

# Cabinet

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**Wednesday 17 July 2019 at 2.00 pm**

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

**The Press and Public are Welcome to Attend**

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## **Membership**

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Councillor Julie Dore	(Leader of the Council)
Councillor Olivia Blake	(Cabinet Member for Finance, Resources and Governance)
Councillor Lewis Dagnall	(Cabinet Member for Environment, Streetscene and Climate Change)
Councillor Jackie Drayton	(Cabinet Member for Children & Families)
Councillor Bob Johnson	(Cabinet Member for Transport and Development)
Councillor Mazher Iqbal	(Cabinet Member for Business and Investment)
Councillor Mary Lea	(Cabinet Member for Culture, Parks and Leisure)
Councillor George Lindars-Hammond	(Cabinet Member for Health and Social Care)
Councillor Abtisam Mohamed	(Cabinet Member for Education and Skills)
Councillor Paul Wood	(Cabinet Member for Neighbourhoods and Community Safety)

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## **PUBLIC ACCESS TO THE MEETING**

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The Cabinet discusses and takes decisions on the most significant issues facing the City Council. These include issues about the direction of the Council, its policies and strategies, as well as city-wide decisions and those which affect more than one Council service. Meetings are chaired by the Leader of the Council, Councillor Julie Dore.

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://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. 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 Cabinet 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.

Cabinet meetings are normally open to the public but sometimes the Cabinet 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.

Cabinet decisions are effective six working days after the meeting has taken place, unless called-in for scrutiny by the relevant Scrutiny Committee or referred to the City Council meeting, in which case the matter is normally resolved within the monthly cycle of meetings.

If you require any further information please contact Simon Hughes on 0114 273 4014 or email [simon.hughes@sheffield.gov.uk](mailto:simon.hughes@sheffield.gov.uk).

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## **FACILITIES**

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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.

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**CABINET AGENDA  
17 JULY 2019**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
The appendix to agenda item 15 'Disposal of Lease for Parkwood Springs Leisure Destination' is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
- 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 Meeting** (Pages 5 - 18)  
To approve the minutes of the meeting of the Cabinet held on 19 June 2019.
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny**  
The Director of Legal and Governance will inform the Cabinet of any items called in for scrutiny since the last meeting of the Cabinet
- 8. Retirement of Staff** (Pages 19 - 22)  
Report of the Executive Director, Resources.
- 9. Developing The Sheffield Street Tree Strategy** (Pages 23 - 32)  
Report of the Executive Director, Place.
- 10. Young People's Substance Misuse Service** (Pages 33 - 42)  
Report of the Executive Director, People Services.
- 11. Sheffield Olympic Legacy Park** (Pages 43 - 62)  
Report of the Executive Director, Place.
- 12. Month 2 Capital Approvals** (Pages 63 - 104)  
Report of the Executive Director, Resources.

13. **Revenue Budget and Capital Programme Monitoring 2019/20 - as at 31 May 2019** (Pages 105 - 120)  
Report of the Executive Director, Resources.
14. **Disposal of Lease for Parkwood Springs Leisure Destination** (Pages 121 - 142)  
Report of the Executive Director, Place.

**NOTE: The next meeting of Cabinet will be held on Wednesday 18 September 2019 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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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 Audit and 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](mailto:gillian.duckworth@sheffield.gov.uk).

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Cabinet

Meeting held 19 June 2019

**PRESENT:** Councillors Olivia Blake (Chair), Lewis Dagnall, Jackie Drayton, Mazher Iqbal, Mary Lea, George Lindars-Hammond, Abtisam Mohamed and Paul Wood

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**1. APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from the Chair (Councillor Julie Dore) and from Councillor Bob Johnson.

**2. EXCLUSION OF PUBLIC AND PRESS**

2.1 No items were identified where it was proposed to exclude the public and press.

**3. DECLARATIONS OF INTEREST**

3.1 The Chair (Councillor Olivia Blake) declared a disclosable pecuniary interest in agenda item 9 (Adult Substance Misuse Services Re-tender) as a Non-Executive Director of Sheffield Health and Social Care Trust, but felt that the interest was not prejudicial in view of the nature of the report and chose to remain in the meeting during consideration of the item.

3.2 Councillor Lewis Dagnall also declared a disclosable pecuniary interest in agenda item 9 on the grounds that his spouse was a Non-Executive Director of Sheffield Health and Social Care Trust, but felt that the interest was not prejudicial in view of the nature of the report and chose to remain in the meeting during consideration of the item.

3.3 Councillor George Lindars-Hammond declared a disclosable pecuniary interest in the urgent item of business proposed to be considered at the meeting relating to Procurement of Sexual Health Services – Approval of Contract Award (see minute number 8) on the grounds that his partner was employed by Sheffield Teaching Hospitals Foundation Trust, the current holder of the contract, but felt that the interest was not prejudicial in view of the nature of the report and chose to remain in the meeting during consideration of the item.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of the Cabinet held on 29 May 2019 were approved as a correct record.

## **5. PUBLIC QUESTIONS AND PETITIONS**

### **5.1 Public Questions Concerning NHS 'My Choice' Programme**

5.1.1 Nigel Slack asked for the Council's view of the NHS 'My Choice' programme, where patients were charged for operations in NHS hospitals to avoid waiting lists. He referred to charges in one of the Warrington hospitals as having been quoted to be as much as £8,500.

5.1.2 He commented that the list of procedures now covered by that programme was expanding in a disturbing way and asked whether the Council had raised this in their discussions with local NHS services or through the CCG (Clinical Commissioning Group) joint working.

5.1.3 Councillor George Lindars-Hammond, the Cabinet Member for Health and Social Care, stated that this was an important question and the situation was an indictment of what was happening to the NHS. As part of all discussions concerning joint commissioning, the Council was clear about any expansion of the private sector. The Council was also doing what it was able to ensure that the NHS was the main provider of services. With regards the charges for operations, this was a matter that he would raise as appropriate and to make sure the Council's opposition to it was made clear.

### **5.2 Public Questions Concerning Conservation Areas**

5.2.1 Nigel Slack thanked the Cabinet Member for the response to a question at the recent Council meeting with respect to the review of 'Conservation Areas' in the City. He commented that he was particularly pleased by the commitment to a policy stance against "growth at any cost".

5.2.2 He said that there were some points that went unanswered, and asked the following questions:

1. Which Portfolio will have the responsibility for the review?
2. What is the timescale of the review?
3. Where will the new Castlegate Conservation Area consultation fit into this?
4. Can Council outline the way the review will be carried out and who the stakeholders are that will be part of this review?

5.2.3 Councillor Mazher Iqbal, the Cabinet Member for Business and Investment, stated that, with regards to the portfolio with responsibility for the review, there was crossover on this issue between his own portfolio (Business and Investment) and the portfolio of Councillor Bob Johnson (Transport and Development). As regards timescales, nothing had been agreed at this time. However, when information was available, he would be pleased to provide a timetable to Mr Slack.

5.2.4 Councillor Iqbal stated that Castlegate and Conservation Areas were matters which were fast changing. In the previous week, there had been a Castlegate

regeneration group meeting at which some twenty organisations were represented. Additionally, a meeting of a confidential nature had also been held with Joined Up Heritage. He said that they had subsequently spoken to the press.

- 5.2.5 He said that Conservation Areas acted as a catalyst and were beneficial to the City. The review of those areas was being carried out as part of activity relating to the local plan. The Council would work to see to what extent the City centre could contribute to the delivery of new housing in the City. He said there was also a desire to avoid development on the Green Belt at all costs. The Council would be consulting with a range of stakeholders in relation to the local plan and whilst there was no precise timetable at this time, people would be kept informed.

### 5.3 Public Question Concerning the General Cemetery

- 5.3.1 Jim Dimond (Save our Green Open Spaces group) asked a question concerning the General Cemetery and the plans regarding a car park. He said that whilst he had asked questions about this matter before, he believed he had received answers which were contradictory. He set out some of the reasons that had been given in relation to the development of a car park.

- 5.3.2 Mr Dimond asked why the Council wanted a car park at the General Cemetery and said that a petition on the matter had received 1000 signatures. He asked whether the Cabinet Member could confirm that the offer to review the plan was genuine. He also asked if a process and timescale for the review could also be set out without further delay.

- 5.3.3 Councillor Mary Lea, the Cabinet Member for Culture, Parks and Leisure, responded that the access report produced by Phil Chambers Consultancy had recommended that a 'Blue Badge' parking bay was provided. She said that she could send a copy of the report By Phil Chambers to Mr Dimond.

- 5.3.4 Councillor Lea said that the Council wanted to make sure that disabled people had access to parks and Historic England had also said that inclusivity was part of its considerations. She said that the Masterplan would subject to a review as the plans develop and noted that Mr Dimond was also a member of the masterplan group for the General Cemetery site. She said that the location of parking spaces for disabled people had not been decided.

### 5.4 Public Questions Concerning Street Trees

- 5.4.1 A question was asked on behalf of Justin Buxton by Russell Johnson, as follows:

Has the Council undertaken a risk assessment to evaluate the cost and the likely outcome of a private prosecution for breaching statutory obligations to obtain a licence for the mass felling of healthy urban trees in the City?

- 5.4.2 Russell Johnson referred to a response to a councillor question concerning

tree felling which stated that the priority was, rather than an inquiry, to focus on positive steps for the future. Mr Johnson commented that, if that was a sincere intention, one way to demonstrate that would be to declare that the Council had no intention of seeking an extension of the court injunction relating to safety zones around works to trees.

5.4.3 Councillor Lewis Dagnall, the Cabinet Member for Environment, Streetscene and Climate Change responded that he believed that the work which had been done relating to street trees was lawful.

5.4.4 Councillor Dagnall further stated that the Council wished create conditions where it was not deemed necessary to take such action as injunctions in order to facilitate works. He said that he hoped those positive steps would mean that any injunction would not be required in future. He said that it was also reasonable for the Council to seek to protect workers.

5.4.5 Councillor Olivia Blake, the Cabinet Member for Finance, Resources and Governance and Deputy Leader of the Council, stated that the Council did undertake risk assessments in relation to its decisions.

#### 5.5 Public Question Concerning Non-Disclosure Agreement

5.5.1 Russell Johnson asked whether a Non-Disclosure Agreement was sought or offered as part of the arrangements relating to the retirement of the Director of Culture and Environment and, if so, what additional costs (if any) had been or would be incurred from the public purse.

