

Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

Wednesday 29 July 2015 at 5.00 pm

To be held at the Town Hall, Pinstone Street, Sheffield, S1 2HH

The Press and Public are Welcome to Attend

Membership

Councillors Bob Johnson (Chair), Ian Auckland (Deputy Chair), Lewis Dagnall, Gill Furniss, Neale Gibson, Julie Gledhill, Ibrar Hussain, Helen Mirfin-Boukouris, Roy Munn, Robert Murphy, Joe Otten, Ray Satur, Martin Smith, Steve Wilson and Paul Wood

Substitute Members

In accordance with the Constitution, Substitute Members may be provided for the above Committee Members as and when required.

PUBLIC ACCESS TO THE MEETING

The Economic and Environmental Wellbeing Committee exercises an overview and scrutiny function in respect of the planning, development and monitoring of service performance and other issues in respect of the area of Council activity relating to planning and economic development, wider environmental issues, culture, leisure, skills and training, and the quality of life in the City.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information. These items are usually marked * on the agenda.

Members of the public have the right to ask questions or submit petitions to Scrutiny Committee meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Scrutiny Committee meetings are normally open to the public but sometimes the Committee may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

If you require any further information about this Scrutiny Committee, please contact Matthew Borland, Policy and Improvement Officer on 0114 27 35065 or email.matthew.borland@sheffield.gov.uk

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**ECONOMIC AND ENVIRONMENTAL WELLBEING SCRUTINY AND POLICY
DEVELOPMENT COMMITTEE AGENDA
29 JULY 2015**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 1 - 4)
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meetings** (Pages 5 - 12)
To approve the minutes of the meetings of the Committee held on 8th April and 20th May, 2015
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public
- 7. Call-in of the Leader's Decision on the Proposed Disposal of Walkley Library** (Pages 13 - 34)
Report of the Policy and Improvement Officer
- 8. Date of Next Meeting**
The next meeting of the Committee will be held on Wednesday, 30th September, 2015, at 5.00 pm, in the Town Hall

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest (DPI)** relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email gillian.duckworth@sheffield.gov.uk.

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**Economic and Environmental Wellbeing Scrutiny and Policy Development
Committee**

Meeting held 8 April 2015

PRESENT: Councillors Cate McDonald (Chair), Ian Auckland (Deputy Chair),
Neale Gibson, Ibrar Hussain, Robert Murphy, Martin Smith,
Steve Wilson, Paul Wood and Pat Midgley

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Steve Jones (and Councillor Pat Midgley attended as his duly appointed substitute) and Helen Mirfin-Boukouris.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 The Chair (Councillor Cate McDonald) declared a personal interest in Item 7 (How Sheffield Presents Itself – (b) Sheffield Cultural Consortium and a Year of Making 2016) as a member on the Board of Museums and Galleries Trust.

3.2 Councillor Pat Midgley declared a personal interest in Item 7 (How Sheffield Presents Itself – (b) Sheffield Cultural Consortium and a Year of Making 2016) as a representative on the Sheffield Theatres Board.

3.3 Councillor Paul Wood declared a personal interest in Item 8 (Task Group Report on Private Sector House Building) as an employee of a housing construction company.

4. MINUTES OF THE PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 18th February 2015, were approved as a correct record and, arising therefrom, (a) Matthew Borland, Policy and Improvement Officer, stated that he had circulated an update on the issues regarding the leases to be offered to voluntary groups in terms of the future operation of community libraries and (b) the Chair stated that she had met with the Policy and Improvement Officer, to discuss a series of actions arising from the discussions under Item 6 – Air Quality in Sheffield, which would be set out in a letter to be sent to Councillor Jayne Dunn, Cabinet Member for Environment, Recycling and Streetscene.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 There were no questions raised or petitions submitted by members of the public.

