

# CAPITAL STRATEGY

and BUDGET BOOK

2025- 2056



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# A EXECUTIVE SUMMARY

A succinct summary of our overall position and Committee priorities.

## Welcome to Sheffield City Council's Capital Strategy

Last year, we spent £179m of taxpayers' money on projects which invest in our city and its residents. Whether it's improving our housing, investing in our communities, making our roads safer, or helping people remain independent in their own homes – there are few areas of our residents' lives which aren't directly impacted by the work we do.

This document sets out what we achieved last year and what we want to achieve over the years to come.

It's a long document which every local authority is required to produce. But we want to share what we do with our residents so we can be open and transparent about how we spend public money and why we make the decisions we do.

## How this fits with the Council Plan

The Council Plan sets out how we will work with you - the people of Sheffield, with other public services, with our voluntary, community, faith and social enterprise (VCFSE) partners, with business and with Government as a whole council to get things done for our great city.

By delivering the Outcomes set out in this plan, we will help to achieve the City Goals. We will listen, involve, collaborate with others and empower – leading and taking action where we need to and getting out of the way where others are better placed.

How this Capital Strategy helps deliver the Council Plan's Outcomes is set out at the start of each Policy Committee section. And underpinning the delivery of all our priorities is the 'triple lock' of our Policy Drivers – People, Prosperity and Planet.

## 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 investment needs of our great city.

## 1.1 **Headline summary of capital programme and levels of spend**

2023 has been another challenging year. As the effects of the Covid-19 pandemic continue to subside, the war in Ukraine and global uncertainty ripples throughout supply chains, driving up prices and causing delays to capital schemes. Climate change is accelerating; the window for us to effect meaningful change continues to diminish.

The pressures on local authority budgets have been in the news recently. The Council's budgetary position is no different. We have been remarkably successful in securing external funding to support capital projects. But our internal funds alone 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 improve 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.

### **Snapshot of our financial 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. Our Housing Revenue Account – which pays for Council housing – is under pressure. If we borrow money to invest, the repayments need to be made from revenue budgets – which are themselves under pressure. Continuing to secure external funding is critical to our ability to invest in our city.

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.

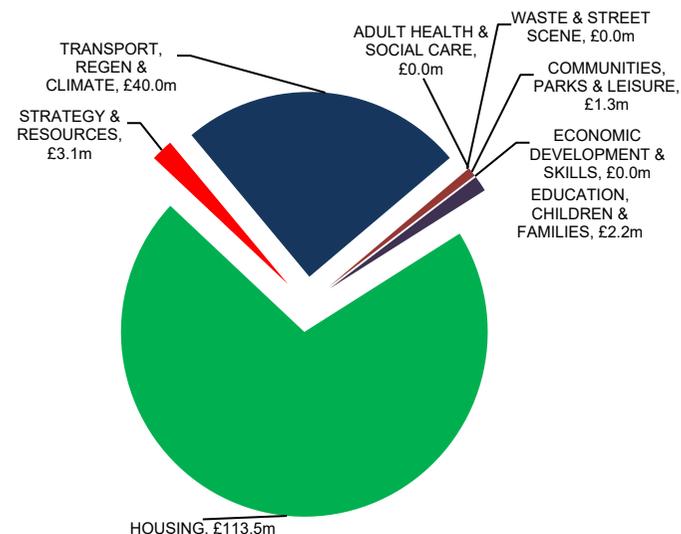
The scale of the challenge is immense. We are an ambitious Council: ambitious to lead the city in its efforts to tackle climate change, ambitious for good jobs and opportunities for our citizens, ambitious to build a destination City where everyone can thrive. We need to carefully prioritise our activities, using our new, four-year proposed Corporate Plan to inform these priorities and drive progress.

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

Our Capital Programme Priorities for **next year** are:

### Capital Programme Committee Priorities | 2025/26 | £160.2m

Transport Regen & Climate	£40m
Housing	£113.5m
Communities Parks & Leisure	£1.3m
Education Children & Families	£2.2m
Adult Health & Social Care	£0m*
Economic Development & Skills	£0m**
Strategy & Resources	£3.1m
Waste & Street Scene	£0m**

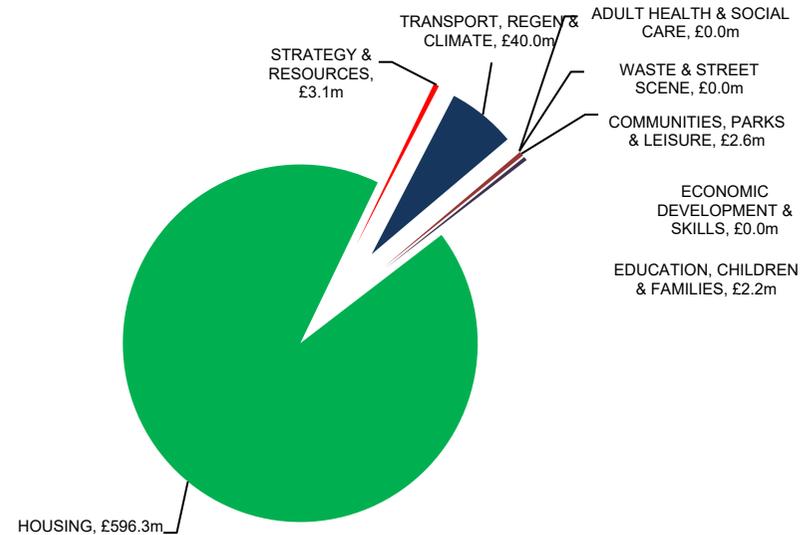


\*Budget for Adult Health & Social Care currently under review based on Disabled Facilities Grant Activity  
 \*\*No future projects currently allocated to Waste & Street Scene / Economic Development & Skills

Our Capital Programme Priorities for the **next five years** are overleaf:

Capital Programme Committee Priorities 2025/26 to 2029/20 | £644.4m

Transport Regen & Climate	£40m
Housing	£596.4m
Communities Parks & Leisure	£2.6m
Education Children & Families	£2.2m
Adult Health & Social Care *	£0m
Economic Development & Skills**	£0m
Strategy & Resources	£3.1m
Waste & Street Scene **	£0m



\*Budget for Adult Health & Social Care currently under review based on Disabled Facilities Grant Activity

\*\*No future projects currently allocated to Waste & Street Scene / Economic Development & Skills

Please note that 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 or funding. This is why Housing appears disproportionately large – we have our own Housing Revenue Account funding (from rents), whereas many other areas of spend are dependent on external grant funding which has not yet been confirmed.

## 1.2 How this document is structured

This document is long. We want to be open and transparent about what we're spending and why – but for an organisation the size of the Council, there's a lot of information to share.

To make this clear and understandable, this document is split into the following sections:

- Section A: this **red section** is an Executive Summary that sets out the whole of the Capital Programme, summarising our areas of spend.
- Section B: the **yellow section** sets out the background to the Capital Programme, together with key financial information and how we ensure the Programme is delivered effectively.
- Section C: the **green section** sets out our overarching approach to sustainability and climate change; a cross-cutting priority which impacts every project we undertake.
- Section D: the **blue sections** set out the key investment priority principles for each of the eight Policy Committees, 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.
- Section E: the **purple section** provides background information relating to Corporate Investment Fund, together with our investment proposals.
- Section F: the **turquoise section** 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 2025-26.

### 1.3.1 Transport, regeneration & climate change: £40 million (m)

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: £113.5m

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: £1.3m

This Committee pulls together capital investment priorities from several areas. Investment in leisure facilities, crematoria, libraries 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: £2.2m

This Committee ensures the Council supports children, young people, and their families. Every single person in Sheffield should be able to achieve their full potential. We need well-maintained school buildings and the right facilities in the right place to ensure children's needs are met. 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

Disabled Facilities Grant (DFG) is provided from government and is ringfenced to fund equipment and adaptations identified by Occupational Therapists for adults and children living in their own occupied, private rented or registered provider homes. Increasingly, because of demand and inflation, the available budget for DFG is under significant pressure. Measures have been introduced to ensure DFG is used as efficiently and as effectively as possible to benefit the people of Sheffield. Despite pressures, good progress has been made on the DFG waiting list. And there are further potential projects in the pipeline to improve the support we can provide to our residents.

### **1.3.6 Economic development & skills:**

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: £3.2m**

One of this Committee's roles is to oversee investment into Sheffield City Council's portfolio of around 807 establishments and 873 buildings, as well as land, assets, and monuments. This does not include Council Housing and Schools. 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.

We also invest in the Council's fleet, replacing vehicles in a timely manner to minimise emissions and ensure a modern, reliable fleet to support our residents.

### **1.3.8 Waste & street scene: £0m**

The potential projects for future investment straddle the Waste and Street Scene Policy Committee (changes to the Energy Recovery Facility 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

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

- **Sustainability** is at the heart of our decision-making process. It's a key part of the 'triple lock' policy drivers in our Council Plan.

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 B1.6 and C.

- **Ethical procurement practices** drive real social value for our city and maximise the benefits for the communities we serve.

We have a strong tradition of delivering contractual 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 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, promoting the use of British Steel.

See section 11 for more details on our progress in this area.

But underpinning this, **effective governance by Members and Officers** is the bedrock upon which the successful delivery of the Capital Programme is based. Robust priority setting and effective funding strategies - coupled with sound project and programme management – are key building blocks for successful delivery. See sections 9-14 more information on how we achieve this.

## 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 2025 to 2030, together with an overview of anticipated developments and challenges up to 2056;
- Set out our principles for how we invest in non-cash assets and how we use our capital receipts; and
- Provide background to our Corporate Investment Fund Policy at Section E.

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**Cllr Tom Hunt | Leader of Sheffield City Council | December 2024**

## B BACKGROUND AND KEY FACTS

**The policy environment, how we fund the programme and how it is managed.**

The Council's capital programme for 2025-30 totals £644.4m. We will ensure we spend this money in the best way possible to deliver the most benefits for the city's residents and the communities we serve.

This section B is split into three parts:

- **The policy environment:** this sets out the background and context to our Capital Programme – the key factors that shape what we do, how we do it and who we do it with
- **The financial context:** this sets out how we pay for our Capital Programme – where the money comes from and the principles which underpin how we spend it
- **The governance:** this sets out how we ensure our Capital Programme is well run – how Members are engaged, how we ensure we're spending money on the right things and buying them in the most efficient way that benefits our city.

This section will address each of these areas in turn.

## **A The Policy Environment**

**The background and context to our Capital Programme – key factors that shape what we do, how we do it and who we do it with.**

### **1 The policy environment: external**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code governs how the Council manages its finances. Councils must 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 we manage the associated risks.

This Strategy takes a 30-year view of capital investment. The 5-year Capital Programme is supplemented by a 10-year 'investment pipeline', setting out potential projects or areas of activity for which we should prioritise seeking internal or external funding. This is then supplemented by a 30-year 'horizon scan' which, although speculative, provides some key pointers on the city's direction of travel over the coming decades.

Our Capital Strategy is shaped by several central government policies:

#### **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 (LEPs). The Council anticipates that the trend to devolve capital allocations to regional and sub-regional bodies will accelerate.

#### **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 or council tax repay the cost of that intervention many times over.

### **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.

### **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 revenue 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 inflation and higher 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. Inflation impacts all our costs. The wider challenges in the revenue budget impact on our ability to fund prudential borrowing, as we fund the repayments from revenue budgets. This puts further curbs on our capital spending power at a time of increasing demand.

### **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 recent 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 and physical condition of our existing stock are increasing. These pressures are compounded by our continually losing stock through the 'Right to Buy' initiative, which continually reduces our rental base. We await further guidance from central government on the future of Right to Buy – the changes announced this year have seen a flood of Right to Buy applications in advance of the deadline.

We want to increase the number of new Council houses and invest more money in upgrading our existing stock. But we must take tough decisions. We simply cannot afford to do everything we want to do ourselves. Our existing housing stock requires considerable investment and this may impact on the affordability of other policy priorities.

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 for Capital Finance in Local Authorities).

## **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 £169m of projects are directly or indirectly related to sustainability and minimising our impacts on climate change. New projects which 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 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.

## **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. We cannot meet the scale of this challenge alone. We will work with partners across the city to increase our supply of housing – particularly affordable homes.

## **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). However, the LEA still retains responsibility for ensuring sufficient school places.

## 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 – we made the final capital contribution to the initial core investment period in 2017/18.

## 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 new Council Plan, Local Plan, Treasury Management Strategy, Corporate Asset Management Strategy, Land and Property Plan, Infrastructure Delivery Plan, Infrastructure Funding Statement and Medium Term Financial Strategy.

We will review this Capital Strategy at least annually to ensure it supports the aims and objectives set out in those documents.

Further details on specific capital financing policies are provided at section 4 below.

## 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 collaborating 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, 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 we can tackle the threats from the Climate Emergency.

## B The Financial Context

How we pay for our Capital Programme – where the money comes from and the principles which underpin how we spend it

### 4 Our key capital planning and investment principles

#### 4.1 Capital planning principles

We will use our capital spending to 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
- We ensure **effective risk management** through our governance, in accordance with best professional practice set out in the Treasury Management Code of Practice.

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

##### 4.2.1 Land and property

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 – or other initiatives - purely to 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).

#### 4.2.2 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.

#### 4.3 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. Risk will always exist in some measure and cannot be removed in its entirety.

A risk review is embedded within the **Investment Strategy Principles** below 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.

#### 4.4 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**.

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.

#### 4.5 New 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 commercial property rents, which is considered acceptable as the main purpose of Heart of the City II is regeneration.

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.

## 5 Size and shape of the capital programme

The capital programme over the 5 years (2025-30) shows a broadly balanced position, with proposed expenditure totalling £644.4m.

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. The Director of Finance and Commercial Services oversees these (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 6 overleaf contains further detail. The majority falls within either prudential borrowing or contributions from the revenue account to the capital programme, which together represent £632m (79.3 %) of the overall programme value.

The 2024/25 programme was set in March 2024, and at the time totalled £182.1m. This has been revised in-year. The effect of outturn slippage from 2023/24, in-year additions, variations slippage and re-profiles result in a current approved programme for 2024/25 of £193.8m (as at 31 October 2024). The Council's current anticipated capital investment profile for existing commitments (excluding potential pipeline projects) is:

	Committee area	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/30 (£m)	TOTAL (£m)
1	ADULT HEALTH & SOCIAL CARE *	0.0	0.0	0.0	0.0	0.0
2	COMMUNITIES, PARKS & LEISURE	1.3	0.5	0.5	0.5	2.6
3	ECONOMIC DEVELOPMENT & SKILLS **	0.0	0.0	0.0	0.0	0.0
4	EDUCATION, CHILDREN & FAMILIES	2.2	0.0	0.0	0.0	2.2
5	HOUSING	113.5	133.2	125.2	224.4	596.3
6	STRATEGY & RESOURCES	3.1	0.0	0.0	0.0	3.1
7	TRANSPORT, REGEN & CLIMATE	40.0	0.0	0.0	0.0	40.0
8	WASTE & STREET SCENE **	0.0	0.0	0.0	0.0	0.0
	<b>TOTAL</b>	<b>160.2</b>	<b>133.7</b>	<b>125.7</b>	<b>224.9</b>	<b>644.4</b>

\*Budget for Adult Health & Social Care currently under review \*\*No future projects currently allocated to Waste & Street Scene or Economic Development & Skills

## 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	2025/26		2026/27		2027/28		2028/30		TOTAL	
		£m	%								
1	Borrowing	43.7	27.3	46.1	34.5	47.6	37.9	40.6	18.0	178.0	27.6
2	Capital receipts	26.2	16.3	14.2	10.6	1.1	0.9	23.3	10.4	64.8	10.1
3	Government grants	25.1	15.7	0.0	0.0	0.0	0.0	0.0	0.0	25.1	3.9
4	HRA Contribution to Capital	46.8	29.2	65.6	49.1	68.8	54.7	157.6	70.1	338.7	52.6
5	Other grants and contributions	17.9	11.2	7.9	5.9	8.2	6.5	3.4	1.5	37.3	5.8
6	Community Infrastructure Levy	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1
7	<b>TOTAL</b>	<b>160.2</b>	<b>100.0</b>	<b>133.7</b>	<b>100.0</b>	<b>125.7</b>	<b>100.0</b>	<b>224.9</b>	<b>100.0</b>	<b>644.4</b>	<b>100.0</b>

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

### 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 £338.7m.

### 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 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 24/25 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
Heart of the City II	£0.422 (£10.645)
New Council housing	£43.322 (£29.386)
<b>TOTAL</b>	<b>£43.744 (£40.031)</b>

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

Heart of the City II will be fully completed in 2024/25. Most of the site is within the New Development Deal (NDD) area, where the Council can retain 100% of business rates above an agreed baseline. The uplift in the business rates is ring-fenced to the Heart of the City II scheme and contributes to the ongoing funding of the scheme.

The Council can borrow (using its prudential borrowing powers) to invest in the development of the scheme and will, in part, use the increase in retained business rates from the completed scheme to repay borrowing. £20m of the external grant funding has been secured to reduce prudential borrowing requirement. Capital receipts from a sale of Heart of the City II assets have also been applied to reduce the debt.

Based on the Exit Strategy for the scheme, we assume that most of the Blocks will be sold once completed and fully let. Capital receipts will be used to repay the debt (as previously stated in Cabinet reports). However, it was also agreed that the actual Exit Strategy will be considered for each of the Blocks individually on completion, considering the current economic outlook, real estate market conditions, market evidence, the Council's overall borrowing levels, and a wider commercial estate position. The Blocks could therefore be retained if that is determined to be the most appropriate course of action.

### 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 and Disabled Facilities Grants. 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 and Performance 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 our 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 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.

## 6.4 Capital receipts

Capital receipts 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 use 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 Section E. This allows Members at their discretion to undertake projects for which there is no external funding. We often need to provide 'match' funding to secure project-specific external grants; the CIF can fund this. We also use it 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 reduce because of austerity cutbacks, the CIF assumes a greater significance in funding the Capital Programme. However, the CIF is only forecast to fund 1.25% of the Capital Programme. Its spending power is dwarfed by the HRA or Prudential Borrowing, for example.

The Corporate Investment Fund is under pressure. Rising construction prices have presented real challenges bringing schemes in within budget – despite extensive value engineering. Our Accommodation Review is likely to require investment of over £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. Every Committee area in this Capital Strategy has projects and programmes which will require investment over the next ten years – many of which will deliver ongoing revenue savings. And we need to invest in organisational transformation.

We simply do not have sufficient funds to deliver our investment aspirations. But we must have maximum flexibility to use our monies where they can deliver the maximum impact.

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.

## **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.

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 strategic infrastructure spend commitments via CIL will be informed by the Infrastructure Delivery Plan (IDP) which feeds into the Local Plan. The IDP identifies the strategic projects we should be delivering to manage impact of future growth on our infrastructure. 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 Section E. 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 Section E).

## **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.

## **7 Capital financing strategies and associated policies**

Several strategies and policies relate directly to capital financing:

### **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.

### **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 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 Section E). This year, we are also seeking approval from Full Council to request permission from the Department of Levelling Up, Homes and Communities (DLUHC) to use capital receipts for organisational transformation purposes. This will give us more flexibility to use our funds in the most effective way possible.

### **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 the Ministry of Housing, Communities and Local Government.

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 2027/28 at 21.5% of net revenue (including PFIs) or 15.4% (excluding PFIs). During the forecast period General fund borrowing costs fall slightly with HRA costs increasing.

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 2025/26 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 significant borrowing 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 different from 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.

#### **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.

## C The Governance

Ensuring our Capital Programme is well run – how Members are engaged, how we spend money on the right things and buy them in the most efficient way that benefits our city.

### 8 The foundations of good governance

We maintain assurance of our capital investment priorities and projects through effective governance which runs throughout the organisation. This is underpinned by two key principles which drive everything we do:

- **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 has increased 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 Finance 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.

- **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. Projects must demonstrate that there is a valid business need, 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 five ways:

- ✓ The 'Capital Approval Process'

- ✓ Effective financial appraisal
- ✓ A fit-for-purpose commercial strategy
- ✓ Robust project, cost and contract management
- ✓ Proactive risk management.

The next five sections (9-13) take each of these in turn, with section 14 dealing with budget variances (or ‘slippage’).

## 9 The ‘Capital Approval Process’

In accordance with good project management practice, the Council requires several “checkpoints” at which the validity of the project is tested:

- an **initial business case** to set potential parameters to the project and to test assumptions – often an ‘options appraisal’ to ensure that it’s the right project and create an evidence base to inform how we will deliver the project.
- 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 recommendations for the project.
- a **final business case** once the procurement has been completed, showing all the anticipated project costs, actual benefits as the project progresses to delivery.

We have modelled each of these business cases on the Treasury’s standard ‘**Five Case**’ model, to ensure we are considering:

1. The **Strategic Case** – making the case for change and demonstrating how the project provides a strategic fit for the Council and aligns with the new proposed Corporate Plan
2. The **Economic Case** – identifying the proposal which provides the best public value (including environmental and social considerations)
3. The **Commercial Case** – demonstrating viable, efficient procurement and a sound deal between the public and private sectors
4. The **Financial Case** – demonstrating the affordability and funding of the project – both for the up-front capital investment and the ongoing revenue running costs
5. The **Management Case** – demonstrating that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme.

The business cases are supported by a range of supplementary documents, including Climate Impact Assessments, Equality Impact Assessments, Commercial Strategy documents and General Data Protection Regulation (GDPR) Impact Assessments (if required).

We review the content of our business cases regularly to ensure they remain up to date and reflect lessons learned.

Each of these business cases goes through a rigorous project evaluation and challenge at several stages as projects are brought forward for approval each month:

- by **Business Case Review Group** – an initial review of the draft Business Case (and supporting documents) by a forum made up of Officers from the Finance Business Partnering Team (Finance and Procurement) and Capital Delivery Service – a ‘high-level’ review to ensure the projects appear to meet the Council’s objectives, are affordable with the budget in place, are deliverable within the timescales with the right procurement route, and have Climate Impact and Equality Impact Assessments in place
- by **Programme Groups** – these Officer Groups (made up of broader representatives from the relevant Service areas, Finance, Procurement and Capital Delivery Service) mirror the Policy Committee structure. They review and endorse the business cases, ensuring they meet the aims set out in this Capital Strategy. They also review emerging risks, issues and opportunities for their Policy Committee area
- by **Capital Programme Group** – this Officer Group (made up of predominantly Head of Service leads for each of the Service areas) reviews and endorses the suite of projects being brought forward for approval this month, together with consideration of the overall performance of the Capital Programme, slippage, risks, issues and opportunities
- by **Policy Committee lead Members** who have early sight of proposed projects at monthly ‘Knowledge Briefing’ sessions for each Policy Committee
- by **Finance and Performance Committee Members** through the Finance and Performance Committee suite of meetings who then formally approve each capital scheme.

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.

## 10 Effective financial appraisal

### Investible propositions and funding strategy

It is the responsibility of the commissioning Service to satisfy itself that it is bringing forward investible propositions for approval. That said, robust challenge takes place at each of the Officer and Member fora above to ensure that the projects are contained within this Capital Strategy and are aligned with the Council’s priorities and proposed Corporate Plan.

Funding strategy options are robustly evaluated to ensure the most effective use of the Council’s resources.

## Ensuring affordability

We will never bring a project forward for approval unless we have confidence that any resulting contract is fully funded. In this challenging financial climate, we also ensure that the revenue implications of capital projects are fully considered.

We will not bring capital projects forward for approval when ongoing revenue funding streams have not been identified and agreed.

## 11 A fit-for-purpose commercial strategy

### Getting the right procurement strategy

We conduct robust options appraisals at both initial and outline business case stages to determine the most efficient and effective procurement route. We focus on how to most appropriately incorporate the principles and deliver the outcomes of the government's 'Construction Playbook'. This requires us to take a strategic approach to our procurement to drive the best possible outcomes for the Council and the wider City, including ensuring we:

- Use clear and appropriate **outcome-based specifications** that are designed with the input of industry to ensure we drive continuous improvement and innovation.
- Favour **longer term contracting** across portfolios (where it is appropriate), developing long-term plans for key asset types and programmes to drive greater value through public spending.
- **Standardise designs, components and interfaces** as much as is possible to improve quality, safety, performance and reduce environmental impact.
- **Drive innovation** through standardisation and aggregation of demand, increased client capability and setting clear requirements of suppliers.
- Create sustainable, win-win contracting arrangements that **incentivise better social, economic and environmental outcomes**, improve risk management and promote the general financial health of the sector.
- **Embed social value**, through improved quality, safety, performance and reduced environmental impact at the heart of programme delivery.

We will continue to embed these core principles over the coming year, building on them further with the implementation of the new Procurement Act 2023 in the early part of 2025. We also anticipate further iterations of the Construction Playbook.

## **Keeping the pound local and safeguarding jobs**

We have introduced measures to prioritise Sheffield-based contractors and then contractors within the Sheffield City Region within the fullest extent permitted by law. This keeps money in our local area. 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 from the challenges we currently face.

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.

We also use regional frameworks and dynamic purchasing systems (DPSs) 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 often need quick routes to market, and using frameworks and DPSs addresses this need (whilst also forming part of 'best practice' procurement strategies).

We are one of the founder members of the YORhub suite of construction frameworks (YORbuild, YORcivil and YORconsult) covering Yorkshire and the Humber. These frameworks exist to maximise the benefits we can deliver to the communities we serve.