5.5.2 Councillor Lewis Dagnall, the Cabinet Member for Environment, Streetscene and Climate Change stated that he would not comment on the circumstances of an individual Council Officer.

5.5.3 Councillor Olivia Blake, the Cabinet Member for Finance, Resources and Governance and Deputy Leader of the Council, stated that there was not a Non-Disclosure agreement relating to the former Director of Culture and Environment.

#### 5.6 Public Questions Concerning Street Trees

5.6.1 Russell Johnson asked for comment on the recent remedy of the footway adjacent to a tree on Abbeydale Park Rise, which had been a 'last resort' felling and which he said had been the cause of a citizen being taken to court and given a suspended prison sentence.

5.6.2 Councillor Lewis Dagnall, the Cabinet Member for Environment, Streetscene and Climate Change responded that he was glad the Council had achieved compromise in relation to street trees and had been able to secure options which previously had not been feasible.

#### 5.7 Public Question Concerning Leadership

- 5.7.1 Russell Johnson asked for the Council to reflect on its failures and successes during the tenure of the Leader of the Council and to consider whether Sheffield might have secured a vibrant economy and a more positive reputation with more inspired leadership.
- 5.7.2 Councillor Olivia Blake, the Cabinet Member for Finance, Resources and Governance and Deputy Leader of the Council, stated that she would disagree with the suggestion that Sheffield did not have a vibrant economy. She said that Sheffield had been shortlisted for Urbanism Awards European City of the Year.
- 5.7.3 Councillor Blake said that the Council had also adopted an Ethical Procurement Policy and £80M had been brought into the City through the Council's procurement chain. She also said that she believed that Sheffield had a positive national and international reputation.

5.8 Public Questions Concerning the Peoples Petition

- 5.8.1 Ruth Hubbard commented that the peoples petition for a change in Council governance had reached 18,000 signatures and that the Council would potentially incur significant expenditure in relation to the costs of a referendum regarding a change in governance. She said that she had written to the Council and had also raised issues relating to a change in governance arrangements at Council meetings. A meeting had also taken place with the Leader and Deputy Leader of the Council.
- 5.8.2 She asked why this situation had occurred and said that there were potentially six weeks remaining for the Council to announce a change in governance arrangements prior to the submission of a statutory petition. Information in some documents in the public domain had been noted, such as that written in responses to opposition motions and in amendments. She asked about the quality of information available and as to how informed the Cabinet was in relation to this issue and commented that she was concerned at the quality of information in some documentation, including the assertion, using information from the Centre for Public Scrutiny, that a greater number of councils had changed to adopt a strong leader model of governance, rather than the other way around.
- 5.8.3 Ruth Hubbard also commented that it was not necessary valid to make comparisons with other Core Cities on this matter. She remarked that some places may be comparable to a greater extent, for example Leeds City Council, although it had a Cabinet that included the Leader of the main opposition group. She asked whether the Council already had people working in the background on this issue. She said that a petition with 7,000 signatures had been submitted in order to trigger a debate at full Council and an update was requested on the issue.
- 5.8.4 Councillor Olivia Blake, the Cabinet Member for Finance, Resources and Governance and Deputy Leader of the Council responded to the questions. She said that she would check in relation to the information used in the

Council amendment and to which Ruth Hubbard had referred concerning information from the Centre for Public Scrutiny. Comparison with other core cities was due to Sheffield being a metropolitan council and also a Core City and having different structures to other local authorities such as district or county councils.

- 5.8.5 Councillor Blake said that she would clarify the position with regards to the submission of a petition with 7,000 signatures to trigger a debate at Council. She also confirmed that she would be meeting with Ruth Hubbard this day and would be pleased to talk further about the matters raised and to also have discussions at political group meetings.
- 5.8.6 She stated that the Leader of the Council was elected annually by Council. She also said that she supported the idea of a governance review and said that there were things that were in train but on different timescales.
- 5.8.7 Councillor Jackie Drayton, the Cabinet Member for Children and Families, stated that Members did feel well informed on this issue, with some having worked in the context of both the Strong Leader and Committee model and Members were very interested in such matters relating to democracy.

## **6. ITEMS CALLED-IN FOR SCRUTINY**

- 6.1 It was noted that there had been no items called-in for Scrutiny since the last meeting of the Cabinet.

## **7. RETIREMENT OF STAFF**

- 7.1 The Executive Director, Resources submitted a report on Council staff retirements.

- 7.2 **RESOLVED:** That this Cabinet :-

(a) places on record its appreciation of the valuable service rendered to the City Council by the following member of staff in the People Services Portfolio:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
Gillian Robinson	Teaching Assistant, Abbey Lane Primary School	29

(b) extends to her its best wishes for the future and a long and happy retirement; and

(c) directs that an appropriate extract of this resolution under the Common

Seal of the Council be forwarded to her.

## **8. PROCUREMENT OF SEXUAL HEALTH SERVICES - APPROVAL OF CONTRACT AWARD**

8.1 The Director of Public Health and the Deputy Executive Director, People Services, submitted a report seeking approval to proceed to award of contracts for provision of sexual health services to commence on 1<sup>st</sup> August 2019.

8.2 **RESOLVED:** That Cabinet:-

(a) notes the additional financial impact on the Council in awarding this contract and that contract award will require additional savings from other budgets in the 2020/21 budget process, and that, in accordance with the Council's Constitution, any immediate financial implications will be addressed by the Head of Strategic Finance, in consultation with the Cabinet Member for Finance and the Director of Finance and Commercial Services; and

(b) approves the Director of Public Health and the Deputy Executive Director, People Services, proceeding to contract award in accordance with previous delegations.

### **8.3 Reasons for Decision**

8.3.1 The bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate and any alternative model would require reduced activity with the likely consequence of a significant additional financial pressure on SCC further down the line due to the open access nature of the service and SCC's related statutory responsibilities.

8.3.2 Approval of the additional expenditure on these services will enable contract award and service mobilisation to commence as per the intended procurement timescales.

### **8.4 Alternatives Considered and Rejected**

8.4.1 Consideration was given to aborting the current procurement process to allow for further re-design of the service model with a view to generating further savings following a new procurement process. However, the bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate. Further re-design in response to reducing spend on these services would therefore require specifying a reduced amount of activity. It is likely that this would create a significant additional financial pressure on SCC due to the open access nature of the service and SCC's related statutory responsibilities.

- 8.4.2 The intended model has been carefully designed based on service user feedback and detailed health needs assessment. Applying significant changes to the service model could impact on service quality and patient safety.

(NOTE: In accordance with Council Procedure Rule 26 of the Council's Constitution and the provisions of Section 100B(4)(b) of the Local Government (Access to Information) Act 1985, the Chair (Councillor Olivia Blake) decided that the above item be considered as a matter of urgency on the grounds that Cabinet approval was required urgently in order to ensure that the original procurement timescales are achieved, which is critical for service continuity and patient safety, although it had not been possible to give five clear working days' notice that the item was to be considered at this meeting.)

## **9. ADULT SUBSTANCE MISUSE SERVICES RETENDER**

- 9.1 The Deputy Executive Director, People Services, submitted a report setting out the proposed approach to recommissioning drug and alcohol treatment and support services for adults aged 18 and above in Sheffield.

9.2 **RESOLVED:** That Cabinet:-

- (a) approves the proposed procurement process and service model, as set out in the report, to secure services for the support and treatment of the adult residents of Sheffield with substance use disorders; and
- (b) delegates authority to the Director of Commissioning, Learning and Inclusion, in liaison with the Director of Legal and Governance, the Director of Finance and Commercial Services, and the Cabinet Member for Health and Social Care, to:-
  - (i) approve the procurement strategy for the tender for the Adult Substance Misuse Services; and
  - (ii) agree appropriate contract terms and approve a contract award following the tender process.

### **9.3 Reasons for Decision**

- 9.3.1 Good quality drug and alcohol support services are essential to help individuals turn their lives around and build stronger families and communities in Sheffield.

- 9.3.2 The Council has a duty to organise and arrange drug and alcohol treatment and support services for the people of Sheffield. The Council cannot



directly run these services, so a recommissioning process is required.

9.3.3 The current legal contractual arrangements in place for these services expire on 31 March 2020, so carrying out this process at this time will allow us to ensure there is continuity of service, with new contracts commencing on 1<sup>st</sup> April 2020, and to offer the necessary savings to the Public Health Grant with minimum impact on frontline service. This was the over-arching action set out in the Drug Strategy 2018-2022.

9.3.4 The service will be based on local need and trend analysis, and performance data for current service provision will inform where change and improvement is needed for the forthcoming contract period.

#### 9.4 **Alternatives Considered and Rejected**

9.4.1 There is not a 'do nothing' option available: all SCC commissioned substance misuse support contracts now end on 31<sup>st</sup> March 2020 and in order to ensure there is legally contracted provision from 1<sup>st</sup> April 2020 a new commissioning process must be carried out in a timely manner. The ending of all the contracts on the same date allows us the opportunity to ensure our vision, as set out in the drug and alcohol strategies, are realised via the commissioned treatment provision, and achieve savings and efficiencies by streamlining and integrating the service and remove barriers for service users such as duplication and issues with information sharing.

9.4.2 The commissioning process also allows us to review our outcomes, and focus attention and prioritise areas where improvement is required.

9.4.3 The alternative option in terms of the model would be to commission two or more separate contracts to mirror the current provision. However, the outcome of the consultation was overwhelmingly that a one contract model was preferred by staff, stakeholders and service users. It also offers the opportunity for reduced overheads in a time when savings are required, and so is the sensible approach to providing these savings while minimising the impact on frontline service.

9.4.4 Another option considered is the Council taking on the delivery of these services and running them as a Council service. This has been rejected for a number of reasons. Firstly, the services involve a significant element of clinical expertise and delivery of high volume clinic based activity. Secondly, the Council has no experience or delivery knowledge of these services and has no past precedent for running them, whereas there is a well-developed market of qualified and experienced providers who would be willing and able to deliver these services if successful in the competitive tender process. This is evidenced through our current service delivery arrangements. Finally, the Council has no systems in place for clinical supervision of a workforce, licences to hold medication, is unable to manage safe prescribing: and the costs of setting this up would be disproportionately high and poor value for money when existing fit for purpose options exist in this market.

**10. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2018/19 - AS AT 31/3/2019**

10.1 The Executive Director, Resources, submitted a report providing the outturn monitoring statement on the City Council's Revenue and Capital Budget for 2018/19.