6. HOW SHEFFIELD PRESENTS ITSELF

6.1 International Economic Commission

6.1.1 Diana Buckley, Economic Strategy Manager, Creative Sheffield, gave a presentation on the recent launch of Sheffield's International Economic Commission, the aim of which was to position Sheffield globally, share thinking at an international scale and level, showcase the City's best assets and ambitious plans, raise the profile of the City across the world, and test and boost confidence in the City's future plans. Ms Buckley reported on the work of the Commission, referring specifically to the three spatial and functional assets that were seen as the main drivers in terms of attracting people to the City, and which included its proximity to the Peak District, the vibrancy of the City Centre, and the Sheffield – Rotherham Economic Corridor and Advanced Manufacturing Innovation District. The launch of the Commission had involved visits from internationally-renowned delegates, to enable decision-makers in Sheffield to share expertise and ideas on a global level, and boost confidence in the City's economic plans. Specific reference was made to the workshop – 'A Roadmap for an Innovation District: Establishing a Vision for the Sheffield – Rotherham Economic Corridor', which was held on Friday, 16th January 2015, which had included a lecture from Bruce Katz, Vice-President of the Brookings Institute and former adviser to President Obama, and which had showcased the City to the world and enabled City leaders to make global investment connections.

6.1.2 Ms Buckley reported on the proposals to move from a science park model to the creation of an Innovation District, which comprised a geographic area where anchor institutions and companies clustered and connected with small firms, start-ups, business incubators and accelerators. The districts were physically compact, transit accessible, technically wired, and offered mixed-use housing, office and retail. Reference was made to the proposed masterplan for the area, in terms of the Sheffield – Rotherham Advanced Manufacturing Innovation District. Ms Buckley also referred to a number of news stories, which had appeared in both the local and national press, relating to the proposed Advanced Manufacturing Innovation District, and focusing on Bruce Katz's visit to the City.

6.1.3 Ms Buckley concluded by reporting on the achievements of the Commission's launch, indicating that it had helped to galvanise City partners, tested and developed Creative Sheffield's thinking, provided confidence in terms of the plans, in the form of international support and seal of approval, built new international relationships with global champions/cities, provided the City with a profile, and was building reputation on a national and global stage, attracting interest from the Government and creating a platform for future investment.

6.1.4 Members of the Committee raised questions and the following responses were provided:-

- It was proposed that by working in collaboration with Rotherham MBC, any economic benefits of the Advanced Manufacturing Park would be shared throughout the Sheffield City Region.
- It was appreciated that, in terms of the Advanced Manufacturing Park, the vast majority of the business rates were being paid to Rotherham MBC, and that the housing development sites identified were all within the Rotherham area. Enterprise Zone policy was for any uplift in business rates to go to an Enterprise Partnership, with the funding having to be reinvested. Also, there were plans to identify housing development sites in both Sheffield and Rotherham in the long-term.
- Sheffield was in an advanced position due to the fact that the City already had an Advanced Manufacturing Park, and the current plans were to build on this development and create an Innovation District. Whilst several other cities were planning, or in the process of developing, Advanced Manufacturing Parks, it was envisaged that new investment would be secured within the next 18 months, to enable the necessary plans to develop in terms of the Innovation District.
- There were several different companies and different components based in the Advanced Manufacturing Park, with a considerable amount of common will between them, with all being in favour of the vision for the future.
- The issue of enabling more people to live nearer to the Advanced Manufacturing Park was at the heart of the discussions arising from the visit by Bruce Katz, and it had been identified that there was a need to find out why this was the case. Having housing next to the research centre was not considered to be the most important issue, but it was felt that there was a need to concentrate on using the identified housing sites. It had also been identified that there was a need to find out why the various different companies wished to be based in the same location and, if the plans for the Innovation District were to be a success, there was a need to ensure that relevant investment was made in terms of what the various different components required.

6.1.5 Members also made the following comments:-

- There was a need to review the operation of the International Economic Commission at least once a year, as well as the need to look at the plans from a City Region perspective.
- The relevant Cabinet Member should be requested to look at which part of the project would be most beneficial for the City over the next three to four years.
- A Task Group should be established to look at how major planning developments affect the City, in terms of the effects on the environment and transport network.

