



Report to Policy Committee

Author/Lead Officer of Report:

Lisa Firth, Director of Parks, Leisure and Libraries & Lorraine Wood, Interim Director of Communities

Report of: Executive Director, Neighbourhood Services

Report to: Communities, Parks and Leisure Policy Committee

Date of Decision: 12th December 2023

Subject: Budget Proposals 2024/25

<p>Has an Equality Impact Assessment (EIA) been undertaken? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Some of the options may have equality impacts if accepted. Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee agrees which options to take forward.</p>
<p>Has appropriate consultation taken place? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Appropriate consultation is being considered and will take place once this Committee agrees which options to take forward.</p>
<p>Has a Climate Impact Assessment (CIA) been undertaken? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Some of the options may have a climate impact if accepted. Climate Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee agrees which options to take forward.</p>
<p>Does the report contain confidential or exempt information? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p><i>Part B of this report (appendices) is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).</i></p>

Purpose of Report:

This report is a report subsequent from the report discussed and agreed by this Committee on 13th November 2023.

The purpose of this report is to further update the Communities, Parks and Leisure Policy Committee (CPL) on the proposed savings for 2024/25 in order for this Committee to achieve a balanced budget.

Recommendations:

The Communities, Parks and Leisure Policy Committee:

1. Acknowledges the recommendation approved at the Strategy and Resources Committee on 7th September 2023 that “Policy Committees will be asked to develop savings / additional income options that cover their own pressures – in effect cash standstill” and to “require Policy Committees to report at their meetings in November on how they can balance their budgets.”
2. Notes, as this Committee's response to the Strategy and Resources Committee's request, the set of budget proposals set out in the closed Part B to this report.
3. Notes that Officers will now work with Members to consult with relevant stakeholders (including with partners, staff, trades unions and in respect of equalities and climate change) on the proposals in this report to inform final budget proposals.
4. Notes that Officers will work to develop any necessary detailed implementation plans for the proposals in this report so that the proposals can be implemented as planned before or during the 2024/25 financial year.

Background Papers: None

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Adrian Hart
		Legal: Sarah Bennett
		Equalities & Consultation: Ed Sexton
		Climate: Kathryn Warrington
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	Ajman Ali
3	Committee Chair consulted:	Cllr Richard Williams
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Lisa Firth Lorraine Wood	Job Title: Director of Parks, Leisure and Libraries Interim Director of Communities
	Date: 12 th December 2023	

1.0 PROPOSAL

- 1.1 The Strategy and Resources Committee (S&R) considered the overall budget situation being faced by the Council in their report in September 2023. This report gave an early view of the forecast financial position for the Council for the next 4 years and estimated a budget gap over the 4-year period of c£61m. Based on an early review of the most significant budget pressures facing services for 2024/25, the total savings and / or additional income required to set a balanced budget for 2024/25 will be in the region of £18m.
- 1.2 Each Committee is required to deliver a cash standstill budget for 2024/25, which requires them to find mitigations for any Service pressures over and above 2023/24 budget. The purpose of which is to allow the Council to achieve a balanced position for 2024/25.
- 1.3 The pressures and savings proposals to address this were set out in the report presented and agreed by this Committee on 13th November 2023. The committee approved the savings proposals and noted a remaining pressure of £469k to meet its balanced budget target. The remaining pressure has now been mitigated, subject to this Committee's approval.
- 1.4 All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2024/25 budget for the Council as a whole.

2.0 BUDGET PRESSURES 2024/25

- 2.1 **The target saving set by Strategy and Resources Committee for the CPL is £1,938k.** The majority of this is due to the pay award, the pressure for the costs of dealing with Ash Die Back, Community Safety Team funding, Family Hub staffing pressure and historical budget pressures for the Library and Archives service.
- 2.2 **Of this, the amount of cost pressure for the Parks, Leisure and Libraries (PLL) service in 2024/25 is c£1,344m.** £719k of this amount relates to the pay award. In 2024/25 services are not expected to absorb the impact of this award within their existing budgets and a corporate contribution is being made available to offset this increase. The remaining pressure for Parks, Leisure and Libraries is therefore **£625k.**
- 2.3 **The amount of cost pressure for the Communities service (CS) in 2024/25 is £594k.** £502k of this of this amount relates to inflationary pressures for the pay award. In 2024/25 services are not expected to absorb the impact of this award within their existing budgets and a corporate contribution is being made available to offset this increase. The remaining pressure for Communities is **£92k.**

2.4 There is a further corporate contribution of £200k to this committee budget made available as per the MTFA. This has been split proportionately between PLL and CS reducing the respective pressures to £493k and £294k. The net CPL committee pressures are set out in Table 1

Table 1 2024/25 CPL budget pressures

CPL Balance Budget Pressures	Description	PLL	CS	Total
	Pay Award	719k	502k	1,221k
	Family Hub Staffing pressure	-	92k	92k
	Ash Die Back	500k	-	500k
	Libraries cost pressure.	125k	-	125k
	Total Committee Pressures	1,344	594k	1,938
Mitigations	Corporate Pay Award	719k	502k	1,221
	Corporate Contribution	132k	68k	200k
	Committee Pressure	493k	24k	517k

2.5 Since the MTFA was presented, additional service pressures have been identified of £382k for PLL and £330k for CS. These additional pressures are set out in Table 2.