10.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by the report and attached appendices on the 2018/19 Revenue Budget Outturn;
- (b) notes the recommendation of the Executive Director, Resources and Statutory Finance Officer, at paragraph 14 of the report, that the General Fund reserve is returned to the minimum recommended level of £12.6m (approximately 3% of net revenue expenditure) during 2019/20;
- (c) in relation to the Capital Programme, notes the Outturn position described in Appendix 6 of the report; and
- (d) in relation to the Treasury Management Review in Appendix 7 of the report, notes the 2018/19 Treasury Management Outturn Report.

**10.3 Reasons for Decision**

10.3.1 To record formally changes to the Revenue Budget and the Capital Programme.

**10.4 Alternatives Considered and Rejected**

10.4.1 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.

**11. MONTH 1 CAPITAL APPROVALS**

11.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme, as brought forward in Month 01 2019/20.

11.2 **RESOLVED:** That Cabinet approves the proposed additions and variations to the Capital Programme, listed in Appendix 1 of the report, including the procurement strategies and delegates authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contract.

11.3 **Reasons for Decision**

11.3.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

11.3.2 To formally record changes to 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.

11.3.3 Obtain the relevant delegations to allow projects to proceed.

11.4 **Alternatives Considered and Rejected**

11.4.1 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.

**12. RETENDERING OF HEAT METERING CONTRACT**

12.1 The Executive Director, Place, submitted a report seeking approval for Sheffield City Council to tender for, and award a new contract for the provision of Heat Metering Services for its District Heating network. Existing contractual arrangements are due to end in September 2019 and it is intended to award a new contract from this date.

12.2 **RESOLVED:** That Cabinet:-

(a) approves the procurement of District Heating Metering Services via a Public Sector Framework Agreement, as detailed and outlined within the report; and

(b) delegates authority to the Director of Finance and Commercial Services, in consultation with the Director of Housing and Neighbourhoods, following such procurement exercise to award such contract and take such other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

12.3 **Reasons for Decision**

12.3.1 After considering the nature of this contract and taking on board the essential regulatory compliance/value for money requirements, the best option for the Council is to award via mini competition under a Public Sector Framework Agreement.

12.3.2 Out of the two available frameworks, the Yorkshire Procurement Organisation (YPO) is the favoured option. Sheffield City Council has a long standing relationship with YPO and they have a proven and established track record in delivering frameworks for use by the public sector.

#### 12.4 **Alternatives Considered and Rejected**

12.4.1 As part of an extensive appraisal of the potential procurement options available to the Council, the following options were considered:-

- Option 1 > Above OJEU Invitation to Tender for services (Open procedure).
- Option 2 > Call off via mini competition under a Public Sector Framework Agreement – options included YPO 642 Framework for Utilities Metering and Data Collection Services and Fife Council 10366 Framework for Heat Metering and Billing Services.
- Option 3 > Renegotiate and extend the current contract through a waiver of Contracts Standing Orders.

12.4.2 It was concluded that Option 3, which would seek a further waiver of Contracts Standing Orders, would contravene PCR Regulations and present a serious risk of challenge from alternative suppliers in the market. This would also not provide the Council the opportunity to test the market through a competitive exercise and therefore may not achieve value for money.

12.4.3 Option 1 would require a significant length of time in completing a full above OJEU threshold procurement exercise and would likely exceed the expiry of the current contract ending September 2019. Furthermore, this option would require further resources in terms of time and people.

12.4.4 Having considered all options through the regular project group meetings (including advice from Commercial Services), Option 2 is recommended for the following reasons:-

- The framework agreements are compliant with EU/UK procurement.
- Pre-agreed terms and conditions - all providers have signed and accepted this agreement and terms and conditions of call off.

- Assured supplier standards - suppliers are pre-qualified as to their general suitability, giving customers confidence in the quality of service/products they can provide.
- Use of framework agreements is recognised best practice for the procurement of goods and services in public sector.
- Reduced timescales - with no need to publish requirements by OJEU or pre-qualify suppliers.
- Immediate access/use of frameworks.
- Ability to use our own detailed and tailored specification.
- Can allow for direct call offs and also mini competitions.

12.4.5 Both frameworks offer a compliant, cost effective and straight forward/quicker route to market consisting of multiple suppliers who have been pre-qualified and deemed suitable to provide the requested services. Furthermore, the incumbent suppliers Switch 2 are a named supplier on both frameworks.

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**Author/Lead Officer of Report:**  
Simon Hughes/Principal Committee Secretary

**Tel:** 27 34014

**Report of:** *Executive Director, Resources*

**Report to:** *Cabinet*

**Date of Decision:** *17 July 2019*

**Subject:** *Staff Retirements*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>N/A</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>N/A</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

**Purpose of Report:**

To report the retirement of the following staff from the Council's Service and to convey the Council's thanks for their work.

**Recommendations:**

To recommend that Cabinet:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by the above-mentioned members of staff in the Portfolios stated;
- (b) extend to them its best wishes for the future and a long and happy retirement; and
- (c) direct that an appropriate extract of the resolution now made under the Common Seal of the Council be forwarded to those staff above with over 20 years' service.

**Background Papers: None**

*(Insert details of any background papers used in the compilation of the report.)*



**1. PROPOSAL**

- 1.1 To report the retirement of the following staff from the Council's Service and to convey the Council's thanks for their work:-

<b><u>Portfolio</u></b>		<b><u>Years' Service</u></b>
<b><u>People</u></b>		
Neil Cadman	Teacher of Science, Newfield School	37
<b><u>Place</u></b>		
Paul Billington	Director of Culture and Environment	35
Gail Parker	Senior Housing Officer, Neighbourhood Services	29
Stephen Parker	Financial Services Manager, Neighbourhood Services	35

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**Author/Lead Officer of Report:** Mick Crofts,  
Director of Business Strategy and Regulation

**Tel:** 0114 2735776

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**Report of:** *Laraine Manley, Executive Director - Place*

**Report to:** *Cabinet*

**Date of Decision:** *17 July 2019*

**Subject:** *Developing the Sheffield Street Tree Strategy*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	

Which Cabinet Member Portfolio does this relate to? *Environment, Streetscene and Climate Change*

Which Scrutiny and Policy Development Committee does this relate to? *Economic and Environmental Wellbeing*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given?	597	

Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

**Purpose of Report:**

This report seeks to update Cabinet on the steps taken since the Council issued the Street Trees Joint Position Statement and adopted the Sheffield Trees and Woodlands Strategy in December 2018 and to seek endorsement for the proposed process and timescales for developing a new Street Tree Strategy.

**Recommendations:**

It is recommended that Cabinet:

- Notes and endorses the positive progress made following the issue of the Street Trees Joint Position Statement and the adoption of the Sheffield Trees and Woodlands Strategy in December 2018 including:
  - the establishment of the Street Tree Strategy development group, including the appointment of Liz Ballard as its chair; and
  - the adoption of the new joint inspection and assessment process for street trees.
- Agrees to receive a draft of the Street Tree Strategy for consideration in January 2020.
- Notes the recommendations made by Amey to the Council in respect of the trees assessed to date as part of the new process, and advocates the continuation of this approach for future tranches.

**Background Papers:**

- Sheffield Trees and Woodlands Strategy (adopted by Cabinet in December 2018)
- Street Trees Joint Position Statement

Lead Officer to complete:-							
1	<table border="1" style="width: 100%;"> <tr> <td style="width: 45%;">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td> <td>Finance: <i>Paul Schofield</i></td> </tr> <tr> <td></td> <td>Legal: <i>Sarah Bennett</i></td> </tr> <tr> <td></td> <td>Equalities: <i>Annemarie Johnston</i></td> </tr> </table> <p><i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i></p>	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Paul Schofield</i>		Legal: <i>Sarah Bennett</i>		Equalities: <i>Annemarie Johnston</i>
I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Paul Schofield</i>						
	Legal: <i>Sarah Bennett</i>						
	Equalities: <i>Annemarie Johnston</i>						
2	<table border="1" style="width: 100%;"> <tr> <td style="width: 45%;"><b>EMT member who approved submission:</b></td> <td><i>Laraine Manley</i></td> </tr> </table>	<b>EMT member who approved submission:</b>	<i>Laraine Manley</i>				
<b>EMT member who approved submission:</b>	<i>Laraine Manley</i>						
3	<table border="1" style="width: 100%;"> <tr> <td style="width: 45%;"><b>Cabinet Member consulted:</b></td> <td><i>Cllr Lewis Dagnall</i></td> </tr> </table>	<b>Cabinet Member consulted:</b>	<i>Cllr Lewis Dagnall</i>				
<b>Cabinet Member consulted:</b>	<i>Cllr Lewis Dagnall</i>						
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 45%;"><b>Lead Officer Name:</b> <i>Mick Crofts</i></td> <td><b>Job Title:</b> <i>Director of Business Strategy and Regulation</i></td> </tr> </table> <p><b>Date:</b> <i>27 June 2019</i></p>	<b>Lead Officer Name:</b> <i>Mick Crofts</i>	<b>Job Title:</b> <i>Director of Business Strategy and Regulation</i>				
<b>Lead Officer Name:</b> <i>Mick Crofts</i>	<b>Job Title:</b> <i>Director of Business Strategy and Regulation</i>						

## 1. PROPOSAL

- 1.1 The Streets Ahead initiative to upgrade and then maintain the city's roads, pavements, street lights, bridges and other items on or around our streets, is the largest investment in Sheffield's highways ever seen, and will result in around £2 billion being spent over the lifetime of the programme.
- 1.2 Sheffield is home to around 4.5 million trees and 36,000 of these are street trees (on the roadside or public highway). As part of the Streets Ahead programme, the city's street tree stock will be managed and maintained over a 25-year period to ensure a varied, suitable and safe stock of street trees for generations to come.
- 1.3 Prior to the start of the Streets Ahead programme in 2012, unhealthy or damaging street trees were removed without being replaced. The Streets Ahead programme allocated funding for the maintenance of all of our street trees. This funding enables the council to prevent a decline in our street tree stock and maintain a healthy age profile across the city.
- 1.4 Aspects of the street tree element of the Streets Ahead programme have proved controversial amongst some communities in the city, particularly regarding the removal and replacement of healthy street trees that were causing damage to the highway.
- 1.5 In an attempt to resolve the dispute around street trees, in September 2018, together with our contractor Amey, the Leader and Cabinet Member for Environment, Streetscene and Climate Change met with members of the Sheffield Tree Action Group (STAG) steering group for mediated talks conducted by the Centre for Effective Dispute Resolution and chaired by the Bishop of Sheffield, Rt Revd, Dr Pete Wilcox.
- 1.6 The outcome of these talks is set out in the Street Trees Joint Position Statement, which was jointly agreed by Sheffield City Council, Amey, and representatives from Sheffield Trees Action Group.
- 1.7 Within this, all sides agreed a shared set of statements about the value of street trees to the city, as follows:
  - *Street trees bring benefits to the people of Sheffield and to the individual communities that they live in, and that we want those benefits to be enjoyed by people now and in the future*
  - *Mature tree canopy cover is a valuable asset, and we believe that canopy cover is beneficial to the physical and mental health of*