6.2 Sheffield Cultural Consortium and a Year of Making 2016

6.2.1 Dan Bates, Chair, Sheffield Cultural Consortium, and Kim Streets, Chief Executive, Museums Sheffield, gave a presentation on the Year of Making 2016.

6.2.2 Dan Bates reported on the Sheffield Cultural Consortium, which comprised a group of cultural institutions, based across the City, and worked in partnership with the City Council. The Consortium had four main priorities – Nurturing Talent, Sustaining Existing Cultural Institutions, Children and Young People, and City of Festivals. The Consortium raised over £350,000 in 2014, mainly through Arts Council funding.

6.2.3 Dan Bates and Kim Streets reported on the plans in respect of the Year of Making 2016, during which the City's manufacturing and cultural heritage would be showcased through a number of creative programmes, including art and craft, theatre, music, dance, film and festivals. It was hoped the year would showcase the City's cultural and artistic heritage, as well as raising the City's identity and increasing vibrancy across the whole of the City. Funding for the proposals would be provided by the University of Sheffield and, hopefully, the Arts Council. The Cultural Consortium would be taking the lead, and a Steering Group, comprising a wide membership, would be established to work on the day to day operation.

6.2.4 Members of the Committee raised questions and the following responses were provided:-

- The programme was based on a very broad plan, with the different elements of the programme having a different focus.
- There were plans to have a wide range of shows/films and displays, with some having been known to be popular in the past, to ensure that there was some level of success. The programme, however, would also provide an opportunity to try out a number of new shows and activities, which would hopefully prove successful. It was important that the Consortium looked at how all the various partners could pool their existing resources, as well as looking at how it could tap into new sources of funding, in order to boost the success of the event.
- One measure of success that would be explored was how to put a value on national press coverage generated.
- The concept in terms of how the programme was delivered was important, specifically in terms of showcasing the wealth of culture and heritage in the City, to all Sheffield residents.
- Mapping activity was planned to take place, and the Consortium would look to hold events and activities in as many areas of the City as possible, although it was likely that the larger events would be held in the City Centre.
- It was hoped that, with all the partners working together, something very positive will be created in terms of the programme, which will hopefully result

in more people and groups becoming involved, which would hopefully result in more being able to be done. There were plans to reach out to people of all ages. A number of smaller, lesser known groups in the City were very keen to be involved, and were presently creating programmes based on the ethos of the event.

6.2.5 Members also made the following comments:-

- Every effort should be made, where possible, to ensure the programme was accessible to children and young people.
- There was a need to link the work in terms of the International Economic Commission and the Year of Making 2016.

6.3 RESOLVED: That the Committee:-

- (a) notes the information reported as part of the presentations, together with the comments now made and responses provided to the questions raised;
- (b) thanks Diana Buckley, Dan Bates and Kim Streets for attending the meeting and making the presentations; and
- (c) agrees the following points, arising from the presentations:-
 - (i) every effort be made, in respect of the Sheffield Year of Making 2016, to (A) involve children and young people and (B) ensure that, where possible, events and activities were held at locations across the City;
 - (ii) the Committee should (A) monitor the developments of Sheffield's International Economic Commission and (B) give consideration to establishing a Task Group during 2015/16 to scrutinise the proposals in respect of the Commission;
 - (iii) requests officers look at ways to identify the impact, including the projected benefits for the City, of Sheffield's International Economic Commission and the Year of Making 2016; and
 - (iv) raise with the Overview and Scrutiny management Committee how scrutiny work is undertaken, including tracking implementation of recommendations and ways of improving linkages between Committees and joint working across the Committees.

7. TASK GROUP REPORT ON PRIVATE SECTOR HOUSE BUILDING

7.1 Matthew Borland, Policy and Improvement Officer, introduced the Task Group report on Private Sector House Building. The Task Group had been established by the Committee to scrutinise the Council's policies and practices to assess whether there were robust arrangements in place to meet this challenge, and to identify any additional measures required to facilitate more private sector house

building in the City.

