

SHEFFIELD CITY COUNCIL

EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Wednesday 20 July 2016 by the Cabinet.

Date notified to all members: Tuesday 26 August 2016

The end of the call-in period is 4:00 pm on Monday 1 August 2016

The decision can be implemented from Tuesday 2 August 2016

Item No

8. SCHOOL PLACES CONSULTATION: ECCLESALL

8.1 The Executive Director, Children, Young People and Families submitted a report providing feedback on the consultation which had taken place on proposals to increase the number of primary school places in the Ecclesall area and seeking a decision on whether to proceed with the proposals in light of the issues raised during the consultation.

8.2 **RESOLVED:** That Cabinet:-

(a) approves the proposal to increase the capacity and upper age range at Ecclesall Infant School as described in the statutory proposals. The lower age range would remain and would not change. This approval is conditional on the granting of planning permission before 1st July 2017; and

(b) agree the commitments and actions outlined in paragraph 4.2 of the report.

8.3 Reasons for Decision

8.3.1 Providing sufficient primary school places is a statutory duty of the Council. This will mean that Sheffield children reaching primary school age in 2017 and beyond will continue to have a school place in the area of the city in which they live. The option outlined is the best use of capital and sites in this part of the city and the best way to provide great local primary school places for the long term.

8.4 Alternatives Considered and Rejected

8.4.1 The most common alternative option suggested was to create junior places at Clifford through purchasing the house next door on Psalter Lane. This proposal would address the need for places. However, the expansion would require the purchase of a house that is not currently for sale and would leave the Clifford site extremely constrained with little prospect of addressing this in the future. It would not address the current constraints of the Ecclesall Junior site and therefore would not be the best long-term use of the Council's available capital and assets.

8.4.2 Overall there was broad support for providing additional primary school places in

this area and it is anticipated that the places are needed for the foreseeable future.

8.5 Any Interest Declared or Dispensation Granted

None

8.6 Reason for Exemption if Public/Press Excluded During Consideration

None

8.7 Respective Director Responsible for Implementation

Jayne Ludlam, Executive Director, Children, Young People and Families

8.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Children, Young People and Family Support

9. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2016/17 MONTH 2 AS AT 20 JULY 2016

9.1 The Acting Executive Director, Resources submitted a report providing the month 2 monitoring statement on the City Council's Revenue and Capital Budget for 2016/17.

9.2 RESOLVED: That Cabinet:-

- (a) notes the updated information and management actions provided by this report on the 2016/17 Revenue Budget position;
- (b) in relation to the Capital Programme:-
 - (i) approves the proposed additions to the Capital Programme listed in Appendix 5.1, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group; and
 - (ii) approves the proposed variations, deletions and slippage in Appendix 5.1;
 - (iii) notes the variations on Appendix 5.1 approved within the delegated authority of the Executive Management Team (EMT);
 - (iv) notes the variations authorised by directors under the delegated authority provisions; and
 - (v) notes the latest position on the Capital Programme.

9.3 Reasons for Decision

9.3.1 To record formally changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

9.4 **Alternatives Considered and Rejected**

9.4.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

9.5 **Any Interest Declared or Dispensation Granted**

None

9.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

9.7 **Respective Director Responsible for Implementation**

Eugene Walker, Acting Executive Director, Resources

9.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

10. CORPORATE STATUTORY SERVICING AND REPAIRS (CSSR) SERVICE - DELIVERY OPTIONS POST-MARCH 2017

10.1 The Acting Executive Director, Resources submitted a report in relation to the Corporate Statutory Servicing and Repairs (CSSR) Service – Delivery Options Post-March 2017.

10.2 **RESOLVED:** That Cabinet:-

- (a) approves the proposal in the report to insource the Corporate Buildings Statutory Servicing & Repairs Service from 1st April 2017;
- (b) gives its approval for the in-sourcing to be done based on the principles and assumptions described in section 9 of this report, and taking into account the risks and mitigations as set out in section 10, including the potential sub-contracting-out of a proportion of the service;
- (c) gives its approval for the budget required to cover the one-off implementation and set-up costs, as described in section 8.9 of this report;