We also regularly use – amongst others - the Efficiency North frameworks and Dynamic Purchasing Systems. Born out of Sheffield City Council some years ago, Efficiency North is a social interest company based in Sheffield whose values align with what we're trying to achieve for the city.

We want to make it easy for local companies to do business with us, and we will continually challenge how we do things to minimise the barriers they may face.

## **Upskilling our local economy through our procurement activity**

The Council was an early adopter of Social Value in procurement. In 2010 – prior to the introduction of the Public Services (Social Value) Act 2012 - the service began working with the Capital Works Procurement Team and the Capital Delivery Service to incorporate Employment and Skills outcomes (jobs created, apprenticeships created, work experience / schools engagement and individuals upskilled) into specifications for commissioning, to help strengthen the local labour market, boost the city economy and advance social mobility.

Since the process began, we have worked with contractors to deliver 2200 work experience placements, 800 project-initiated apprenticeships, 81,000 upskilling opportunities and 6700 new employment opportunities through our capital programme – as well as over £800m of committed wider social value for the city.

## **Promoting British Steel**

We have signed up to the 'British Steel Charter' to maximise our use of British steel in our construction projects. We make it clear in our tender documents that we want to prioritise the use of British Steel to the fullest extent permitted by procurement law.

## **Ensuring a fair deal for construction workers**

We are signatories to the 'Construction Minimum Standards Charter', which promotes fair working practices for those in the construction industry.

## **Ensuring effective safeguarding and combatting modern slavery**

We have recently introduced provisions relating to safeguarding in our tender documents, and this year we will build on these to ensure these provisions are strengthened where the risk level requires it.

We're also introducing new requirements to help us combat the scourge of modern slavery. We know that the construction industry is a key risk area, and we will be piloting a new approach to help our contractors tackle this.

## **Embedding wider social value and community wealth building**

This year, we are redoubling our efforts to maximise the wider social value arising from our construction activity. Building on our strong track record for employment and skills, we are seeking wider social value outcomes from more of our contracts to drive the biggest benefits for the communities we serve.

## **Equality, diversity and inclusion (EDI)**

Equality Impact Assessments are required for every single capital procurement we undertake. We need to understand the impacts of projects on our diverse communities and ensure that benefits are maximised, and barriers minimised.

But we understand that EDI goes much further than this. We are acting on the findings of the Sheffield Race Equality Commission and are working with the Business Sheffield group to develop a local provider directory. Our active participation in the Diverse Business Board ensures that we maintain focus on minimising the barriers that diverse businesses can face. We're working with Procurement colleagues to update the Ethical Procurement Strategy and supporting SME supplier events to ensure our contracting opportunities are open to as many businesses as possible.

## Promoting sustainability and meeting net zero

Procurement and Capital Delivery Service colleagues are working together to pilot a more detailed climate options appraisal, which clearly sets out the carbon impacts of design choices at options appraisal stage. This builds on the standard practice of requiring Climate Impact Assessments for every capital project.

In short - we will maintain an unrelenting focus on doing things better and driving greater benefits for the city. We will listen to and act on feedback to ensure we're doing everything we can to maximise the benefits from our construction procurement activity.

## 12 Robust project, cost and contract management

Project, cost and contract management is carried out by our Capital Delivery Service (CDS). An ISO9002 accredited Service, their role is to work closely with both their clients and the Finance Business Partnering Team to ensure projects are procured and delivered successfully.

The **Programme Management Office** (PMO) within the Capital Delivery Service (CDS) 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.

**Cost management** is an integral part of all CDS delivered projects. A CDS Cost Manager is assigned to all projects, and an integral part of their role is to monitor and control contractor payments. This includes robust assessments of works completed and claims for payment submitted by contractors.

All CDS Cost Managers and Project Managers are experienced in **contract administration**, including managing changes or variations to contracts, which is always done in accordance with the terms of the relevant contract.

During the construction / delivery of the project there are several mechanisms for **monitoring and managing Contractor performance**. Project Highlight reports are prepared monthly, and regular site progress meetings are held and minuted. Inspections are undertaken on progress by either a Clerk of Works or other technically competent officer, and valuations and cost reports are prepared monthly.

From beginning to end, CDS acts as a 'centre of excellence' for the delivery of the Council's capital schemes.

## 13 Proactive risk management

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

### 13.1 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

At the time of writing, the Council is planning to externally borrow around £180m 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. If 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 £1.8m a year by the end of the 3-year period.

#### B Inflation Risk

Construction inflation impacts on the affordability of the capital programme. The construction market remains volatile. Whilst some material costs have begun to fall, availability challenges are keeping prices more generally high. And of course, any stabilisation of prices is from a high base, meaning that costs are significantly higher now than in the relatively recent past.

A recent study revealed that 25% of construction business in the UK were experiencing skilled labour shortages, and resultant wage increases – whilst benefitting workers – impact construction costs.

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

This situation is far from unique to Sheffield. Previous Capital Strategies have referred to prices levelling off, pressures easing and a 'return to normal'. But it instead appears as if this is the 'new normal'.

### **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.

## **13.2 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 9 above.

## C Risk Registers

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.

## 14 Budget variances and 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 Finance 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. It impacts not only our financial position, but also the services we provide:

- **Reputational damage** – if projects are not delivered as publicised, this can cause both internal and external damage to the Council's reputation. It means we haven't been able to deliver what we said we would do for Sheffield residents.
- **Financial planning** – inaccurate profiling makes it difficult for us to plan new investments and determine our borrowing requirements.

- **Revenue budget** – whilst slippage can have a positive effect through reducing our borrowing costs, it can also increase our costs when capital investment should result in reduced revenue running costs which are then delayed. There is also the risk that interest rates could rise in the intervening period, increasing our borrowing costs.
- **Construction inflation** – project delay can lead to increased tender costs as time progresses in a growing market. This is a high risk for longer-term projects, where external funding may have been sought a number of years ago but the scheme is only now being delivered.
- **Ancillary costs and consequential works** – delays to, for example, new school buildings can result in temporary accommodation being required at additional cost and disruption. Delays to planned maintenance can cause additional costs for short-term revenue repairs and increase the cost of the capital replacement in the longer term due to asset deterioration and the urgency of the repair.

Continually reducing the levels of slippage in the capital programme is a key priority for the Council. Spend on delivery demonstrates that projects are being delivered on the ground for the benefit of our residents. The current financial climate is placing unprecedented pressures on our – and our supply chain’s – ability to deliver. We continue to learn from our experiences to respond with innovation and flexibility to tackle the issues we face.

#### What causes budget variances and slippage?

- **The Covid-19 pandemic and war in Ukraine** – the longer-term impacts of these issues remain. Many contractors were caught out by rising prices in the early 2020s, and this has affected their risk appetite when bidding for work. This can lead to fewer tenders than anticipated being received, and the bids received are often for a higher cost than funding allows.
- **Tender returns and value engineering** – if tender returns exceed budget, this can require a lengthy period of redesign, costing and validation to bring a scheme back within budget. This was identified as a risk three years ago and has materialised each year since.
- **Delays in planning consent** – this can be lengthy and must follow due process.
- **Timing of third-party funding contributions** – slippage can occur when a project is entered onto the capital programme and funding is then delayed.
- **Access issues** – if a delivery window is missed (such as school holidays), this can result in significant slippage until the next available window.
- **Final accounts and snagging** – where these are not resolved in a timely manner, we may need to retain monies for final payments and resolution of defects.
- **Project planning** – optimism bias, and the fact that funding may need to be made available if risks (such as planning consent) do not materialise, can lead to delivery slippage.

We’ve been taking action to tackle these issues over recent years with good success. We’ve provided clear guidance for project managers in how to forecast expenditure more accurately so we are all clear on what can be delivered and when. This remains a work in progress, and we will redouble our efforts to improve our performance here this year.

## ‘Slippage’ and ‘reprofiling’

In 2017/18, we confirmed the definitions of ‘slippage’ and ‘re-profiling’ to draw a clear distinction between the two – they are not the same thing. This makes it easier to understand the difference between us proactively planning and re-evaluating projects and programmes and responding to events which blow us off course. The helps transparency and clarity when interrogating the reasons behind levels of spend which may change from those originally planned:

- **‘Slippage’** relates to spend below budget, which reflects a scheme in delivery falling behind programme. Stakeholders need to understand the reasons for this and take remedial actions to try and bring the project back on track.
- **‘Re-profiling’** is the re-allocation of budget between years for projects which are not yet in delivery. Budget allocations are being moved which could be due to several reasons. For example, further feasibility work could be required to be undertaken, or further funding sought. Or we could minimise risk to Council taxpayers by splitting a project into a series of projects to spread delivery risk, such as on Heart of the City II.

### Current levels of slippage and reprofiling

As of 31 October 2024, the value of **net slippage** approved to date is £10.9m. This largely relates to Housing Investment Schemes (Roofing Replacement and Kitchens and Bathrooms) – a new roofing contract will be out to tender early in 2025, and a new ‘Elementals’ contract is now in place to tackle the kitchens and bathrooms. There was also some slippage relating to some Public Realm and Transport schemes, together with delayed contributions to new schools constructed by the Department for Education.

£58.9m 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 Housing Investment and Housing Stock Increase Programmes, land acquisitions for regeneration purposes and elements of the Future High Streets and Stocksbridge Towns Fund schemes.

Work is ongoing to benchmark our financial performance. Whilst it remains difficult to ensure we are ‘comparing apples with apples’, Sheffield appears to perform well against other comparable authorities.

# C SUSTAINABILITY AND CLIMATE CHANGE

## How we will navigate our way towards 'net zero' and adapting to climate change

### 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 COP29 in some areas, the goal of limiting global warming to 1.5°C is hanging by a thread. The need to act remains urgent.

Sheffield experienced its own extreme heat event in July 2022, as well as extreme rain and wind events throughout the winter of 2023/4. This has included flooding events in February 2022 and October 2023 and notable surface water flooding events in August 2022 and June and July 2023.

In the face of these challenges, we've built on the '10 Point Plan for Climate Action' (adopted in March 2022), with the development and implementation of decarbonisation routemaps for the city, and with action resulting from them.

The decarbonisation routemaps define our vision and objectives for achieving net zero by 2030, outlining key 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. In July 2023, the first two decarbonisation routemaps were approved for 'Our Council' and 'The Way We Travel', with the Energy Generation and Storage routemap approved in March 2024, and more recently The Way We Use our Land routemap was approved in October 2024. Future routemaps to be developed will cover:

- Our Businesses and Economy
- Our Homes
- What We Eat, Buy and Throw Away

Respect for the planet and our ambitions to achieve net zero by 2030 are key considerations of our Council Plan 2024 – 28. These are woven throughout the plan with a commitment to work towards creating a successful, accessible city which prospers - whilst protecting the environment for future generations.

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

In December 2023, our first Annual Climate Progress Report was published. This provided an update on progress against the net zero target, together with activity during 2022/23. The report highlighted the scale and pace required to achieve net zero within the next seven years. The Climate Progress Report was followed by the publication of a suite of statements from all policy committees, committing to act to tackle climate change through their work programmes and identifying current items which can play a part. The 2024 progress report will be published in Spring 2025.

We've continued to undertake Climate Impact Assessments (CIAs) on all capital projects throughout 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. We are working to develop more sophisticated measures for capital projects and aim to pilot these over the next twelve months.

The Council's financial position is extremely challenging. The resources we have available within our existing budgets to drive this forward are extremely limited. We are proactively engaging and exploring innovative funding options to close this gap. This includes a combination of bidding for central government funds, the National Wealth Fund, the private sector, and other patient capital opportunities, 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.

Whilst the focus of most of the Council's climate work to date has been on reducing our greenhouse gas emissions, work is now taking place to understand the implications of the changing climate on the Council and on the city. Increasingly extreme weather is already impacting demands on some services, notably Highways, Parks and Countryside, Flood and Water Services and adult social care services. Surface water flooding in August overloaded drainage systems and damaged 6 roads. Storm Babet in October 2023 took down riverside walls in the Porter Valley and washed away footpaths and footbridges in Rivelin Valley. High river flows in late September 2024 destroyed a wall and a footbridge over the River Sheaf. We are already seeing increasing revenue and capital costs, with more frequent storm damage providing very significant challenges. Flood and Water Services have seen increasing frequency of flood events, with the Lower Don Valley flood gates being closed six times between February 2022 and October 2024. They have only previously been closed three times since the scheme's completion in 2017.

All services are being supported to consider and plan to be resilient in the face of the changing climate. This work may bring to light additional capital requirements. The suitability of buildings for use in increasingly extreme heat, and the potential risk to the structural integrity of buildings and highways due to increasingly frequent and varied extreme weather events (drought, followed by flood, followed by extreme cold) all have potential capital implications. Designing capital projects with future weather in mind – such as high levels of insulation, natural cooling, natural flood management and rainwater harvesting - may have up-front initial cost implications. But these interventions may result in buildings which have lower maintenance costs in the long term, as well as health and wellbeing benefits.

### **3 A snapshot of key projects**

Our £3.5 million Local Renewable Energy Programme is now up and running. This will deliver increased renewables capacity on Council-owned buildings that will also benefit community users, such as schools, libraries, and community spaces. This Fund has contributed to the delivery of six self-contained single person dwellings using low energy modular construction system and will be Sheffield's first "net zero in operation" council homes.

We are continuing to deliver energy efficiency improvements to Council homes through a range of projects, including external wall insulation (which is supported by Social Housing Decarbonisation Funding (SHDF)). We are also exploring opportunities for Energy Company Obligation (ECO) 4 funding to help address some of our worst energy-performing homes. We will be undertaking a pilot of smart monitoring technology in homes that will be used to assess the impacts of retrofit and help households optimise their energy usage, reducing costs and creating a more comfortable, healthier environment.

In the private sector we are delivering Homes Upgrade Grant (HUG) 2 and ECO4 'Flex' schemes. Over the coming year we will be working on prospects for a one-stop-shop, retrofit accelerator project in the 'able-to-pay' space.

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 (EVs) to encourage air quality improvements and this summer approved a strategy for wider roll out of EV charging across the city.

We're continuing to work with the Government's Department for Energy Strategy and Net Zero (DESNZ) on the Advanced Zoning Programme. This is working to progress a heat network zone where existing or new heat networks can provide the lowest cost, lowest carbon form of heat to large domestic, industrial, commercial, and public sector buildings. We were successful in securing revenue funding from DESNZ Heat Network Delivery Unit (HNDU) to undertake techno-economic feasibility studies on opportunities to expand existing networks, the results of which are being used to develop plans to connect more council buildings to existing networks.

The city's £100m+ Flood Protection Programme continues, building on the success of the Lower Don Valley Scheme (which has prevented flooding on 3 occasions since completion in 2017). In October 2023, we completed Phase 1 of the Upper Don Scheme on the Loxley. This prevented flooding in October 2023.

We have completed a demonstrator project on nature-based flood risk reduction solutions on Limb Brook, in partnership with the Environment Agency and Sheffield and Rotherham Wildlife Trust. We are looking to expand nature-based solutions to other areas of the city and are seeking funding for this.

Our programme will move on now to the next phase of the Upper Don. This will open up key investment and housing in the Neepsend and Shalesmoor areas and across the Sheaf and Porter Catchments. Significant funding has been allocated from Defra Flood Risk Grant - but funding gaps remain to secure the delivery of these projects.

Over 2025-7, work is taking place with schools to deliver small scale capital and revenue projects to support climate adaptation and benefit children's wellbeing, and to draw in additional funding to support schools further. Funded by £500,000 from the Public Health Reserves Fund, some of this funding may be applied to capital activity for small scale interventions. Further work will be undertaken to add these to next year's capital programme wherever possible.

#### **4 How we will engage with the wider City**

Sheffield has a vast range of 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 to do so.

The development of the decarbonisation routemaps has included consultation and engagement throughout. It will continue to do so - as will work on adapting to climate change. Individual projects will also involve engagement and consultation with people, businesses, and organisations (as appropriate), as well as empowering people and communities to take action themselves to both reduce their emissions and to be prepared for the changing climate.

We have been working in partnership with Defra and the Environment Agency through our Connected by Water partnership on flood awareness campaign work to encourage sign-up to flood warnings, and to educate residents and businesses on flood resilience actions. During 2023, the City Goals consultation - involving the Council and City partners - has delivered a large-scale engagement process and has demonstrated that tackling the climate and nature emergency and protecting future generations is important to Sheffielders.

# D 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):

- D1 Transport, regeneration & climate change
- D2 Housing
- D3 Education, children & families
- D4 Communities, parks & leisure
- D5 Adult health & social care
- D6 Economic development & skills
- D7 Strategy & resources
- D8 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) **Projects forecast to be completed in 2024/25**  
This sets out the projects which have fully completed by the ‘lock down’ date of this Strategy – 30 October 2024.
- 4) **Current projects already in delivery**  
Ongoing projects which have not completed as at 31 October 2024. These are projects which have had an outline business case approved and full funding is in place; these projects are either out to tender or contracts have been awarded and the work are – or almost are – on site. Unless otherwise indicated, this section does not include several projects which are only at feasibility stage – many feasibilities are funded through revenue until the options appraisal has been completed. Projects only formally enter the capital programme once Members have agreed to progress the project and allocated capital funding.

**5) Potential investment pipeline for the next 5 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 each Policy Committee. Some areas have more developed plan and are also able to include a pipeline for years 6-10, too.

**6) 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.

**7) 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.

Each Policy Committee area effectively ‘owns’ it’s part of the Capital Strategy. Although the formal approval of all capital schemes rests with the Finance Committee, each Policy Committee will revisit its priorities and investment pipeline throughout the year.

# D1 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 & Development)

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.

Tom Finnegan-Smith | Assistant Director, City Transport

Council Plan priority addressed: City on the Move

## 1 Background and context

The key principles which underpin our investment strategies are set out in Sheffield's Transport Strategy, and the [Sheffield Transport Vision](#) adopted in March 2024. This aims to deliver a safe, reliable and low-carbon transport network for everyone in Sheffield. This is further complemented by the regional and national transport agenda, whereby improvements in sustainable and inclusive connectivity will be key to ensuring we achieve our sustainable economic growth, housing growth and environmental ambitions.

Our new vision for transport builds on the Council's existing plans and policies, to tackle the climate emergency and deliver reliable clean journeys for everyone, including:

- The Sheffield Transport Strategy (2019-2035)
- The Net Zero Sheffield: Decarbonisation Routemap (2023-2025)
- The Draft Council Plan (2024-2028)
- The Emerging Draft Sheffield Local Plan (2024-2039)
- The Sheffield City Goals

This year we'll develop more detailed plans to show you how we'll put our vision for transport into practice. For example, we've published a new Road Safety Plan, and consulted on our city-wide active travel network. We'll also work with the South Yorkshire Mayor on a new vision for the tram, a bus service improvement plan, and a plan to expand electric vehicle infrastructure.

Most importantly, we'll be delivering on the ground. Through our Connecting Sheffield programme, we're already taking the first steps to transform the future of travel in our city.

Our Transport Vision will benefit our People, our Prosperity and our Planet:



 **People**

**We want our transport network to work for you, wherever you live or work in the city.**

This means:

- We will help all our residents access the opportunities that enable them to live happy, fulfilling lives.
- We will give everyone clean air to breathe and more opportunities to build some physical activity into your daily life.
- We will make our roads safer and our streets more secure. We will especially prioritise the safety of our most vulnerable road users, including people walking, wheeling and cycling, and children and older residents.
- We will work with South Yorkshire's Mayor to improve our public transport network to make it more reliable, accessible, affordable and easy to use for everyone.



 **Prosperity**

**We want our transport network to support our businesses, help create more jobs and to shape a thriving city centre and local centres.**

This means:

- We need a transport network which gives our businesses excellent access to workers, suppliers and customers, and helps attract new businesses to the city.
- We will work with South Yorkshire's Mayor to modernise and expand our Supertram network.
- We will create a thriving, liveable and sustainable city centre, home to a fast-growing population and economy (supporting our City Centre Strategic Vision and the Draft Local Plan).
- We will work with South Yorkshire's Mayor and central Government, to ensure Sheffield gets the fast and frequent road and rail connections to other towns cities and towns we deserve.



 **Planet**

**We want our transport network to provide attractive, low emission travel options, support good health, and be adaptable to a changing climate.**

This means:

- We will provide genuine, reliable and sustainable alternatives to driving, enabling you to use your car less, if you have one, and giving you better travel options if you don't.
- We will ensure our transport network is resilient and able to cope with disruptions, such as flooding events which may become increasingly common in the future.
- We will support the transition to electric and low-emission modes of travel, and become a leading city in the journey to net zero.
- We will make sure new housing and employment developments in our growing city are designed sustainably, with low-carbon travel options available to everyone.

All our programmes and 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 previously undertaken public consultations to inform our approach. Specific questions were asked about people's perceptions of active travel, the barriers of use and associated expected outcomes and benefits.

Several different engagement opportunities across the city have 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 Connecting Sheffield programme and implementation of the Clean Air Zone and wider Clean Air Plan measures. Investment in active travel and public transport should be positively received. Further work to ensure that our consultation and engagement provides an opportunity for local views at an early stage of project development, and that benefits of schemes are communicated in a meaningful way at an individual and community level as well as at a city level is underway.

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.

The 'Way we travel' Transport Decarbonisation Routemap, reinforces the scale of the challenge and changes required to address emissions from transport across the City. The immediate actions over the next 2-3 years are set out in the Routemap as is the wider approach required to provide the services and infrastructure to support a Net Zero transport network in the City and support alternatives to individual motorised journeys. For example, the Connecting Sheffield investment programme will deliver a step change in sustainable transport infrastructure and align 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 out 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. Significant development work is underway to secure and deliver the Governments LEVI Fund which will see a city wide accelerated roll out of EV chargepoint facilities, working in partnership with commercial provider to increase coverage by drawing in increased capital funding and minimising revenue risks to SCC.