7.2 The report set out details of the work undertaken by, and the findings and recommendations of, the Task Group.

7.3 The Chair referred to minor amendments to the wording in recommendations 1 and 2, set out in the report.

7.4 RESOLVED: That the Committee:-

- (a) notes and endorses the contents of the report now submitted, together with the amendments made to Recommendations 1 and 2 in the report, as set out in the paper now circulated;
- (b) expresses its thanks to those Members on the Task Group, for the excellent work undertaken as part of this scrutiny exercise; and
- (c) requests that consideration be given as to whether this work is included on its Work Programme for 2015/16.

8. DATE OF NEXT MEETING

8.1 It was noted that the next meeting of the Committee would be held on a date to be arranged.

SHEFFIELD CITY COUNCIL

**Economic and Environmental Wellbeing Scrutiny and Policy Development
Committee**

Meeting held 20 May 2015

PRESENT: Councillors Bob Johnson (Chair), Ian Auckland (Deputy Chair),
Lewis Dagnall, Gill Furniss, Neale Gibson, Julie Gledhill,
Ibrar Hussain, Helen Mirfin-Boukouris, Robert Murphy, Joe Otten,
Ray Satur, Martin Smith, Steve Wilson and Paul Wood

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1. APOLOGIES FOR ABSENCE

1.1 No apologies for absence were received.

2. APPOINTMENT OF CHAIR AND DEPUTY CHAIR

2.1 RESOLVED: That Councillor Bob Johnson be appointed Chair of the Committee and Councillor Ian Auckland be appointed Deputy Chair.

3. DATES AND TIMES OF MEETINGS

3.1 RESOLVED: That meetings of the Committee be held on a bi-monthly basis, on dates and times to be determined by the Chair.

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Report to Economic and Environmental Wellbeing Scrutiny & Policy Development Committee 29th July 2015

Subject: Call-in of decision on 'Walkley Library - Proposed Disposal'

Author of Report: Matthew Borland, Policy and Improvement Officer
Tel: 2735065
Email: matthew.borland@sheffield.gov.uk

Type of item:

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	x
Briefing paper for the Scrutiny Committee	
Other	

1. Background

1.1 On the 30 June 2015 the Leader of the Council took the following decision:

- (i) Approves the disposal of the Walkley Library property to Forum Café Bars subject to an identified area of the refurbished building being leased back to the Council for 125 years at a peppercorn rent to enable a library to be run from the premises;
- (ii) Approves the Council granting a sub-lease of the designated library space to Walkley Carnegie Library Group to run as an Associate (independent) library; and
- (iii) delegates authority the Director of Capital and Major Projects to conclude negotiations with the two parties in consultation with the Head of Libraries and Community Services, including the authority to agree a revised purchase, should this be required as a result of the space being reconfigured, to agree the commuted sum for maintenance and utilities costs and to instruct the Director of Legal Services to complete the required legal documentation.

1.2 The full report to the Leader of the Council contained commercially sensitive information and was a closed report. This meant it was not a

public report. A redacted version of the report with the commercially sensitive information removed is attached as appendix A. This has been published on the Council's website as part of the papers for this meeting.

- 1.3 The original closed report is attached as Appendix B. This has only been provided to all the Committee Members and to the Councillors who have signed the Call-in to enable them to scrutinise the decision.
- 1.4 As per Part 4, section 16 of Sheffield City Council's Constitution, this decision has been called in, preventing implementation of the decision until it has been considered by this Scrutiny Committee.
- 1.5 The Call-In notice is attached at appendix C, stating that the reason for the call-in is "to ensure further scrutiny is undertaken on the Leader's decision to sell Walkley Library"
- 1.6 The Cabinet Member for Neighbourhoods, Cllr Isobel Bowler will attend the Scrutiny meeting on 29th July 2015 as the relevant Cabinet Portfolio holder.

