final content.

The Local Plan brings together proposals around housing, environment, development, economic growth and transport, looking at these as one big picture, addressing the challenges of how they each impact the other, and how they will bring benefits for everyone in Sheffield.

The Council's aim is to adopt the Local Plan by 2024 and to carry out further public consultation early in the new year, with local people and stakeholders, around the proposed final content.

C2 PROJECT LIST SPLIT BY COMMITTEE

This appendix C2 sets out the full list of projects, which have either been approved or approval has been requested, split by Committee

TRANSPORT, REGEN & CLIMATE

				Expenditure				Expenditure
Values in £'000s	Project Start	Project End	Approval Status	2023-2024	2024-2025	2025-2026	2026-2028	Total
94050, SHEFFIELD RETAIL QUARTER 2 (NAQNO)	OCT 2013	MAR 2024	Approved - Active	100				100
94054, SRQ OFFICES (NAQNO)	JAN 2017	MAR 2024	Approval Requested	846				846
94055, SRQ - STRATEGIC DEV PARTNER (Q0078)	JAN 2008	MAR 2024	Approved - Active	717				717
94057, A PALATINE CHAMBERS BLOCK (NAQNO)	APR 2018	MAR 2024	Approved - Active	17,838				17,838
94058, B LAYCOCK HOUSE NEW BUILD (NAQNO)	APR 2018	MAR 2024	Approved - Active	414				414
94060, C PEPPER POT BUILDING (NAQNO)	APR 2018	MAR 2024	Approved - Active	529				529
94061, E TELE.HSE RETAIL & CAR PARK (NAQNO)	JAN 2008	MAR 2024	Approved - Active	136				136
94063, G DEVELOPMENT PLOTS (NAQNO)	SEP 2018	MAR 2024	Approved - Active	130				130
94065, H HENRYS BLOCK (NAQNO)	APR 2018	MAR 2025	Approved - Active	8,963	471			9,434
94066, H1 LEAHS YARD (NAQNO)	APR 2018	MAR 2025	Approved - Active	5,888	413			6,300
94067, HOC II INFRASTRUCTURE & PR (NAQNO)	APR 2018	MAR 2024	Approved - Active	688				688
94069, HOC II BLOCK I (NAQNO)	JAN 2020	MAR 2024	Approved - Active	792				792
94070, G POCKET PARK (NAQNO)	FEB 2021	MAR 2024	Approved - Active	775				775
94091, BARKERS POOL CAR PARK DEMO (NAQNO)	MAY 2022	MAR 2024	Approved - Active	1,020				1,020
94024, DIGITAL INCUBATOR (NAQNO)	SEP 2016	MAR 2024	Approved - Active	22				22
94028, GREY 2 GREEN PH2 (NAQNO)	APR 2017	DEC 2021	Approved - Active	18				18
94042, FHSF PUBLIC REALM & INFRA (NAQNO)	MAY 2021	MAR 2024	Approved - Active	5,205				5,205
94043, FHSF FRONT DOOR INTERVENTIONS (NAQNO)	APR 2021	MAR 2024	Approved - Active	3,102				3,102
94044, FHSF EVENTS CENTRAL BUILDING (NAQNO)	APR 2021	MAR 2024	Approved - Active	4,403				4,403
94076, LUF ATTERCLIFFE ADELPHI SQ (NAQNO)	JAN 2009	DEC 2009	Approved - Active	39				39
93083, TCF CITY CENTRE (NAQNO)	SEP 2019	JAN 2025	Approved - Active	225				225
93086, TCF MAGNA MHALL CYCLING (NAQNO)	SEP 2019	MAR 2020	Approved - Active	271				271
93087, TCF-DACC (NAQNO)	SEP 2019	MAR 2020	Approved - Active	559				559
93132, KELHAM NEEPSEND PARKING (NAQNO)	APR 2019	APR 2023	Approved - Active	108				108
93163, CAZ BUSES & COACHES (NAQNO)	JAN 2008	JAN 2009	Approval Requested	2,546				2,546