- (d) notes that the Acting Executive Director, Resources, in consultation with the Cabinet Member for Finance and Resources and the Cabinet Member for Housing, shall ensure that all necessary steps to progress and implement the insourcing of the service are taken in accordance with his current delegations under the Leader's Scheme of Delegations. These steps may include:
- At the appropriate time, commencing formal consultation with staff and Trade Unions regarding the transfer of staff from Kier into the Council (in consultation with the Director of Human Resources as necessary).
 - Developing the structure and agreeing the timescales needed to deliver an in-house corporate repairs service (in consultation with the Director of Human Resources as necessary).
 - Undertaking a more detailed assessment of which elements of the service are more appropriate to be contracted out, rather than directly delivered by the Council, and what the impact of this will be and how that will need to be managed (in consultation with the Director of Commercial Services and the Director of Human Resources as necessary).
 - Approving the procurement strategy and contract award, agreeing contract terms, entering into the contracts with appropriate contract management arrangements in line with the Council's Intelligent Client model, for all necessary goods and services. This will apply to both the development / implementation work required prior to the insourcing, and for in-house delivery of the service itself (including any elements of the service which it is agreed will be contracted out by the Council) once it is brought back into the Council (in consultation with the Director of Commercial Services and the Director of Legal and Governance as necessary).
 - Any other work required for the effective preparation for and implementation of the insourcing of the CSSR Service.
- (e) to the extent that the Acting Executive Director, Resources does not already have authority under the Leader's Scheme of Delegation, delegates authority to the Acting Executive Director of Resources to approve the procurement strategy and contract award, and agree contract terms and enter into the contracts, for necessary goods and services (in consultation with the Director of Commercial Services and the Director of Legal and Governance as necessary);
- (f) notes that the Acting Executive Director, Resources will work with the Executive Director of Communities, who is responsible for insourcing the Housing Repairs and Maintenance Service, to explore potential efficiencies; and

- (g) requests that a further report is presented to Cabinet if the underlying strategy for the future of the Service cannot be achieved, or if any unforeseen significant risks emerge which may prompt Cabinet to re-consider its decision.

10.3 **Reasons for Decision**

- 10.3.1 Insourcing the Statutory Servicing and Repair Service will give the Council more control, flexibility and accountability in managing the Service, enabling the service to be fully integrated into the Council and to work in close partnership with other relevant key Council services. This will help to ensure that the Service is delivered in a way which fully supports the Council's corporate objectives and enables the Council to more easily make further changes in future.
- 10.3.2 Bringing the CSSR Service in-house for direct delivery by the Council will also help to bring about an alignment of culture in the Service to that of the Council, as well as its approach to customers.
- 10.3.3 Based on all information known to date, and after the initial upfront costs of transferring the service, the insourced option is expected to generate sustainable year-on-year revenue savings. In addition, once fully integrated into the Council there will be further opportunities to reduce duplication and increase efficiency within the Service and by exploring the degree of joint-working possible with the HR&M Service potentially enabling it to improve outcomes within available budgets.
- 10.3.4 Insourcing also brings with it the potential to expand the service's external-trading function, which already generates £700,000 - £800,000 revenue from work for schools. This could include undertaking statutory servicing and repairs work on behalf of other organisations, as well as increasing the amount of work done for schools.
- 10.3.5 Directly delivering the service in-house, with some elements of it being outsourced to locally-based contractors wherever possible, would help support the concept of the 'Sheffield Brand'. Materials would be purchased from local suppliers wherever possible (subject of course to the usual procurement rules and Council policies), and the workforce would be predominantly local. The supply chain would also, where possible, be tailored to the bespoke needs of SCC Corporate Buildings to reduce material lead in times and improve service delivery.
- 10.3.6 Independent research by APSE (the Association for Public Service Excellence) has also identified a number of potential benefits of insourcing services, based on actual case-studies and local authority experiences:
- Improved performance
 - Stronger links to corporate strategic objectives
 - Greater flexibility, and more responsive to local and national policy

changes

- Efficiency savings
- Improved customer satisfaction
- Enhanced local supply chains
- Better integration and joining-up with other relevant key services
- New development and employment opportunities for the workforce transferred in

10.3.7 There are of course risks associated with the option to insource the service (as indeed there are with the other alternative delivery options discussed in this report), and some of these risks are significant. However, measures are and will continue to be in place to mitigate these risks, and if any of these risks significantly escalate, or any significant new risks (including financial ones) emerge, a further report would be brought back to Cabinet before progressing the transfer any further.

10.4 **Alternatives Considered and Rejected**

10.4.1 The alternative options were outlined in the report.

10.5 **Any Interest Declared or Dispensation Granted**

None

10.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

10.7 **Respective Director Responsible for Implementation**

Eugene Walker, Acting Executive Director, Resources

10.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

11. **SHEFFIELD RETAIL QUARTER - DELIVERY OF FIRST PHASE**

11.1 The Executive Director, Place submitted a report seeking approval for the Council to commence delivery of the first phase of the Sheffield Retail Quarter development on the site of the former Grosvenor Hotel block as shown on the plan attached to the report (hereinafter referred to as the HSBC/Retail Block), and to work with its Strategic Development Partner to work up a deliverable and commercially viable wider Sheffield Retail Quarter scheme.

