THE BUDGET

This document contains information on the Budget, how it works and the Council Tax levels in 2018/19.

We spend around £1.3 billion (£1,344 million) each year providing a range of services to the people of Sheffield. Most people use a Council Service every day. Schools, health protection, adult and children’s social care, emptying of bins, recycling and leisure activities are just some of the many services meeting people’s needs every day.

This leaflet explains some of the background to the Council’s budget, how the budget works, where the income comes from (including Council Tax), and how the money is spent.

As with most things in life, setting the budget and the Council Tax is about getting a balance – providing the services and improvements that Sheffield people need, while offering the best value for money. This year, there will be an increase of 2.99% in the amount you pay for Council Services, plus the 3% precept towards the cost of adult social care.

HOW THE BUDGET WORKS

In March 2018 we set the budget and the Council Tax for the financial year 2018/19 (April to March)

The budget has two types of spending:

Revenue spending covers the day-to-day running costs of Council Services, such as schools, adult and children’s social care, planning and leisure. Most of our money pays for staff or contractors who provide these services for the community, and the running costs of buildings, offices, vehicles and other facilities. In 2018/19 our revenue budget is £1,344 million.

We don’t pay for the police and fire service out of the day-to-day budget. Your Council Tax includes a separate amount for these services. It goes directly to those services – not to Sheffield City Council.
The diagrams below show where the £1,344 million revenue spending goes and where the money comes from. Around 59% of the money goes on four key services:
Education, Adult Social Care, Children’s Social Care and Housing.

Just under half of the money, 46% - comes from central government grants. 11% comes from locally retained business rates including Top Up Grant. Income from Council Tax only covers 15% of spending. A further 28% comes from charges for services, such as council house rents and entrance fees.

The money needed for looking after Council Housing comes from rents charged to tenants and from other income from tenants’ services. We are not allowed to spend money raised from Council Tax on Council Housing.

What we will spend 2018 - 2019

Where the money goes - £1,344 million

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Benefits</td>
<td>£183m</td>
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<td>Emptying your Bins, Disposal and Recycling</td>
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</tr>
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<td>Housing</td>
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</tr>
<tr>
<td>Central Costs and Other Services *</td>
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</tr>
<tr>
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</tr>
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<td>Children’s Social Care</td>
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</tr>
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<td>Education</td>
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Where the money comes from - £1,344 million

<table>
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<tr>
<th>Source</th>
<th>Amount</th>
</tr>
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<tr>
<td>Fees and Charges</td>
<td>£222m</td>
</tr>
<tr>
<td>Council House Rents</td>
<td>£148m</td>
</tr>
<tr>
<td>Council Tax</td>
<td>£193m</td>
</tr>
<tr>
<td>Dedicated School Grants</td>
<td>£221m</td>
</tr>
<tr>
<td>Revenue Support Grant from Central Government</td>
<td>£52m</td>
</tr>
<tr>
<td>Other Specific Government Grants</td>
<td>£351m</td>
</tr>
<tr>
<td>Adult Social Care Precept</td>
<td>£15m</td>
</tr>
<tr>
<td>Locally Retained Business Rates including Top-Up-Grants**</td>
<td>£142m</td>
</tr>
</tbody>
</table>

* We spend £68m on central costs and other services including: Pension costs and Support Service costs such as communications, finance, information technology, legal, managing people, policy and performance, procurement, transport services and property.

** In 2018/19 the overall funding reduction in Central Government Grants will be approximately £27m.

***The amount of business rates an individual authority is capable of collecting differs significantly across the country. In order to counteract this national imbalance, the Government implements a system of top-ups and tariffs to re-distribute business rates across the country.
Capital spending pays for buildings, roads and Council Housing and for major repairs to them. It does not pay for day-to-day Council Services. In 2018/19, our capital programme is £210 million.

This year the main elements of the programme will be economic growth and Council Housing Investment.

The diagrams below show where the money comes from and how the money is spent. Over the five year capital programme, the money received balances with the money spent but there may be small differences from year to year.

**Where the money goes - £210 million**

- Council Housing Investment 32%
- Schools’ Investment and Social Care 19%
- Transport 1%
- Economic Growth and Regeneration 33%
- Essential Compliance and Maintenance of the Council’s Estate 2%
- Building and Facilitating New Houses 7%
- Sports and Leisure Facilities 6%

**Where the money comes from - £210 million**

- Prudential Borrowing 37%
- Government Grants 23%
- Sale of Surplus Assets 6%
- Revenue Contributions 31%
- Other Grants and Contributions 3%
OTHER IMPORTANT FACTORS

Loans taken out to pay for capital spending in previous years mean that we have debt. In April 2017, our loans amounted to £762 million.

For every £1 of debt we have over £3 of assets.

Value of Assets and Borrowing as at 1st April 2017

£2,942 million (i.e. £2.9 billion) Value of City Council Assets

£762 million Borrowing to fund Capital Projects
HOW SHEFFIELD’S COUNCIL TAX COMPARES

The level of Council Tax including the adult social care precept (excluding police and fire services):

**Band A Council Tax comparison 2018/19 including the ASC precept**

Nottingham

£1,126

Bristol

£1,084

Liverpool

£1,068

Newcastle

£1,054

Sheffield

£1,009

Leeds

£893

Manchester

£883

Birmingham

£877

These figures are based on the tax for homes in Council Tax band “A”. Most houses in Sheffield (around 59%) are in Band A.