2 The Scrutiny Committee is being asked to:

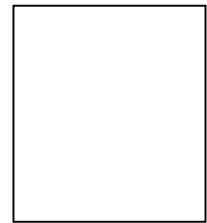
- 2.1 As per the Scrutiny Procedure rules, scrutinise the decision and take one of the following courses of action:
 - (a) refer the decision back to the decision making body or individual for reconsideration in the light of recommendations from the Committee;
 - (b) request that the decision be deferred until the Scrutiny Committee has considered relevant issues and made recommendations to the Executive;
 - (c) take no action in relation to the called-in decision but consider whether issues arising from the call-in need to be fed back to the decision maker or added to the work programme of an existing Scrutiny Committee;
 - (d) if, but only if (having taken the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determines that the decision is wholly or partly outside the Budget and Policy Framework, refer the matter, with any recommendations, to the Council after following the procedures in the Budget and Policy Framework Procedure Rules

(If a Scrutiny Committee decides on (a), (b) or (d) as its course of action, there is a continuing bar on implementing the decision).
- 2.2 The Scrutiny Procedure rules state that if a decision is referred back, it is referred back to the individual or body that made the decision. In this case the decision maker is the Leader of the Council.

Category of Report: Partially Closed.

Appendix B is a closed report because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

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Report of: Simon Green: Executive Director Place
Laraine Manley: Executive Director Communities

Date: June 2015

Subject: **Walkley Library - Proposed Disposal**

Author of Report: Dave Wood (2734095)

Summary:

At its meeting on 19 February 2014, Cabinet approved a report around the review of library services (The Future of Library Services). Following this Cabinet approval, the Leader approved a further report (The Future of Sheffield's Library Services) on 3 July 2014 setting out delegated authorities to enable the review to be implemented - including property matters.

An innovative solution has been identified to secure library provision in Walkley following the review, which combines the two successful business plans from Walkley Carnegie Library Group and Forum Café Bars but which necessitates the sale of the library building to Forum Café Bars in order to secure significant investment for necessary building refurbishment and conversion.

As the previous reports anticipated that the Council would be granting leases of the library buildings and is now proposing to sell its freehold interest in the Walkley Library property, a further approval is now required.

Reasons for Recommendations:

The disposal of the site to Forum Café Bars will:

- enable the conversion and complete refurbishment of the library building to provide a café bar and library as a joint facility
- secure a newly refurbished designated library space within the building in a cost-effective way (including maintenance costs for the first 21 years of the lease) for the benefit of local people to be run by a voluntary community group (Walkley Carnegie Library Group)
- help to stimulate the local economy through investment, cultural events and new employment opportunities

Recommendations:

It is recommended that the Leader:

- R1: Approves the disposal of the Walkley Library property to Forum Café Bars subject to an identified area of the refurbished building being leased back to the Council for 125 years at a peppercorn rent to enable a library to be run from the premises.

R2: Approves the Council granting a sub-lease of the designated library space to Walkley Carnegie Library Group to run as an Associate (independent) library.

R3: Authorises the Director of Capital and Major Projects to conclude negotiations with the the two parties in consultation with the Head of Libraries and Community Services, including the authority to agree a revised purchase price, should this be required as a result of the space being reconfigured, to agree the commuted sum for maintenance and utilities costs and to instruct the Director of Legal Services to complete the required legal documentation.

Background Papers:

'The Future of Library Services' report to Cabinet (19th February 2014)

'The Future of Sheffield's Library Services' report to the Leader (3 July 2014)

Category of Report: Closed

Not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Statutory and Council Policy Checklist

Financial Implications
YES: Paul Schofield
Legal Implications
YES: David Blackburn
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
YES: Dave Wood
Area(s) affected
Walkley
Relevant Cabinet Portfolio Leader
Cllr Isobel Bowler and Cllr Ben Curran
Relevant Scrutiny Committee if decision called in
Overview and Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council?
No
Press release
Yes