93165, CAZ HGV (NAQNO)	JAN 2009	DEC 2009	Approved - Active		3,360				3,360
93178, DISABLED PARKING BAYS (NAQNO)	JUN 2021	MAR 2024	Approved - Active		21				21
93242, DEERLANDS 20MPG (NAQNO)	JUL 2021	MAR 2023	Approval Requested		23				23
93256, SHALESMOOR GATEWAY (NAQNO)	DEC 2022	OCT 2023	Approved - Active		1,462				1,462
93376, BROADFIELD ROAD JUNCTION (NAQNO)	JAN 2018	AUG 2023	Approved - Active		770				770
Total					60,970	883	-	-	61,853

HOUSING

Values in £'000s	Project Start	Project End	Approval Status	Expenditure				Expenditure
				2023-2024	2024-2025	2025-2026	2026-2028	Total
00100000Q0094 GV MASTERPLAN DELIVERY	APR 2019	MAR 2027	Approved - Active	202	9,201	10,963	20,162	40,528
90136, CHAUCER SQUARE MAINTENANCE (NAQNO)	JAN 2009	DEC 2030	Approval Requested	18	18	18	36	90
97150, RHB LOANS HAL (NAQNO)	JAN 2008	MAR 2025	Approval Requested	250				250
97507, SHEFFIELD REPAYMENT LOANS (NAQNO)	JAN 2008	MAR 2025	Approval Requested	103				103
97497, KNOWLE HILL-TA (NAQNO)	APR 2020	MAR 2024	Approval Requested	672				672
97551, COUNCIL HSG ACQUISITIONS PROG (Q0067)	APR 2014	MAR 2028	Approval Requested	1,837	1,888	1,940	4,041	9,706
97560, NBCH-P06-NEWSTEAD-OPIL (NAQNO)	JAN 2020	MAR 2026	Approval Requested	9,872	10,199	6,104		26,175
97566, NBCH-P11-HEMSWORTH-OPIL (NAQNO)	DEC 2019	MAR 2026	Approval Requested	8,387	10,828	83		19,299
97568, NBCH-P13-SCOWERDONS-GN (NAQNO)	APR 2020	MAR 2026	Approved - Active	45				45
97571, NBCH-P15-GAUNT RD-GN (NAQNO)	APR 2019	MAR 2025	Approval Requested	590				590
97572, NBCH-P16-NEWSTEAD-ENABLE (NAQNO)	AUG 2020	MAR 2024	Approved - Active	18				18
97577, NBCH-P17-TITTERTON-GN (NAQNO)	DEC 2020	MAR 2024	Approved - Active	32				32
97580, NBCH-P20-OWLTHORPE S106-SO (NAQNO)	JUN 2021	MAR 2024	Approval Requested	294				294
97581, NBCH-P21-OWLTHORPE OMV-SO (NAQNO)	MAY 2021	MAR 2024	Approval Requested	35				35
97585, NBCH-P25-CORKER BOTTOMS-GN (NAQNO)	JAN 2022	MAR 2024	Approval Requested	8,316				8,316
97586, NBCH-P26-MOVE ON PROV PHASE 1 (NAQNO)	MAY 2022	MAR 2024	Approval Requested	308				308
97587, NBCH-P27-HANDSWORTH-GN (NAQNO)	JUN 2022	MAR 2024	Approval Requested	4,263				4,263
00140591Q0087 STOCK INCREASE (CHS)	APR 2014	MAR 2028	Approval Requested	12,490	32,860	50,322	47,548	143,220
97338, PROGRAMME MANAGEMENT COSTS RTB (NAQNO)	JAN 2008	MAR 2025	Approval Requested	377	377	377	754	1,885
97348, HRA PROGRAMME MANAGEMENT (NAQNO)	JAN 2008	MAR 2027	Approved - Active	250	250	250	250	1,000
97131, ASBESTOS SURVEYS (NAQNO)	APR 2010	MAR 2026	Approved - Active	160	157	57		373
97139, LANSDOWNE AND HANOVER CLADDING (NAQNO)	JAN 2008	APR 2024	Approved - Active	67				67
97148, S H MGMT FEES COMMISSIONED (NAQNO)	APR 2011	MAR 2027	Approved - Active	2,850	2,900	2,950	3,000	11,700
97264, H & S ELECTRICAL REWIRES (NAQNO)	APR 2010	MAR 2027	Approved - Active	57	30	30	30	147
97269, EMERGENCY DEMOLITIONS (NAQNO)	JAN 2008	MAR 2024	Approved - Active	40				40