*residents, as well as having environmental and ecological benefits. It should be retained wherever possible.*

- *Work to improve the city's highways, which have suffered from a long period of under-investment, is welcome and needed. We believe that improved highways will bring benefits to the people of Sheffield.*
- *Street trees are an asset and their value as an asset will be weighed against the requirements of highways maintenance work and the Streets Ahead programme when determining what action to take*

1.8 These values have guided the work undertaken following the publication of the statement.

### Street Tree Strategy

- 1.9 The Joint Position Statement reaffirms the Council's commitment to developing an exemplary new Street Tree Strategy to guide the management of the city's street tree stock over the coming decades. It was agreed that the development of the new Street Tree Strategy would complement the broader Trees and Woodlands Strategy agreed by Cabinet in December 2018, and would be undertaken under the auspices of an independent chair.
- 1.10 The new Street Tree Strategy will explore a number of issues such as the long-term aims for street tree numbers and canopy cover, management and maintenance of the tree stock, and how communities can become more involved in the future.
- 1.11 Following the publication of the Joint Position Statement, a number of constructive discussions have been held with representatives of STAG to agree the approach to be adopted for the development of the strategy.
- 1.12 Following these discussions, Liz Ballard, Chief Executive of Sheffield and Rotherham Wildlife Trust has been appointed to the role of independent chair of the group that will oversee the development of the strategy. The group will consist of representatives of Sheffield City Council, Amey and STAG, as well as other stakeholders, such as the Woodland Trust. The group will draw on expertise from specialist practitioners as needed and will be assisted in their work by an SCC officer, who will provide research and drafting support.
- 1.13 The Cabinet Member for Environment, Streetscene and Climate Change will be kept fully informed of the work of the group as it progresses.

- 1.14 Cabinet is asked to note and endorse the establishment of this group, including the appointment of Liz Ballard as its chair, and to agree to receive a draft of the strategy for consideration in January 2020.

#### Joint Assessment/Inspection approach

- 1.15 The Joint Position Statement also describes a new approach to street tree maintenance being adopted by Amey which is intended to help the city retain more street trees on a longer term basis and to stagger the replacement of others to reduce the impact on individual streets.
- 1.16 As set out in the Joint Position Statement, this approach consists of the following:
- *Through the use of a range of solutions that would not previously have been considered, the Council and Amey have identified a significant number of healthy street trees that would have been removed and replanted that can now be retained indefinitely.*
  - *For those trees that do still need to be removed and replanted because no long-term solution can be found that still allows the contract specification to be delivered, the removal and replanting will happen over a much longer period (up to a decade). This will allow a phased approach on individual streets.*
  - *Where a tree is still due to be replanted, an assessment/investigation will take place before any work begins to confirm that this remains the only practical and/or economic course of action.*
  - *The outcome of the review, including the detail of the assessment/investigation will be published on the council's website for each tree.*
  - *That there are some streets and trees (e.g. war memorial avenues) that should be treated as special cases.*
- 1.17 It was acknowledged that this new approach could result in some temporary disbenefits (including the use of different paving materials, temporary gaps in the kerbline etc.) and that therefore there should be dialogue with residents and, wherever possible, 'tailored solutions' should be found for individual trees.
- 1.18 It was further acknowledged that given the significant investment already being made by the council, it would be inappropriate for the costs of these new measures to fall on the taxpayer. Instead Amey have been meeting the costs of the new approach.

- 1.19 Since the agreement of the Joint Position Statement, significant activity has been undertaken to assess and investigate individual street trees. This assessment and investigation has been led by Amey with the participation of STAG. Final decisions on individual street trees continue to rest with the Council as the statutory Highways Authority.
- 1.20 As part of this process, a specialist Amey team has been seeking to identify possible solutions to retain trees through physical examination, tarmac and kerb removal or other techniques as needed. In many cases, this team has implemented identified, viable solutions immediately or has made a temporary repair. This has resulted in Amey either reconfirming the classification of the tree or recommending to the Council that the classification needs to change. Following endorsement of the approach set out in this report by Cabinet, the outcome of the assessment/investigation and decision will be published for each tree.
- 1.21 While these on-site investigations are being carried out, STAG Steering Group and Amey welcome residents and other interested parties to observe the activity and to talk to the team about the options for a tree.
- 1.22 The assessment and investigation process is an ongoing one; however as at 19 June 2019, of the 309 street trees remaining from the core investment period of the Streets Ahead programme, 191 have been identified as being able to be retained on a longer term basis. A further 26 require bespoke solutions to be designed, but are, in principle, capable of being retained, and one has been identified as needing to be removed and replaced as part of the phased process. A further 91 trees were still to be investigated.
- 1.23 The above statistics demonstrate that the new approach adopted, and the additional funding being made available by Amey for bespoke solutions, is having a significant positive impact.
- 1.24 Cabinet are asked to note the recommendations made by Amey to the Council in respect of the trees assessed to date, and to note Amey's adoption of the revised approach both for the remaining 91 trees from this phase, and for future street trees that would previously have been identified as requiring removal and replacement. Cabinet are also asked to reconfirm that street trees that are dead, dying, diseased or otherwise dangerous should be removed and replaced to ensure the safety of the general public.
- 1.25 Once the new Street Tree Strategy has been developed and adopted, the approach to street tree management and maintenance will be tested to ensure that it is compliant with the new strategy. Should any changes be required to the Streets Ahead contract as a result, these will be processed in



accordance with contract change process with the private and public sector funders fully involved in the change process.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 This decision is fully aligned to the Council's priorities. It seeks to ensure that there is a well-managed and maintained street tree stock to be enjoyed by all communities and residents both now and for future generations, recognising the important ecological and environmental benefits that this brings. This is particularly critical in the context of the Council's recent declaration of a climate emergency and the important role that trees can play in supporting physical and mental health.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 There has been substantial engagement with Sheffield Trees Action Group through the development of the Joint Position Statement, upon which this report builds.
- 3.2 There has also been extensive dialogue and discussion during the joint investigation and assessment process that has been taking place on street around individual street trees. This has resulted in a more collaborative and consensual approach with significantly enhanced understanding of the actions being taken and any constraints.
- 3.3 Further consultation with key stakeholder groups and with the public is planned as part of the work to develop the new Street Tree Strategy.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

- 4.1.1 An Equality Impact Assessment has been completed for this report. It notes that there may be some negative implications for some groups associated with the new approach to street tree management when compared to the previous approach – particularly for older people and disabled people – but that these will be mitigated through the careful consideration and deployment of the range of engineering and other options available to Amey.

### **4.2 Financial and Commercial Implications**

- 4.2.1 There are no direct financial implications arising out of this report. The Council officer resource which is required to effect this strategy is already funded through existing budgets. Any additional incidental costs of supporting the new strategy development group will be absorbed within existing budgets.

4.2.2 This report addresses the strategy and policy issues concerning highway trees. Subject to Member approval, once the recommendations of this report are put into effect, the recommended solutions may result in additional costs for the Council depending on the commercial provisions of the contract. Officers will attempt to mitigate such cost increases wherever possible.

#### 4.3 Legal Implications

4.3.1 There are no direct legal implications arising out of this report. Any legal implications that may arise from a subsequent recommendation to adopt a Sheffield Street Tree Strategy will be addressed in the report to Cabinet making that recommendation.

#### 4.4 Other Implications

4.4.1 None noted

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The only other options that are open to Cabinet are to reject the outcomes of the new approach and to revert to the previously agreed policy for the street tree element of the Streets Ahead programme. It is considered that this would not be in line with the commitments set out in the Joint Position Statement agreed with STAG members, and would be likely to result in substantial loss of trust for the authority, as well as placing the successful completion of the Streets Ahead programme in significant doubt.

5.2 Similarly, Cabinet could decide not to endorse the approach to the development of the Street Tree Strategy and to rely on the existing Five Year Tree Management Strategy (produced by Amey) and the council's current Highway Tree Replacement Policy. This would also be out of line with the commitments set out in the Joint Position Statement and the Trees and Woodlands Strategy agreed by Cabinet in December 2018.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 It is considered that the approach set out in the report will enable the Council to make good on the commitments it has made in the Joint Position Statement and the Trees and Woodlands Strategy. It is also felt that the approach being taken by Amey that Cabinet are being asked to advocate continues to represent an acceptable balance between the benefits of mature street trees and the need to maintain the highway programme for the benefit of all Sheffield communities without additional expenditure on the part of the Council.



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**Author/Lead Officer of Report:** Carol Fordham:  
Vulnerable Children and Young People's  
Commissioning Manager

**Tel:** 0114 2057493

**Report of:** *John Doyle, Interim Executive Director People Services Portfolio*

**Report to:** *Cabinet*

**Date of Decision:** *18<sup>th</sup> June 2019*

**Subject:** *Young People Substance Misuse Services re-tender in Sheffield*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Children and Families</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities and Adult Social Care</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given?	589	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

**Purpose of Report:**

In July 2018 Cabinet approved the 2018-22 Sheffield Drug Strategy which set out a partnership vision and action plan to tackle problems caused by drugs to individuals, families and communities.

This report, in line with the Strategy, sets out the proposed approach to recommissioning drug and alcohol treatment and support services for children and young people aged 10 to 18 in Sheffield separate to, and alongside the adult treatment service as part of an all age approach. The current contract ends on 31<sup>st</sup> March 2020 and falls within the council's public health duties.

**Recommendations:**

- That Cabinet approves the proposal to recommission young people's substance misuse services as set out in this report, to secure services for the support and treatment for the children and young people of Sheffield with substance use needs.
- That Cabinet delegates authority to the Director of Commissioning, Learning and Inclusion, in consultation with the Director of Finance and Commercial Services and the lead Cabinet Member for Children and Families, to agree the final procurement strategy and approve a contract award following the tender process.