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 Projects completed in 2024/25**

	<b>Project and total value</b>	<b>Impact</b>
1	20 MPH Zones x 6 areas and School Advisory sites (£0.7m)	Improved road safety
2	Transforming Cities Kelham Island and Neepsend Connecting Sheffield (£17m)	Bus and Active Travel improvements
3	2 x LAC Pedestrian Crossing (£0.2m)	Improved Road Safety
4	9 x Citywide Pedestrian Crossings (£1.8m)	Improved Road Safety
5	Various Road Safety Schemes (£1.8m)	Improved road crossings and pedestrian accessibility measures

## 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Clean Air Zone Grants HGV / Bus /Coach	£6.4m	2023/24 – 2025/26	Increase in CAZ compliant vehicles
2	20 MPH Zones x 4 sites	TBC at feasibility stage only	2024/25 – 2025/26	Improved road safety
3	Transforming Cities City centre Connecting Sheffield *	£21m (full value – feasibility only currently approved)	2020/21 – 2026/27	Improved Cycle Connectivity across city centre including major public realm enhancement. Improved bus infrastructure
4	Transforming Cities Attercliffe to Darnall Connecting Sheffield *	£23.7m (full value – feasibility only currently approved)	2020/21 – 2026/27	Bus and Active Travel improvements
5	Transforming Cities South West Bus Corridors Connecting Sheffield *	£4m	2020/21 – 2025/26	Bus and Active Travel improvements
6	Transforming Cities Magna Tinsley Connecting Sheffield *	£6m	2020/21 – 2025/26	Creation of a joined-up cycle network from Meadowhall to Rotherham via Tinsley. Also, access to new tram stop at Magna.
7	Transforming Cities Nether Edge Connecting Sheffield *	£15.7m (full value – feasibility only currently approved)	2020/21 – 2026/27	Creation of a cycle route from Sharrow Lane Crossroads to the City centre and the Broomhall
8	Shalesmoor Gateway *	£22.5m (estimate only still at design stage)	2021/22 – 2025/26	Remodelled junction to improve bus journey times and reliability and introduce access improvements to the wider area.
9	A625 Safer Roads Scheme	£1.4m (estimate only still at design stage)	2023/24-2024/25	Suite of safety improvements on route
10	5 x Local Area Committee Pedestrian Crossings	£0.75m (estimate only still at design stage)	2024/25 – 2025/2026	Improved Road Safety
11	8 x City Wide Pedestrian Crossing	£1.6m (estimate only still at design stage)	2024/25 – 2025/2026	Improved Road Safety

	<b>Project</b>	<b>Budget (£) (all years)</b>	<b>Year(s)</b>	<b>Outputs</b>
12	City Region Sustainable Transport Fund Active Travel – Cross City Connections	£8.5m (estimate only still at design stage)	2024/25 – 2026/2027	Improved Cycle Connectivity across city centre
13	City Region Sustainable Transport Fund Active Travel – Active Travel Northern Communities	£5m (estimate only still at design stage)	2024/25 – 2026/2027	Improved pedestrian and cycling infrastructure on Upper Don Corridor
14	City Region Sustainable Transport Fund Active Travel – A61 Chesterfield Road Bus Priority	£9.5m (estimate only still at design stage)	2024/25 – 2026/2027	Improved public transport infrastructure
15	City Region Sustainable Transport Fund Active Travel – Bus Priority - City— Chapelton/High Green	£8.75m (estimate only still at design stage)	2024/25 – 2026/2027	Improved public transport infrastructure

## 5 Proposed investment pipeline over the next 5 years

	<b>Priority / Project</b>	<b>Impacts</b>	<b>Potential funding source(s)</b>	<b>Funding status</b>
1	CRSTS Active Travel Cross City Connections	Continued delivery of high quality LTN1/20 standard cycle, walk and wheeling connections, with associated public realm and place making and wayfinding improvements within the City Centre. Increasing the attractiveness and take up of sustainable modes.	City Region Sustainable Transport Settlement £4m	Fully Funded
2	CRSTS Northern Communities – Phase 1 Active Travel and Bus	Delivery of bus priority and high quality LTN1/20 standard cycle, walk and wheeling connections, with associated public realm and place making and wayfinding improvements. Increasing the attractiveness and take up of sustainable modes.	City Region Sustainable Transport Settlement £12.75m	Fully Funded
3	CRSTS A61 Chesterfield Road Bus Priority	Delivery of a range of bus priority measures, with associated accessibility and wayfinding improvements. Increasing the attractiveness and take up of sustainable modes.	City Region Sustainable Transport Settlement £9.5m	Fully Funded

4	CRSTS Bus Priority Upper Don Valley	Delivery of a range of bus priority measures, with associated accessibility and wayfinding improvements. Increasing the attractiveness and take up of sustainable modes.	City Region Sustainable Transport Settlement £0.7m	Fully Funded
5	CRSTS Local and Neighbourhood Transport Complementary Programme	<p>Delivery of a range of city wide transport improvements, including:</p> <ul style="list-style-type: none"> <li>• Local Safety Scheme improvements</li> <li>• Pedestrian crossing and accessibility improvements</li> <li>• Traffic Management and Urban Traffic Control improvements</li> <li>• Parking schemes</li> </ul> <p>The wide range of schemes contribute across our Transport Vision objectives.</p>	City Region Sustainable Transport Settlement £20.5m	Fully Funded
	Active Travel corridors and neighbourhoods	Continued delivery of high quality LTN1/20 standard cycle, walk and wheeling connections, with associated safety, public realm and place making and wayfinding improvements within local neighbourhoods. Increasing the attractiveness and take up of sustainable modes.	Active Travel Fund / CRSTS 2 or Single Settlement	Partially Funded
	Local ZEBRA EV Bus scheme	Development and delivery of a local Zero Emission Bus programme supporting the transition of the aging bus fleet in Sheffield to new EV vehicles or EV repowered vehicles. Including investment in bus EV charging infrastructure at Depots. Work to be developed with SYMCA.	DEFRA / DfT Phase 1 £9m	Bid pending
	Bus Improvement Plan delivery – Quality Bus Corridors	Delivery of a range of bus priority measures, with associated accessibility and wayfinding improvements. Increasing the attractiveness and take up of bus. Aligned service review, information and marketing, ticketing are essential complementary elements.	CRSTS2 / Single Settlement	Bid Pending
	Local Safety Schemes	Delivery of projects that are targeted at roads in Sheffield that have significant history of killed and seriously injured collisions, where intervention would reduce the severity and frequency of injury incidents occurring.	CRSTS2 / Single Settlement / DfT Road Safety Fund	Bid Pending
	Tram Futures	Development of the SOBC and concept development of future tram extensions and improvements.	DfT	Un-funded
	City Centre Access and Movement Plan Delivery	Delivery of essential transport and network improvements to support the future development and growth of Sheffield City Centre, changing our streets to spaces that support 20,000 new homes, and the economy and jobs that are planned.	CRSTS2 / Single Settlement / CIL	Un-funded

	Parking Improvement Plan	Development and delivery of area wide parking schemes to improve access, safety and local environment at key locations in the city. Supporting the future demands associated with the economic growth and development of the city.	CRSTS2 / Single Settlement / CIL	Un-funded
	Moorfoot Masterplan	Complementary Traffic Management, Public realm, accessibility and sustainable transport improvements reducing the severance of the Inner Ring Road and supporting future development.	CIL / S106	Un-funded
	Station Masterplan	Complementary Traffic Management, Public realm, accessibility and sustainable transport improvements reducing the severance of the Inner Ring Road and supporting future development.	CIL / S106	Un-funded

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Active Travel corridors and neighbourhoods	Continued delivery of high quality LTN1/20 standard cycle, walk and wheeling connections, with associated safety, public realm and place making and wayfinding improvements within local neighbourhoods or . Increasing the attractiveness and take up of sustainable modes.	Active Travel Fund / CRSTS 2 or Single Settlement	Un-funded
2	Local ZEBRA EV Bus scheme	Development and delivery of a local Zero Emission Bus programme supporting the transition of the aging bus fleet in Sheffield to new EV vehicles or EV repowered vehicles. Including investment in bus EV charging infrastructure at Depots. Work to be developed with SYMCA.	DEFRA / DfT	Un-funded
3	Bus Improvement Plan delivery – Quality Bus Corridors	Delivery of a range of bus priority measures, with associated accessibility and wayfinding improvements. Increasing the attractiveness and take up of bus. Aligned service review, information and marketing, ticketing are essential complementary elements.	CRSTS2 / Single Settlement	Un-funded
	Local Safety Schemes	Delivery of projects that are targeted at roads in Sheffield that have significant history of killed and seriously injured collisions, where intervention would reduce the severity and frequency of injury incidents occurring.	CRSTS2 / Single Settlement / DfT Road Safety Fund	Bid Pending

4	Tram Futures	Development of the SOBC and concept development of future tram extensions and improvements.	DfT	Un-funded
5	City Centre Access and Movement Plan Delivery	Delivery of essential transport and network improvements to support the future development and growth of Sheffield City Centre, changing our streets to spaces that support 20,000 new homes, and the economy and jobs that are planned.	CRSTS2 / Single Settlement / CIL	Un-funded
6	Parking Improvement Plan	Development and delivery of area wide parking schemes to improve access, safety and local environment at key locations in the city. Supporting the future demands associated with the economic growth and development of the city.	CRSTS2 / Single Settlement / CIL	Un-funded
7	Moorfoot Masterplan	Complementary Traffic Management, Public realm, accessibility and sustainable transport improvements reducing the severance of the Inner Ring Road and supporting future development.	CIL / S106	Un-funded
8	Station Masterplan	Complementary Traffic Management, Public realm, accessibility and sustainable transport improvements reducing the severance of the Inner Ring Road and supporting future development.	CIL / S106	Un-funded

## 7 Our forward look to the 2050s

As part of the emerging South Yorkshire Local Transport Plan 4 we will be undertaking a forward look at the Transport programmes required to deliver the Transport Vision outcomes for the city. This will be supported by a suite of delivery plans that again will align to those that SCC have identified and defined as part of the Transport Vision.

In particular, over the next 10yrs + the need to significantly reshape our public transport networks will be a key success criterion in achieving the sustainable growth that the city has defined in its core strategies and plans. This will include:

- Major expansion of the Supertram Network, on corridors where tram-train technology can significantly increase the reach of the existing network and provide high quality alternatives for significant commuter journeys, and in better connecting across and within the City Centre supporting the new catalyst developments and significant generators of employee and visitor footfall.
- A reshaping of the bus network in Sheffield – providing reliable and attractive journeys by bus will require improvement across fleet, network priority, service, ticketing, information, accessibility and integration – ensuring that any proposals complement the potential change to a Franchised network will be essential.

- Decarbonisation of fleet and supporting the uptake of zero emission vehicles will remain a central requirement as will the need to enable and encourage a shift to more sustainable modes such as cycling, walking and wheeling. The high quality and widespread active travel infrastructure in places such as the Netherlands started construction in the 1970s and our transition will require a long term commitment.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Market capability and resilience – a limited supply of transport planning and engineering professionals with many staff reaching retirement age	Grow our own approach to developing talent through apprentices and graduates. Reviewing ability for career grade progression through SRRP. A review of our Core and Flex capacity and the potential ability for Framework providers to support use over longer periods.
2	Programme capacity – ability to support programme management with sufficient officer capacity – with associated changes to governance and escalations	Achieving change to create 2 x Senior Programme Manager posts now complete. Recruitment to be undertaken. Temporary resource commences late 2024.
3	Cost and Value for Money of delivery partners	A full review of our non-core delivery and the value for money that is achieved through our partners will be undertaken during the next year
4	Revenue Funding support for pipeline development	The lack of revenue funding creates a limiting factor in our ability to develop pipeline programmes. This includes the influence and support towards essential strategic transport programmes that SCC will not directly be delivering but are key to the city's future, such as our Rail and tram/light rail delivery. Having the capacity to engage and influence SYMCA / Network Rail / National Highways / Transport for the North / DfT / DEFRA is essential.

## B Regeneration

Director: Sean McClean | Director of Regeneration & Development

Council Plan priority addressed: A thriving, liveable and sustainable city centre that plays a major role in our region's economy.

### 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 has contributed positively to social and economic terms, making the City centre a more dynamic place to live and work.

Construction work on the scheme completed in July 24 with handover of the last project at Leahs Yard. The scheme has brought new retailers to the City Centre, provided new Grade A office space (including the City's first 'net zero' carbon in-use office accommodation), the 4\* Raddison Blu hotel, new homes, restaurants and cafes, leisure destinations and stunning public realm - including the new Pounds Park right in the City Centre. This has created award winning high-quality place-based regeneration of the City Centre that will help attract jobs, residents and investment.

The scheme brought 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 has helped knit together The Moor, the Devonshire Quarter and the regeneration scheme underway on Fargate and at Castlegate - 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 Sheffield as the core City in the region. We continue to work 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 developments around Heart of the City II
- Working in partnership with Homes England to bring forward proposal for the three new priority neighbourhoods at Furnace Hill and Neepsend, Moorfoot and Station Campus.
- District centres and communities, work in Attercliffe, Parkwood and Stocksbridge the one Council approach to delivering regeneration in the Gleadless Valley.

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 developments will strive to have the lowest environmental impact and make a positive contribution not the City’s net zero ambitions 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
- H1 office development has achieved an “excellent” five-star NABERS UK rating, putting Elshaw House in the top 1% of office buildings in the UK.

## 3 Regeneration Projects forecast to complete in 2024/25

	Project and total value	Impact
1	HoCII Block H1 Leah’s Yard (£12m)	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 (£56.7m)	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’ (£48.7m)	Development of mix of Hotel, Leisure unit. Hotel pre-let to Radisson Blue.
4	HoCII Block G Development Plots (£0.9m)	Remainder of Block G site to be sold as development plots for private development of commercial space
5	Levelling Up Fund - Castlegate Harmony Works (£1.6m)	Grant to support collaborative music and education centre 200m2 commercial space

6	Levelling Up Fund – S1 Artspace (£2.6m)	Grant to support new Arts and Cultural hub
7	Stocksbridge Towns Fund Oxley Park Improvements (£0.7m)	A new skate park and an improved footpath network, connecting the leisure centre directly to the park
8	Stocksbridge Towns Fund – Sports Grants	Grants to Rugby & Football Clubs to improve sporting facilities

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Future High Streets Fund Public Realm	£14.5m	2022-2024	Improved City Centre Public Realm & Infrastructure
2	Future High Streets Fund Events Central (refurbishment element)	£14.4m (current estimate – budget to be uplifted)	2022-2026	A new cultural venue that will host up to 184 events annually, attracting a total of 55,600 attendees
3	Future High Streets Fund Front Door Scheme	£3.7m	2022-2026	Landowners to benefit from grant assistance to repurpose vacant/underused space for new work and residential accommodation. The public investment will secure £26.1m of private sector investment for improvements to existing buildings on Fargate and High Street
4	Levelling Up Fund - Attercliffe - Centre for Child health technology *	£9.3m	2022-2025	4100 m2 Floorspace, 100+ jobs, healthcare facility
5	Levelling Up Fund - Attercliffe - Connection and Movement *	£4m	2022-2025	2 Improved tram stops, 5km of highway improved Secure storage for 100 bikes
6	Levelling Up Fund - Attercliffe - Adelphi Square *	£4.2m	2022-2025	1200m2 Floorspace improved 2 heritage buildings saved
7	Levelling Up Fund - Castlegate – Castle Site *	£21.8m	2022-2026	Site preparation 8120sq m public realm

	Project	Budget (£) (all years)	Year(s)	Outputs
8	Stocksbridge Towns Fund Community Hub *	£11.7m	2022-2026	30,000 sq. ft. Community hub containing a modernised library service.
9	Stocksbridge Towns Fund Place Making *	£7.5m	2022-2026	400 sq. meters of new public realm and public spaces
10	Stocksbridge Towns Fund Shop Fronts Arcade *	£1.6m	2022-2026	Improved shop frontages
11	Stocksbridge Towns Fund High St Accessibility *	£0.7m	2022-2026	Improved accessibility to high street services and a wayfinding scheme
12	Stocksbridge Towns Fund Sports Pavilion *	£0.7m	2022-2025	Improved sporting facilities
13	Stocksbridge Towns Fund Bus Improvements	£0.7m	2025/26	A new local bus service

## 5 Potential investment pipeline over the next 10 years

	Priority / Project	Impacts	Potential funding source(s)
1	City Centre Vision and Catalyst Sites	Development and delivery of the City Centre Vision and progression of catalyst sites at Furnace Hill and Neepsend, Moorfoot and Station Campus	Homes England/ Gainshare
2	Parkwood	Creation of a country park in the City and improved access to an investment site for an adventure operator	Gain Share
3	Sheaf Valley Masterplan	Regeneration of key City Centre site	TBD

## 6 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 new 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.

## 7 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	Review and manage procurement routes to secure most competitive appointments. Pass risk on to 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.

3	Changing requirements for office space following the Covid-19 pandemic and the move to hybrid working.	Continual review of emerging trends.
4	Lack of revenue funding for early development and feasibility works for capital projects.	Corporate Investment Fund to ensure investment in development of projects that are best aligned to Member priorities and strategic objectives for the City. Feasibility funding held to be utilised for project and bid development.
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 funding 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.

Director: Wil Stewart, Director of Investment, Climate Change & Planning

Council Plan priority addressed: Part of our 'triple lock'; Sheffield will be a successful, accessible city which prospers while protecting the environment for future generations. We have an opportunity to play a leading role in a just transition to a low carbon futures for Sheffield, with a growing green economy; respecting our Outdoor City and treating our planet well creating a sustainable future with communities.

### 1 Background and context

The Council has continued to make progress towards its goal of becoming a net-zero organisation and city by 2030 through a range of activities and programmes.

As noted in last year's Capital Strategy, 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 (limited) resources to leverage and attract considerable private sector investment into the city.

In March the Transport Regeneration and Climate Policy Committee agreed the third of our decarbonisation routemaps; the Energy Generation and Storage routemap, setting out the overarching actions that will be taken to decarbonise our energy systems which will be underpinned by our Local Area Energy Plan (LAEP). This plan will set out the most effective route to transition our city's energy system to net-zero, helping to identify the interventions for investment that will be required from both the public and private sectors and will be commissioned and completed this coming year.

In October the Transport Regeneration and Climate Policy Committee agreed the fourth of our decarbonisation routemaps, the Land Decarbonisation Routemap, which sets out priority actions which will be required for the city's land to transition to net zero greenhouse gas emissions and to adapt to the changing climate.

Work will commence on developing a Business and Industry decarbonisation routemap during the coming year.

The Council will need to continue to invest in other feasibility studies and develop outline business cases and project proposals, that enable us to secure much greater investment and funding such as private sector capital (see next section). The Council will continue to seek additional resource over the next 2-3 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.

In 2019, over 70mm of rain fell on Sheffield in 24 hours. Roads became impassable and the Don nearly burst its banks. The only thing that stopped damage to homes and businesses was the flood defences built after 2007.

When we published the 10 Point Plan for climate action in 2021 we had seen extreme rain like this five times in Sheffield's recorded history, four of these events having happened in the last 20 years. Since publishing this document, we have seen rainfall and river level records broken again in parts of the city in February 2022, October 2023 and October 2024. Climate change is already happening worldwide and the impacts on our city are very real.

Working in partnership with the Environment Agency we have already made considerable investments in our city's flood defences with further schemes planned, our response capabilities are tried and tested and under continuous improvement after every flood event.

But much of our existing drainage infrastructure is aging and not fit for future needs in the face of more intense rainfall. We have seen the public outcry in the face of increased river pollution from storm water overflows, a direct result of our overloaded sewer network.

We are doing our bit in continue to reduce flood risk through limiting discharge from new developments, installing Sustainable Drainage Systems across the city, and implementing nature-based flood solutions across the catchment that also provide biodiversity improvements and help remove carbon from the atmosphere.

Improvements are needed to future proof our highway drainage systems and we need to work in partnership with Yorkshire Water to help reduce flows into the sewer networks. Our catchment partnership, Connected by Water, will enable this joint working as well as delivering wider flood resilience measures such as better data sharing, more efficient flood response and education and awareness raising on what people can do to better prepare and recover from flooding.

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

The activities delivered through this programme constitute the Council's core climate action programme. But there will also be a wide range of other programmes and investment that are being delivered across other parts of the organisation that will contribute positively towards our climate goals. Since last year, we have developed the Climate Oversight Board that brings together Directors from across the organisation to ensure that climate is embedded into all our activities and that opportunities are maximised.

Part of this work will include refining our investment opportunities in areas such as neighbourhood decarbonisation, taking a place-based that brings together some of the challenges such as financing large-scale domestic retrofit, energy provision and vehicle recharging.

Through the £3.5m Local Renewable Energy Programme (LREF), development work is progressing on a first tranche of 11 community buildings, including 2 schools for solar PV and LED lighting, which are at Outline Business Case and Full Business Case stage. The second tranche of buildings at energy audit stage include 20 schools and libraries. The LREF has also match-funded Government funded techno-economic feasibility studies looking at opportunities to connect council and other buildings in the city to the existing heat networks.

Revenue funding is being sought to support the 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 Projects completed in 2023/24**

Upper Don Phase 2, Loxley Flood Alleviation Scheme

**4 Current projects already in delivery**

	<b>Project</b>	<b>Budget (£) (all years)</b>	<b>Year(s)</b>	<b>Outputs</b>
1	Community Renewable Energy Fund	£3.5m	2022-2027	A range of community renewable energy projects

**5 Potential investment pipeline over the next 10 years**

The transition to net zero will require significant capital investment. This level of investment is beyond the reach of public finances, particularly at a local government level. Sheffield - along with other cities - is exploring alternative approaches to secure investment, such as with the National Wealth Fund or partnerships such as the Cities Commission for Climate Investment (3Ci) - an innovative collaboration of local government and the private sector. The Council has already put forward a proposal to 3Ci as part of its Net zero neighbourhoods programme, which aims to create a ‘pitch-book’ to be shared across government departments and

potential investors. Officers also are progressing a series of conversations with regional and national investment organisations to explore funding structures and potential projects.

Sheffield has been a participant in the Department for Energy Security and Net Zero's (DESNZ) Advanced Zoning Programme, which aims to accelerate the scale and pace of zonal heat network delivery and ensure the market transformation required to deliver heat network zones once regulations come into effect. Initial techno-economic reports suggested that the investment required to deliver the zonal scale opportunities across the city centre and Don Valley is more than £2bn.

We are developing major Flood Alleviation Schemes in the Upper Don and Sheaf & Porter catchments and investigating options across the wider catchment including Blackburn Brook. We have several key flooding hotspots across our highway network also under investigation.

Further work and revenue funding will be required to develop a robust investment pipeline for the city.

Revenue funding is required to commission feasibility and commercial business case development. Capital funding will then be 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.

Our existing capital programmes are also being flexed wherever possible to support this agenda. But whilst additional capital investment will be sought, match-funding may be required to support funding applications.

## 6 Our forward look to the 2050s

We must prepare for the significant climate risks associated with changes to our weather, particularly 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. An increasing demand for energy, combined with other external factors may lead to further price increases and potential power shortages. Our work to develop resilient and decarbonised energy systems is of particular importance.

Significantly more investment will be required to ensure that the Council and wider city is prepared for potential impacts. This includes both revenue as well as capital funding required to develop and deliver climate-resilient infrastructure across the city.

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.

Future flood resilience needs to be more than just building higher flood defences. A catchment base approach is needed of sustainable development decisions, land use change, nature-based flood risk reduction measures and increased infrastructure resilience supported by better education and emergency planning to reduce the impacts of flooding and make recovery quicker. We are well placed in South Yorkshire with our now established Connected by Water partnership to enable this work, but this requires ongoing revenue funding.

**7 Key challenges and how we are addressing them**

	<b>Challenge</b>	<b>Actions to address</b>
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 scoping 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 / Residential / Commercial / Industrial.	Funding has been secured from Place Feasibility Fund from the Gainshare pot. Initial planning work is progressing, and we are awaiting the appointment of resources.
4	Climate Resilience Plan - no plan in place – risk to City / businesses / residents – insufficient 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 and 4 above.	Seek capital funding as soon as feasibilities completed – including a potential request to the Corporate Investment Fund. Develop investable propositions to attract institutional and private sector investment.

## D2 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.**

Directors: Chris Ellison, Director of Housing | Sean McClean, Director of Regeneration & Development

Sheffield City Council wants to deliver – whether 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 high-quality 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 and ensure a safe living environment.

This section will address both these areas in turn.

Director: Sean McClean

Council Plan priority addressed: Great Neighbourhoods that people are happy to call home

## 1 Background and context

There is a clear and strong need for housing growth in the city and this will be achieved through a collaborative approach of robust strategic direction, improved policies, partnership working and an ambitious housing growth action plan. To achieve the fundamental aims of the plan, capital funding will be required to support key developments.

We have developed a **Housing Growth Delivery Plan (HGDP)**, which sets out how the Council and its partners will promote housing growth in the city over the next five years. We will influence the new-build housing market to bring about the vision in the Housing Strategy, and utilise sites made available for housing purposes in the Sheffield Plan.

- Our recently approved **Housing Strategy 2024** sets out our goals for housing in the city with a vision that ‘Everyone in Sheffield has a home that supports good health and is suitable for their needs and aspirations. We want people to have more housing choice and better access to a home which is safe, affordable, and ready for a changing climate.’
- The **Sheffield Plan** is our vision for how the city will grow by 2039. It allocates sites for housing and sets standards for environmental performance, accessibility and space standards on new developments.
- We also have a **City Centre Strategic Vision** which sets out the ambition to transform the city centre through the development of around 20,000 new homes, with 5 priority locations. We aim to increase the population and vibrancy of the city centre by creating new, distinctive neighbourhoods where people want to live.

These documents provide the strategic framework for housing delivery that the city needs, giving certainty and clarity to our ambitions for housing growth in the city.

There is a shortage of Affordable Housing in the city. The recent Local Housing Needs Assessment has identified a need for 2,032 affordable homes per annum. Housing Growth will continue to work towards meeting some of this need through the actions set out in the HGDP. However, it must be noted that the factors that influence need is complex and must be met not only through housing growth, but through a variety of means including influencing economic growth and improvements to social housing systems. The

overall HGDP will positively contribute to meeting the need of a variety of tenures and helping to boost housing delivery overall in Sheffield.

We are working hard to encourage housing delivery by partners in the city. This includes establishing the 'Sheffield Together' partnership, made up of the Council, Homes England, The South Yorkshire Mayoral Combined Authority, the Sheffield Property Association and members of the South Yorkshire Housing Partnership (a coalition of developing Housing Associations). We are working collaboratively to prioritise development efforts on key sites, increase transparency on delivery pipelines and overall bolster housing delivery across the city.

We have detailed an Action Plan to set out how we will deliver Housing Growth in the city in our HGDP. This includes the City Centre Priority Locations, developing 'catalyst sites', Suburban Regeneration plans, Influencing private market with Sheffield Housing Company developments, Increasing the requirement for affordable housing contributions, delivering new affordable housing through a stock increase programme, disposing of council land to aid affordable housing development, working partnership to achieve this and continuing to look for further grant funding opportunities to support this activity.

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

Sheffield City Council declared a climate emergency in 2019, with an ambition to become a net zero carbon city and Council by 2030. The Housing Growth Delivery Plan (HGDP) sets out ambitions and plans to grow housing within the city, and it is acknowledged that any construction of homes will have an impact on carbon emissions. However, it is essential to increase housing stock in the city and the plan outlines the way these activities and resultant carbon emissions can be mitigated and managed.

There are specific measures that will be taken to contribute to 'net zero'. In new developments we will set an example of low carbon development and help to signpost and regulate others. We will maximise use of our brownfield sites to ensure the most efficient use of land and protect nature and biodiversity. The risk of flooding will be reduced through better green infrastructure and sustainable urban drainage systems. New homes will be sustainable and fit for long term purpose, meeting the needs of the local population and reducing the need to travel. They will be built to high standards, with renewable technologies and sustainable materials used, meeting new climate focused standards, building regulations, and legislation. Each new build housing development that the council undertakes will have an individual Climate Impact Assessment that considers carbon emission and development climate impacts in more detail.

The HGDP ties in with both the Sheffield (Local) Plan and the Housing Strategy and both have commitments to help tackle the climate emergency. Following approval of the Housing Strategy we will be developing a Residential Net Zero delivery plan, which will include actions to reduce the environmental impact of new development. The Sheffield (Local) Plan has policies within it to help tackle the climate emergency by guiding how development takes place through design, layout and mitigations.