WALKLEY LIBRARY

1.0 MAIN BODY OF REPORT

- 1.1 In February 2014 Cabinet made its decision on the Future of Sheffield's Library Service. Cabinet agreed the creation of eleven hub libraries, five co-delivered libraries and ten associate libraries plus Tinsley to become an associate library after the end of the existing lease March 2016. Walkley Library is one of the ten associate libraries that have been identified as opportunities to be run by the local community.
- 1.2 In July 2014 the Leader approved a further report which authorised the Executive Director of Communities to:
- (a) take all necessary steps, as described in this report, to implement the new operating model for community libraries agreed by Cabinet on 19th February 2014; and
 - (b) instruct the Director of Legal and Governance Services to complete the necessary documentation, this authority to be exercised in consultation with the Director of Capital and Major Projects in respect of property matters.
- 1.3 The existing Walkley Library building is in a poor condition and will require significant investment to put it into decent condition. The Council does not have funding available to undertake any repair works other than priority health and safety related works to its operational properties, and it is anticipated that anyone taking over responsibility for the property will have to identify significant external funding to undertake the necessary works. This was made clear to bidders interested in taking over the property from the outset.
- 1.4 Two parties put forward bids to the Council to take over Walkley Library - Forum Café Bars and Walkley Carnegie Library Group. Both parties presented business cases which exceeded the threshold requirement to run a library, although the proposition for each party was different.
- 1.5 Walkley Carnegie Library Group is a volunteer group which has come together with the specific objective of providing a library service from the property. It would take responsibility for the property and running a library service and would intend seeking external grant funding and undertake fund raising events to pay for the running and maintenance of the library.
- 1.6 Forum Café Bars is a commercial venture with a number of successful café bars and pub restaurants in Sheffield and further afield. The proposal from Forum Café Bars was to convert and fully refurbish the property into a café bar incorporating a library - with the library being staffed through Forum Café Bars and with the benefit of volunteers they would source.
- 1.7 As the business cases from both parties exceeded the threshold requirement to run a library, it was agreed to try and work with both parties to establish whether there was potential for a joint venture to take the best parts of each bid and combine them - and if so the form this should take. The idea was to attract significant commercial investment in the property to

secure and improve the physical fabric of the building, and provide a café bar combined with the provision of a voluntary group which would specialise in running the library service.

- 1.8 Property terms have now been provisionally agreed to dispose of the Council's freehold interest to Forum Café Bars to secure significant investment in the property (currently estimated in the region of £500k). The disposal will provide for the full refurbishment of the property and conversion to provide a café bar and library. The space will be configured to provide a dedicated library space and shared use of a further area to be used daytime as a library and evenings as a café bar, although there may be an opportunity to reconfigure the space to provide an extended dedicated library space (possibly with a mezzanine floor) to avoid the need to have a shared area. Library users will also be able to use the café bar facility during the daytime. The freehold disposal will include an option for the Council to have first refusal to buy the freehold back at the market value at that time if Forum Café Bars decide to sell its interest.
- 1.9 The dedicated library space (including the shared area as appropriate) will be leased back to the Council at a peppercorn rent for 125 years for use as a library. The lease will provide for the landlord (Forum Café Bars) to meet the full costs of all utilities and maintenance of the property for the first 21 years of the lease, thus freeing Walkley Carnegie Library Group from the task of raising future funds for this purpose. There will be provision for the lease to be surrendered to the landlord, in the event that there are no library groups willing and able to run a library service from the property. Upon such a surrender, Forum Cafe Bars, or the then current owner, would pay an additional amount to the Council to reflect the value to them of having beneficial use of the library space. If the surrender took place within the first 21 years of the lease, there would also be a pro-rata refund of the commuted sum referred to in paragraph 1.11 of this report, or if the sum was being paid by way of an annual payment, the liability for making payments would cease.
- 1.10 The Council will grant a sub-lease of the dedicated library space (including the shared area as appropriate) to Walkley Carnegie Library Group on terms which have yet to be finalised. However, they will be based on the generic terms that have been agreed with all the associate library groups which are for a lease of 5 years with an option for the group to take a lease for 25 years under certain pre-agreed conditions. It is likely that the Walkley Carnegie Library Group will present a 10 year business plan at the outset which will entitle them to proceed straight to a 25 year lease - giving them significant security from the outset.
- 1.11 The purchase price provisionally agreed with Forum Café Bars is based on an offer of ██████ for the whole of the property to which a pro rata reduction has been applied to take into account the space to be included within the 125 year lease back to the Council. The transfer value ascribed to the property excluding the area to be leased to the library is ██████, but this may vary if the space is reconfigured as there will no longer be any requirement for a shared area which has been taken into account when arriving at this figure. The Council will receive the sum of ██████ (or such revised figure as is appropriate) as a capital receipt. It will make a payment