**Background Papers:**

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Jeffries
	Legal: Louise Bate Equalities: Bashir Khan EIA reference 589
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> John Doyle
3	<b>Cabinet Member consulted:</b> Cllr Jackie Drayton
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> Carol Fordham
	<b>Job Title:</b> Commissioning Manager: Vulnerable Children and Young People
<b>Date: 17 June 2019</b>	

## 1. PROPOSAL

### Summary:

- 1.1 Sheffield City Council (SCC) is required to commission sufficient good quality treatment and support services for young people affected by problems with drugs and alcohol. Good quality drug and alcohol support and treatment services are proven to help to keep people safe, reduce harm, to identify their needs and to support them to achieve a positive outcome for themselves as individuals and the wider community. Treatment services support the reduction of crime and anti-social behaviour, improve young people's health, and support families to stay together and to keep children safe.
- 1.2 Public Health England states that there is evidence to suggest that young people who use recreational drugs run the risk of damage to mental health including suicide, depression and disruptive behaviour disorders. Regular use of cannabis or other drugs may also lead to dependence. Among 10 to 15 year olds, an increased likelihood of drug use is linked to a range of adverse experiences and behaviour, including truancy, exclusion from school, homelessness, time in care, and serious or frequent offending.
- 1.3 Current young people drug and alcohol treatment and support is commissioned by Sheffield City Council. In the course of an average 12 month period of delivery, around 200 children and young people receive structured treatment or targeted individual and group interventions, families of young people using substances are supported, and training is delivered to 500 professionals.
- 1.4 Sheffield performs well according to the public health profile:
  - Hospital admissions due to substance misuse 15-24 years 2015/16-2017/18 in Sheffield 126, 43.4 per 100,000, compared to regional 87.6 per 100,000 and national 87.9 per 100,000
  - Admission episodes for alcohol specific conditions, under 18s 2015/16- 2017/18 in Sheffield 61 admissions 17.5 per 100,000 compared with 33.4 per 100,000 in the Y&H region and 32.9 nationally
- 1.5 The Sheffield Drug Strategy sets out an 'all age approach' to recognising and responding to drug use in Sheffield, from education and prevention, to treatment and reducing crime. We will commission services as part of an overall framework of provision which can meet the needs of different groups, including children and young people and addressing the impact that substance use has on families.
- 1.6 However, it is important, for well-established clinical and safeguarding reasons that **clinical treatment services** for adults and children are delivered separately. The nature of drug and alcohol problems in children and young people have a very different profile to those of adults, and the support interventions are quite different. The UK drug misuse and dependence guidance states:



*'Specialist drug treatment and competencies for young people are different to those for adults. The treatment services that address young people's substance use problems need to sit within the wider framework and standards for young people that support both engagement and access of children and young people to services and appropriate responses to young people and their parents'.<sup>[1]</sup>*

- 1.7 Therefore the children and young people's treatment service will be commissioned separately but the processes will be linked in order to ensure there is a consistency of quality in the city, that bidders are able to respond to both published tenders during the same period, and that the contracts commence on the same date. Requirements will be put in place during both procurement processes that the successful bidders meet post award and ensure they work together and that their transitions approach from young people's into adult services, where necessary, is safe and comprehensive.
- 1.8 The Public Health Grant budget for the service is £300,000 per annum, The final budget on publication of the tender will include the reduction on current spend of the PH Grant that is required for the 20/21 period onwards and these savings will be reflected in the budget planning process with finance business partners. Resource will be scaled dependent on the final confirmed budget at the point of publication of the tender.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The strategy will contribute to the Corporate Plan as follows:
- 2.2 The service will provide individual and group responses to children and young people with a range of substance misuse needs, and promote the achievement of positive outcomes for these individuals through reduced harm, engagement in services, and recovery from their substance use. They will also support parents/carers to support and manage their children who are using substances in a safe and effective way. This will allow us to meet the best practice in current clinical guidelines.

### An in touch organisation

- 2.3 The service specification has been developed through consultation with key stakeholders to sustain effective provision through integration with early intervention and specialist services. The service will be accessed by self-referral, family referral and referral from professionals/settings, and will be designed by and with commissioners, providers, and service users, to meet current and future need of young people using substances.
- 2.4 Digital resources including social media and provider website will be used to offer immediate access to information around the clock and signposting to local support. In line with the Sheffield Drug Strategy, the service will seek to

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<sup>[1]</sup> <https://www.gov.uk/government/publications/drug-misuse-and-dependence-uk-guidelines-on-clinical-management>

understand the diverse needs of children and young people using substances, and deliver a whole family flexible support response in line with best practice evidence and which responds to emergent substance use issues quickly and effectively.

### Strong economy

- 2.5 The cost of drug and alcohol use to individuals, communities, their families and children, and the pressure it places on services is significant.
- 2.6 The annual cost of illicit drug use in the UK is around £10.7 billion a year, and the annual cost of alcohol related harm in England is £21.5 billion a year. These costs include lost economic productivity, crime, policing and NHS.<sup>1</sup>
- 2.7 It is in the interests of the national and local economy that good quality substance use treatment is in place, with a focus on early intervention and prevention with young people. The service will provide a screening tool for young people, their families and professionals to assess need, hosted on a digital platform, with harm reduction information and details of services. This will help children and young people access treatment at an early stage and help prevent the poor life outcomes associated with substance misuse, which impact on economic attainment for them and their families, as well as the local economy.

### Thriving neighbourhoods and communities

- 2.8 Substance use can impact on community safety significantly, with anti-social behaviour, offending, public consumption and intoxication, litter, and visible drug dealing all being issues that cause problems for communities in the city. Children and young people are vulnerable to exploitation by organised crime groups to use and sell drugs for financial profit. The service will target these communities and individuals by working closely with the organisations that can identify them.
- 2.9 The service will continue to be embedded in the Youth Justice Service and provide targeted support to prevent and respond to child criminal exploitation. Investment in substance use services has a significant impact on reducing offending and its associated costs to society:
- 2.10 Drug and alcohol treatment in England in 2016/17 resulted in 4.4 million fewer crimes:
- 44% reduction in the number of dependent individuals re-offending;
  - 33% decrease in the number of offences committed.

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<sup>1</sup> <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

- 2.11 The majority of referrals through the Youth Justice Service are from the Police for young people using cannabis who are offered intervention by the substance misuse service as part of a restorative response that avoids criminalising children.

#### Better health and wellbeing

- 2.12 The proposed service has a positive impact on individuals' physical, mental and emotional wellbeing.
- 2.13 Drug related deaths are increasing nationally, which is mirrored locally. The reasons for this are numerous, and go beyond overdose deaths: it includes an aging cohort of opiate users experiencing poor physical health, and often respiratory issues, blood borne viruses, liver problems, and mental ill health resulting in an increase in death by suicide among people using substances.
- 2.14 All evidence shows that being in treatment is the single most significant protective factor against drug related deaths. Intervening in earlier life will help reduce the number of people who go on to develop long term health problems related to substance use.
- 2.15 46% of children and young people who accessed support from the substance misuse service last year were affected by domestic abuse, 48% had experience of self-harm, 52% reported mental health issues and 35% had experience of parental substance use.
- 2.16 The service will be easily accessed by young people through links with the Youth Information Advice and Counselling Service offering young people aged 13-25 direct access to emotional wellbeing support. Substances are often used as a coping strategy for psychological distress and through drop-in and duty response, the substance misuse service can respond to young people's needs at an early stage.

#### Tackling inequalities

- 2.17 Substance use impacts individuals, families, children, and communities. The impact is disproportionate in some areas of the city, with deprived communities experiencing higher levels of substance use related harm. Ensuring that there is good quality, accessible treatment in Sheffield, will make a significant contribution to reducing these harms. Intervention in children's and young people's lives helps prevent future parental substance use contributing to Adverse Childhood Experiences (ACEs) and poorer outcomes for future children and families.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 A range of stakeholders were consulted on their experience of working with The Corner as referring partner agencies or young people accessing a service. The feedback reflects a very high level of satisfaction with the quality of provision and outcome of referrals.

3.2 Consultation with the following key partners has shaped the revised service specification:

- Young people attending the wellbeing café at Door 43
- Lead cabinet member
- The current service provider
- Service users
- Youth Information Advice and Counselling Service
- Youth Justice Service
- Child Criminal Exploitation team
- Sheffield Inclusion Centre
- MAST
- CAMHS including data from schools, children and parents from the Healthy Minds Framework survey
- Year 10 students Our Voice Matters survey findings on substance use

#### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

##### **4.1 Equality of Opportunity Implications**

4.1.1 The report is focussed on the elimination of discrimination and, as such, directly supports the council's Public Sector Equality Duty. People using substances are often discriminated against and experience multiple and complex disadvantages. The process aims to ensure quickly and easily accessible, compassionate, individualised support at the right time for people using substances.

4.1.2 There is overwhelming evidence that drug and alcohol use disorders disproportionately impact on disadvantaged groups in society, including people with disabilities (especially mental health issues), BAME and deprived communities. In addition, relating specifically to alcohol use, people resident in more deprived communities will experience disproportionately high levels of harm from the same alcohol consumption as someone resident in a more affluent community, due to the impacts of other health inequalities they experience.

4.1.3 A thorough Equality Impact Assessment has been undertaken. It considers how the strategy would potentially benefit groups with protected characteristics, including age, gender, disability and sex; and its wider impacts on health, poverty and other issues.

##### **4.2 Financial and Commercial Implications**

4.2.1 The cost of the current contract, which expires 31/03/2020 is £300k.

4.2.2 The contract is funded by the Government Public Health Grant and there is an expectation that the grant will reduce by 2.6% in 2020/21 with similar

reductions in future years. In addition, Public Health Grant has significant pressures that need funding in 2020/21 so the savings in Public Health budgets required are yet to be confirmed but are likely to be more than 2.6% for many budgets.

4.2.3 The service proposal is to maintain the current contract value over an extended period of 5 years +3 years +2 years, with annual reviews and break clauses, to align with the adult services commission as part of an all age approach outlined in the Drug Strategy.

4.2.4 The budget available for the re tender of this contract therefore needs considering as part of the People Portfolio and Public Health Grant business planning process in order to confirm whether a stand still budget is possible before the contract is awarded.

#### 4.3 Legal Implications

4.3.1 Section 6 of the Crime and Disorder Act 1998 places a duty on the local authority to implement a strategy for combatting the misuse of drugs, alcohol and other substances in the local authority's area. When implementing the strategy the local authority must comply with its general duty under S3(1) Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised; such improvement includes effective service delivery, value for money and ensuring the project outcome is achieved.