### 3 Projects forecasted to be completed in 2024/25

	Project and total value	Impact
1	Berners Place – New Build Direct Delivery - £577k in year and total 24/25 onwards	Completion of 18 x new housing units (out of 63 total project)
2	Owlthorpe – New Build Acquisition - £393k in year, £421k total 24/25 onwards	Completion of 3 x new housing units (out of 15 total project)
3	Infield Lane – New Build Acquisition - £100k in year and total 24/25 onwards	Completion of 6 x new housing units
4	Whitwell Street – New Build Acquisition - £1.12m in year, £1.21m total 24/25 onwards	Completion of 4 x new housing units (out of 6 total project)
5	Corker Bottoms – New Build Acquisition	Completion of 18 x new housing units (out of 47 total project)
6	General Acquisitions - £2.3m in year, £13.9m total 24/25 onwards	Completion of 20 x housing units
7	Local Authority Housing Fund Acquisitions 1&2 - £3.5m in year	Completion of 30 x housing units
8	Weakland – New Build - £89k in year and total 24/25 onwards	Completion of outstanding defects and Legal agreements
9	Adlington – New Build - £103k in year and total 24/25 onwards	Completion of outstanding defects and outstanding Client direct Items
10	Baxter Court – New Build Acquisition - £36k in year and total 24/25 onwards	Completion of outstanding defects and outstanding Client direct Items
11	Main Street Hackenthorpe – New Build Acquisitions - £92k from 24/25 onwards	Completion of outstanding defects and outstanding Client direct Items

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Duffield Place/Fraser Road – New Build	£1.6m	2022-26	6 New Housing Units
2	Whitwell Street – New Build Acquisition	£1.2m	2023-26	6 New Housing Units total (4 complete in 2024/25)
3	Corker Bottoms – New Build Acquisition	£11.2m	2022-26	47 New Housing Units total (18 complete in 2024/25)
4	Newstead GN – New Build	£21.2m	2022-26	77 New Housing Units

#### 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Bolehill GN – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 36 new housing units £8m	HRA Borrowing/Homes England AHP 21-26 Grant/S106 contributions	Included in SIP Q Number allocation
2	Newstead OPIL – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 82 new housing units £27m	HRA Borrowing/RTB 1-4-1 Receipts/S106 contributions	Included in SIP Q Number allocation
3	Newstead Reinstatement/Enabling – linked to Newstead OPIL	Support delivery of Newstead OPIL and reinstate land for future housing development. £2m	HRA Borrowing/RTB 1-4-1 Receipts	Included in SIP Q Number allocation
4	Manor 12/13 – New Build Acquisitions	Increase delivery of additional housing units as part of the Stock increase Programme – 40 new housing units	HRA Borrowing/RTB 1-4-1 Receipts	Included in SIP Q Number allocation

		£10.8m		
5	Scowerdons GN – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 68 new housing units £25.6m	HRA Borrowing/Homes England Grant	Included in SIP Q Number allocation
6	Scowerdons Shared Ownership – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 27 new housing units £10.1m	HRA Borrowing/Homes England Grant	Included in SIP Q Number allocation
7	Algar GN – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 90 new housing units £33.8m	HRA Borrowing/Homes England Grant	Included in SIP Q Number allocation
8	Viking Lea GN – New Build	Increase delivery of additional housing units as part of the Stock increase Programme – 90 new housing units £34.4m	HRA Borrowing/Homes England Grant	Included in SIP Q Number allocation
9	General Acquisitions	Increase delivery of additional housing units as part of the Stock increase Programme – 100 new housing units £11.6m	HRA Borrowing/RTB 1-4-1 Receipts	Included in SIP Q Number allocation
10	Local Authority Housing Fund Acquisitions 3	Increase delivery of additional housing units as part of the Stock increase Programme – 26 new housing units £3.2m	HRA Borrowing/LAHF Grant	Included in SIP Q Number allocation
11	Sheffield Housing Company Acquisitions	Increase delivery of additional housing units as part of the Stock increase Programme – 104 new housing units £24.6m	HRA Borrowing/RTB 1-4-1 Receipts	Included in SIP Q Number allocation
12	New Build Acquisitions	Increase delivery of additional housing units as part of the Stock increase Programme – 61 new housing units £14.4m	HRA Borrowing/RTB 1-4-1 Receipts	Included in SIP Q Number allocation
13	SIP Contingency	Contingency to support delivery of Stock increase Programme. £24.4m	HRA Borrowing/RTB1-4-1 Receipts/S106 contributions/capital receipts	Included in SIP Q Number allocation

14	Stock Increase Programme Continuation	Continue to deliver additional housing units following completion of current SIP post-2028/29. 30 units per year allocation.	HRA Borrowing/RTB 1-4-1 Receipts	Included in HRA Business Plan
15	Small Sites	Disposal of SCC owned small sites outside of the Stock Increase Programme but suitable for affordable housing units	Not required	Not required
16	SCC Owned Sites – Disposal for 100% Affordable Housing	Disposal of SCC owned sites outside of the Stock Increase Programme but suitable for affordable housing units	Not required	Not required
17	Registered Provider Brokering	Continue to work with and build relationships with RP's, intervening where required to ensure affordable housing viability	Not required	Not required
18	Alternative Delivery Models	Investigation of alternative delivery models for bring forward additional affordable housing for the city.	Not required	Not required
19	Strategic Site Assembly in priority locations	Ha TBC of brownfield land acquired to increase pipeline. Regeneration of City centre neighbourhoods and creation of new homes to meet demand. £10m	Corporate Investment Fund (revolving brownfield fund – sales of previous acquisitions will replenish fund)	Revolving fund
20	Catalyst Housing Sites: <ul style="list-style-type: none"> <li>• Moorfoot</li> <li>• Neepsend</li> <li>• Furnace Hill</li> <li>• Sheffield Station</li> </ul> Priority housing sites sites: <ul style="list-style-type: none"> <li>• Central area; and</li> </ul> Outside central area	Site assembly and preparation to enable private sector delivery of c.7,000 homes. Kickstart creation of sustainable neighbourhoods in the city centre, and enable housing on priority sites Citywide.	SYMCA Brownfield Housing Fund and successor funds Homes England	
21	Gleadless Valley	New Council homes as part of delivery of a refreshed Gleadless Valley Masterplan.	TBC	TBC

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Stock Increase Programme Continuation	Continue to deliver additional housing units following completion of current SIP post-2028/29. 30 units per year allocation.	HRA Borrowing/RTB 1-4-1 Receipts	Included in HRA Business Plan
2	Strategic Site Assembly in priority locations	Ha TBC of brownfield land acquired to increase pipeline. Regeneration of City centre neighbourhoods and creation of new homes to meet demand.  £10m	Corporate Investment Fund (revolving brownfield fund – sales of previous acquisitions will replenish fund)	Revolving fund
3	Catalyst Housing Sites: <ul style="list-style-type: none"> <li>• Moorfoot</li> <li>• Neepsend</li> <li>• Furnace Hill</li> <li>• Sheffield Station</li> </ul> Priority housing sites sites: <ul style="list-style-type: none"> <li>• Central area; and</li> </ul> Outside central area	Site assembly and preparation to enable private sector delivery of c 7,000 homes. Kickstart creation of sustainable neighbourhoods in the City centre, and enable housing on priority sites Citywide.	SYMCA Brownfield Housing Fund and successor funds  Homes England	????

## 7 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.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p><b>Funding challenges</b></p> <p>RTB 141 spending rules changes</p> <p>Reduction in RTB 141 income forecasts</p> <p>Homes England Affordable Housing Programme funding restrictions and unknown future funding programme scope</p> <p>Responding to declaration of Climate Emergency and meeting requirements of Future Homes Standards Building Regulations changes</p> <p>Sourcing, obtaining, appropriating, and purchasing land required to maintain delivery of affordable homes</p> <p>Maintaining strategic requirements and statutory obligations i.e. Nationally Described Space Standards, adaptability, specialist and supported accommodation</p> <p>Meeting political desire to increase number of SCC units whilst balancing HRA Borrowing versus income and associated risks</p> <p>Absorbing changes in construction market conditions – price increases</p>	<p>Close monitoring of legislation changes with ability to quickly model the impact and flex programme accordingly</p> <p>Continue with ongoing land assessments and work with Property to identify SCC land opportunities initially and pick up market opportunities</p> <p>Close monitoring of programme, financial reporting suite and funding matrix</p> <p>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</p>
2	<p><b>Future design challenges</b></p> <p>Reducing Embodied Carbon in Design,</p> <p>Future Homes Standard Government implementation 2025 via Building Regulations update</p> <p>Sheffield's Climate Emergency Declaration – Carbon Neutral City by 2030</p> <p>Balancing political priorities, budgets and legislation with strategic housing requirements</p>	<p>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</p> <p>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</p> <p>On top of the above actions, work with Transport Planners and Housing Asset Managers to deliver sustainable transport and EV charging strategies for Housing in line with government guidance</p> <p>Review design and space standards for all types of new build and new build acquisitions to ensure correct standard is achieved that matched strategic priorities and Local Plan aspirations</p>

3	<p><b>Site assembly challenges</b></p> <p>Key sites in priority locations under a variety of ownerships</p> <p>Existing businesses require relocation</p> <p>Designation of land for housing in Local Plan will increase 'hope value' of landowners</p>	<p>Homes England acquisitions team engaged to assemble catalyst sites</p> <p>Support businesses in finding suitable alternative premises</p> <p>Comprehensive master planning will help establish clear basis for land assembly, helping to achieve purchases by agreement</p>
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## B Housing Investment

Director: Chris Ellison

Council Plan priority addressed: Increase the availability, quality and range of housing in our neighbourhoods.

### 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 responsive repairs.

The refreshed capital programme proposals have considered:

- The application of inflationary factors anticipated over the next 5 years
- Ongoing works identified through our in-house Repairs and Maintenance Service
- Priorities identified working with local neighbourhood teams
- The current position on investment needs through the decent homes' standards.
- Addressing all regulatory requirements to ensure full compliance.

The investment proposals will need to be agile and consider - as a minimum - the following emerging challenges which, whilst rightly delivering benefits for our tenants are likely to also have significant cost implications, creating further pressure on our Housing Revenue Account (HRA) funds:

- **The Building Safety Act**

On 1st October 2023, the new regime of the Act came into law, including changes to the requirements for higher-risk buildings, increased responsibilities for building owners, and changes to the fire safety legislation. This responsibility will cover emerging regulatory and legal requirements following the publication of the Grenfell Stage 2 Inquiry Report and changes to working practices by the Building Safety Regulator.

- **Stock Condition, Energy and Housing Health and Safety Rating (HHSRS) Surveys**

Over the next 2 years, we will be boosting our current stock data information through procuring additional external surveying resources to provide either new or updated information on 20,000 properties. We have also commissioned ten stock option appraisal reports, to be reported during 2025/26 to further understand the investment requirements of our highest cost estates. Also, each property on Gleadless Valley estate will benefit from a stock condition survey to influence decision making within the revised Gleadless Valley Masterplan. An Asset Management Strategy will be tabled at the March 2025 Housing Policy Committee which will set out our key principles for stock investment and divestment and will be supported in future years by a robust Investment Plan which will set out key investment initiatives.

- **Changes to the Decent Homes Standard proposed by Government (Decent Homes Standard 2)**

The Decent Homes Standard (DHS) was established in 2003, setting an initial target for housing quality to be achieved by the end of 2010. It continues to apply as a performance measure in England. Its objective was to improve housing stock and to provide better accommodation standards for tenants. Given that the definition of a 'decent home' has not been updated since 2006, the government is now reviewing the Standard's requirements. The revised decent homes standards are anticipated to be published during 2025. Currently 97% of council housing stock is classed as 'decent'. The additional 20,000 stock condition surveys and the Asset Management Strategy will provide a better understanding of the future investment needs of our stock and where to prioritise future capital investment.

- **Addressing Damp and Mould concerns**

Housing conditions specifically relating to damp and mould information will continue to be improved and reviewed for the council to achieve full compliance with the Housing Ombudsman's 26 Point Self-Assessment on Damp and Mould. The increase in the number of stock condition surveys will also identify property types more susceptible to damp and mould and will make the decision making about investment priorities more efficient. Awab's Law when enacted will also bring additional requirements for investment on our stock which will be reflected in the Asset Management Strategy and ongoing Investment Plans.

Council tenants should live in safe, warm, secure, and modern properties in attractive neighbourhoods. These overarching principles will inform our investment priorities. To keep our residents safe, we will be prioritising all aspects of regulatory compliance to ensure our buildings are safe and free from harm. Following the successful completion of the upgrade work for our four single staircase tower blocks, work on the remaining 20 dual staircase tower blocks will commence in 2025/26. We have established a High Rise Forum to address all resident concerns relating to building safety and this work will continue during 2025/26. The proposals will include closing waste chutes in tower blocks, providing modern day waste facilities and installing fire doors to flats and communal landings and to ensure all communal and private spaces meet the required fire safety standards.

We will continue planned work programmes already identified as priorities with tenants, such as roofing, windows and doors, kitchens, bathrooms, and heating to ensure we move towards all our properties meeting the regulatory decency standards.

The Asset Management Strategy will also look to reduce responsive revenue repairs spend by using effective data analysis to identify areas of current spend and to deliver a balanced capital programme to reduce future revenue expenditure.

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

It is an investment priority to ensure all council homes achieve the EPC C rating by the end of the 2030/31 financial year. The Asset Management Strategy will identify where and how additional resources can be allocated to achieving net zero, recognising the challenge of making all council homes ‘net zero’ by 2030/31. We will continue to maximise external funding opportunities where appropriate by completing existing Social Housing Decarbonisation Fund initiatives or utilising the new Warm Homes Fund. We will be piloting more emerging ‘clean’ technologies, such as air source and ground source heat pumps and during 2025/26 will be developing a Solar Panel Strategy which will identify options to maximise the council housing roofs across the city. Housing will be a key partner in how Sheffield City Council responds to the climate emergency.

A key part of the Gleadless Valley Masterplan is a deep retrofit of properties to achieve our net zero ambitions for this stock. This work will rely on a mixed funding approach from HRA capital investment to external institutional contribution. This work will form part of the revised Gleadless Valley Masterplan due in 2025/26.

**3 Projects completed in 2023/24**

	<b>Project and value</b>	<b>Impact</b>
1	EWI Package 3 (£9.9m)	External Wall insulation to 255 non-traditional properties
2	Private Sector Homes Upgrade Grant 2 (£1.2m)	Energy efficiency works to private sector housing via grant regime
3	Stairlifts Contract 1 (Adaptations) (£1.5m)	631 stairlifts installed
4	Haslam Crescent Roofing Phase 1	Emergency reroofing works

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Heating Breakdowns	£3.6m	2023-25	Ongoing programme of heating breakdown replacements
2	EWI Package 2	£13.2m	2022-26	117 Airey properties refurbished
3	Tower Blocks Fire Risk Assessment Works	£18.4m	2024-29	Improve Fire Safety at 20 x Tower blocks
4	Electrical Upgrades Phase 2	£21.8m	2021-27	Approx. 12,500 properties included for electrical rewiring
5	Adaptations (ongoing programme)	£10.7m	2023-26	2,400 properties anticipated to receive adaptation works

#### 5 Proposed investment pipeline over the next 5 years

The 6 broad, overarching themes of priority activities are:

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Decent Homes	Component replacements such as kitchens, bathrooms and roofs to achieve and maintain 100% regulatory compliance on decency standards.	Housing Revenue Account (HRA)	Allocated
2	Building Safety	To ensure all homes meet building safety compliance standards. This includes both fire and general building safety work to both high-rise high-risk buildings and also low rise, sheltered and supported units.	HRA	Allocated
3	Decarbonisation	To invest in stock utilising both HRA and external funding to achieve EPC C on existing stock, piloting new technologies as funding streams permit but using Gleadless Valley as a test bed for a deep retrofit pilot.	HRA External Grant Funding	HRA funding allocated, and Social Housing Decarbonisation funding secured

4	General Provisions	This includes all general capital expenditure such as the Edward Street refurbishment scheme, selective demolition schemes and ad hoc schemes such as wall rebuilding	HRA	Allocated
5	Heating, Mechanical and Electrical	Spend will include upgrading parts of the district heating system, lift replacements, emergency lighting and the electrical upgrade for appropriate homes. This allocation will also focus on achieving and maintaining statutory compliance in areas such as legionella and carbon monoxide installations.	HRA	Allocated
6	Gleadless Valley Masterplan	Meeting the requirements within the revised Gleadless Valley Masterplan including all aspects of building safety, decency, open space management and the deep retrofit pilot for decarbonisation. The revised masterplan will also provide a number of new affordable rent homes set out within the stock increase programme.	HRA External Grant Funded	HRA contribution allocated

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Decent Homes	Achieve and maintain 100% decent homes.	Housing Revenue Account (HRA)	Allocated
2	Building Safety	Achieve and maintain 100% building safety compliance.	HRA	Allocated
3	Decarbonisation	Continue to contribute towards the city's aspirations of achieving and maintaining net zero.	HRA External Grant Funding	HRA funding allocated and Social Housing Decarbonisation funding secured
4	General Provisions	Upgrading the stock based on Asset Strategy priorities and Investment Plan decisions.	HRA	Allocated
5	Heating, mechanical and Electrical	Achieve and maintain 100% compliance with all Heating, Mechanical and Electrical (HME) functions.	HRA	Allocated

6	Gleadless Valley	Finalise and review the investment in Gleadless Valley and start to monitor the success/outcomes of the Masterplan	HRA External Grant Funded	HRA contribution allocated
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## 7 Our forward look to the 2050s

Investing in stock condition surveys and maintaining a five year cycle of refreshed information has allowed us to build an asset management database of stock needs beyond 2050. Regular updates to the data will build confidence to ensure that each investment plan meets the priorities for the stock. Lifecycle modelling within the database indicates that typically the existing stock of around 38,400 will require annual investment of £50m per annum (unadjusted for inflation) to stand still. However, building safety requirement and regulatory compliance will also continue to place ongoing financial requirements on the HRA to maintain the existing 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 also require further capital investment as the stock ages.

We will have devised both investment and divestment plans for appropriate stock to ensure we achieve value for money for all investment options. This will mean significant investment in existing stock but will also include options for targeted demolition where a retrofit option isn't available. Most of the housing stock in 2053 will be 80-110 years old and inevitably will require effective investment planning. This resources available may not be sustainable or adequate to meet the housing needs of the city. Therefore, routine appraisals of the housing stock at an estate and property type basis will need to be proactively 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, both HRA and external.

By 2053, elements of fire safety work currently in progress will need to be replaced. However, the robust Building Safety Cases developed for each high-risk building will help build a picture of future investment need based on the changing building safety regulation. New heating solutions will have been in place for 20 years. However, as this is an area of emerging technologies continued investment in the green agenda will form a key part of investment planning.

## 8 Key challenges and how we are addressing them

Challenge	Actions to address
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1	Continued high construction inflation resulting in higher-than-average contract costs.	A review of the HRA Business Plan is being undertaken to review all aspects of funding. Also, the proposed capital programme for 2025/26 is reduced while the stock condition survey projects gain momentum and allows for the use of more data to determine future priorities.
2	Insufficient capital to undertake all required projects within the HRA.	The service is prioritising building safety and compliance projects within 2025/24 together with existing contractual commitments. An Asset Management Strategy will be presented to the Housing Policy Committee in March 2025 which will set out the key principles for future capital spending.
3	The Building Safety Regulator isn't fully established but we expect additional compliance and regulatory requirements to be placed on the service e.g. response from the Grenfell Inquiry and other building safety regulation.	The service has contracted the services of Baily Garner, a building safety specialist to support the Asset Management Team fully understand the current building safety requirements and to advise on emerging themes. Similarly, a structure for the Fire Safety Team is being developed to ensure that the service becomes fully compliant with all current and emerging fire safety requirements.
4	Insufficient capacity within the Asset Management Team to manage capital projects due to recruitment challenges.	The direct commissioning of the Capital delivery Service (CDS) to project manage and deliver more major capital projects, supported by the Asset Management Team as a client.

## 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.**

Director: Meredith Dixon-Teasdale (Strategic Director of Children's Services)

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. 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 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.

## **A Building condition – maintaining our school estate**

Head of Service: Mark Sheikh | Head of Business Strategy

Council Plan priority addressed: A place where all children belong and all young people can build a successful future

### **1 Background and context**

The Children’s Services and Children’s Integrated Commissioning Service supports children, young people and their families. It has 6 key areas of focus:

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

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 64 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, Pipworth, Lydgate Junior, Carfield, Ballifield, and Lowfield Primary schools. The capital strategy has been amended to reflect this programme.

### **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.

The schools that are included in the DfE School Rebuilding Programme will be net zero in carbon operation helping to meet Sheffield's net zero ambitions.

### 3 Projects forecast to complete in 2024/25

	Project and total value	Impact
1	Fire Risk Assessment (FRA) Works x 3 sites £1.1m	Ensuring Fire Risk Assessment works are completed to ensure building safety.
2	Nether Green Roof £2.2m	Keeping the building weathertight.
3	Waterthorpe Roof £222k	Keeping the building weathertight.
4	Abbey Lane Reinforced Autoclaved Aerated Concrete Removal £620k	Removal of Reinforced Autoclaved Aerated Concrete (RAAC) from building.
5	Heating & Mechanical Works x 7 sites £1m	Heating works to 7 sites to keep schools warm.
6	Chimney Demolition x 2 sites £34k	Removal of chimneys to ensure safe school environment.
7	Wooley Wood School Heating Replacement £0.85m	Installation of new boiler and air source heat pumps.

### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)
1	FRA Works x 4 sites	£1.5m	2023-25
2	Window Programme x 2 sites	£1.1m	2023-24

	<b>Project</b>	<b>Budget (£) (all years)</b>	<b>Year(s)</b>
3	Watercliffe Meadow Retaining Walls Works	£0.3m	2023-24
4	Halfway Nursery and Infants Roof and Windows	£1m	2024-26
5	Beighton Nursery and Infants Roof	£1.5m	2024 - 26
6	Intake Roof	£300k Estimated	2024 - 26
7	Bradway Roof	£140k Estimated	2024 - 26
8	Dore Caretaker Property Demolition	Costs TBC at feasibility stage only	2024 - 26
9	Emergency Works	£0.4m	2024 – 25
10	Eco works at 2 x sites - solar PV and LED lighting installation	Costs TBC at feasibility stage only	2024 - 26

## 5 Proposed investment pipeline over the next 5 years

	<b>Priority / Project</b>	<b>Potential funding source(s)</b>
1	Stradbrook Roof £1.5m	Capital Grant – Education and Skills Funding Agency
2	FRA Works King Edward Upper School Site £3m	Capital Grant – Education and Skills Funding Agency
3	Window Programme x5 Sites £1.1m	Capital Grant – Education and Skills Funding Agency
4	Nether Green Junior Mobile Replacement £500k	Capital Grant – Education and Skills Funding Agency
5	Woolley Wood Air Source Heat Pump Replacement £675k	£404,710 contribution from Renewable Energy Fund Capital Grant – Education and Skills Funding Agency
6	FRA Passive Works £1.2m	Capital Grant – Education and Skills Funding Agency

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding
1	Building Condition	Programme of repairs and upgrades to a range of schools. Maintaining schools to ensure they are safe, warm, and dry. This includes ongoing monitoring of asbestos, radon gas and RAAC.	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
3	Pfl Expiry	Programme to revert asset control to the relevant responsible body, either Academy Trust or Local Authority, for the first 6 schools built via Pfl contract. The contracts expire in 2026.	
4	School Condition Survey Programme	Programme of ongoing school condition surveys of all maintained schools across the school estate to inform prioritisation within the capital programme.	Revenue funded

## 7 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.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p><b>Building Condition</b></p> <p>Backlog maintenance is currently estimated at £45m for 64 maintained schools.</p> <p>Existing resources of around £3m annually are largely absorbed by reactive maintenance and essential programmes such as Fire Risk</p>	<p>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</p>

	<p>mitigation. Using current SCA allocation it would take us over 12 years to fully implement lifecycle maintenance.</p> <p>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.</p> <p>A catastrophic failure of building or services may occur at an individual school (or schools) as a result of an unseen issue or an issue not addressed in time due to limitations in information, funding, or programme failure. Risk includes failure of statutory elements or external catastrophic events such as Fire or Flood etc</p> <p>That an unplanned need arises which requires the reallocation of funding within the school capital programme to address i.e. RAAC.</p>	
2	<p><b>School Rebuilding Programme</b></p> <p>Although SCC has been successful in securing new build Primaries at 6 schools across the city, delays to the DFE School Rebuild Programme mean SCC having to continue to manage buildings already identified as amongst the worst condition across a longer timescale than anticipated meaning increasingly difficult compromises and decisions will need to be taken as to what works are economically appropriate given that the schools will eventually be replaced with new build.</p> <p>Although schools within the DFE Rebuild Programme will be funded for replacement by DFE directly, SCC will become liable for any and all Abnormal Costs identified across these sites for the DFE to deliver, at a level which at present will be unquantified.</p> <p>Alternative sites may be required for any of the schools in the Rebuild Programme due to site constraints or other issues which could affect on-site rebuilds. Potential for capital required for new sites if required (link to abnormal costs risk).</p>	Accept and note the risk.
3	<p><b>Fire Risk Assessment Procurement</b></p> <p>That works within the programme cannot be undertaken as the result of an inability to adequately secure a procurement route for the works meaning that the works go unaddressed. This is particularly the case where statutory maintenance is affected as currently through the inability to secure a procurement route for Passive FRA works.</p>	New procurement route being formulated for 2025 which we are confident will garner greater interest.