of an amount to be agreed to Forum Café Bars either as a one off commuted sum or made up of annual payments over a period of 21 years in return for Forum Café Bars maintaining and covering the utility charges for the first 21 years of the 125 year lease. This figure has been assessed on the basis of the value of these obligations at today's prices. Any revised figure would be assessed on the same basis.

- 1.12 The proposed disposal will be subject to Forum Café Bars obtaining planning permission and listed building consent for the proposed change of use and development works and securing a premises licence.
- 1.13 As the previous reports anticipated that the Council would be granting leases of the library buildings and is now proposing to sell its freehold interest in the Walkley Library property, a further approval is now required.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed development will provide a fully refurbished property incorporating a café bar and library which will be secured for the benefit of the people of Walkley. It should also help to boost the local economy and will give access to exhibitions and library and cultural events.
- 2.2 Following public consultation, the Council has been made aware that there is a local element of opposition to the proposed café bar and its impact on the locality. These issues will be properly addressed as part of the determination of the planning application by the Council acting as Local Planning Authority.
- 2.3 Concern has also been expressed locally that the Council should not be selling the freehold interest in the property as it is claimed the Council would be losing control of the library and also that the property is held by the Council in trust on behalf of the people of Walkley. The agreed terms fully protect the Council's position with the 125 year lease protecting library provision for the term of the lease. The Council owns the freehold interest outright and not in trust.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The terms agreed with Forum Café Bars should provide for a sustainable future for a library service in Walkley.

4.0 LEGAL IMPLICATIONS

Under section 123 of the Local Government Act 1972 the Council cannot dispose of property for less than the best price reasonably obtainable. Prior to reaching provisional agreement on the sale price with Forum Café Bars, the Council commissioned Swift & Co to provide an independent valuation of the property. The surveyor's opinion was that the current market value of the entire property would be in the region of ██████ for residential use and in the region of ██████ for A3 use (restaurant/café bar). This works out pro rata for the property excluding the area to be leased to the library as ██████ for residential use and ██████ for A3 use.

As Forum Café Bars will only have beneficial use of the part of the property that is not subject to the lease back to the Council, they will not be in a position to generate an income from the library space due to the terms of the lease back only providing for a peppercorn rent with no potential for increase. It is only the market value of the area excluding the library that is relevant in considering whether best consideration has been received.

If the Council should opt to bring the 125 year lease to an end at some time in the future as a result of not being able to identify a suitable provider for the library, it will receive an additional payment equivalent to the amount that Forum Café Bars would have paid for the library space if they had had beneficial use of it from the outset.

As the consideration of [REDACTED] exceeds even the figure given in the independent valuation for residential use for the smaller area, and the Council has secured its financial position should the whole site become usable by Forum Café Bars (or the then current owner) as a result of the Council not being able to identify a suitable provider for the library service, it can demonstrate that it has complied with the provisions of section 123 in relation to the proposed disposal. Any changes to this figure, as a result of the space being reconfigured, will not have any effect on this as any revised figure would be calculated on the same pro-rata basis.

As mentioned elsewhere in the report, there have been suggestions that the Council holds the library on trust. The Council's title to the library has been investigated and it is owned by the Council absolutely and there are no other provisions or restrictions that would prevent or limit the terms of the proposed freehold transfer to Forum Café Bars.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The sale of the building will give the Council a capital receipt to replenish the Corporate Resource Pool which is used to fund capital projects which are ineligible for external funding or direct government grants.
- 5.2 Subject to the outcome of the discussions in paragraph 1.12 above, any annual payment which is agreed to be paid will be met out of existing Revenue Budgets.