97444, GENERAL/RTB ACQUISITIONS CHS (Q0069)	APR 2015	MAR 2028	Approval Requested	1,485	383	393	819	3,079
97464, ROOFING REPLACEMENTS PROG (NAQNO)	MAY 2019	APR 2026	Approval Requested	978				978
97469, FIRE SUPPRESSION SYSTEMS (NAQNO)	AUG 2020	MAR 2025	Approval Requested	222	210			432
97470, ADAPTATIONS 2020-25 CONTRACT (NAQNO)	JUL 2020	MAR 2025	Approved - Active	2,824	2,823			5,647
97472, EWI NON-TRADITIONAL 2 (NAQNO)	JAN 2018	MAR 2025	Approved - Active	12,598				12,598
97473, EWI NON-TRADITIONAL 3 (NAQNO)	JAN 2018	MAR 2025	Approved - Active	5,231	4,375			9,606
97475, ELEMENTAL REFURBS 2021-26 (NAQNO)	SEP 2020	MAR 2026	Approval Requested	3,187	3,234	3,145		9,565
97476, ADAPTATIONS - STAIRLIFTS (NAQNO)	APR 2021	MAR 2026	Approval Requested	453	414			867
97477, ELECTRICAL UPGRADES PH 2 (NAQNO)	SEP 2020	MAR 2027	Approved - Active	4,369	4,369	4,369	2,185	15,293
97480, SINGLE STAIRCASE TOWER BLOCKS (NAQNO)	SEP 2019	MAR 2025	Approved - Active	3,170	54			3,224
97483, TOWER BLOCK FLAT ROOFING (NAQNO)	APR 2021	MAR 2026	Approved - Active	1,062	1,062	775		2,899
97485, STAIRLIFTS CONTRACT 2 (NAQNO)	DEC 2022	MAR 2025	Approval Requested	67	67			134
97486, CCTV REFURB & UPGRADE (NAQNO)	JUL 2022	MAR 2025	Approval Requested	150	53			203
97490, OPIL LAUNDRY UPGRADES (NAQNO)	APR 2022	MAR 2025	Approved - Active	98	99			197
97990, SHELTERED FIRE ALARM LINKING (NAQNO)	JAN 2016	MAR 2025	Approved - Active		23			23
00140653Q0079 HEATING, ENERGY EFFIC & CARBON RED	APR 2014	MAR 2027	Approved - Active	3,850	6,484	10,845	13,450	34,629
00140653Q0080 ENVELOPING & EXTERNAL WORK	APR 2014	MAR 2027	Approval Requested	11,000	8,214	12,917	3,682	35,813
00140653Q0082 ADAPTIONS & ACCESS (CHS)	APR 2021	MAR 2027	Approved - Active			3,008	3,130	6,138
00140653Q0083 WASTE MGT & ESTATE ENVIRONMENTALS	APR 2014	MAR 2027	Approved - Active	802	2,770	3,365	3,515	10,452
00140653Q0084 H & S ESSENTIAL WORK	APR 2015	MAR 2027	Approval Requested	1,960	13,935	17,424	16,026	49,345
00140653Q0085 COMMUNAL AREAS INVESTMENT	APR 2014	MAR 2027	Approved - Active	500	2,500	2,500	2,927	8,427
00140653Q0086 INTERNAL WORKS	APR 2014	MAR 2027	Approved - Active		500	999	5,906	7,406
00140653Q0089 OTHER ESSENTIAL WORK	APR 2014	MAR 2027	Approved - Active	1,269	1,332	1,332	1,482	5,415
00140653Q0090 GARAGES & OUTHOUSES	JAN 2008	MAR 2027	Approved - Active	130	250	250	250	880
Total				106,935	121,861	134,419	129,194	492,408