4	<p><b>PFI Expiry</b></p> <p>The ending of the PFI contracts across several Schools and PFI Contracts may lead to assets being returned by the PFI company which are not in agreed condition and have not been maintained across the lifecycle of the PFI Contract as expected. For those assets being returned to SCC this would place a greater burden on the remaining capital programme; for those returning to Academy Trusts this may mean that failure to return in agreed condition could lead to legal implications and/or claims against SCC for compensatory funding.</p>	Ensure robust arrangements in place to audit this points prior to PFI expiry dates.
5	<p><b>Funding</b></p> <p>The annual allocations of School Capital Allowance for Sheffield from DFE are insufficient to meet the ongoing identified needs of the condition programme leading to increased backlogs of work to be prioritised with increasing risk of failure at those sites which have necessary works delayed.</p> <p>The economic circumstances such as high inflationary pressures and/or supply chain issues in construction markets adversely impact on the programme through increased costs and programme delays, thus making the planning and delivery of the capital programme for schools more challenging by further restricting the number, scope and extent of works that can be achieved with the reduced funding that would be the result of these pressures.</p> <p>The impact of programme admin costs and professional fees payable to deliver schemes within the programme becomes too great as a proportion of the scheme costs thus restricting actual amounts that can be spent on schemes across the programme</p>	Accept and plan as well as possible – see above.
	<p><b>Insurance</b></p> <p>SCC Insurers are becoming more risk averse and are declining insurance claims on the grounds that there is evidence of lack of maintenance or repair to affected areas of schools/schools and that, consequently, the capital programme now is picking up more costs which would previously have been reimbursed by our insurers.</p>	Note and accept.
	<p><b>Academisations</b></p>	Note and accept.

<p>Increased numbers of academisations in turn reduce the funding allocated to SCC as calculated by Maintained School numbers only (link to funding risks above)</p> <p>That there is dispute between the LA and an Academy Trust as regards the condition of a building transferred and requests for works in advance from Academy trusts as part of the conversion process</p>	
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## B Basic Need – ensuring sufficient mainstream school places

Director: Joe Horobin, Director of Integrated Commissioning

Council Plan priority addressed: A place where all children belong and all young people can build a successful future

### 1 Background and context

Local authorities have a statutory responsibility to ensure there are sufficient mainstream school places available in their area for every child of compulsory school age (the ‘sufficiency duty’). This is set out under section 14 of the 1996 Education Act.

A significant element of our Capital and Growth Programme must be prioritised around ensuring Sheffield City Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. In previous years we have delivered state of the art education facilities, including Oasis Academy Don Valley, Astrea Academy Sheffield, Mercia School, and the expansions of Ecclesall Primary School, Silverdale School, and King Ecgbert School.

In September 2024 we took a report to the Education, Children and Families Policy Committee titled “[Update on Primary, Secondary, and Post-16 Mainstream and SEND Sufficiency 2025-2030](#)”. Key information on mainstream primary and secondary sufficiency from the report is below:

#### Primary Sufficiency

The key issue in primary is one of falling rolls. Following the national picture, births in Sheffield rose by 25% between 2002 and 2012 which initially put pressure on the primary sector and led to the commissioning of additional primary places to meet demand. Since the 2012 peak, births have been falling resulting in an increasing number of excess/surplus places across Sheffield’s primary schools since 2015/16.

This has begun to impact on some school’s budgets and continues experience further pressure with each year’s lower cohort. Reception cohorts are expected to continue to decrease, reaching a low point in 2027/28.

Beyond 2027/28, the reception cohort is forecast to increase, but this is based on Office for National Statistics forecast births data which has not been updated since 2018, and therefore needs to be treated with caution.

Despite births falling, we have seen an increasing population growth due to inward migration into Sheffield. Population gain in the pre-school years has increased from an average of 1.2% to 1.7%. In addition, the percentage of children taking up a place at a maintained primary school has been rising; it was 90% in 2017/18 and has risen to 96% in 2023/24.

These factors together are mitigating low birth rates slightly. The forecast reception surplus in 2027/28 is forecast to be 44 forms of entry (19.4%). If migration and uptake rates remain at current levels, this could be reduced to 37 forms of entry (16%).

Increased housing developments within specific planning areas, including those within the city centre, are leading to high levels of population change particularly focused in Planning Areas 1, 3, 4 and 5. We will continue to monitor these areas and the impact on the primary sector.

Surplus places have not been the trend in all primary schools and some pockets of primary place deficits are in the process of being addressed through permanent expansions.

We will continue to monitor planning areas where pockets of place shortfall/deficits exist. Intervention will only be considered where there is a shortage of places across a sub-planning area.

### **Secondary Sufficiency**

The 2023/24 data review highlighted that several planning areas are forecast to see a sustained deficit in secondary places from 2025/26 onwards. Demand for school places in some of these planning areas is forecast to increase due to population growth. This growth is in part because of our economic development and plans for the city, attracting more people to live, work and raise their families here.

This, in addition to the larger student cohorts from increased births between 2002 and 2012, is what is driving up the demand for secondary school places in the city. Schools and academy trusts have worked in partnership with the Education and Childcare Commissioning Team to ensure additional places are added to the secondary sector to manage the larger birth cohort.

To address the sustained deficits highlighted in the table below, we will work in collaboration with the secondary sector to develop innovative and practical solutions to meet demand in specific areas, which could for example be via a combination of permanent and temporary expansions.

We will work in partnership with the sector and key stakeholders to consider expansion and/or development of new provision to help address the deficits in the city.

This latest data review undertaken in March 2024 forecasts a Year 7 citywide shortfall/deficit of secondary school places. Table 1 below shows both the deficit and surplus number of Forms of Entry of Y7 places across several years.

Table 1	
Academic Year	Forecast Y7 Deficit (+) Surplus (-) (Forms of Entry)
2025/26	5.5
2026/27	11
2027/28	15
2028/29	13
2029/30	5.5
2030/31	-1.0
2031/32	-1.5
2032/33	-9.0
2033/34	-4.0
2034/35	-15.0

Source: 2023/24 Autumn Secondary Composite Allocations with 3% uplift

\*Notes:

- This is based on national offer day allocations and includes a 3% uplift to build in some flexibility into the system for in-year movement and in-year admissions.
- Forms of Entry (FE) shown are not cumulative.
- 1FE = 30 places

## Basic Need Capital Funding

The Department for Education provides local authorities with basic need funding to help them fulfil their duty to make sure there are sufficient mainstream school places for children in their local area. This funding is managed on an operational basis via the Capital and Growth Board with strategic direction as part of the capital strategy given by Education, Children & Families Policy Committee.

Of Sheffield’s basic need funding allocations that have been announced by the Department for Education for mainstream school place expansion, £28.8m is currently uncommitted and available for investment. This will be supplemented by any developer contributions secured under Section 106 agreements. This funding could be used to support any building refurbishment and temporary or permanent expansion projects.

The Department for Education’s estimations, based on data from the costs of recently completed schemes nationally, were recently updated to provide new average costs per place for permanent, temporary and new school projects, for both primary and secondary mainstream education:

Phase of education Type of project	Primary		Secondary	
	England	Yorkshire and the Humber	England	Yorkshire and the Humber
Temporary expansion	£9,450	£8,600	£10,609	£9,654
Permanent expansion	£19,989	£18,190	£27,492	£25,018
New school	£23,865	£21,717	£28,912	£26,310
<i>Source: <a href="#">Local Authority School Places Scorecards</a> 2023/24</i>				

The £28.8m basic need funding that is estimated to be remaining following the current projects in delivery would be expected to deliver 2,983 temporary or 1,151 permanent mainstream secondary school places. Work is ongoing to analyse the data and explore options with schools and academy trusts to identify a mix of temporary and permanent projects. Until detailed feasibility work is completed on specific sites these figures only represent an estimate based on average costings. Once the figures for secondary expansions are confirmed, this will be presented to the Finance Committee and processed as part of the business cases for individual expansion projects as they progress.

The Department for Education are yet to notify us of any future basic need funding to be allocated to Sheffield City Council for mainstream places to be available fr

om September 2027, which would further mitigate the position.

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

An overarching Climate Impact Assessment has been undertaken linked to our [Commissioning Plan 2023-2026: Early Education & Childcare, Primary, Secondary & Post-16 Sectors](#). Following site feasibilities, full and individual Climate Impact Assessments will be undertaken once a final agreement on any building refurbishment / temporary expansion / permanent expansion has been received.

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 ensure that climate impacts are considered and mitigated wherever possible.

## 3 Projects forecast to be completed in 2024/25

	Project and value	Impact
1	Manor Lodge Primary School Expansion	Permanent expansion to accommodate additional 15 pupils per year group
2	Wharnccliffe Side Primary School Expansion	Permanent expansion to accommodate additional 10 pupils per year group
3	Forge Valley Temporary Expansion (£0.55m)	Additional 30 Y7 places

## 4 Current projects already in delivery

Currently none.

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Statutory delivery of mainstream school places	Expansion of secondary school places within the city, particularly in the areas of sustained peaks in demand.  Monitoring need for expansion of primary school places within the city, particularly in localised hotspots of high demand.	Department for Education (DfE) / Education & Skills Funding Agency (ESFA) / Sheffield City Council  Section 106 funding to be utilised where possible	DfE funding confirmed up to 2027.  Section 106 to be approved on case by case basis.
2	Post 16 sufficiency review	Potential consideration of capital investment to support Post 16 sufficiency depending on outcome of review.	DfE / ESFA / Council	

## 6 Our forward look to the 2050s

- Local Plan ambition to deliver 2,100 new homes per year between 2019 and 2039 – analysis of planned housing developments to calculate likely pupil yield as we may need to provide additional primary and secondary school places where pupil yield is increased.
- Uncertain migration patterns as a result of Brexit, climate change and continued significant global events such as Ukraine, Hong Kong and Afghanistan, impacting demand for school places.
- Uncertain future birth rates and whether current decline will be sustained or reversed in future.

## 7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p><b>School Places:</b></p> <p>Sheffield City Council 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.</p> <p>The Department for Education are yet to notify us of any future basic need funding to be allocated to Sheffield City Council for mainstream places to be available from September 2027.</p>	<p>An ongoing review of all pupil places.</p> <p>A review of the current 3% uplift in secondary forecasts.</p> <p>Continue to raise the profile of statutory duties and to lobby national government.</p> <p>The Local Plan, once adopted, will improve our opportunities to secure developer contributions through Section 106.</p>
2	<p><b>Post 16 Capital:</b></p> <p>Following Post 16 Sufficiency Review there may be a need to intervene in market, no capital allocation for post-16 to Sheffield City Council.</p>	<p>Ongoing capital discussions linked to sufficiency review and any future Post 16 capacity fund that may be implemented by the Department for Education to support capital investment and growth of Post 16 places.</p>
3	<p><b>Uncertain Migration Trends:</b></p> <p>Currently experiencing higher levels of inward migration into the city, both from within the UK and overseas, future trends uncertain.</p>	<p>Review of migration trends and population changes across the city.</p> <p>A review of the current 3% uplift in secondary forecasts.</p>

## High Needs SEND provision – ensuring appropriate provision for children and young people with special educational needs and disabilities

Director: Joe Horobin, Director of Integrated Commissioning

Council Plan priority addressed: A place where all children belong and all young people can build a successful future

### 1 Background and context

Local authorities have a statutory responsibility to ensure there are sufficient SEND places to meet the needs of children and young people with SEND in their area (up to the age of 25 for those with an Education, Health and Care Plan (EHCP)).

In September 2024 we took a report to the Education, Children and Families Policy Committee titled "[Update on Primary, Secondary, and Post-16 Mainstream and SEND Sufficiency 2025-2030](#)". Key information on SEND sufficiency from the report is below.

#### SEND Sufficiency

SEND is an area of pressure, which is forecast to continue to be the case in future years. The headlines from the forecast below highlight the significant challenge in this area, and the need to support SEND sufficiency across all settings, from 0-25.

Current forecasts indicate that:

- a) The overall number of EHCPs is forecast to increase by 36% by 2028.
- b) In mainstream primary and secondary settings there will continue to be a significant increase in children with EHCPs, this could equate to a 50% increase by 2028.
- c) 20% increase in demand for special school places at year 7 by 2028.
- d) Due to rising demand, the number of high-cost independent places is likely to increase. There is a possibility these could double in number to nearly 200.

There are a range of diverse needs encompassed by the term SEND. Within SEND, there are three predominant needs which are growing, and expected to continue to grow:

- a) Needs relating to neurodiversity, including autism and ADHD.

- b) Social, Emotional, Mental Health (SEMH) needs.
- c) Speech, language and communication needs.

It is these three areas of need where we face the greatest sufficiency pressures. There is significant activity as part of the SEND transformation programme which is aiming to improve how these needs are supported, including supporting these needs earlier. There is significant diversity within each of these three broad areas of need, meaning a range of approaches are needed.

To meet the rising demand for specialist education provision, we plan to focus on:

- a) Further increasing and developing provision in mainstream settings.
- b) Targeted growth within the specialist sector.
- c) Long-term strategic developments to provide high quality provision for future generations.

Key activity in relation to SEND includes working with the Inclusion Taskforce to develop a consistent continuum of provision across the city to support children with SEND from 0-25. This includes development of new provision such as integrated resources, training activity and supporting school led provision.

Alongside this, we are working to increase specialist provision. This includes working with the Department for Education to open two new special schools, providing an additional 180 places for Sheffield.

Activity is also taking place to improve post-16 provision, including improvements to Sheaf Training and the development of a high needs provision at Peaks Campus with The Sheffield College.

### **High Needs Capital Funding**

The Department for Education provides local authorities with high needs capital funding to help them fulfil their duty to make sure there is sufficient education provision for children with SEND in their local area. This funding is managed on an operational basis via the Capital and Growth Board with strategic direction as part of the capital strategy given by Education, Children & Families Policy Committee.

High needs capital funding is being used to support sufficiency activity and adaptations relating to SEND. Of Sheffield's high needs capital allocations that have been announced, a total of £13.8m is currently unspent. £3.9m of this is committed to schemes in delivery, with £9.9m to be allocated. Managing this fund effectively to support sufficiency and ensure value for money is an-going challenge. Key to ensuring this, is alignment of capital activity with revenue investment to support SEND, particularly in mainstream.

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

For any SEND project, full and individual Climate Impact Assessments will be undertaken once agreement on any building refurbishment / expansion / new build has been received.

For SEND, a key contributor to the climate impact is the significant use of buses and taxis outside Sheffield City 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, in an aim to reduce travel across the city.

## 3 Projects forecast to complete 2024/25

	Project and value	Impact
1	5 x Integrated Resources (£0.8m)	Increased localised SEND provision
2	The Sheffield College Peaks Campus Post 16 SEND Provision (£1.2m)	Up to 300 post 16 SEND places
3	Stockbridge SEND Hub (£0.33m)	Increased localised SEND provision
4	Mossbrook Special School Reconfiguration (£0.28m)	Increased SEND provision

## 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Special Free School	£0.8m (contribution to DfE delivered scheme only)	2026-27	80 special school places for SEMH
2	Special Free School	£0.6m (contribution to DfE delivered scheme only)	2026-27	100 special school places for SEMH

	Project	Budget (£) (all years)	Year(s)	Outputs
3	Sheaf Training Centre Accessibility	£0.64m	2024/25-25/26	Internal and external reconfigurations to increase capacity and improve site accessibility

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)
1	Increased mainstream provision through provision such as Integrated Resources (IR), Hubs and alternative provision.	Significantly increase the number of learners with SEND needs having needs met in mainstream.	High Needs Capital
2	Joint Special 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 Provision 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	Reconfiguration of Special Schools to support sufficiency	Changes in the presenting needs of children and young people with SEND mean that some special schools may need capital investment to reconfigure spaces to better meet the needs of young people and provide places.	High Needs Capital
6	Adaptations	Accessible maintained schools for children with complex needs.	High Needs Capital
7	The Sheffield College Peaks Campus	Further investment into Peaks Campus to ensure it is fit for purpose for increasing pupil numbers i.e. 200 places in 2025/26 and 300 places from 2026/27.	High Needs Capital

## 6 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 produced a [Green Paper](#) in March 2022, with a greater emphasis on inclusion, but the timing of implementation is not clear. Following the 2024 General Election it is anticipated that this area of policy may see changes in future years.

The legacy of Covid-19 in relation to SEND is becoming more apparent, with needs relating to speech, language, communication and mental health appearing more prominent post-covid.

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.

## 7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	High demand for SEND places	Development of integrated resources and special led hubs to meet need earlier in mainstream settings. 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	Need to support more learners in mainstream in highly pressured system.	Working with Early Years, Education and Skills and Learn Sheffield on Inclusion Strategy and Belonging. Working with sector to understand barriers to inclusion and address. Strategic emphasis on mainstream through developments of high-quality provision.

4	Increasing SEND Transport costs	Reviewing areas of transport demand to target locality developments to reduce need for transport, including capital schemes to accommodate children in their local schools.
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Director: Sally Williams, Director of Children and Families

Council Plan priority addressed: A place where all children belong and all young people can build a successful future

## 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. Underpinning this are five key sufficiency principles:

1. Children stay at home, wherever it is safe to do so.
2. Children are reunified with their families wherever it is safe to do so
3. Where children cannot live at home they live with connected carers
4. Only when children cannot live with connected carers they live in family-based care (foster care) which might be foster care or adoption
5. Only when children cannot live in family-based care, they live in high quality residential placements that meet their specific needs

As part of our strategic response to sufficiency, we need maximise the use of family-based care and have appropriate access to the necessary amount of residential provision, including our own in-house residential provision. This will enable 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).

Nationally, numbers of Children looked after (CLA) are increasing. At the end of March 2022, they stood at 82,170 - up 2% on 2021. As a result of successful early intervention and a strong edge of care response, Sheffield has lower rates of CLA than both national and statistical comparators. We have 55 looked after children per 10,000 children, our statistical neighbours have 94 looked after children per 10,000 children and nationally the rate is 70. However, we are seeing increased complexity and need across our looked after children cohort.

There is a clear increase in demand for residential placements for children with increased complexity, who we struggle to find suitable placements for in private sector accommodation. Over the last 24 months we have experienced increasing challenge in sourcing placements for young people with a high complexity and levels of need, making matching children in larger homes unrealistic and unsafe. Young people who have high levels of complexity are often rejected by private providers as too complex, or, if accepted,

there are swift placement breakdowns. The unit cost of in-house provision is heavily influenced by occupancy levels which averaged 74% in 2021/22 and 2022/23.

There is a clear business case for a change to the children’s social care residential estate, moving towards smaller homes with higher occupancy rates which are able to meet the needs of our most complex children. However, challenges around the revenue costs of existing in-house residential provision make the case for prudential borrowing very challenging.

To ensure that we develop in-house provision that meets the long-term needs of Sheffield children in the complex financial climate we will:

- undertake a full assets review, looking at the disposal of existing provision which does not meet service need
- refine the current residential estate
- develop a refined workforce strategy, strategically placing children’s homes close enough together to maximise workforce/management oversight to ensure best value for money.

This approach will maximise funding for any potential development opportunity, and best enable us to access prudential borrowing, external grants or the Council’s Corporate Investment Fund as appropriate. Changes to our internal residential estate will be done in several stages.

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

First and foremost, buildings to increase provision of children’s social care residential placements within the City will reduce the need for out-of-city travel.

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. Air source heat pumps will be considered for heating, which will have a significant impact on carbon emissions (especially as grid electricity decarbonises more and more over time).

We will trial methodologies to investigate the embodied carbon of materials used in construction as any design develops and understand the scope to use lower embodied carbon materials used where possible. Full Climate Impact Assessments - specifying suitable mitigation measures - will of course be conducted as projects move into more detailed business case and design.

**3 Projects forecasted to complete in 2024/25**

Project and value	Impact
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1	Aldine House small scale improvements (£0.22m)	Refurbishment of teaching, bedroom and outdoor spaces
2	2/3 bed smaller group living children's home for young people with complex needs (£0.9m)	New build 2-bedroom children's home that can scale up to provide support for 3 young people with additional vulnerabilities
3	Bents Green Residential (£0.15m)	Conversion of exiting building to accommodate specialist placement, providing much needed capacity in the estate for highly complex children and young people who require a solo placement.

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	2 bed 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

#### 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)
1	2 bed children's home for young people with complex need.	<p>Improve our placement choice for children and young people</p> <p>Increase the number and range of local, in city care placements, including improved occupancy across existing residential estate</p> <p>Care for young people closer to home</p> <p>Support a return for children and young people to Sheffield in line with their Care Plan</p> <p>Reduce reliance on independent provision</p> <p>Stabilise placement overspend</p> <p>Alleviate future year pressures</p> <p>Provide stability for children and young people</p>	Department for Education (DfE) capital match funding, in conjunction with a proposal to utilising land value and identified capital funding via the Corporate Investment Fund.

		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	
2	<p>2 bed placements for children with exceptionally complex needs requiring smaller group living.</p> <p>We anticipate opening one two-bedroom home in phase one. Upon completion - and review of need and market - it is likely that we will seek to open another two bed provision during phase two</p>	<p>Meet our sufficiency duty</p> <p>Increase the number and range of local, in-city care placements, including improved occupancy across existing residential estate</p> <p>Care for young people closer to home</p> <p>Support a return for children and young people to Sheffield in line with their Care Plan</p> <p>Reduce reliance on independent provision where this does not best meet need</p> <p>Stabilise placement overspend</p> <p>Alleviate future year pressures</p> <p>Provide stability for children and young people</p> <p>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</p>	<p>Current revenue costs for in-house placements are high because of low occupancy rates and young people who cannot be placed in private provision – this makes the comparison of in-house and private delivery costs misleading.</p> <p>If in-house residential delivery costs can be reduced, or if the external residential costs continue to increase, then there may be a case for prudential borrowing against savings to the placement budget.</p> <p>Alternative Corporate Investment Fund (CIF).</p>
3	Loans for carers who provide family-based care, to support maintaining placements, or increasing the number of children that a carer is able to provide a placement for.	<p>Increase number of stable placements for young people in family-based care.</p> <p>Reduce the use of Independent Fostering Agencies (IFAs) and residential placements where the barrier to family-based care is the home</p> <p>Maximise available beds from our current foster carer cohort.</p> <p>Under the scheme carers may apply for a loan to extend or adapt their home to support additional foster / Special Guardianship Order (SO) placements or prevent placement breakdown. Loans are secured as a legal charge for 5 years, after which the loan will not be repaid if conditions have been adhered to.</p>	<p>The cost of this measure is anticipated to be met by diverting funding from the placement budget by reducing the need for IFAs and residential placements.</p> <p>There may also be a case for prudential borrowing when the loan prevents an inevitable movement of the child into a residential setting.</p>

## 7 Our forward look to the 2050s

It is difficult to predict longer-term changes in the area of Children Looked After. However, we anticipate we will not be immune from the Council-wide challenges of maintaining our corporate estate and achieving net zero.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	<p>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.</p>	<p>Long-term sustainable developments that provide care closer to home.</p> <p>Increased sufficiency will reduce the reliance on the external placement market.</p> <p>Ensure children in residential care have the same access to reunification opportunities as children in family-based care settings.</p> <p>Consider development of further in-house provision realigned to meet the needs of our cohort.</p> <p>Current residential overspend to be addressed through review and realignment of staffing structures.</p> <p>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.</p>
2	<p>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.</p> <p>The Placements Team are searching for a high number of placements from the external sector, competing with other Local Authorities.</p>	<p>Long-term sustainable developments that provide care closer to home.</p> <p>Increased sufficiency will reduce the reliance on the external placement market.</p> <p>Ensure children in residential care have the same access to reunification opportunities as children in family-based care settings.</p> <p>Consider development of further in-house provision realigned to meet the needs of our cohort.</p> <p>Current residential overspend to be addressed through review and realignment of staffing structures.</p> <p>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.</p>
3	<p>Long-term sustainable developments that provide care closer to home.</p> <p>Increased sufficiency will reduce the reliance on the external placement market.</p> <p>Ensure children in residential care have the same access to reunification opportunities as children in family-based care settings.</p>	<p>Consider development of further in-house provision realigned to meet the needs of our cohort.</p> <p>Current residential overspend to be addressed through review and realignment of staffing structures.</p> <p>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.</p>

## D4 COMMUNITIES, PARKS & LEISURE

**Improving people's quality of life by investing in 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.**

Leads: Lisa Firth (Director of Parks, Leisure and Libraries) | Lorraine Wood (Head of Communities)

This Committee area pulls together capital investment priorities from several areas. Investment in leisure facilities and green and open spaces is now combined with the priorities for delivering service for our communities, including 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:

- Parks and countryside;
- Sport and major events;
- Libraries, archives and information service;
- Bereavement and coronial service; and
- Communities.

This section will address each of these areas in turn.

# A Parks and countryside

Head of Service: Ruth Bell

Council Priority addressed: Great neighbourhoods that people are happy to call home

## 1 Background and context

Sheffield's Parks and Countryside Service are responsible for approximately 4,000 hectares of green space covering over 800 sites across the city. This includes over 83 parks, 181 woodlands, 81 allotment sites, 262 local wildlife sites, 150 playgrounds and 342 local green spaces. We manage hundreds of outdoor sports facilities including bowls, cricket, football and rugby pitches, tennis and multi-use games areas, skate and bike tracks, often in partnership with a variety of voluntary and professional clubs and groups.