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 **Lease to Walkley Carnegie Library Group.**
This option would give the group complete control of the whole of the building and enable them to raise funding independently. However, funding is not guaranteed and refurbishment of the building would inevitably be delayed. The option would not bring the wider benefits to the local economy anticipated from the creation of the café bar.
- 6.2 **Disposal to Forum Café Bars**
This option would pass complete control to Forum Café Bars, who would be obliged to run a library from the property for a period of time. However,

the future of the library could not be guaranteed in the medium to longer term and the venture would not benefit from the skills and abilities of the local group.

6.3 Lease to Forum Café Bars

Forum Café Bars has advised that this is not a viable option for it - the freehold interest is required to provide security for the considerable investment proposed for the property.

7.0 REASONS FOR RECOMMENDATIONS

The disposal of the site to Forum Café Bars will:

- enable the conversion and complete refurbishment of the library building to provide a café bar and library as a joint facility
- secure a newly refurbished designated library space within the building in a cost-effective way (including maintenance costs for the first 21 years of the lease) for the benefit of local people to be run by a voluntary community group (Walkley Carnegie Library Group)
- help to stimulate the local economy through investment, cultural events and new employment opportunities

8.0 RECOMMENDATIONS

It is recommended that the Leader:

R1: Approves the disposal of the Walkley Library property to Forum Café Bars subject to an identified area of the refurbished building being leased back to the Council for 125 years at a peppercorn rent to enable a library to be run from the premises.

R2: Approves the Council granting a sub-lease of the designated library space to Walkley Carnegie Library Group to run as an Associate (independent) library.

R3: Authorises the Director of Capital and Major Projects to conclude negotiations with the the two parties in consultation with the Head of Libraries and Community Services, including the authority to agree a revised purchase, should this be required as a result of the space being reconfigured, to agree the commuted sum for maintenance and utilities costs and to instruct the Director of Legal Services to complete the required legal documentation.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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SHEFFIELD CITY COUNCIL

CALL-IN PROCESS FOR EXECUTIVE DECISIONS

I BEN CURRAN (Name of Member in Block Capitals)
under the provision of Standing Order A35, wish to call-in Item No.
relating to WALKLEY LIBRARY - PROPOSED DISPOSAL
of the meeting of LEADERS' DECISION (meeting title)
on 30 JUNE 2015 (date) for consideration by the
ECONOMIC + ENVIRONMENTAL WELLBEING Scrutiny Committee.

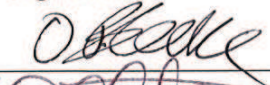
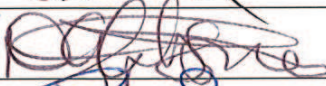
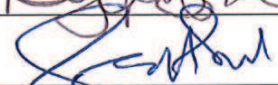

The relevant Scrutiny Committee will be indicated on the Checklist within the report relating to this matter.

Reason for Call-In

TO ENSURE FURTHER SCRUTINY IS
UNDERTAKEN ON THE LEADERS DECISION
TO SELL WALKLEY LIBRARY

Signed Ben Curran Date 01 JULY 2015

I have obtained the following signatures of the other Members who wish to call-in this item:-

Name (in Block Capitals)	Signature
1. <u>OLIVIA BLAKE</u>	<u></u>
2. <u>NBAKE GIBSON</u>	<u></u>
3. <u>GROFF SMITH</u>	<u></u>
4. <u>LEWIS DAGNALL</u>	<u></u>

(NOTE: Standing Order A35(1) requires five Members, including two from the appropriate Scrutiny Committee to 'call-in' an Executive decision for scrutiny. This can be done **up to 4 working days after the decision publication.**

The five signatures required for the call-in process must be submitted by the deadline date, but need not all be on one form.

**COMPLETED FORMS TO BE RETURNED TO
THE HEAD OF DEMOCRATIC SERVICES (ROOM G12, TOWN HALL),
BY THE DEADLINE REFERRED TO ABOVE.
THE REQUEST WILL BE LOGGED AND FORWARDED TO THE HEAD OF
SCRUTINY FOR ACTION.**

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