11.2 **RESOLVED:** That Cabinet:-

- (a) approves the strategy outlined in this report for the delivery of the next stage of the Sheffield Retail Quarter to December 2017;
- (b) delegates authority to the Executive Director, Place in consultation with the Cabinet Member for Business and Economy, the Cabinet Member for Finance & Resources, the Acting Executive Director of Resources, the Director of Legal & Governance; and the Director of Capital and Major Projects, to:
 - Negotiate and agree the terms of an Agreement for Lease and Lease with HSBC for their new office development within the Sheffield Retail Quarter site and all other necessary legal documentation consistent with the contents of this report as he believes are reasonable in all circumstances
 - Negotiate, and agree the terms of an Agreement for Lease(s) for the retail units within the HSBC/Retail Block and all other necessary legal documentation
 - Submit detailed a planning application for the development of the HSBC/Retail Block and adjoining public realm improvement works and to secure all necessary consents to enable delivery to proceed.
 - Continue the appointment of the full professional team to undertake detailed design work on the HSBC/Retail Block and the Sheffield Retail Quarter public realm improvement works and to progress the wider Sheffield Retail Quarter planning permission.
 - Procure construction services and enter into contracts for pre-construction services for the Sheffield Retail Quarter development in accordance with the Councils usual procurement process and any applicable laws relating to procurement with contract values not exceeding the project financial authority
 - Commission and agree terms with any other specialist consultants to advise the Council as necessary throughout the course of the Sheffield Retail Quarter project
 - Upon completion of the Agreement for Lease and Lease with HSBC to let the construction contract(s) for the development of the HSBC/Retail Block and the public realm improvement works together with any retail/food and beverage kiosks/units, subject to the Councils usual procurement process and any applicable laws relating to procurement with the total cost not exceeding the project authority
 - Negotiate, agree and enter into conditional Agreement for Lease(s) and Lease(s) for the remainder of the retail units within the Sheffield Retail Quarter together with all other associated office residential food and beverage and leisure units

- Determine the most appropriate disposal strategy for the Council and if necessary sell the whole or any part of the HSBC/Retail Block as an investment and if necessary use the Councils covenant to underwrite the financial viability
- Amend the Councils VAT Partial Exemption reporting policy to maximise the recovery of VAT on expenditure relating to the HSBC/Retail Block and liaise with HMRC accordingly.
- To instruct the Director of Legal & Governance to complete all necessary legal documentation required to document the terms of any transactions agreed in accordance with the approvals delegated pursuant to this report.

Subject to compliance with the Councils budget processes, financial regulations and Capital Approval processes.

- (c) That in the absence of the Executive Director of Place due to annual leave or illness, the Director of Capital and Major Projects is authorised to exercise the powers given to the Executive Director of Place by Cabinet in this report;
- (d) approves:-
- The budget as set out in this report to deliver the HSBC/Retail Block and all necessary public realm improvement works of up to a maximum of £90m.
 - For this budget to be funded through Prudential Borrowing and be subject to the phasing of the spend going through the Council Capital Approval process,
 - To earmark any business rates uplift to repay any balance of the Prudential Borrowing, and
 - The application for Sheffield City Region Investment Fund (SCRIF) funding to be applied in accordance with any obligations or restrictions that the funding is subject to.
- (e) approves the additional £35.8m budget as set out in this report to progress the wider Sheffield Retail Quarter development up to December 2017, to be funded through Prudential Borrowing; and
- (f) delegates authority to the Acting Executive Director of Resources in consultation with the Executive Director, Place to approve the release of the budget on the satisfactory completion of each of the relevant milestones.

11.3 **Reasons for Decision**

11.3.1 As outlined in the Report, there is a still a very clear strategic and economic case

to justify the Sheffield Retail Quarter development, and in order to maintain project momentum given that there is now a major office tenant to accommodate the Council will need to continue to act as developer/investor until such time as the scheme will be ready for the investment market. This will be when the Council has completed the designs, obtained construction tenders and achieved a required level of pre-lets to secure an income stream.

11.3.2 The reasons for the recommendations are to provide a way forward for the Council to deliver the Sheffield Retail Quarter.

11.4 Alternatives Considered and Rejected

11.4.1 The do nothing option i.e. cease both the delivery of the first phase (the HSBC/Retail block) and work on the wider Sheffield Retail Quarter scheme has been considered, but has many negative outcomes for the Council.

11.4.2 The status of the City Centre will continue to diminish, the Council's long term economic aspirations for the City and the city centre will become less feasible, there will be a lack of confidence for other projects and the reputation of both the City and Council will also suffer.

11.4.3 The Council will also make a loss if the Sheffield Retail Quarter is not delivered as its investment to date in working up the scheme will be lost.

11.5 Any Interest Declared or Dispensation Granted

None

11.6 Reason for Exemption if Public/Press Excluded During Consideration

None

11.7 Respective Director Responsible for Implementation

Simon Green, Executive Director, Place

11.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

N/A

(NOTE: Please note that this decision is not subject to call-in, in accordance with the Fast Track process set out in Scrutiny procedure Rule 17 of the Constitution.)