Sheffield's open spaces attract more than 40 million individual visits each year from all sections of Sheffield's diverse communities. The Parks and Countryside Service is committed to delivering high quality, innovative services that ensure a focus on our customers, affordable management and delivering green and open spaces of exceptional standards. By creating better parks and green spaces and shaping the city's spaces so that they remain fit for purpose, sustainable and relevant to the needs and requirements of the people of Sheffield, we will ensure that we are making a positive impact of the health and wellbeing across all of Sheffield. We know access to high quality local green spaces is vital for everyone's health and wellbeing, climate and ecological resilience, and are central to the social and heritage fabric of the city.

Sheffield's wonderful green assets would not be as they are without the support of many Friends of Groups and other voluntary, community and social action groups across the city. We have over 100 Friends of Groups in the city and an active Green and Open Spaces Network which provides a space for learning, sharing and celebrating the work of the volunteers.

A key role of the service is to ensure that public health is integrated into every area of the Council and ensuring that the importance of taking a public health approach is fully embedded within all policy and procedure.

The Service will be underpinned by several principles which will be considered in designing, planning and delivering all the work that we do:

- **Community involvement and engagement**

This is critical to delivering facilities and services which meet the needs of our residents. We know that communities have a vital role to play in making all our services a success and we will continue to work closely with community partners and residents to ensure they are able to contribute and get involved in the way that best suits them and to help us deliver services in the way they want to receive them.

- **Carbon Net Zero**

Our role is to reduce our own emissions and to do what we can to enable change across the City. We will contribute towards this through the investment, refurbishment and rebuild of our sport and leisure facilities and through work to encourage active travel alongside developing our green spaces and natural habitats to address our nature emergency. The natural environment will be at the centre of our decision making.

- **Nature Recovery (response to the Ecological Emergency)**

The importance of nature within an urban setting has become better understood in recent years. Due to the health and wellbeing benefits to communities there are now nationally recognised targets for access include - 15 minutes to nature goal. P&C Service has a leadership and practical role to play in addressing the ecological crisis – this include strengthening the habitat value of sites through changing management practice, and working with partners to develop strategies, plans and initiatives to improve, grow, create and connect up sites of ecological value.

- **Covid-19 Recovery**

The pandemic has changed people’s behaviour relating to how they want to get active, it has left an impression on the physical activity, sport and leisure sector and has further exacerbated the inequalities that were already present. We will ensure our facilities, green spaces and library services are re-shaped to enable our communities to recover from these impacts.

- **Equity of Access to quality green & open spaces**

We know it is easier to be active and access services in some communities than others. Tackling inequalities in access to facilities and services and focusing resources in the areas where they can have the biggest impact on health and wellbeing outcomes will be at the forefront of our planning. Collaboration is at the heart what we do and is essential to the successful delivery of our ambitions. We will work with all partners and citizens; providing leadership and support where it’s needed and enabling others to deliver in their areas of expertise.

- **Inclusivity**

Ensuring everyone in our communities and neighbourhoods can access facilities and services that enable them to benefit from active lifestyle, green spaces and libraries and have an opportunity to attend events, whatever their age, ability or background. And when needed, our Bereavement and Coronial Services will provide a compassionate, dignified and efficient service for the bereaved and their families.

- **Investing in Sustainable sites for the future**

Sustaining our Parks, Green Spaces, woodlands and natural spaces requires innovative investment and commercial strategies to address funding challenges while maintaining accessibility and environmental stewardship. Key models include diversifying income streams, forging public-private partnerships, and leveraging community engagement many of which we have been developing over recent years.

Implementing varied revenue streams reduces dependency on core service budget and also enables us to tackle inequalities of access to quality facilities across the city. Introducing or enhancing user charges for amenities like parking, sports facilities, and events is generating steady income. Similarly, concessions such as cafés, kiosks, and on site animation and activities offer profit-sharing opportunities. Seasonal attractions like winter light trails or summer festivals can further bolster revenue.

Collaborating with private sector partners can unlock capital investment for infrastructure improvement. For instance, partnerships with hospitality operators or outdoor leisure providers can introduce high-value amenities, such as the Activity Hub at Hillsborough and new cafes/restaurants which have opened across our sites recently. Agreements should prioritise community access and environmental conservation to balance income motives.

- **Equality, Diversity and Inclusion**

The Race Equality Recommendation 5: Celebrating Sheffield through Sport and Culture, Past, Present and Future and the associated actions 28,29 and 30 set out how Sheffield can design sporting and cultural activity, events and investment that promotes antiracism and increases representation of Black, Asian and Minoritised Ethnic groups both in terms of participation and delivery of our sport and cultural services.

As a starting point, our teams are working alongside colleagues across the region to tackle racism in sport, encouraging sport and community organisations to ensure their values, practice and conduct align to an anti-racism pledge. A working group, including professional Sports Clubs, Local Authorities, Active Partnerships and Sports Charities have come together to address racism which unfortunately still exists within community sport across the country. The Sheffield Sport, Leisure and Health team have contributed toward a collective commitment to tackling racism and created an 'Anti-Racist Pledge', which

organisations across the sport and community environment will be invited to pledge their commitment to. Organisations across Sheffield will be invited to pledge their support and more importantly, ensure sport and physical activity is a safe space for everyone. We will continue to champion and support organisations to work towards:

- Being open and responsible
- Being strong Allies
- Creating change locally
- Enabling communities
- Developing a more reflective workforce
- Delivering activity inclusively

Project funding is 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 such as National Lottery Heritage Fund).

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

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.

### 3 Projects forecasted to complete 2024/25

	Project and value	Impact
1	Small scale playground & recreational improvements and feasibility works at around 9 sites (£0.86m)	Improved health and wellbeing. Increase in community pride and value. Increased number of users of site. Raise the overall quality of the sites – see ‘Sport and Leisure’ section for further details.
2	Millhouses Changing Places Toilet (£135k)	New accessible toilet facility

### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Parkwood Springs Active Park Work Packages 3 and 4	£0.22m	2023/24-25/26	Site access & infrastructure improvements; boundary works, signage, access routes and paths. Visitor experience facilities improved with access to toilets and kiosk
2	Species Survival Grant	£0.13m	2024/25-2025/26	First phases of habitat enhancement works in Shirebrook Valley
3	Ecclesfield Playzone	£0.32m	2024/25-25/26	Installation of a new and unique multi-purpose play and recreation space in Ecclesfield Park.
4	Small scale playground & recreational improvements and feasibility works at around 14 sites	£0.43m	2023/24-24/25	Improved health and wellbeing. Increase in community pride and value. Increased number of users of site. Raise the overall quality of the sites.
5	Hillsborough Activity Hub	£1.8m total (private/externally funded)  SCC contribution £183k S106  £180k loan	2024/25 open – 25 year lease arrangement	Activity Hub will open in February 2025  Facilities will have transformed from OLD large concrete space with 6 poor quality tennis courts, to a multi activity hub including; 2x covered Padel Courts, 1x high quality multi-use games area, 3x resurfaced tennis courts, indoor activity space and café with kiosk, mini-golf.

				Improved access for people of all ages to engage in health and wellbeing activities, all year round  On site presence/lighting 'lifting the curfew' of our sites during darker months
6	FoodWorks at the Glasshouses, Norton Nurseries	Externally funded with under £10k of public health investment for site readiness	2024/25 open – 5 year licence arrangement	Partner led improvements to a vacant facility  Food growing to support Public Health; Fairer, Healthier, Greener Sheffield ambitions  Connecting local people with food growing opportunities, including volunteering

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)
1	Green and Open Space Improvement Projects (see Green and Open Spaces Priority)	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 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.	Public Health Funding, S106, CIL Revenue Contribution, Capital Receipts, Local Fundraising, External Funding Streams, BNG
2	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

3	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 developer investment
4	Investments in sustainable Visitor Facilities across several sites. Potential sites include Millhouses Park, Endcliffe Park, Ecclesfield Park, High Hazels, Abbeyfield Park, Manor Fields, the Botanical Gardens, Norfolk Heritage Park, Graves Park	Improve the quality, affordability, accessibility and provision of visitor facilities and services that support the health and wellbeing of communities across Sheffield.	Public-Private Partnerships (PPPs), National Governing Bodies, National Funding Partners, Social Enterprise
5	Closed Landfill: 3 x Culvert renewals @ Beighton, Normanton Springs, and Blackstock.	X3 culverts beneath X3 landfill sites are exhibiting signs of degradation. Surveys are planned for late 2024 / early 2025. The scope of works will be clearer after the survey works.	Capital Investment.
6	Closed Landfill: Beighton Leachate engineering solution.	Scoping works are underway to assess a long-term engineering solution to the absence of a leachate treatment plant at Beighton.	Capital Investment, potential Prudential Borrowing.
7	Parkwood Springs – Urban Country Park.	Increased recreational business opportunities and further site wide quality uplift of the Parkwood Springs site in line with the master plan priorities.	Government Funding programme (formerly Levelling Up)
8	Gleadless Valley – master plan development, linked to capital green space investment.	Improved design, recreational value, connectivity and ecological value of the Gleadless Valley – linked to housing master plan.	CIL, Housing Regeneration, Developer, HRA.

## 6 Our forward look to the 2050s

- Closed landfill infrastructure – the ongoing requirements to manage our closed landfill sites / leachate are being explored.

- 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.
- 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.

## 7 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  Fundraising (such as the Nature Towns and Cities, Heritage Fund) to secure resources necessary for undertaking the strategic planning and feasibility work needed to develop investment ready schemes.
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 2025.	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 Sport, Leisure and Major Events

Head of Service: Tammy Barrass

Council Plan priority addressed: [Great neighbourhoods that people are happy to call home](#)

[People live in caring, engaged communities that value diversity and support wellbeing](#)

### 1 Background and context

Sheffield's Sport, Leisure and Major Events Service are responsible for delivering services, projects, a city wide (including Town Hall) events programme, policy and interventions with the overall aim of making Sheffield a healthy and vibrant city where people choose to live, work, visit and invest. The services delivered support Sheffield's economy, improve vibrancy, attract investment into the city and improve the health and wellbeing of residents and reduce health inequalities across the city. We develop policy and capital investment projects, commissioning services and client management roles working collaboratively across sectors to achieve our objectives.

Our work is underpinned by several principles which will be considered in designing, planning and delivering all the work that we do, including:

- Building on what is strong
- Community involvement and engagement
- Carbon Net Zero
- Covid recovery
- Tackling inequality
- Inclusivity
- Collaboration
- Economy, Participation, City Profile, Civic Pride

**Community involvement and engagement** – This is critical to delivering facilities and services which meet the needs of our residents. We know that communities have a vital role to play in making all our services a success and we will continue to work

closely with community partners and residents to ensure they are able to contribute and get involved in the way that best suits them and to help us deliver services in the way they want to receive them.

**Carbon Net Zero** - Our role as a council is to reduce our own emissions and to do what we can to enable change across the city. We will contribute towards this through the investment, refurbishment and rebuild of our sport and leisure facilities and through work to encourage active travel.

**Covid Recovery** - The pandemic has changed people's behaviour relating to how they want to get active, it has left an impression on the physical activity, sport and leisure sector and has further exacerbated the inequalities that were already present. We will ensure our facilities, are re-shaped to enable our communities to recover from these impacts.

**Levelling Up** - We know it is easier to be active and access services in some communities than others. Tackling inequalities in access to facilities and services and focusing resources in the areas where they can have the biggest impact on health and wellbeing outcomes will be at the forefront of our planning. Collaboration is at the heart what we do and is essential to the successful delivery of our ambitions. We will work with all partners and citizens; providing leadership and support where it's needed and enabling others to deliver in their areas of expertise.

**Inclusivity** - Ensuring everyone in our communities and neighbourhoods can access facilities and services that enable them to benefit from active lifestyle and have an opportunity to attend events, whatever their age, ability or background.

**Equality, Diversity and Inclusion** - The Race Equality Recommendation 5: Celebrating Sheffield through Sport and Culture, Past, Present and Future and the associated actions 28,29 and 30 set out how Sheffield can design sporting and cultural activity, events and investment that promotes antiracism and increases representation of Black, Asian and Minoritised Ethnic both in terms of participation and delivery of our sport and cultural services. As a starting point, our teams are working alongside colleagues across the region to tackle racism in sport, encouraging sport and community organisations to ensure their values, practice and conduct align to an anti-racism pledge. A working group, including professional Sports Clubs, Local Authorities, Active Partnerships and Sports Charities have come together to address racism which unfortunately still exists within community sport across the country. The Sheffield Sport, Leisure and Health team have contributed toward a collective commitment to tackling racism and created an 'Anti-Racist Pledge', which organisations across the sport and community environment will be invited to pledge their commitment to. Organisations across Sheffield will be invited to pledge their support and more importantly, ensure sport and physical activity is a safe space for everyone. We will continue to champion and support organisations to work toward:

- Being open and responsible
- Being strong Allies
- Creating change locally
- Enabling communities
- Developing a more reflective workforce

- Delivering activity inclusively

There is already a huge amount of fantastic work happening across the city supported by wider partnerships which we can build on. We will continue to support and develop our networks and incorporate learning from this work as we plan new investment and services.

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

Investment in our leisure facilities will not only improve the 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. A sustainability strategy is currently being developed as part of the Leisure Investment Programme which will help guide the design process for rebuilding and investing in our Leisure centres. We envisage that investment in new facilities will improve energy efficiency and enable more environmentally friendly management.

In partnership with the Football Foundation, the Woodbourn Road project will continue to enable research to be undertaken to inform future alternatives to current rubber crumb with recyclable carpets with organic infill materials. The Sheffield Test Hub provides a platform for innovation and incentivises the industry to push forward with better performing and more environmentally sustainable artificial pitches.

## 3 Projects completed in 2024/25

	Project and total value	Impact
1	Skye Edge Playing Fields £0.2m	Access controls and improvements to make the site feel safe and useable
2	Totley Bents Recreation Ground Improvements £11K	New Non Turf Cricket Wicket and grass wicket improvements
3	Parson Cross Cruyff Court £190K	Installation of Cruyff Football Court on Parson Cross Park Multi Use Games Area

4	Frecheville Park. Recreational improvements including play and ball court. £0.14m	Renewal of play facilities Gym creation and environmental improvements
5	Ellesmere Park Public Health Improvements £0.24m	New playground equipment Refurbished Basketball Court Landscaping Improvements

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Upperthorpe Health Living Centre	£2.8m	2024/25-28/29	Ongoing grant support to maintain fabric of building
2	Parkwood Springs Active Park Work Packages 3 and 4	£0.22m	2023/24-24/25	Site access & infrastructure improvements; boundary works, signage, access routes and paths
3	Tinsley Green Kick Pitch Improvements	£165K	2024/25	Resurfacing of existing kick pitch, new goal ends and fencing improvements.

#### 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Leisure Investment Review	Feasibility work has commenced to develop Leisure Investment Programme. This will 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.  This will include rebuilds of Springs Leisure Centre and Concord Sport Centre and investment in Ponds Forge over the	Will include SCC reserves and borrowing, external grants / investments	Funded

		<p>next 5 years, with investment in Hillsborough Leisure Centre expected in 2030</p> <p>Investment in facilities will support Climate Action by contributing to carbon net zero targets.</p>		
2	PlayZones – Ecclesfield Park	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. Community Engagement completed and Football Foundation funding secured to deliver a ‘Test and Learn’ site at Ecclesfield Park.	Football Foundation S106 Public Health	Funding secured
4	Bents Green Playing Field Pavilion, pitches and access Improvements	Redevelopment of the currently disused pavilion on the playing field site for football and cricket and wider community use, along with wider site improvements that aim to increase accessibility to and from the site as well as site safety, deliver the aims of the Playing Pitch Strategy and improve the health and wellbeing of communities.	Football Foundation, Pitch Compensation funding	Football Foundation Funding application to be submitted/Unfunded
5	Parson Cross Sports Hub	Continue with improvements to Parson Cross Park to secure funding and deliver Phase 2 pavilion works, pitch improvements and car park improvements.	Potential Football Foundation bid	Football Foundation Funding application to be submitted/Unfunded
6	Sports Improvements Projects	Work with partners on a range of sport pitch and ancillary facility improvements aimed at improving site quality and access and providing opportunities for communities to get active. Including new Multi Use Games Area at Mather Road, pitch improvements at Coleridge Road, improvements at East Park, Cricket nets at Cartnerknowle Park.	S106. CIL	External funding sources including Football Foundation to be secured/Unfunded
7	Burngreave Cruyff Court	Deliver a Cruyff Court at Osgathorpe Park in Burngreave to create a high quality, lit playing surface.	Cruyff Foundation, Local CIL, Public Health	Additional External funding sources to be secured/Unfunded

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)
1	Leisure Investment Programme	As detailed in 5 year pipeline, this programme will run over 8 years and Hillsborough Leisure Centre Investment is currently expected to take place from 2030.	Will include SCC reserves and borrowing, external grants / investments

## 7 Our forward look to the 2050s

- Ensuring our leisure estate is fit for purpose, sustainable and encourages residents to live healthier, more active lives.

## 8 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 eventually exhausted.	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

Head of Service: Hilary Coulson

Council Plan priority addressed: Great neighbourhoods that people are happy to call home

People live in caring, engaged communities that value diversity and support wellbeing

### 1 Background and context

Sheffield's Libraries & Archives Service provides free access to high quality Library, Archive and Information services which encourage and enable reading for people of all ages, showing how reading for pleasure enhances life, improves well-being and strengthens communities. We operate a successful traded service to schools in Sheffield and beyond to support the educational curriculum and provide cultural and educational experiences by running activities for all ages and all our Libraries are part of the Welcome Spaces network, providing free drinks and warm, safe spaces to those who need them. We support businesses access data and intellectual property through the Business and Intellectual Property Centre (BIPC). We collect, preserve, and communicate Sheffield's rich and diverse heritage within the City Archives and Local Studies Library and are the Council lead for hard-copy document storage in the Records Management Service at Acres Hill.

Our statutory libraries include:

- Central Library (open 45 hours per week)
- 11 Community Council-run libraries (open 34 hours per week) (Stocksbridge, Chapeltown, Parson Cross, Firth Park, Hillsborough, Manor, Darnall, Crystal Peaks, Ecclesall, Highfield and Woodseats).
- Home Library Service which chooses and delivers books to around 600 vulnerable people.

In addition, we support community-run non statutory libraries:

- 5 Co-delivered libraries. These are staffed by volunteers and are supported by the Council who directly fund premises, running costs, books and materials (Broomhill, Burngreave, Park, Southey, and Woodhouse libraries).
- 11 Associate libraries: These are staffed by volunteers and are supported by the Council via a direct grant payment and small fund for books and IT equipment (Ecclesfield, Frecheville, Gleadless, Greenhill, Jordanthorpe, Newfield Green, Stannington, Tinsley, Totley, Upperthorpe and Walkey).

**Community involvement and engagement** - Is critical to ensure our facilities and services meet the needs of residents. We know communities have a vital role to play in making all our services a success and we will continue to work closely with community partners and residents to ensure they are able to contribute and get involved in the way that best suits them and to help us deliver services in the way they want to receive them.

**Carbon Net Zero** - Our role as a council is to reduce our own emissions and to do what we can to enable change across the city. We contribute towards this including through the use of electric vehicles in our book delivery service; contributing to Council recycling programs; distributing litter picking equipment from Libraries. Libraries can be used to display books supporting energy efficiency and the green environment. Host fairs that support people through the cost of living crisis.

**Levelling Up** - We know it is easier to be active and access services in some communities than others. Ensuring access to facilities and services in the areas where high levels of inequalities exist can have the biggest impact on health and wellbeing. Collaboration is at the heart what we do and we work with partners and citizens; providing leadership and support as well as enabling others to deliver in their areas of expertise through our Libraries. We will continue to support local volunteer Libraries to enable them to continue to thrive.

**Inclusivity** – We will support everyone in our communities and neighbourhoods to access facilities and services that enable an active lifestyle, and ensure libraries provide opportunities to attend events, whatever their age, ability or background.

**Equality, Diversity and Inclusion** – We actively support The Race Equality Recommendation 5: Celebrating Sheffield through Sport and Culture, Past, Present and Future which set out how Sheffield can design sporting and cultural activity, events and investment that promotes anti-racism and increases representation of Black, Asian and Minoritised Ethnicities; both in terms of participation and delivery of our cultural services.

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

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 Projects forecasted to be completed in 2024/25

	Project and total value	Impact
1	New entrance at Hillsborough Library £0.34m	Easier access to the library for families, particularly those with prams and buggies. Better access to the library for people visiting the nearby café.

### 4 Current projects already in delivery

No projects currently in delivery.

### 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Central Library / Graves Building	Central Library structural repairs, fire precautions, mechanical installation to provide safe premises for our customers and staff.	TBC	Unfunded
2	Stocksbridge Library Development	30,000 sq. ft. Community hub containing a modernised library service	Stocksbridge Towns Fund	Partially funded

### 6 Our forward look to the 2050s

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.

**7 Key challenges and how we are addressing them**

	<b>Challenge</b>	<b>Actions to address</b>
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.
5	Quantifying the outcomes for our communities.	This is required in order to evidence benefit to current and future funders (e.g. Public Health).
6	Prolonging asset life in challenging financial circumstances.	<b>Engagement of, and consultation with, local communities at the planning stage is important.</b>
7	Dealing with backlog maintenance in existing buildings	Working closely with Facilities Management as part of the accommodation review to ensure our library buildings are fit for purpose and sustainable, and align with the needs of local communities

Head of Service: Ellie Fraser

Council Plan priority addressed: [Great neighbourhoods that people are happy to call home](#)

[People live in caring, engaged communities that value diversity and support wellbeing](#)

### 1 Background and context

The service is responsible for delivering the council's statutory coronial and bereavement responsibilities, alongside a range of other services to support bereaved people within the city during emotionally difficult or traumatic times. The service aims to be highly professional, compassionate and culturally aware, offering a dignified service throughout the death pathway.

Specifically, the service is responsible for facilitating and supporting the work of HM Coroner, including the running of the Medico-Legal Centre, which incorporates the public mortuary, digital autopsy provision, coronial and forensic post-mortem facilities, the coroner and their staff's offices and two inquest courts. The service works closely with HM Coroner and Assistant Coroner's who are independent judicial officers, and in partnership with a wide range of other stakeholders, taking a lead role in enabling HM Senior Coroner to fulfil their statutory duty to investigate unexplained deaths.

The service also oversees the council's cremation, burial and memorial service, running the city's two crematorium and 16 cemeteries and gardens of remembrance to deliver a compassionate and inclusive funeral offer, and a clean, green, safe and respectful environment for people to visit and mourn.

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

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 and meets environmental standards.

Sheffield’s cemeteries are green and open spaces with a range of wildlife, plants and trees which all contribute to carbon capture. We aim to increase our natural burial provision over the coming years and do further work within our cemeteries spaces to increase biodiversity.

**3 Projects forecasted to be completed in 2024/25**

No current capital projects.

**4 Current projects already in delivery**

No current capital projects.

**5 Proposed investment pipeline over the next 5 years**

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	<p>Burial space across the whole city will be fully exhausted within the next 9 years. New cemeteries offering a range of burial facilities must be developed urgently.</p> <p>As a result of this work burial choice must be increased, e.g. natural, traditional, woodland, faith specific, cremated remains etc., and associated services must be considered for the benefit of local people and income generation, e.g. chapels, toilets, florists etc.</p>	<p>Supporting people’s mental health and wellbeing by providing a modern professional burial service which meets the needs of the local population. Also recognising the importance of cemeteries as safe places to grieve and remember which is part of the bereavement recovery process.</p> <p>Cemeteries are green spaces within our city and can bring environmental benefits.</p> <p>Strong neighbourhoods: Cemeteries connect people and places. People take pride in their local area. FOGs etc.</p> <p>Appropriate local provision reduces the need for people to travel long distances.</p> <p>Intelligently designed services have the opportunity to generate income to help meet costs.</p>	<p>Possible contribution from the pre-purchased graves balance sheet fund. Prudential borrowing paid back from existing surplus income (currently used to help balance the SCC overall budget position).</p>	<p>Not approved/Unfunded</p>
2	<p>New crematoria in the southeast of the city. Currently at feasibility stage.</p>	<p>Provide cremation services for the growing population in the southeast of Sheffield.</p> <p>Generate income for SCC.</p>	<p>Prudential borrowing paid back from new income generated by</p>	<p>Funding agreed for external support with business case</p>

		Remove the risk of a private investor opening a crematorium in this area and reducing SCC income from existing crematorium.	new business from the new crematorium.	development (at RFQ stage). Project funding not agreed.
3	A programme of work to refurbish and improve cemetery infrastructure, for example, income generating opportunities like a cafe at Hutcliffe Wood, development of memorial spaces e.g. a child loss garden, development of dilapidated chapels within the estate which contravene our responsibilities under the Local Authority Cemetery Order.	<p>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.</p> <p>New income generating opportunities.</p> <p>Improved places, less complaints.</p> <p>Increased partnership working with local groups.</p>	<p>A mix of:</p> <p>Prudential borrowing paid back from existing surplus income (currently used to help balance the SCC overall budget position).</p> <p>Income generated from any income generating activities.</p> <p>Possible grant funding (in partnership with local voluntary groups).</p> <p>Possible local charitable contributions.</p>	Not confirmed/Unfunded
4	<p>Strategic partnership with NHS South Yorkshire and Bassetlaw Pathology for the colocation of coronial, mortuary and pathology services for the region (relocation of medico legal centre).</p> <p>Alternatively, an increase in body storage capacity at the public mortuary.</p>	<p>Regional centre of excellence for the provision of coronial services. Health and wellbeing: providing professional, efficient and supportive services to the recently bereaved.</p> <p>Improved partnership working with NHS who SCC are dependent on for the provision of several statutory services.</p> <p>Securing the provision of pathology services.</p> <p>Resilient teams through good training and succession pathways in a specialist field.</p> <p>Effective emergency planning arrangements in the event of a mass fatality incident.</p> <p>Future proofing mortuary body storage capacity.</p>	<p>Sale of existing facility and land.</p> <p>Otherwise unknown.</p>	Not approved/Unfunded

## 6 Our forward look to the 2050s

- Replacement of cremators at Hutcliffe Wood (est. 2036) and City Road (est. 2048)

## 7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	The service does not have access to the surplus income it generates as it is used to help balance other SCC budget pressures. Not having access to any of this surplus income inhibits service improvement and development activity. Overtime this is resulting in a deterioration of quality and a loss of business (and consequently income). It also means the service does not have the means to progress essential activity such as the purchase and development of new cemetery spaces.	Working with colleagues in finance to reassess the services budget model and find a solution which protects the service for the future, including preparing for large known future outlays such as replacement cremators.
2	Insufficient funding and investment in service infrastructure which affects customer experience and sales.	Working with FM to bridge the gap between corporate estate budget challenges and the need for a good quality, professional bereavement service which supports local people and can compete in a commercial marketplace.
3	Dealing with poor quality staff accommodation and backlog maintenance.	Working with FM to review our workplace cabins and other worksites to ensure they are safe and fit for purpose.
4	Limited revenue funding for initial project development and feasibility work to assess things like return on investment and likelihood of achieving benefits	Review of service budgets and resources to try and free up capacity to initiate new projects and ideas that best fit with strategic priorities.
5	Lack of capacity within the service to grow and develop partnerships which could open avenues for grant funding.	Review how the service can give capacity in this space to improve local outcomes and try and secure joint grant applications.