4.3.2 Sheffield City Council's Drugs Strategy includes the recommissioning of services and this will involve procurement and contract award processes. When doing these processes the Council must comply with relevant provisions of the Council's Constitution including its Contracts Standing Orders and Financial Regulations. Where the Public Contract Regulations 2015 applies, the Council must not breach or unlawfully avoid them.

#### 4.4 Other Implications

4.4.1 Since the proposals do not suggest any possibility that the council intends providing any of the currently outsourced services for itself, there are no Employment implications from these proposals.

4.4.2 All other implications have been captured in the processes above.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The Young People Substance Misuse Service has been provided by the Council for 15 years and is a key plank of the local Drug Strategy. The current contract cannot be extended and the opportunity is to recommission the service in line with the adult substance misuse service as part of an all age approach.

- 5.2 Another option would be for the Council to deliver the service in house; this has been rejected for a number of reasons. Firstly, the service model involves a significant element of clinical expertise. Secondly, the Council has no experience of delivering the service, and there is a well-developed market of qualified and experienced potential providers. Finally, the Council has no systems in place for clinical supervision of a workforce, licences to hold medication, or provision to manage safe prescribing, and the cost of making the necessary arrangements would be disproportionately high and poor value for money when existing, fit for purpose options exist in the market.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 Good quality drug and alcohol support services are essential to help individuals turn their lives around and build stronger families and communities in Sheffield.
- 6.2 The Council has a duty to provide drug and alcohol treatment and support services for the people of Sheffield. The Council is not best placed to deliver these required services, so recommissioning is recommended.
- 6.3 The current legal contractual arrangements in place for both adult and young people services expire on 31 March 2020. This process will ensure continuity of aligned services, with improved access and transitions, to deliver against the Drug Strategy 2018-2022.
- 6.4 The service will be based on local need and trend analysis, and performance data for current service provision will inform where change and improvement is needed for the forthcoming contract period.



**Lead Officer of Report:** Edward Highfield

**Tel:** 0114 223 2397

**Report of:** Edward Highfield  
**Report to:** Cabinet  
**Date of Decision:** 17 July 2019  
**Subject:** Sheffield Olympic Legacy Park – future arrangements

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>
- Affects 2 or more Wards	<input checked="" type="checkbox"/>
Which Cabinet Member Portfolio does this relate to? <i>Business and Investment and Finance</i>	
Which Scrutiny and Policy Development Committee does this relate to? <i>Economic and Environmental Wellbeing</i>	
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-	
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>	

**Recommendations:**

Cabinet is recommended to:

- Note the progress made at Sheffield Olympic Legacy Park to date
- Confirm the expanded vision and geographical reach of an extended SOLP, as set out in this report and at Appendix 1
- Retain Legacy Park Limited as the special purpose vehicle charged with driving forward delivery of SOLP on the basis and implications as set out in this report.
- Confirm the role and remit of LPL as set out in this report, including reporting arrangements
- Approve up to £150,000 per annum for 3 years from the Council's Corporate Investment Fund to cover underwriting risk in support of operations associated with SOLP
- In respect of the current financial year approve underwrite up to £150k of current operating costs but work with Legacy Park Limited to move to a capped contribution of £80k by December
- Approve the principle of a Memorandum of Understanding as set out at section 2 designed to oversee the relationship between SCC and LPL.
- Negotiate with Scarborough International Property Limited as preferred development partner in order to drive forward the commercial development of SOLP, working in conjunction with SCC and wider SOLP partners, with terms to be agreed by Cabinet Member for Resources in consultation with Cabinet Member for Business and Investment, Executive Director for Place and Director of Legal and Governance
- Commission LPL and SCC officers to produce annual reports on the impact of SOLP

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

*Sheffield Olympic Legacy Park; Legacy Park Limited Emergency Funding –  
Leaders Decision 26/04/2019*

*Development of the Olympic Legacy Park - Cabinet report October 18 2017*



Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Paul Schofield
		Legal: David Hollis
		Equalities: Annmarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	Eugene Walker
3	<b>Cabinet Member consulted:</b>	Mazher Iqbal
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Edward Highfield	<b>Job Title:</b> Director of City Growth
	<b>Date:</b> (Insert date)	

## 1. BACKGROUND

1.1 In recent years the site of the former Don Valley stadium has been transformed. The Sheffield Olympic Legacy Park (SOLP) now represents one of the most exciting regeneration projects in the city region; delivering a tangible legacy from the London 2012 Olympic Games by promoting an integrated approach to health, wellbeing and sport to a local, national and international audience via a combination of education, research, community participation and professional sports.

### Achievements to date

1.3 With the support of various partners including the Council who own the land, the following investments have been secured:

- £1.1m from European Regeneration Development Fund to remediate the site
- Oasis Academy Don Valley – £16.2m capital grant from Central Government education funds
- UTC Sheffield Olympic Legacy Park - £10m capital grant from Education Funding Authority

- Advanced Wellbeing Research Centre - £14m capital grant from the Department of Health to Sheffield Hallam University, including Council sale of freehold of AWRC plot
- Park Infrastructure - £4.9m SCRIF grant from Sheffield City Region
- £1.4m of other third party contributions including grants and planning agreements to develop the sports facilities
- Community Stadium –agreement for leasehold sale of stadium plot to Sheffield United.
- Elimination of cost of operating pitch in community stadium by SCC – taken over by Sheffield United FC and Pulse

1.4 To date, land on the OLP site had been earmarked for development by Park Community Arena (PCA). Clearly the PCA proposal has failed to progress in line with original and revised timetables and therefore the future of that site is now being actively reconsidered by the Board as it develops the OLP masterplan".

### **KEY POLICY QUESTIONS**

1.5 Whilst a number of plots remain vacant and available for end use, the above investments to date mean that SOLP is well on its way to delivering a compelling innovation asset for the city region and catalyst for regeneration of the surrounding area, realistically seeing all of the land at the park utilised in the next few years. Against any reasonable measure, it would be possible to argue that the original job at SOLP is well on its way to be completed.

1.6 It is however clear that there is greater potential and appetite from partners for SOLP to influence a wider geographic area, extending its physical footprint and generating a greater economic impact over a longer period of time. A number of key policy questions are therefore presented:

- Do we continue with SOLP and seek to expand its footprint and reach?
- Do we continue with LPL as a special purpose vehicle?
- What amount of underwriting risk on partner contributions are Members prepared to take and where is that to be funded from?
- How should the Council deal with costs incurred to date on the SOLP site?
- Should the Council proceed with a private sector development partner to deliver development of the rest of the site – and if so, who and on what basis?

1.7 This report seeks to examine and address each of these questions and set out a clear way forward.

## Wider vision and objectives

- 1.8 Sheffield Olympic Legacy Park's extended footprint will stretch from Broughton Lane to Woodbourn Road. The map at Appendix 1 shows the current and proposed extended footprint of SOLP.
- The red boundary shows the extended site of the Sheffield Olympic Legacy Park
  - The blue boundary shows the wider area that will benefit from adjacency to SOLP, where associated investment and regeneration focus will be targeted, although not directly part of SOLP itself
  - The yellow boundary shows a wider set of assets that are relevant to the achievement of the wider vision for SOLP, including a major housing site at Attercliffe Waterside and the Woodbourn Road athletics track.

## **2. DELIVERY ARRANGEMENTS**

- 2.1 After the closure and demolition of the former Don Valley Stadium, the Leader of the Council asked Richard Caborn to work with partners across the public and private sector to develop a new vision for the site, rooted in sports and physical exercise.
- 2.2 Since that time, delivery of SOLP to date has been driven by a special purpose vehicle, Legacy Park Limited (LPL), chaired by Richard Caborn, employing a very small core team.
- 2.3 Sheffield City Council, Sheffield Hallam University and Sheffield Teaching Hospital Trust have been Members of the company, LPL, until 2019 when Sheffield Hallam University withdrew from the company in order to focus on successful delivery of the Advanced Wellbeing Research Centre (AWRC).
- 2.4 This triggered a period of review during the first part of 2019, seeking to clarify objectives, governance, legal structures, delivery capacity and the role of partners. This report sets out the Council's consideration of those issues and seeks decisions necessary to take forward new arrangements for the next phases of delivery.

### Proposed delivery arrangements and benefits of approach

- 2.5 With the withdrawal of Sheffield Hallam University from LPL, it has been necessary to review the purpose and funding strategy for LPL going forwards. A number of alternative options could be pursued, each with potential pros and cons.

	Pros	Cons
In house delivery i.e. winding up LPL and delivering SOLP from internal SCC resource only	<ul style="list-style-type: none"> <li>• Simplified governance</li> <li>• Tax efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of external confidence and momentum</li> <li>• Unlikely to generate substantial cost savings as dedicated capacity still required</li> <li>• Potential loss of external Chair who has been critical to success to date</li> </ul>
Arm's length delivery i.e. the current model, retaining LPL with current or extended Members and external delivery capacity.	<ul style="list-style-type: none"> <li>• Maintain external confidence and independence</li> <li>• Avoids potential loss of momentum</li> <li>• Provides vehicle for income generation</li> <li>• Avoids complicating existing agreements held by LPL</li> <li>• Avoids loss of external chair.</li> <li>• Able to flex to ensure appropriate skills for specific tasks</li> </ul>	<ul style="list-style-type: none"> <li>• Clarity required about what constitutes a LPL decision and what requires SCC approval.</li> <li>• Potentially less tax efficient</li> <li>• Potentially more expensive than in house</li> <li>• Requires financial underwriting of income generation by the Council</li> <li>• Legal restrictions around procurement and State Aid</li> </ul>
Hybrid approach – retaining an arm's length branded function in name only, but seconding delivery resource from SCC.	<ul style="list-style-type: none"> <li>• Simplified governance – all Council decisions only</li> <li>• More tax efficient</li> <li>• Maintains external confidence and perception of independence</li> </ul>	<ul style="list-style-type: none"> <li>• Risks potential loss of momentum</li> <li>• Means potential loss of external chair.</li> </ul>

2.6 Discussion with the Council Leader and Cabinet Member for Business and Investment have indicated a preference to retain LPL in order to maintain momentum, a desire to see a wider set of stakeholders formally engaged in delivery of SOLP and the establishment of a Memorandum of Understanding between SCC and LPL to clarify the Council's relationship with the company. This indicates the current model of arm's length delivery is preferred - retaining LPL with current or extended Members and external delivery capacity.