EDUCATION, CHILDREN & FAMILIES

Values in £'000s	Project Start	Project End	Approval Status	Expenditure 2023-2024	2024-2025	2025-2026	2026-2028	Expenditure Total
90801, SILVERDALE 2FE EXPANSION T/P (Q0061)	SEP 2015	MAR 2025	Approved - Active	28	18			46
90947, NETHER GREEN JNR ROOF (NAQNO)	JAN 2020	MAR 2025	Approved - Active	143	18			161
90959, FRA WORKS 20-21 COIT (NAQNO)	MAY 2020	MAR 2024	Approved - Active	312				312
90960, FRA WORK 20-21 CARTERKNOWLE J (NAQNO)	SEP 2020	MAR 2024	Approved - Active	416				416
90961, FRA WORKS 20-21 BRADWAY (NAQNO)	OCT 2020	MAR 2024	Approved - Active	580				580
90962, FRA WORKS 20-21 WATERTHORPE (NAQNO)	OCT 2020	MAR 2024	Approved - Active	328				328
90967, SW SEC SCH FEAS - SILVERDALE (NAQNO)	JAN 2008	MAR 2024	Approved - Active	4,291				4,291
90975, DORE PRIMARY TEMP EXPANSION (NAQNO)	APR 2021	MAR 2029	Approved - Active				62	62
90981, ABBEY LANE PMY ROOF PLANKS (NAQNO)	SEP 2021	MAR 2024	Approved - Active	466				466
90983, SW SEC SCH FEAS - KG ECGBERTS (NAQNO)	JAN 2008	MAR 2024	Approved - Active	2,422				2,422
90997, WATERTHORPE PITCHED ROOF REP (NAQNO)	OCT 2021	MAR 2024	Approved - Active	877				877
90998, CARFIELD PMY PITCHED ROOF REP (NAQNO)	OCT 2021	MAR 2024	Approved - Active	1,785				1,785
91003, MALIN BRIDGE INTEGRATED RES (NAQNO)	OCT 2022	AUG 2024	Approved - Active	352				352
91004, STANNINGTON INFANTS INTEG RES (NAQNO)	AUG 2022	MAR 2024	Approved - Active	253				253
Total				12,253	35	-	62	12,351

COMMUNITIES, PARKS & LEISURE

Values in £'000s	Project Start	Project End	Approval Status	Expenditure 2023-2024	2024-2025	2025-2026	2026-2028	Expenditure Total
94122, NEW CREMATORS CITY ROAD (NAQNO)	SEP 2019	MAR 2024	Approved - Active	44				44
94528, SHIREBROOK VISITOR CENTRE (NAQNO)	APR 2018	MAR 2025	Approved - Active	26				26
94531, GENERAL CEMETERY HLF PH2 (NAQNO)	JAN 2008	MAR 2024	Approved - Active	247				247
94551, ECCLESFIELD PARK IMPROVEMENTS (NAQNO)	AUG 2020	MAR 2024	Approved - Active	145				145
94555, PARKWOOD SPRINGS ACTIVE PARK (NAQNO)	APR 2021	MAR 2024	Approved - Active	259				259
94564, SKYE EDGE FIELDS LAND IMP (NAQNO)	JAN 2022	MAR 2024	Approved - Active	59				59
94569, WOODBOURN RD FOOTBALL HUB (NAQNO)	JUL 2022	MAR 2024	Approved - Active	690				690
00120461Q0093 GREEN AND OPEN SPACES S106 STRATEGY	APR 2016	MAR 2024	Approved - Active	419				419
94119, MSF FINANCE (NAQNO)	FEB 2017	MAR 2023	Approval Requested	17,608				17,608
94127, FLY TIPPING & GRAFFITI (NAQNO)	JAN 2022	MAR 2024	Approved - Active	30				30
94128, HILLSBOROUGH LIBRARY ENTRANCE (NAQNO)	MAR 2022	MAR 2024	Approved - Active	256				256
Total				19,783	-	-	-	19,783