Table 2 Additional Service Pressures 2024/25

In Service Pressures	Description	PLL	CS	Total
	Medico Legal / Coronial Service additional costs	232k		232k
	Business Rates	150k		150k
	Page Hall Team Around the Community		£330k	£330k
	Total In Service Pressures	382k	330k	712k

2.6 The cumulative net pressures for the CPL committee and for each of the services are set out in TABLE 3

TABLE 3 TOTAL SERVICE PRESSURES 2024/25

Cumulative Pressures	Description	PLL	CS	Total
	CPL Committee budget	493k	24k	517k
	Service budgets	382k	330k	712k
	Total Service Pressures	875k	354k	1,229k

3.0 SAVINGS PROPOSALS

- 3.1 Savings to be proposed for consideration fall into one of the following categories:
- Increase income via increased charges and/or charging for services.
 - Doing things more efficiently or differently.
- 3.2 S&R resolved to apply a notional Sales, Fees and Charges (SFC) target in line with September 2023 CPI of 5.4%. The aim being to avoid possible subsidies for income generating services.

Table 4 below gives an overview of the proposed SFC increases to contribute to a balanced budget for CPL. These increases are wholly generated in PLL as there are no SFC in Communities. Some of the proposals require further equality impact assessments to establish (and mitigate where necessary) whether the increases disproportionately affect groups already struggling with the cost-of-living crisis.

Table 4 SFC Increases by Service

5.4% Sales, Fees and Charges Increase by service	Saving £000
1. Parks and Countryside	55k
2. Libraries, Archives and Information Services	14k
3. Bereavement & Coronial Services	45k
4. Sport, Leisure and Events	761k
Total SFC Mitigation	875k

- 3.3 Additional details for each of these savings is set out in the closed Appendix 1 in part B of this report, along with mitigation for the remaining Community Service pressures.

4.0 HOW DOES THIS DECISION CONTRIBUTE?

- 4.1 The proposals in this report are aimed at maximising financial resources to continue to deliver high quality Communities, Parks, Libraries and Leisure services outcomes to residents in Sheffield. The proposals take account of developments in national policy and contribute to the council's commitment to net zero by 2030 and to adapting to climate change, at the same time as benefiting its core purposes by providing our communities with greater support, such as help with energy bills through our cost-of-living helpline and providing welcoming spaces in our libraries and other buildings which can keep people warm in winter, cool in summer and safe in the event of flooding.

4.2 The services within the scope of this policy committee are a key part of the current Delivery Plan and have made significant contributions to the plan, such as:

- Fair, inclusive and empowered communities
- Strong and connected neighbourhoods which people are happy to call home.
- Tackling inequalities and supporting people through the cost-of-living crisis
- Healthy lives and wellbeing for all
- Clean economic growth
- Happy young people who have the start they need for the future they want.

4.3 The Council is developing a new corporate (council) plan setting out our strategic priorities. As the new Corporate Plan emerges, we will continue to ensure that our committee and service priorities link and feed into the broader corporate priorities. We'll also align our services with the Sheffield City Goals framework which aims to deliver a city where everyone, no matter who they are or where they come from, can live well and be part of Sheffield's story on terms that make sense to them.

5.0 HAS THERE BEEN ANY CONSULTATION?

Consultation will be undertaken as proposals develop.

6.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

6.1 Equality Implications

6.1.1 Equality Impact Assessments (EIA) are underway for all the proposals within this report.

6.1.2 EIAs (Equality Impact Assessment) are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon. Further proposals will be required to balance the budget gap and EIAs will be undertaken for those as they are identified and brought forward.

6.2 Financial and Commercial Implications

6.2.1 Each Committee is required to deliver a cash standstill budget for 2024/25, which requires them to find mitigations for any Service pressures above the 2023/24 budget. The purpose of this is to allow the Council to achieve a balanced position for 2024/25 by the time the Strategy and Resources meets in December.

6.2.2 The pressures and savings proposals to address this are set out in this paper.

6.2.3 All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2024/25 budget for the Council as a whole

6.3 Legal Implications

6.3.1 By law, SCC (Sheffield City Council) must set and deliver a balanced budget, which is a financial plan based on sound assumptions. This can consider cost savings and/or local income growth strategies, as well as use of reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

6.3.2 The recommendations in this Report contribute to the process of setting a budget but do not otherwise have any immediate legal implications.

6.3.3 Implementation of the specific proposals outlined in this report may require further decisions in due course, which will need to be made in accordance with the council Constitution. It is important to note that in making these decisions, full consideration of the Council's legal duties and contractual obligations will be needed.

6.4 Climate Implications

Climate Impact Assessments (CIA) are underway for all the proposals within this report. CIAs are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon. If further proposals will be required to balance the budget gap, CIAs will be undertaken for those as they are identified and brought forward.

6.5 Other Implications

There are no other implications.

7.0 ALTERNATIVE OPTIONS CONSIDERED

The Council is required to both set a balanced budget and to ensure that in-year income and expenditure are balanced. The options presented in this paper, if accepted, will negate the need to make any staff or resource cuts to the respective services and therefore, should allow the continuation of good quality customer services.

8.0 REASONS FOR RECOMMENDATIONS

Members are asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in September 2023. This report and its recommendations, sets out the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.

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