Head of Service: Lorraine Wood

Council Plan priority addressed: A place where all children belong and all young people can build a successful future

## 1 Background and context

### Youth Investment Fund

The Youth Investment Fund (YIF) was launched in 2022 and is a £300m+ Government commitment to young people to transform and level up the out-of-school youth sector. Sheffield has already been awarded around £3m funding to refurbish youth clubs in the city.

Two further bids are in progress for 2 new buildings using modern methods of construction. Plans for these are being developed to planning application status and are currently awaiting decisions regarding capital for delivery.

There is also a commitment in the Youth Strategy to invest in youth facilities across the City to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces. Existing capitalised revenue, will contribute to delivering the goal of improving and modernising youth spaces across the City.

## 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 wherever possible. 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.

Consultation with young people demonstrates their commitment to reducing environmental impact. New and improved facilities will demonstrate how climate impact can be mitigated in everyday life and, through the informal education that is an intrinsic part of universal youth work, will inspire this generation to be able to do more, both as our future leaders and in their everyday lives, to reduce the harm done by previous generations.

**3 Projects forecast to be completed in 2024/25**

	<b>Project and total value</b>	<b>Impact</b>
1	Youth Investment Fund – Stocksbridge Youth Club – Budget £1.8m	Investment in youth facilities to make them safe, secure and with the right equipment to meet young Sheffields’ expectations of modern, contemporary, welcoming spaces. Fully refurbished and renovated building including improved environmental impact through insulation, LED lighting and air-source heat pump. Neurodiverse friendly spaces.
2	Youth Investment Fund – All Saints Youth Club – budget £0.71m	Investment in youth facilities to make them safe, secure and with the right equipment to meet young Sheffields’ expectations of modern, contemporary, welcoming spaces. Fully refurbished and renovated building including improved environmental impact through insulation, solar panels and double glazing. Neurodiverse friendly spaces.
3	Youth Investment Fund – Woodthorpe – budget £0.087m	Investment in youth facilities to make them safe, secure and with the right equipment to meet young Sheffields’ expectations of modern, contemporary, welcoming spaces. Fully refurbished kitchen and toilets plus improvements to main areas. Improved environmental impact through LED lighting. Neurodiverse friendly spaces.
4	Youth Investment Fund – Tinsley Youth Club – budget £0.092m	Investment in youth facilities to make them safe, secure and with the right equipment to meet young Sheffields’ expectations of modern, contemporary, welcoming spaces. Installation of new kitchen and refurbished toilets plus improvements to main areas. Improved environmental impact through LED lighting.

**4 Current projects already in delivery**

No further capital projects.

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Potential New build Youth and Community Centres	Potential for two new build facilities using modern methods of construction. Possible environmental factors include solar panels (orientation of roof space to maximise solar generation) and ground source heat pump. New facility will provide a community and youth space putting young people in the heart of their community.	Youth Investment Fund	Application awaiting outcome of capital allocation
2	Upgrade and modernise existing youth spaces	Invest in youth facilities across the City to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces. Smaller scale improvements to existing facilities <ul style="list-style-type: none"> <li>• Centre in the Park Youth Club</li> <li>• Darnall Education Centre Youth Club</li> <li>• The Milan Centre Youth Club</li> <li>• Earl Marshall Youth Club</li> <li>• Herdings Youth Club</li> </ul>	Capitalised Revenue	Funding capitalised in 2022/23

## 6 Our forward look to the 2050s

We want to be ambitious and present plans which take Sheffield further towards the vision of a seamless, integrated offer of support for all residents and their neighbourhoods delivered through a locality hub model, with tailored support available for those who need it most. Continuing the opportunity to improve the lives of everyone. Working together with delivery partners and local communities to ensure everyone in every area receive the support and services they need. The evidence and best practice gathered from past programmes will inform the case for future investment and support transformation in the delivery of services across the City.

Increased delegation of powers to the Local Area Committees will lead to services being increasingly delivered locally. Applying this further, co-locating with partners, will lead to more sustainable communities and better outcomes for both individuals and their communities.

Universal youth work is a distinct educational process adapted across a variety of settings to support a young person’s personal, social and educational development in order to:

- Explore their values, beliefs, ideas and issues.
- Enable them to develop their voice, influence and place in society.
- Facilitate the learning of a set of practical or technical skills and competencies that enable them to realise their full potential.

Delivering universal youth work needs the right facilities in the right places to ensure their needs are met. There will be a continuing need to modernise our estate to provide the safe spaces for our young people and to support them to achieve their life goals. Young people are our future. Investing in them, through modern youth practice in contemporary spaces is essential to these aims.

Our goal should be to ensure that our youth spaces are also spaces for the whole community bringing young people together with other members of the community. The investment plans above will make a start in this process, but long-term planning is needed to give young people and their communities to come together in one place, enhancing the longer term sustainability and cohesiveness of all the City’s communities.

**7 Key challenges and how we are addressing them**

	<b>Challenge</b>	<b>Actions to address</b>
1	Inflation	YIF funding comes with a healthy contingency to account for fluctuations in supply chain and inflation. Consultation with MMC suppliers is ongoing and projects across YIF are batched to ensure capacity to deliver.
2	Delivery within the timescales is dependent on being able to undertake our own internal decision making in a timely way to ensure that there are no delays to commencing the work	Advanced preparation for decision making will mean that, if we are successful, our internal decision making is planned in as part of the project programme.
3	Accommodating all users of existing facilities while the improvements take place	Advanced discussions with known users about their requirements and the options for temporary relocation for the duration of the build.
4	Ensuring support for increased youth activity and the resources to deliver these, including a known lack of trained youth workers in the City	Engagement with community groups and young people as part of the process. Training of new youth workers throughout the City to increase the pool of fully qualified youth workers.



# D5 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. We will also seek to develop further sufficiency for the provision of Emergency Overnight Short Breaks, scope the potential for the future development of Care Suites, and build on our successful Citywide Care Alarm service by further developing Technology Enabled Care.**

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

Council Plan priority addressed: Work with communities to ensure people can access support and live the lives they want; High quality care and support at the right time and place so people can be independent for longer and stay safe

## 1 Background and context

The Disabled Facilities Grant (DFG) is a government-funded grant designed to help disabled individuals make necessary adaptations to their homes, enabling them to live safely at home whilst maximising their independence. The grant is primarily ringfenced to fund equipment and adaptations as assessed for by Occupational Therapists (OTs) for adults and children living in owner-occupied, private rented, or registered provider homes. Applicants are means tested with income and savings considered to determine eligibility for the grant and the amount awarded. Means testing does not apply for children under 18. The maximum grant is £30,000 if the cost of the adaptations exceeds the grant, we may consider our duty to provide additional funding prior to consideration of discretionary funding where available to “top up” the total amount.

The delivery and use of the DFG is governed by various legislation and policy, including:

- Housing Grants, Construction and Regeneration Act 1996
- Disabled Facilities Grants Delivery: Guidance for Local Authorities in England (2022)
- Sheffield City Council’s Private Sector Housing Policy

In October 2022, there was a significant update to the DFG with the release of the Disabled Facilities Grant: Delivery guidance for Local Authorities in England.

This updated guidance delivered by the government department for Levelling Up, Housing and Communities aimed at improving the delivery and administration of the grant.

Key updates from the guidance were:

- Streamlining the application process
- Flexibility in the use of funds.
- Improved support for urgent cases
- Focus on person Centred solutions

There are significant budget challenges in DFG in Sheffield driven by several factors:

- Increased demand
- Post Pandemic backlog
- Escalating building costs for both materials and labour
- Increasing inflation and the impact of Brexit

Despite limitations we have continued to work hard to prioritise adaptations, whilst moving to deal with the number of people waiting for an assessment.

**Current Status (as of November 2024):**

**Reduced Waiting List:** From over 2,900 in July 2021 to 756 adults, with most waiting less than 12 weeks, despite a 102% increase in demand.

**Financial position:** This has improved due to the impact of means testing, robust application of the guidance with regards to the reasonable and practicable elements of the legislation. The latest full year forecast shows an underspend across the full budget due to the robust application of the grant resulting in an overall outturn of £981k under budget for all DFG funded schemes showing a positive improvement. Overall, DFG commitments are £1.5 million over budget - when 25/26 DFG budget is allocated the DFG budget will be uplifted to reflect this. We will continue to review the position to ensure that we maximise the use of the grant in line with the criteria accordingly

**Rising Costs:** Significant increases in construction costs have impacted budget allocations, putting pressure on funding for major adaptations like level-access showers and extensions.

## Strategic Response:

- **Bi-annual reporting** to committee is now embedded and clear practice guidance in place linked to the updated national documentation.
- **Committee approved** the new eligibility document in March 2024 and further work has been completed to address governance issues with regards to contracted suppliers in order to improve timescales for completion.
- **A standard operating procedure** which sets out that all requests for use of the mandatory DFG grant for major adaptations which will be over £50k are subject to approval by Strategic Director and Operations Director based on business case. This will be fully implemented for the new financial year, with reporting as part of the six-monthly updates to Committee for Scrutiny and assurance.
- **A standard operating procedure** which sets out use of discretionary payments, systems, and processes to maximise use of grant. This will be fully implemented for the new financial year, with reporting as part of the six-monthly updates to Committee for Scrutiny and assurance.
- **As a partnership with the Council's Housing Services** a project is underway to streamline systems and processes, procurement routes and options for individuals so that individuals and unpaid carers have positive experiences of a request for an adaption, no matter the tenure.
- **Workforce development:** A focus on upskilling the workforce with regards to robust application of the grant conditions has taken place.
- **Discretionary Funding policy:** Progress has been made with regards to the use of discretionary payments, ensuring it is utilised in line with National and Local policy according to the funds available on a case-by-case basis. The Principal Occupational Therapist is leading a working group with people with a disability and carers to ensure that the Criteria and our approaches and practice regards the provision of equipment are personalised and promote independence. The group commenced in October 2024.
- **Service Demand:** Over the past 12 months, the service has approved 365 adaptations grants and delivered 735 Adaptations

In addition, a further review of the eligibility criteria for Equipment and Adaptations has been undertaken aligned to our focus on early intervention and prevention and to ensure equitability and transparency in provision of adaptations. The eligibility criteria has been updated to clarify Care Act requirements in relation to provision of Equipment and Adaptations, to change wording from exclusions to notes and to reflect our focus on personalisation.

It is aimed that this guidance and criteria will support consistency, fairness, and equity in provision of equipment and adaptations across all tenures. Implementation of the Criteria took place during March to October 2024 through dedicated practice and workshop sessions with practitioners and partners.

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

There are no direct climate implications from the workstreams at present. Any specific projects arising from these workstreams would be subject to a business case which would include climate related implications.

If the Council undertakes capital investment to buildings, 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.

In terms of the delivery of the DFG activity, whilst the opportunity to address net zero issues is limited when implementing small adaptations, we recognise the significant potential to incorporate net zero principles into the application of DFG schemes. By adopting energy efficient practices, using sustainable materials and where practicable using green technologies we can enhance the long-term sustainability of homes, improving the quality of life for local people and contribute to strategic goals of Sheffield City Council.

## 3 Projects completed in 2024/25

	Project and value (Forecast outturn 24/25)	Impact
1	Accelerated Adaptations Grants - £0.21m	Non-means tested minor adaptations/equipment provided to support independent living.
2	Mandatory Disabled Facilities Grants - £4.3m	Major adaptations to properties to support independent living
3	Disabled Facilities Grants Top Up- £ 0.34m	Major adaptations to properties to support independent living
4	Minor Works - £0.22m	Provision of support for minor remedial works to homes to support independent living
5	Disabled Persons Relocation Loans - £0.07m	Provision of loans to support disabled people relocate to suitable properties to retain independence

6	Disabled Persons Home Appreciation Loan- £0.002 m	Provision of loans to undertake enhanced works to meet a disabled person's needs or pay towards the contribution towards mandatory DFG works
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#### 4 Current projects already in delivery

	Project	Budget (£) (estimated p.a.) *	Year(s)	Outputs
1	Accelerated Adaptations Grants *	Approx. £0.3m	Ongoing Activity	Non-means tested minor adaptations/equipment provided to support independent living.
2	Mandatory Disabled Facilities Grants *	Approx. £4.8m	Ongoing Activity	Major adaptations to properties to support independent living
3	Disabled Facilities Grants Top Up *	Approx. £0.4m	Ongoing Activity	Major adaptations to properties to support independent living
4	Disabled Persons Relocation Loans *	Approx. £0.3m	Ongoing Activity	Loans to support disabled people relocate to suitable properties to retain independence
5	Disabled Persons Home Appreciation Loan *	Approx. £0.3m	Ongoing Activity	Loan to support applicants required to make a financial contribution to a DFG scheme
6	City Wide Care Alarms Digital Upgrade	£755k	2024/25 – 25/26	Upgrading of existing care alarm customers to digital telephony system

\* Budget figures are annual estimates based on potential demand for services. If the Disabled Facilities Grant allocation from Government continues at 24/25 level of £5.6m, this may not be sufficient to meet demand.

## 5 Proposed investment pipeline over the next 5 years

There are 3 potential new workstreams which require further investigation over the coming years:

### **Workstream 1: development of sufficiency with Emergency Overnight Short Breaks provision**

Sheffield City Council Adult Care's in-house Provider Services deliver respite services from 2 locations within the city. Planned overnight short breaks enable carers and family members to have a break from their caring role and provides individuals in receipt of support and care the opportunity to have a break away from home.

This is a critical part of the Adult Care Strategy: 'Living the life you want to live'.

A report to Sheffield's Adult Health and Social Care Policy Committee on 13 December 2023 detailed a lack of sufficiency in the city for provision for Emergency Overnight Short Breaks (EONSB). EONSB provide a short to medium term support and accommodation option for individuals in crisis and/or experiencing a breakdown in care and support, where carers are unable to provide support for any reason, or to facilitate hospital discharges with a focus on equipping the individual with the skills to move on to a permanent placement.

Adults, Care and Wellbeing (ACW) are working with external providers to develop these services. Options for providing Emergency Over Night Short Breaks has been challenging to source from external providers, despite market engagement.

The cohort of individuals requiring EONSB often require a robust and safe environment, above and beyond that of a standard respite service, to avoid property damage and injury to self and others. Individuals are often supported most effectively in smaller environments, on a 1:1 basis. These factors make it challenging for external providers to fund this kind of service provision.

As reported to Committee, it is the intention to develop both SCC and external provision. The Council's Capital Programme could potentially enable Adult Care to develop new kinds of building-based provision.

### **Workstream 2: development of the 'Care Suites' model**

The Care Suites model is a model of care and support for people who are aged 65 and over. It is based on people having their own tenancy in a 'core and cluster' model of supported housing. The development of these will form part of the pathway between Extra Care Housing and residential care and will enable tenants to live more independently.

This proposal was presented to the Adult Health and Social Care Policy Committee on 30 October 2024.

ACW is engaging with housing providers and Strategic Housing Services, on taking this model forward. However, the Council’s Capital Programme could potentially enable Adult Care to develop new kinds of building-based provision.

**Workstream 3: Technology Enabled Care (TEC)**

In February 2025 we will be taking a costed model and strategy for Technology Enabled Care (TEC) to the Adult Health and Social Care Policy committee for approval.

We will be procuring a strategic partner to develop a TEC model over a 5-year period to significantly widen our TEC offer to people both with statutory care needs and for people who do not currently have statutory care needs as part of our duty to prevent, reduce and delay needs in line with the Care Act (2014).

TEC can ensure people can stay safe and well in their own home for longer, either without a care package or with a smaller care package. This realises greater independence for people and will also realise savings for our purchasing budgets.

Capital funding will be required for the purchase of equipment for Tests of Change and longer term strategic procurement of TEC to strengthen our offer.

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	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	<b>Workstream 1-</b> development of new Emergency Overnight Short Breaks services- utilising small properties for build based services	Increasing the capacity of in-house care provision. Developing alternative provision for emergency overnight short breaks in the City.	To be confirmed (TBC)	TBC
2	<b>Workstream 1-</b> investing in existing Council owned buildings to ensure that the building can meet a more diverse range of needs	Investing in existing Council owned buildings to maximise their practical value to the Council	TBC	TBC
3	<b>Workstream 2-</b> purchasing land or buildings for the purpose of developing the Care Suite model	A new care offer for over 65s with care needs offering greater flexibility and independence compared to residential care	TBC	TBC

4	<b>Workstream 3- Technology Enabled Care</b>	Tests for change of a variety of different TEC products to inform SCC's long term strategic procurement of TEC. Assessments of cost and impact via tests for change will inform future design of model to ensure TEC Model utilises best products on the market which work in a Sheffield context.	TBC	TBC
5	<b>Workstream 3- Technology Enabled Care</b>	Procurement of TEC products via capital funding for long term delivery of new TEC model in Sheffield from October 2025. Products will be purchased by SCC and will be recycled between users to ensure maximum value for money. The impact of this investment will be cost avoidance on new packages of care and preventing the escalation of existing packages of care, securing a return on the capital investment	Subject to a business case	TBC

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	<b>Workstream 1- development of new Emergency Overnight Short Breaks</b>	New Emergency Overnight Short Breaks provision ensuring Sheffield residents with this need can be met in Sheffield and not out of area. Reduced spend on Emergency Overnight Short Breaks with private providers	TBC	TBC
2	<b>Workstream 2- Development of Care Suites model</b>	New provision for people with care needs offering more independence than residential care in a more homely offsetting. Housing Benefit contributing towards accommodation costs for eligible customers. This would reduce the overall accommodation costs to SCC.	TBC	TBC
3	<b>Workstream 3- Technology Enabled Care</b>	A wide-ranging catalogue of TEC products and a workforce with a good understanding of TEC products and how to appropriately refer people to TEC products and solutions. Overall reduction in care package costs by preventing and delaying escalation of care needs through creative use of TEC.	TBC	TBC
4	<b>Workstream 4- Disabled Facilities Grants</b>	An efficient DFG Process which effectively and efficiently uses DFG to help people live safe and well at home through adaptations and works funded via DFG.	TBC	TBC

## 7 Our forward look to the 2050s

A well developed, in-city EONSB offer which means emergency short break needs of Sheffield residents can be met in Sheffield utilising SCC property to the maximum extent possible.

A wide variety of Care Suites across Sheffield meeting people's care needs in a more homely setting.

By the 2050s we will have fully embedded our TEC approach to ensure that TEC is the first port of call for any care needs. We will continue to look for ways to innovate in TEC and maximise the opportunities and advantages of TEC for Sheffield Residents.

Efficient use of DFG within budget with quick turnaround times for people with DFG eligible needs.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Wide range of different TEC products and approaches on the market.	Tests of change will ensure that TEC products are fully understood and long term procurement will be well informed.
2	Construction costs and high demand for DFG	Range of enhanced governance actions on DFG as detailed in above sections
3	Care Suites, development of model	Full business cases will be developed prior to the implementation of any care suites offer. This will include full financial modelling and appropriate market engagement to understand demand from customers and engagement from providers
4	Emergency Overnight Short Breaks, developing correct offer	We will ensure full market research is done on the needs and requirements of Sheffield for Emergency Overnight Short Breaks as part of any business case.

# D6 ECONOMIC DEVELOPMENT & SKILLS

Director: Diana Buckley, Director, Economy Skills and Culture

Council Plan priority addressed: A creative and prosperous city full of culture, learning, and innovation

## 1 Background and context

The Council's new 10-year Growth Plan sets out the approach for how the city's ambitions will be, in part, addressed through economic growth. To do this we will need to make the most of our economic strengths to improve the lives of the people living, working and doing business in our city. Sheffield's economic growth will continue to benefit residents and future generations and will energise and animate our city, our neighbourhoods and every community.

This plan is structured around four bold economic missions which are ambitious, long-term and underpinned by our analysis of the structural challenges we need to focus upon if we are to realise and deliver long-term growth for the city. These missions provide us with a clear sense of purpose for what we can achieve together:

- Our Economy: global, green and growing
- Celebrate and grow a vibrant cultural and creative Sheffield City Council
- Grow our neighbourhoods
- A city on the move, with infrastructure to grow

The economic environment for the city and its businesses remains challenging and whilst factors such as inflation now appear to be broadly back to levels of recent 'norms' there remains considerable uncertainty with global conflicts still impacting on investor and consumer confidence. The cost-of-living crisis, whilst stabilised, has not been matched by increases in income for many residents in the city and the structural threats of online retail, automation and, increasingly, artificial intelligence mean the local and regional economy remains vulnerable to change. Consequently, the adoption of the Growth Plan in 2025 is seen as a vital stepping stone to provide a medium to long-term vision for the city and its economy, setting out what the Council can do as a facilitator and what partners in both the public and private sectors need to do to meet the aspirations of today.

The Growth Plan is not just about economic growth for the sake of it but how it can help improve the lives of our residents whilst enhancing our local environment and doing what we can to protect the global climate. Consequently, the Growth Plan sets out plans that cover areas such as more, improved and affordable housing, interventions that support reliance on carbon-based fuels and

increase the potential for locally based renewables. It will encourage public transport and active travel, and it recognises how the uniqueness of Sheffield, its people and places all have a role to play in developing a rich and diverse and resilient economy.

Our local assets remain opportunities to help build upon for development, investment and sustainable growth. The Growth Plan and an associated Action Plan will set actions and projects for our short, medium and long-term ambitions. These assets include:

- The developing innovation assets in the Innovation Spine and Advanced Manufacturing Innovation District (AMID), including The University of Sheffield's Advanced Manufacturing Research Centre (AMRC) and Sheffield Hallam University's Advanced Wellbeing Research Centre (AWRC).
- Using the Heart of the City and developments in areas such as Kelham Island as demonstrators of success to further encourage investment in the City Centre to create new and higher value employment opportunities and new residential communities.
- We will continue to promote the city's burgeoning digital and tech sectors
- The vibrancy of the City's culture sector and the value of our heritage assets will play a more prominent role.
- Our district centres and communities will be enhanced and better connected
- The Higher Education offer in the city will continue to be a huge value and benefit to the city.
- Sitting within the Peak District National Park, our 'Outdoor City' will continue to inspire and attract visitors, new residents and investment.

Partnership will remain critical to the delivery of our ambitions, and we will continue to work alongside the South Yorkshire Mayoral Combined Authority as they look to secure funding from Government to deliver their own Plan for Good Growth which relies on the four South Yorkshire Authorities delivering their strategic plans. 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.

## 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. Likewise, the Green Economy offers opportunities for sustainable economic growth benefitting businesses and residents of the city. Consequently, supporting efforts that recognise the need to reduce our reliance on fossil fuels sees the benefit of a less wasteful society should only benefit our local economy.

Emissions from Sheffield's Industrial and Commercial Sector were 569.2ktCO<sub>2</sub>e in 2022 – 25.7% of the city's total. This represents a of 28.8% since our baseline of 2017 but there is still a long way to go. To address this the Business Decarbonisation Route map will be completed by March 2025 and will set out recommendations for measures and actions to be implemented. Such activity is likely to include:

- 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.
- 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'.
- A grants programme for energy efficiency measures in community and cultural buildings.

Critically access to the Project Feasibility Fund will enable the Council to develop recommendations into tangible and deliverable projects.