## Role of Legacy Park Limited

2.7 Should LPL be retained and funded, its core purpose will be to:

- Convene stakeholders to drive forwards the development of SOLP and the delivery of the vision
  - Developing proposals for new project ideas
  - Promoting key sites and development plots within SOLP and immediate surrounding area
  - Making recommendations to SCC as landowner (see MoU)
  - Liaise with Canal and River Trust and SCC and other stakeholders if appropriate to develop a high level masterplan from Broughton Lane to Attercliffe Waterside that provides a framework for development opportunities either side of the canal and making more use of the canal
- Act as a single point of contact for all enquiries for investment in certain places, as outlined below, passing all enquiries about possible land transactions to SCC at the first opportunity
- Acting as the lead interface with development partner(s) in those places
- Developing activities to engage the local community and increase use of SOLP
- Servicing SOLP governance arrangements

2.8 Referring to the map at Appendix 1, these LPL functions are targeted geographically as follows:

<b>Boundary</b>	<b>Role</b>
Red	LPL is single point of contact and coordinates all enquiries, passing land enquires to SCC at the earliest opportunity
Blue	Five year plan for Attercliffe central for economic regeneration, building upon the work at Sheffield Olympic Legacy Park and AWRC; LPL to be the lead point of contact for any investment and relocation working closely with SCC (planning and property) to create sites and investment opportunities for SMEs, relocations and supplementary uses. All enquiries coordinated through LPL, passing land enquires to SCC at the earliest opportunity
Yellow	Longer term plan for economic regeneration (including Attercliffe Waterside) led by SCC and supported by LPL. Area includes residential, mixed use and light industrial

## Governance and reporting

2.9 It is essential that day to day joint working between LPL and SCC is collaborative, transparent and mutually supportive and that formal Council's decisions (land, assets, funding etc.) are made by the appropriate democratic process.

2.10 This relationship will be set out in a formal Memorandum of Understanding in order to provide clarity.

- 2.11
- The Council has to date spent circa £3.7m supporting the operating costs of LPL and matching the capital infrastructure funding which needs to be re-paid over the longer terms through direct income (capital receipts)
  - LPL will therefore be under an obligation at all times to pursue projects/investments that both deliver the vision for SOLP and enable SCC to recoup its investments to date by achieving fair market value and best consideration as required under S123 of the Local Government Act for its land and assets recognising the limitations for use imposed by various grant agreements which have been used to fund investment to date.
  - Public money will be used to fund LPL. LPL will therefore be under an obligation at all times to ensure value for money in its day to day operations and expenditure e.g. staffing, accommodation and activity.
  - LPL will need access to a range of specialist skills at different stages. LPL will be required to ensure an appropriate skills mix of its internal resource, tied to delivery of its annual business plan.
  - The Council will require LPL to directly employ staff where it makes sense to do so, rather than use consultants. Consultants should only be used for specialist, time limited tasks to ensure the Council delivers on its Best Value Duty
  - LPL will be responsible for developing project ideas / investor leads that meet the wider vision of SOLP.
  - Council assets are not being transferred to LPL. Decisions affecting Council resources, risk or strategic interest will therefore need appropriate Council decision making through its democratic processes.
  - LPL will make recommendations to SCC and assist by coordinating the information required for SCC to make an informed decision.
  - LPL will not develop project ideas or pursue project leads for things that fall outside of the vision for SOLP, which SCC prohibits or could bring the Council's reputation into disrepute.
  - LPL will act as a single point of contact for all enquiries for investment, working with Invest Sheffield and brokering introductions to other parts of the Council (planning, property etc) as required.
  - LPL will seek to charge fees and generate commercial income e.g. commission on investment leads – however this will not be applied where that fee is likely to reduce SCC's land value / capital receipts or incur a cost to any of the stakeholders / Members of LPL.
  - LPL will coordinate responses to the Local Plan Consultation for Sheffield Olympic Legacy Park and may comment on the wider Attercliffe area.

A quarterly progress meeting including the Council Leader, Cabinet Member and Chief Executive will oversee the relationship between SCC and LPL and application of the MoU.

- 2.12 In order to ensure effective communication between LPL and Council departments, LPL will provide monthly updates to Edward Highfield, Director of City Growth, and attend ad hoc meetings with Council officers as required to pursue joint work.

#### Role of partners

- 2.13 In order to expand the reach and impact of SOLP, a wider set of partners are envisaged – either as formal Members of the company, LPL or wider stakeholders. This is expected to include Sheffield Children’s NHS Foundation Trust, South Yorkshire and Bassetlaw Integrated Care System, Yorkshire & Humber Academic Health Science Network and Sheffield City Trust, in addition to the original stakeholders of Sheffield City Council and Sheffield Teaching Hospitals NHS Foundation Trust and Sheffield Hallam University.
- 2.14 Sheffield Hallam University as the key innovation asset on SOLP via the Advanced Wellbeing Research Centre, will continue to be a major and important stakeholder and a key occupier of SOLP.
- 2.15 LPL intends to operate a company Board for Members of SOLP as well as a wider stakeholder group to include non Members. Thematic working groups such as land and property, innovation assets and community impact will operate as required. SCC involvement will be different across each strand, with a substantial focus on land and property given the clear link to Council assets and decision making.

#### Costs

- 2.16 The financial model for the LPL is a mixture of Member subscriptions, external funding and commercial income.
- Each stakeholder wishing to become a Member of LPL will be requested to provide £10,000 pa.
  - LPL will seek to secure external grant funding where possible e.g. from Sheffield City Region / LEP.
  - LPL will seek to charge fees and generate commercial income e.g. commission on investment leads – however this will not be applied where that fee is likely to reduce SCC’s land value / capital receipts or incur a cost to any of the stakeholders / Members of LPL unless as part of agreed project costs
- 2.17 The Council is requested to underwrite up to £150,000 p.a. to allow LPL to pursue this income strategy and make up and shortfall as a core funding contribution. A core funding contribution of up to £150,000 for 3 years from the Council’s Corporate Investment Fund is therefore requested to cover this exposure. The income strategy of LPL will pay for core operating costs, most notably the staff capacity required to drive forward the work packages and roles set out in this report. Years 2 and 3 have the potential to require less than £150,000 underwriting, depending on the level of committed

income and financial contribution from partners that LPL are able to secure.

- 2.18 If SCC is prepared to underwrite up to £150,000 of current operating costs for 2019-20 it has already provided £40,000 of this. LPL is seeking contributions from other partners and SCC is aiming to cap its funding at £80,000 (ie an additional £40k) for this year, requiring funding from other partners of a matched £70k. If this target funding cannot be achieved by LPL by December, then SCC will review the delivery mechanism to ensure the success of OLP with the Chair of LPL in order to keep within this £80k envelope for SCC
- 2.19 Whilst external funding and income generation that does not come from LPL Members is welcome, it must not divert LPL from delivering its core mission. Whether SOLP is led by an arm's length company or by the Council, it will require core funding.

### **3. LAND**

- 3.1 The Council has to date spent circa £3.3m of direct external costs (plus £400k of other costs) on SOLP which needs to be re-paid over the longer term. Whilst some of this should come from direct land receipts, it is likely that this will not cover all of the expenditure to date, however indirect uplift in land values and business rates will generate a sustainable income to the Council.
- 3.2 It is essential that principles affecting SCC land and assets are clear:
- Under Section 123 of the Local Government Act, SCC must obtain Best consideration in the disposal of its assets. SCC will undertake regular asset valuations of remaining plots and sites within SOLP. Land Value will be calculated on a residual basis as development opportunities are brought forward. Ultimately SCC must obtain market value for its land interests.
  - LPL will be under an obligation at all times to pursue projects/investments that both deliver the vision for SOLP and enable SCC to recoup its investments to date by achieving best consideration for its land and assets.
  - Ownership of land or assets will remain with SCC. Final decisions on disposal or investment will remain with SCC.
  - Negotiation on land value and terms of any property transaction with SCC will be led by SCC, once an introduction has been made by LPL.
  - LPL will not seek to generate commercial income where that income is likely to affect SCC land value / capital receipt.
  - The ERDF and SCRIF grants were subject to certain provisions regarding uses and timescales for the disposal of development plots. The terms of any disposal must reflect these in order to avoid clawback of the grants.



## **4. OPERATIONAL MANAGEMENT**

- 4.1 A number of ongoing operational obligations remain with SCC and need sustainable delivery mechanisms and resourcing. These primarily relate to land disposal, negotiations and valuations and estate management. The Estate Management function includes
- Service charge collection, management and administration
  - maintenance of common parts
  - Car Parking and events management
  - Pitch management and maintenance until such time as the lease is signed for the Community Stadium
  - Management of voids
  - lease negotiations and variations
  - General estate/land management duties including tenant liaison, licences, covenant variations and waivers, encroachments, boundary disputes, wayleaves, easements, change of use, assignments etc.
- 4.2 Interim arrangements are currently in place for the Estate Management Function. However it is intended to procure a Property Management Agency to act on behalf of SCC to undertake estate management duties and service management collection and administration.

The majority of the Estate Management Functions will be covered through the Service Charge. Specific functions such as lease variations or licences are charged services.

However, until the plots are fully developed and let, the costs of estate management such as events management, car parking and the maintenance of public realm will be higher than can be recovered through the service charge and SCC will need to cover any void costs.

No budgetary provision exists for contract administration, client liaison or covering voids. The shortfall is currently being met by Parks and Countryside and Property and Regeneration Services as a pressure that sits outside the £150,000 funding request.

The current cost is anticipated to be not less than £60k pa which has to be met by SCC. A further report to seek approval to vire budgets where appropriate to cover any shortfall will be brought forward once the position is clear.

## **5. DEVELOPMENT PARTNER**

### Need for a development partner

- 5.1 Significant additional resources will be required to realise the expanded vision for SOLP stretching from Broughton Lane to Woodbourn Road.