**Council Tax Band 2018/19** (based on value of your home in 1991)

The Tax for Council Services for all bands in 2016/17 is:

H

£3,028

G

£2,523

F

£2,187

E

£1,850

D

£1,514

C

£1,346

B

£1,177

A

£1,009

Some people pay less, for example, people living alone, people with disabilities or those who claim benefits for low income.

For information on discounts, please go to https://www.sheffield.gov.uk/council-tax/reducing-your-bill and complete the online application form or email council.tax@sheffield.gov.uk
As a Council we continue to face significant budget challenges over the year ahead. The reason that Sheffield has less money to spend on services is because Government continues to give the City Council less money in its budgets every year. The Council’s overall Government funding is reducing by £27m in 2018/19. This funding cut alongside an ever increasing demand for services and other cost pressures means for 2018/19, the Council needs to find savings of around £41m.

Despite the budget reductions, Sheffield has huge potential and we are ambitious for the city as seen through the recently published Heart of the City 2 masterplan for regenerating the city centre. The 2018/19 Budget continues to invest in the long-term economic potential of the city whilst standing up for and protecting services for those with the greatest need.

The combination of Government funding cuts and increasing demand on vital services has a major impact on the money we have available to spend. As we go into the eighth consecutive year of austerity, we have set a 2.99% rise in Council Tax to support vital services in the city.

During 2016/17 Central Government gave local authorities the power to raise Council Tax by an additional 3% to pay for the increased costs of Adult Social Care. In order to continue to support and protect the most vulnerable people in the city, we have decided again to apply this 3% Adult Social Care precept which will only be spent on supporting adult social care in Sheffield.

Overall, this means that most properties in Sheffield will pay an extra £1.10 a week on their Council Tax bills from April 2018.

The reasons for this decision are simple. During 2018/19 the difference in resources between the City of Sheffield and other authorities in England is £61 per full-time equivalent (FTE) adult social care worker or almost £1m. Overall, this means that most properties in Sheffield will pay an extra £1.10 a week on their Council Tax bills from April 2018.

COUNCIL TAX LEVELS IN 2018-2019

Supporting children, young people and families in Sheffield

• Keeping children, young people and families healthy, safe and strong and giving every child a great start in life. Developing skills for life and work and encouraging active, informed and engaged young people and adults into further education, employment, training and their journey to independence.

• Supporting schools, children and young people's education, lifelong and community learning and being the champion and advocate for children, young people and their families, improving the quality of learning outcomes, raising attainment and enabling enriching experiences.

Social care – helping people stay healthy, stay out of hospital and live independently at home for as long as possible

• Increasing the independence and inclusion of young people and adults by enabling better access to social and community activities and employment.

• Increasing the move to prevention to get people the early help they need and stop problems getting worse.

• Supporting people to live in their own homes and remain active in their local communities for longer.

• Fairer approach to charging – supporting service users to pay for the care they need.

Investing in our city, our neighbourhoods and creating more and better jobs

• Making sure that our neighbourhoods are safe and easy to move around with access to high quality housing, local services, shops and jobs, as well as having excellent parks and streets. We want everyone in Sheffield to have a high quality of life and feel proud of where they live.

• Continuing the redevelopment of the city centre with Heart of the City II and plans for Castlegate, building on the transformation of the Moor and the Moor Market.

• Building on the major investments from McLaren and Boeing at the Advanced Manufacturing Park to create a stronger economy that connects Sheffielders to good jobs with high quality skills and training.

• Offering a vibrant mix of cultural and sporting facilities and events. This includes putting on events in the city centre, supporting cultural venues such as the Sheffield Theatres, Sheffield Museums; as well as major sporting and cultural facilities.

• Supporting the development of the Olympic Legacy Park, creating a setting for both public and private investment, in education and medical related industries.

• Reducing the carbon footprint of our own buildings and vehicles; encouraging Sheffield’s businesses to reduce their carbon emissions; and working with our partners to invest in sustainable and affordable energy, such as our District Heating network.

Deliver our priorities in 2018/19

Our priorities are clear and these shape the decisions we make about the how we invest the money we have available: a strong economy; thriving neighbourhoods and communities; better health and wellbeing; tackling inequalities; and an in-touch organisation.

As a key part of setting the City Council’s Budget, we ran an online survey to ask people in Sheffield about their views on the approaches we are taking to meet the financial challenge and how we should prioritise the money we have available to spend.
If you have any views or comments on the budget, please write to:

**Eugene Walker**  
Executive Director of Resources  
PO Box 1283  
Town Hall  
Sheffield S1 2UJ

Please feel free to contact us for services, advice, or to make a complaint, compliment or suggestion.  
Ring our general enquiry number: (0114) 273 4567  
(for minicom users: (0114) 273 5028)  
Visit: www.sheffield.gov.uk

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