ADULT HEALTH & SOCIAL CARE

Values in £'000s	Project Start	Project End	Approval Status	Expenditure 2023-2024	2024-2025	2025-2026	2026-2028	Expenditure Total
Total				-	-	-	-	-

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ECONOMIC DEVELOPMENT & SKILLS

				Expenditure				Expenditure
Values in £'000s	Project Start	Project End	Approval Status	2023-2024	2024-2025	2025-2026	2026-2028	Total
94047, STF MANCHESTER RD PM (NAQNO)	AUG 2021	MAR 2026	Approved - Active	2,473	2,259	500		5,231
94048, STF MANCHESTER RD HUB (NAQNO)	SEP 2021	MAR 2026	Approved - Active	6,297	1,527	58		7,882
94049, STF SPORTS HUB (NAQNO)	MAR 2022	MAR 2024	Approved - Active	900				900
94071, STF HIGH ST ACCESSIBILITY (NAQNO)	MAR 2022	MAR 2025	Approved - Active	200	100			300
94073, STF HYDROTHERAPY POOL (NAQNO)	JUL 2022	MAR 2025	Approved - Active	900				900
94074, STF OXLEY PARK PH 2 (NAQNO)	MAR 2022	MAR 2024	Approved - Active	542				542
94078, STF SHOP FRONTS (NAQNO)	NOV 2022	MAR 2024	Approved - Active	446				446
94079, STF SHOP FRONT GRANTS (NAQNO)	NOV 2022	MAR 2025	Approved - Active	411	219			630
Total				12,169	4,104	558	-	16,832

STRATEGY & RESOURCES

Values in £'000s	Project Start	Project End	Approval Status	Expenditure 2023-2024	2024-2025	2025-2026	2026-2028	Expenditure Total
95629, FRA CORP 2020 - MEERSB PK OFF (NAQNO)	APR 2021	MAR 2024	Approved - Active	374				374
95631, FRA CORP 2020 - SPRING ST KENN (NAQNO)	JAN 2008	MAR 2024	Approved - Active	187				187
95632, FRA CORP 2020 - MATHER RD REC (NAQNO)	APR 2021	MAR 2024	Approved - Active	78				78
95633, FRA CORP 2020 - HEELEY GRN CC (NAQNO)	APR 2020	MAR 2024	Approved - Active	83				83
95639, FRA CORP 21 - ABBEYFIELD PARK (NAQNO)	FEB 2021	MAR 2024	Approved - Active	165				165
95640, FRA CORP 21 - CHAPELTOWN LIB (NAQNO)	FEB 2021	MAR 2024	Approved - Active	134				134
95641, FRA CORP 21 - CONCORD PARK (NAQNO)	FEB 2021	MAR 2024	Approved - Active	185				185
95643, FRA CORP 21 - LOWEDGES HS OFF (NAQNO)	FEB 2021	MAR 2024	Approved - Active	113				113
95644, FRA CORP 21 - MNT PLEASANT PK (NAQNO)	FEB 2021	MAR 2024	Approved - Active	83				83
95645, FRA CORP 21 - SHIREGREEN CEM (NAQNO)	FEB 2021	MAR 2024	Approved - Active	188				188
95676, ABBEYDALE DAM LEAKS (NAQNO)	JAN 2008	MAR 2024	Approved - Active	280				280
95677, CARR FORGE DAM LEAKS (NAQNO)	JAN 2008	MAR 2024	Approved - Active	151				151
Total				2,022	-	-	-	2,022

WASTE & STREET SCENE

Values in £'000s	Project Start	Project End	Approval Status	Expenditure 2023-2024	2024-2025	2025-2026	2026-2028	Expenditure Total
Total				-	-	-	-	-

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