However, these projects are largely reliant on external funding for both capital and revenue and new sources will need to be identified if a longer and more impactful programme of interventions is to be developed.

### 3 Projects forecasted to complete 2024/25

	Project	Outputs
1	Tinsley Art Project (£0.9m)	Art installation at Tinsley Marina
2	Sustainable Community & Cultural Assets (£2.2m)	Grant regime to improve the energy efficiency and environmental performance of public facing buildings and spaces in across the City Region
3	Low Carbon Project (£1.1m)	Grant regime to improve the energy efficiency of Small & Medium Enterprises

### 4 Current projects already in delivery

No capital projects currently in delivery.

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Low Carbon Business Support Programme	Reduced CO2 emissions More efficient businesses	UK Shared Prosperity Fund (UKSPF) South Yorkshire Mayoral Combined Authority (SYMCA)	Not secured
2	Productivity Grant Programmes	Increased GDP Job creation Growth potential Business Survival	UKSPF SYMCA	Not secured
3	Cultural and Heritage Asset Improvement	Preservation of cultural and heritage assets Increased visitor numbers and spend Enhanced City reputation Growth potential	TBC	Not secured
4	Development of Innovation Assets within Innovation Spine and AMID	Increased GDP Job creation Growth potential Attracts wider investment	TBC	Not secured

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Continuation of above if required	As above	As above	As above
2	Renewable Energy production programmes	Production of non-fossil fuel energy Economic Growth Job creation	TBC	Not secured

## 7 Our forward look to the 2050s

The Growth Plan will provide a ten-year vision for the development of the City's economy but 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. We will need to regularly review the Growth Plan and be flexible and responsive to short term economic shocks and longer-term structural changes. Identifying threats and taking full advantage of opportunities as they present themselves will be essential.

However, we do understand the need to move to a more resilient economy ensuring that growth is both sustainable and improves the health and living standards of the people within the city.

Partnership will remain a cornerstone to future success as the Council cannot achieve its long-term ambitions by itself. Our City Goals' led by the Sheffield City Partnership Board, that has brought together public, private and third sector partners has set the standard for engagement and has identified priority actions for all sectors to deliver. This collaborative approach will be maintained to ensure future investment delivers the plans and ambitions we have for Sheffield, its businesses and its residents.

## 8 Key challenges and how we are addressing them

	<b>Challenge</b>	<b>Actions to address</b>
1	Lack of long-term vision	Development of Growth Plan and City Goals and 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 Growth Plan and Investment Plan
4	Access to funding	Develop funding strategy alongside Investment Plan Work with SYMCA and Government Departments

## D7 STRATEGY & RESOURCES

**Ensuring that our operational estate and vehicle fleet comply with all legal and regulatory requirements, improving their functionality for our customers and employees wherever possible and maintaining them effectively through necessary repairs, investment, and renewal. We also want to reduce our environmental impact, energy, and fuel costs by prioritising energy efficiency at every opportunity, making the best use of the latest available technologies.**

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

The Strategy and Resources Committee is responsible for 2 key areas of capital spend – our property assets, and our vehicle fleet assets. This section covers each of these in turn.

Head of Service: Nathan Rodgers

## 1 Background and context

The 'Essential Compliance & Maintenance Fund' is established to support the maintenance of the council's operational estate, properties, and infrastructure. Its primary objective is to respond to urgent maintenance requirements while ensuring adherence to applicable regulations and standards. By directing financial resources to this fund, we can provide the necessary support that enables various departments and community services to effectively implement the council's strategic plan.

This estate encompasses approximately 950 assets, excluding Council Housing and Schools, which includes around 630 buildings, in addition to numerous parcels of land, monuments, dams, waterways, paths, and boundary walls. Proper maintenance of these facilities and infrastructure is crucial for their operational efficiency, safety, and legal compliance, thus ensuring the uninterrupted delivery of essential services.

### **Importance of Estate Maintenance**

Effective estate maintenance is essential to keep facilities operational, fulfil statutory obligations, and support the continuity of Council services. Infrastructure or structural failures can directly hinder service objectives and compromise service delivery. Deferred maintenance leads to financial strain, health and safety risks, and potential legal liabilities.

### **Current Funding Challenges**

Due to prolonged funding constraints, the Council faces significant challenges in delivering adequate estate maintenance. The current budget allocation does not reflect the estate's size and condition, preventing a life cycle maintenance approach essential for sustaining the estate long term. This lack of funding has caused infrastructure deterioration, impacting the quality of life for both residents and visitors. Limited resources are primarily directed towards legal compliance, regulatory obligations, and urgent repairs, resulting in the overall decline of the estate's condition.

The anticipated costs to address the condition requirements of the Council's estate exceed £200 million, which is essential for upgrading all facilities and infrastructure to an acceptable and operational standard. Moreover, an additional £21 million is required for urgent and critical repairs. It is crucial to recognise that these figures may not fully capture the total financial impact, given factors like rising material costs, increased logistics expenses, and market demand. Additionally, the Town Hall and Central Library

are treated as separate projects, with each projected to require between £30 million and £70 million for their renovation and restoration to meet our heritage obligations.

The Essential Compliance and Maintenance Programme for the operational estate has been allocated a total budget of £14.6 million for the period from 2020/21 to 2027/28. To date, £12.1 million has been utilised, with an additional £2.5 million expected by 2028. Presently, £900,000 of the allocated £12.1 million is still uncommitted, resulting in an available budget of £3.3 million through 2027/28 when factoring in anticipated future income.

### **Strategic Asset Review**

The Covid-19 pandemic has significantly altered demand patterns and transformed the way the Council, its partners, and the community utilise Council facilities. The shift towards hybrid working and online systems has resulted in a notable decline in building occupancy, leading to many Council properties being underutilised. This change presents an opportunity for the Council to reassess its operational estate, with the goal of establishing a more carbon efficient, sustainable and cost-effective model that adopts a life cycle approach, ensuring the estate is fit for purpose and aligns with the objectives of the Council Plan.

On November 7, 2022, the Finance Sub-committee endorsed recommendations to modify the Council's asset strategy through a Strategic Accommodation Review, aiming for a 25% reduction in the estate's footprint. Continuous assessments indicate a requirement for a more substantial reduction, with projections estimating a potential decrease of around 60% to 70% of the footprint and the need to vacate operational leased spaces and utilise the Council estate to ensure financial sustainability.

### **Prioritisation through the Essential Compliance and Maintenance Programme**

To make the most of limited resources, the Council launched the Essential Compliance and Maintenance Programme, which was approved by the Finance Sub-committee in March 2023. This programme prioritises maintenance using data-driven insights from condition surveys and risk assessments. Its focus is on ensuring legal and regulatory compliance, enhancing historic and sensitive assets, and maximising carbon reduction initiatives.

The estimated maintenance demand for the estate is £96.9 million based on historical condition data, which covers 50% of the estate. This figure is projected to increase significantly to approximately £350 million as further surveys are completed, and estate conditions continue to deteriorate.

Due to these funding constraints, the programme prioritises short, medium, and long-term investments in coordination with the Strategic Accommodation Review. This approach aims to reduce unnecessary costs and seek external funding for carbon reduction projects.

Current live capital projects under this programme include:

- Abbeydale Dam Repairs: £1.3 million
- Crookes Valley Park Dam Repairs: £800,000–£1 million
- Millhouses Park, Structures Repairs along the River Sheaf: £800,000
- Hind Wheel Dam repairs: £500,000
- Endcliffe Park Retaining Walls and Bank River Bank Repairs: £350,000

## Strategic Impact and Conclusion

A substantial decrease in the estate footprint is necessary, demonstrating the Council's commitment to effectively managing its assets amid financial constraints and evolving service demands. The goal is to achieve an operational estate that is both efficient and sustainable

The Essential Compliance and Maintenance Programme, aligned with an evolving building strategy within the Accommodation Review, will provide critical insights to guide strategic decisions regarding property disposals, retention, and budget distribution. The objective is to establish an operational estate that the Council can manage efficiently. This initiative is vital for ensuring the continued provision of essential services. Good quality, well used community spaces are anchors that support the delivery of our City Goals and Council Plan in our communities.

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

The Essential Compliance schemes identified will focus on like-for-like replacements along with the most feasible green alternatives, within available funding, to support net-zero goals. Achieving carbon reduction goals requires a “whole building” approach rather than isolated green technology installations. Due to the age and construction of much of the estate, some cases may require a “gas-for-gas” heating replacement, as it can be the most sustainable option, providing significantly improved efficiency over the existing systems. The Council will continue to assess the estate needs to become net zero and develop business cases and bid for external funding to drive down emissions and maximise cost avoidance measures.

Multiple operational community sites have been identified for the implementation of renewable energy systems, emphasizing LED lighting and solar photovoltaic technology. These installations are scheduled for completion during the years 2024/25 and 2025/26, with funding sourced from the £3.5 million Local Renewable Energy Fund, which received approval from the Committee in November 2022. This initiative aims to promote community renewable energy technologies alongside the Shared Prosperity Fund.

### 3 Projects forecasted to be completed in 2024/25

	Project and total value	Impact
1	Town Hall - Lighting Replacement £384,000	69% reduction in lighting energy consumption (173,148 kWh) and generating over £50,000 in annual energy savings.
2	Town Hall - Replacement of Wireless Fire Alarm £149,680	Improvement of emergency facilities at key corporate site
3	Closed Church Yards – Repairs to Boundary Wall and footpaths – Due to Complete Jan/Feb 2025 £322,000	Urgent repairs to footpaths and boundary walls complete, safe access for visitors, prevention of more expensive repairs later
4	FRA Active Works across 8 sites – Due to complete early 2025 - £954,000	Installation of Active Fire Safety Compliance measures at 8 sites
5	Critical investment across BEMS, Clocks - 22 designated as public clocks, Cosmetic Improvements High Profile e.g. Crematoriums, Dams & Watercourses, Decent Homes - Service Tenancies, Electrical Services, External Areas, External Walls Windows and Doors, Floors and Stairs, Internal Walls and Doors, Mechanical Services, Roofs, Structural Surveys, Compliance Failures - Statutory e.g., Fire Safety, Asbestos, Electric, Gas, Water - £1,53m	Investment to achieve compliance or remove a health and safety risk across several areas

#### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Abbeydale Industrial Hamlet – Dam Repairs OBC Stage Est £1,300,000	£968,949	2021 - 2025	Enhancement of infrastructure to prevent flooding
2	Abbeydale Industrial Hamlet – Weir Repairs IBC Feasibility Stage Est £350,000	£153,000	2021 – 2025	Enhancement of infrastructure to prevent flooding
3	Millhouses Park - Structures Repairs along the River Sheaf Feasibility / Options Appraisal Est £800,000	£163,625	2021 - 2025	Enhancement of infrastructure to prevent flooding
4	Hind Wheel - Dam Repairs IBC Feasibility Options Appraisal Stage Est £500,000	£25,661.00	2021 - 2025	Enhancement of infrastructure to prevent flooding
5	Crooks Valley Park - Dam Repairs IBC Feasibility Stage Est £800,000 - £1,000,000	£101,503.00	2023 - 2026	Enhancement of infrastructure to prevent flooding
6	Endliffe Park - Retaining Walls and Bank Riverbank Repairs IBC Feasibility Stage Est £350,000	£20,977.00	2024 - 2026	Enhancement of infrastructure to prevent flooding
7	Frechville Library – Structural Defects to Timber Framed Structure Option Appraisal Est TBC	£15,860.00	2024 - 2026	Repair, rebuild or demolish or re

	<b>Project</b>	<b>Budget (£) (all years)</b>	<b>Year(s)</b>	<b>Outputs</b>
8	Central Library - Feasibility / Option Appraisal	£997,945.00 Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	2024/2030	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety
9	Town Hall - Feasibility / Option Appraisal	£1,663,200.00 Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	2024/2030	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety
10	Renewable energy installations, focusing on LED lighting and solar PV at 7 sites. IBC Feasibility Stage	£46,354	2024/25	Decarbonisation works towards net zero

## 5 Proposed investment pipeline over the next 5 years

	<b>Priority / Project</b>	<b>Impacts</b>	<b>Potential funding source(s)</b>	<b>Funding status</b>
1	Fire Risk Assessment Mitigation	Deliver suitable fire precautions identified from periodic Fire Risk Assessments to meet statutory compliance and provide safe premises for our customers and staff.	Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
2	Essential Compliance & Refurbishment	Deliver a solution to identified defects from the annual compliance programme, for example, 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 / Revenue	None Allocated
3	Energy Efficiency and Renewable Energy Projects	Various energy efficiency and renewable energy projects on council buildings are working towards net zero for the start of the next decade.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated

4	Redecorations	Internal & external decoration to ensure our buildings are clean and provide a welcoming environment for our customers and staff	Capital Investment Fund / Prudential Borrowing	None Allocated
5	External Areas	Repairs to hardstanding, drainage systems, gates, etc., to ensure it is safe for customers and staff to access our buildings	Capital Investment Fund / Prudential Borrowing	None Allocated
6	Central Library	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
7	Town Hall	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
8	Staniforth Rd & Manor Lane Depots	To address significant building defects to the Structure, Fabric, Accessibility, Mechanical, Electrical and Fire Safety and explore consolidation on one site.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
9	Building Energy Management Systems (BEMS)	Investing in BEMS to improve efficiency and improve the environment for building users.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
10	Reinforced Autoclaved Aerated Concrete (RAAC)	High risk sites completed. Combine this survey programme with condition to identify RAAC presence in the operational estate. If RAAC is found, conduct risk assessments and either replace or manage it.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
11	Condition Survey	A five-year cyclical condition survey programme is needed to assess and prioritise maintenance needs, ensuring safe, compliant, and efficient facilities that support long-term service delivery.	Grant Funding / Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Compliance	Achieve a compliant estate.	Revenue / Capital / External	
2	Maintain Heritage Assets	Retaining the historic assets.	Revenue / Capital / External	
3	Life Cycle Replacement	Fir for purpose estate.	Revenue / Capital / External	
4	Net Zero	Reducing carbon emissions, working towards net zero	Revenue / Capital / External	

## 7 Our forward look to the 2050s

The estate will prioritise a net zero approach and will be situated locally within our communities. Our objective is to create more flexible shared spaces in partnership with public, voluntary, and private sector stakeholders, addressing the changing requirements of the individuals who use these facilities.

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Investment strategy is evidence-based maximising the use of limited resources.	Develop a continuous rolling program for Condition Surveys, with the initial phase having successfully identified projects for the investment programme. A cyclical program is set to be implemented in 2025/2026.

2	Invest in sustainable properties while divesting those that are not essential to core operations.	Working closely with the accommodation review to develop decision making tools to support retain, repurpose and release decisions leading to a smaller estate.
3	Insufficient funding to adequately maintain the existing corporate estate in a satisfactory condition	Ensure resources for the next five 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 significant or severe 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 and Compliance programmes.
4	Insufficient funding, resources, and expertise within SCC to impact 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 draw down available loan or grant funding if it becomes available. Net Zero building schemes will be developed on the shelf to enable immediate funding applications and improve delivery timescales.

## B Fleet

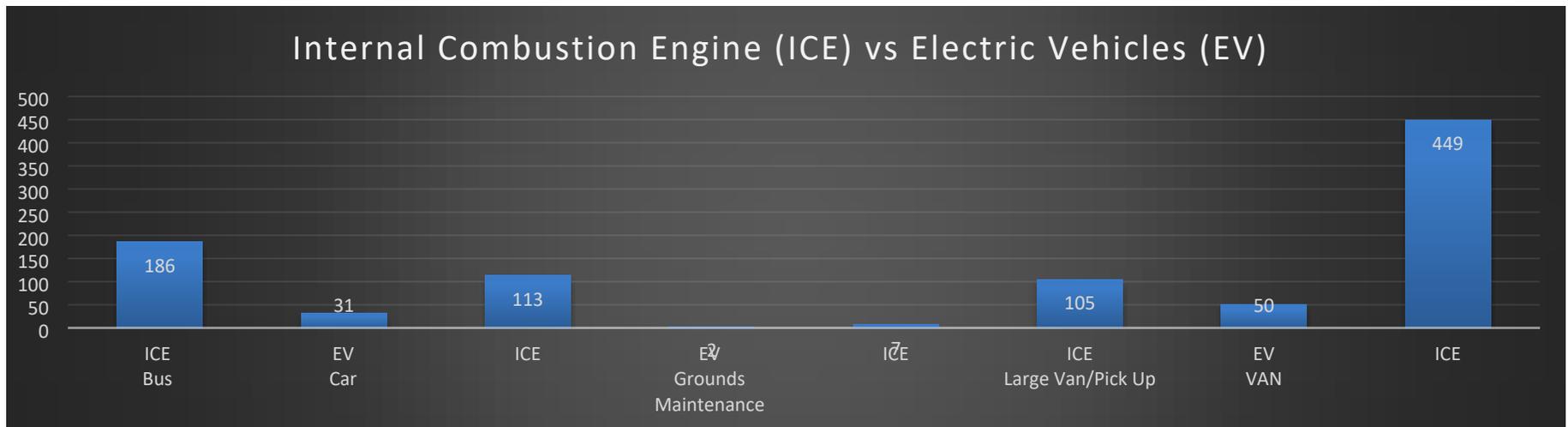
Head of Service: Mick Barlow

### 1 Background and context

The Council has set a goal of being carbon Net Zero by 2030. The first steps to this objective were taken in 2019/20, when a six-year investment programme to upgrade the fleet and plant was initiated. This enabled the council to establish a more reliable, cleaner and greener fleet.

The focus for the first 4 years of the vehicle replacement programme was on procuring vehicles that were Clean Air Zone compliant as a minimum, or the most environmentally friendly vehicle available as the market dictated.

As the electric vehicle (EV) market has matured the programme has been able to introduce 80 EVs (8.6 %) into the fleet. The graph below shows the current position in terms of the Council's fleet.



The Council's focus is now on achieving Net Zero. Although good progress has been made in reducing the emissions of the Council fleet, further significant progress is required to deliver on our net zero commitment.

Year 4 of the Current Vehicle Replacement programme has been delayed and the Year 5 replacement plan has been paused pending a new Vehicle Strategy. This Vehicle Strategy will be developed to clearly set out how we will meet our net zero target. This Vehicle Strategy will not only set out the actions to replace existing fleet with more sustainable options, but also seek to address the current constraints including the lack of charging infrastructure and available vehicles in the market. The Strategy is also likely to require changes to the way in which Council services are delivered in the future.

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

These activities will directly contribute to reducing the Council’s overall carbon footprint. The developing Vehicle Strategy will deliver on the Council’s commitments to net zero.

**3 Projects completed in 2024/25**

	Project and total value	Impact
1	Vehicle Replacement Strategy 2023-24	99.9% of Fleet Clean Air Zone (CAZ) compliant. 80 electric vehicles purchased.

**4 Current projects already in delivery**

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Home Charging Pilot	£15,000	2024 - 2025	Assessing the benefits and practicalities of Home Charging to overcome charging capacity issues.
2	HVO Alternative Fuel Trial	£4000	2024 - 2025	Reduced carbon emissions.

## 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Fleet Strategy	Development of the Fleet Strategy Paper (to be completed by April 2025)		
2	Delivery of New Fleet Strategy	Transition the council fleet to Net zero	Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated
3	Home Charging	Home Charging	Capital Investment Fund / Prudential Borrowing / Revenue.	None Allocated
4	Charging infrastructure within depots	Additional Capacity needed for Charging Depots currently at Maximum capacity for Charging infrastructure This is linked to and dependent on the Council's overall Strategy for accommodation and operational sites.	Capital investment fund/Prudential Borrowing/Revenue.	None Allocated

## 6 Potential investment pipeline for years 6-10

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	Delivery of New Fleet Strategy	Transition the council fleet to Net zero	Capital Investment Fund / Prudential Borrowing / Revenue	None Allocated

## 7 Our forward look to the 2050s

- We will have a carbon neutral fleet.
- The Council fleet will be used in more innovative ways to deliver positive outcomes for our residents.
- We will monitor future developments, i.e. Autonomous vehicles, to improve the deliver of services council wide

## 8 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Insufficient funding and resources	Will require additional capital made available by the Council
2	Charging Infrastructure / Capacity - Full capacity in terms of power to charge more vehicles at the two main depots, Staniforth Road and Manor Lane.	This will be addressed in the depot strategy
3	Vehicle Utilization	A move to Net Zero is more than just replacing vehicles it may require a change of the Council's operating model
4	Availability of EV large Vehicles and Plant	Monitor market and follow vehicle developments

# D8 WASTE & STREET SCENE

**Ensuring our waste and street scene services receive the investment they need to deliver high quality and efficient services to the communities we serve.**

Director: Richard Eyre | Director of Street Scene and Regulation

Council Plan priority addressed: Great neighbourhoods that people are happy to call home, A creative and prosperous city full of culture, learning, and innovation, A city on the move – growing, connected and sustainable & People live in caring, engaged communities that value diversity and support wellbeing

## 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, hostile vehicle mitigation, CCTV improvement) and the Transport, Regeneration and Climate Change Committee (District Energy Network development).

Three of the projects (Energy Recovery Facility, Waste Collection Changes and Hostile Vehicle Mitigation) 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. CCTV equipment investment reflects our ambitions to maintain a safe city centre for residents.

## 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 Projects forecast to be completed in 2024/25

No capital projects forecast to be completed.

### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	City Centre Safety	£2m	2018-26	Installation of barriers to increase pedestrian safety

### 5 Proposed investment pipeline over the next 5 years

	Priority / Project	Impacts	Potential funding source(s)	Funding status
1	New Legislation: Changes to Emissions permitted from Energy Recovery Facility	Veolia are required to reduce the daily average levels of SOx (sulphur oxides) 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 may be higher than SCC	Unknown
2	New Legislation: Hostile Vehicle Mitigation. Martyn's Law and the Protect Duty requires us to install physical safety measures outside buildings to ensure public safety.	We have identified areas of risk in the City centre. Some measures have been implemented as part of existing capital schemes (e.g. Future High Street Fund, Connecting Sheffield), However there remain sites where we have temporary measures in place. Replacing these with permanent measures would have a positive impact on our revenue budget – as the temporary measures are hired in; and enable us to design appropriate measures that are in keeping with our ambitions for the City centre streetscene.	Funding sources have not been identified.	Unknown
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	Veolia can capitalise some costs – but borrowing costs may be higher than SCC	Unknown

		Maintenance again providing increased opportunity for recycling and resilience for our services.		
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 may be higher than SCC  Grant Funding – but will be a max of 33% of cost	Unknown
	CCTV Camera Improvement	Our CCTV camera network is ageing and in some cases the technology is becoming obsolete. Replacing these cameras with newer technology would enable better quality imaging which will result in more effective services, and a safer City centre.	We will bid for funds through the Safer Streets Project (South Yorkshire Police) but this will not cover the full costs	Unknown

## 6 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.

## 7 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 (sulphur oxides) emissions. Meetings to take place with Veolia from September to understand options to ensure compliance with the new requirements post December 23.

2	Environment Act changes to Waste Collection	Modelling options with Veolia and externally with Local Partnerships (a government agency).
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# E CORPORATE INVESTMENT FUND (CIF) POLICY

**This Section E sets out our proposed policies 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's made up of a range of individual funding streams – New Homes Bonus, Community Infrastructure Levy (CIL), section 106 and elements of the old 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 just over 1% of Capital Programme expenditure.

## 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 provide funding for growth projects – whether as core funding or feasibility funding – which generate sustainable growth for everyone in the city. We may need to ‘underwrite’ schemes, where external funding has been promised but is not yet formally approved for acceptance. In these cases, we will be seeking monies to be repaid back into the CIF, so it operates as a revolving investment fund. Put simply, the level of capital receipts the Council receives is relatively low, and we can only spend these monies once. We need to ensure we invest in projects with a robust business case so we can ensure the fund continues to exist for future investments.

We may exceptionally need to use capital receipts for organisational transformation purposes – the Council faces significant challenges, and we need the maximum flexibility of our funding sources to achieve our objectives.

## 3 Known demands on the CIF

Each of the Policy Committees has several key priority projects within their ten-year investment pipeline contained within this Strategy; many of these will 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.

## 4 Key risks for 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 (even though potential reductions may be partially offset by future Council Tax).

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.

Last year, we received around £951,000 of capital receipts. Whilst we may receive more in years to come, it's clear that this in no way comes close to meeting the demands placed upon the CIF.

## 5 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. Investment in 'invest to save' projects should ideally pay back within 12 months, although exception can be made to this in exceptional circumstances.

Consideration of the granting of CIF funds will only be given to projects which meet the following criteria set out in both A and B:

### A Funding

Projects requesting CIF capital 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 4.4 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 Directorate'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.

## **6 Future developments – s.106, CIL and the Local Plan**

The Council continues to publish its annual Infrastructure Funding Statement (IFS), delivering greater transparency of CIL and s.106 receipts and spending. The Council has also set out a list of priorities for projects to be funded by CIL via the Infrastructure Delivery Plan (IDP) which has been produced to support the Local Plan.

The CIL Regulations allow more use of s.106 for project specific mitigation and introduce the ability to use both CIL and s.106 in delivering infrastructure priorities.

### **The Local Plan**

The draft Sheffield Local Plan is now at formal examination which we anticipate will reach a conclusion in financial year 2025/26. This will pave the way for investment and development across the City's communities.

The draft 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.