- 5.2 Development capacity and capital funding will therefore either need to be provided by the public sector or from a private sector partner. SOLP stakeholders decided in 2018 to pursue options to secure a private sector development partner.
- 5.3 A masterplan for the expanded site and its relationship with the surrounding area will need to be prepared by any long term development partner. Whilst this work has not been carried out at this stage, a number of strong principles appear clear and would be the starting point of any masterplan:
- Building out remaining plots on the original SOLP in order to deliver commercial activity, increase the economic activity on the site and increase the concentration of relevant activity at the heart of the site.
  - Significant commercial development on the Attercliffe Common frontage site as a gateway location, including hotel and office uses.
  - Improvement to the main points of entry e.g. upgrading tram stops and sense of arrival.
  - Creation of new development sites for research and development, industrial collaboration and commercial space on existing surface car parks by providing alternative car parking solutions
  - Exploring the potential for sympathetic development within and adjacent to the SOLP site.
- 5.4 The Council's drivers for any wider Masterplan will include:
- Promoting an integrated approach to health, wellbeing and sport to a local, national and international audience via a combination of education, research, community participation and professional sports.
  - Creating economic and health and wellbeing opportunities for local residents
  - Stimulating regeneration in the wider Attercliffe area
  - Unlocking surrounding housing sites, engaging key partners such as Homes England, if appropriate
  - Enhancing the value of SCC owned assets
  - Generating capital receipts and future income streams to repay SCC investments to date.
  - Ensuring appropriate controls and governance to ensure an appropriate mix of uses over the long term
- 5.5 To date there has been very limited commercial interest from the development industry with the exception of Scarborough International Property Limited (SIPL) which is involved in the community stadium and have expressed an immediate interest in the Attercliffe Common site
- 5.6 Unlike the land developed as SOLP to date, future expansion land is mainly subject to long leases to Sheffield City Trust (SCT). Any agreement with a development partner must involve SCT in relation to those sites and also address what happens to the land in the event of the expiry or break of the existing lease terms in order to provide sufficient security to attract funding.

- 5.7 In seeking a private sector developer the Council has to be mindful of EU and UK procurement law. Any agreement where the primary purpose is the execution of public works will need a procurement exercise advertised in the OJEU. However, if the Council entered a land transaction this would not need to follow the same procurement requirements. Under a land transaction the Council will have less control to direct or enforce development than under a development agreement that includes public works such as ability to influence the mix and pace of end uses of the site via restricted user clauses or development milestones.
- 5.8 That does not mean that the Council has no control and effective terms to protect the Council's position can be agreed that do not constitute public works and arrangements of this nature can be made to work.
- 5.9 If the Council wishes to enter into a land transaction it will need to do so in accordance with its own disposals framework.
- 5.10 If Members are minded to pursue this potential investment from SIPL to develop areas of the SOLP then it would be necessary to negotiate a land agreement with both SIPL and SCT to explore whether SIPL is able to bring forward viable funded proposals which meet the Council's objectives for SOLP. The Council must decide whether there is a case to consider SIPL as a special purchaser under its disposals framework.
- 5.11 Whilst the precise nature of a commercial arrangement between SCC, SIPL and SCT is yet to be defined, it is proposed to work with SIPL on a site by site options basis within the context of an overarching masterplan developed jointly by SIPL, SCC, LPL, SCT and others. SCC land would only be released at market value in order to meet SCC legal obligations as a public authority. Authority is sought to proceed on these terms.

## **6. HOW DOES THIS DECISION CONTRIBUTE?**

- 6.1 Strong economy – by bringing underutilised or brownfield land back into use for the development and creating new jobs, SOLP supports the Council's desire to create a fairer, more sustainable local economy where everyone has the chance access to good jobs, training and economic opportunity.
- 6.2 Better health and wellbeing – SOLP is all about promoting good health and greater levels of physical participation in sport and exercise. Critically the vision for SOLP is not just about research and development, but also local community engagement and impact.
- 6.3 Thriving neighbourhoods and communities – By converting low quality land into international standard community and commercial space with high quality public realm, SOLP has already transformed the image and perception of its immediate surrounding area. An expanded SOLP will directly benefit adjoining neighbourhoods which suffer from deprivation, offering members of the community new positive activities in line with Council policies to encourage people to have a good quality of life and feel

proud of where they live, with increased access to local amenities and facilities.

- 6.4 Tackling inequalities – Located between communities and which suffer the effects of longstanding deprivation SOLP provides new ways to bring people of different backgrounds together through health and wellbeing and employment opportunities, supporting Council policies to make it easier to overcome obstacles by investing in the most deprived communities and supporting individuals to help themselves and achieve their full potential.

## **7. HAS THERE BEEN ANY CONSULTATION?**

- 7.1 There is no legal requirement to consult on these proposals. However, the issues and proposals contained in this report stem from a long period of consultation with stakeholders including LPL itself, Sheffield Hallam University, Sheffield Teaching Hospitals NHS Foundation Trust, Sheffield Children's NHS Foundation Trust, South Yorkshire and Bassetlaw Integrated Care System, Yorkshire & Humber Academic Health Science Network and Sheffield City Trust.
- 7.2 Formal public consultation on any physical developments on the SOLP will be conducted via the planning process in the normal manner.

## **8. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### Equality of Opportunity Implications

- 8.1 SOLP is intended to promote inclusive economic growth, community engagement and improved health and wellbeing outcomes. The site is surrounded by wards that have high levels of economic deprivation, therefore it is an explicit objective of the project that it will have positive equality implications.
- 8.2 There are not anticipated to be any negative impacts that affect any particular groups and as such a full Equalities Impact Assessment form has not been completed for this report but will be completed in the near future.

## **9 FINANCIAL AND COMMERCIAL IMPLICATIONS**

- 9.1 The proposed financial model for LPL is a mixture of earned income, core Council funding contribution and Membership fees charged to other stakeholders (either in kind or as cash).
- 9.2 In order to give LPL the cash flow and certainty of operations, a maximum financial contribution from the Council of £150k per annum for 3 years from the date of this Cabinet report is sought. The contribution for Years 2 and 3 will be the net cost incurred by LPL. As such, the £150k per annum represents the maximum contribution to LPL although other costs may be

incurred by SCC in furthering the aims of the development of the site. There is no explicit budgetary provision for this and resources would have to be prioritised.

	£
July 2019 – July 2020	150,000
July 2020 – July 2021	Up to 150,000
July 2021 – July 2022	Up to 150,000
<b>Maximum total</b>	<b>£450,000</b>

- 9.3 Other operating costs such as service charge shortfall and the costs of internal officer time will be met from this headline budget of £150,000 once LPL generates other income and subscriptions from Members.
- 9.4 The costs of voids, legal fees and land negotiations will however, still need to be met by SCC. No existing Council budgets exist for LPL, or to meet the costs of voids, legal fees and land negotiations, therefore this contribution will need to come from the Corporate Investment Fund (CIF) if Members feel this is a priority, or, budget virements. A mandate will be submitted as part of the impending call for projects, meaning financial authority for the measures outlined in this report will be made alongside other calls on CIF. This is a time limited funding option which may require further commitments in the future if the goals are not achieved by July 2022.
- 9.5 As outlined elsewhere in this report, LPL will not take ownership or control of Council land or assets. Any decision affecting Council resources will come through normal Council decision making processes.
- 9.6 LPL will be under an obligation at all times to have regard to the Council's commercial interests and the legal framework within which it operates.
- 9.7 Adopting the recommendations of this report will require formalisation of the budgetary provision to fund the items at section 4 above. Wherever possible, the estate management and public realm costs will be recovered by a service charge. The work undertaken by internal SCC teams will be delivered by prioritising SOLP needs above other existing commitments.

## 10 LEGAL IMPLICATIONS

- 10.1 The Council has the power to enter into these arrangements under s1 of the Localism Act 2011 which provides the general power of competence. Some of the arrangements in relation to LPL will be covered by covered by the Local Government Act 2003

The provision of the elements of the MoU and wider arrangements will be a contract for the provision of services for the purposes of EU and UK procurement law. As the potential payment of £450,000 exceeds the relevant EU threshold the Council that would normally require an OJEU advertised process before awarding a contract. However where the service provider is a controlled entity the requirement does not apply. This is

usually referred to as the Teckal exemption.

To be a controlled entity LPL must comply with the following;

- the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;
- more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority; and
- there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

Although some of the wider stakeholder and proposed members are not contracting authorities for the purposes of the Public Contract regulations 2015 and would be regarded as private sector it is believed that LPL can be structured so the stakeholders are involved and LPL still meets the Teckal test.

The control requirements can be met by one or more contracting authorities together. What this does not mean is that the Council or other contracting authorities have to have day to day oversight or operational control. It is sufficient that it exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person. This can be met in part by the MoU but will also require a rewrite of LPL's constitutional documents before the recommendations in this report can be fully implemented.

The procurement implications for the potential commercial arrangements with SIPL are outlined above and the Council will need to be sure they do not amount to public works as the primary purpose.

It is not thought there are State Aid implications from the arrangements but these will be monitored.

## 10.2 **Land Disposal**

Section 123 of the Local Government Act 1972 states that 'a Council should not dispose of land under this section for a consideration less than the best that can be reasonably obtained.

Therefore, in order to comply with legislation and best practice it is essential that the procedures for land and property disposals are directed at obtaining the best terms reasonably obtainable. In most cases this requires that all interested parties should be allowed an equal opportunity to put forward a bid to lease or purchase a property avoiding partiality or bias.

However there are a number of occasions where it may be beneficial for the Council to offer direct negotiations with a special purchaser without resort to marketing. These are set out in SCC's Disposal Framework adopted in 2013. The definition of special purchaser includes:

- A sitting tenant or other party already having a proprietary interest in land
- A developer with a major investment project
- An adjoining landowner
- A developer offering a public/private partnership with a special focus on the land/property in question
- A developer offering open book terms

SIPL potentially meets a number of these definitions having entered into negotiations for a lease of the community stadium and with significant resources to invest in partnership with LPL and SCC.

### 10.3 **Disposals by Private Treaty**

It is intended that any disposals to SIPL will be undertaken via Private Treaty in line with the policy set out in SCC Disposal Framework 2013.

Under the terms of the Disposal Framework, Purchasers should be given a period of exclusive negotiating rights to seek planning consent or other necessary approvals. If negotiations with a prospective purchaser reach a mutually acceptable conclusion the position will be deemed to be exclusive subject to the requirements to achieve best consideration and the incidence of any unsolicited offers for the property.

If negotiations have not been finalised by the expiry of an agreed period, the agreement will end unless there is a specific reason for an extension of time.

### 10.4 **Unsolicited Offers**

In accordance with the requirement to obtain best consideration and associated case law, the Council is obliged to consider any unsolicited offer received for a surplus property for which a prospective purchase has been identified and Legal Services instructed up to the point of legal commitment to sale.

## 11. ALTERNATIVE OPTIONS CONSIDERED

11.1 The main broad alternative options for the strategic direction of OLP are as follows:

Option	Analysis
SCC to withdraw from LPL and cease its involvement in SOLP	This would jeopardise SOLP's success to date and represent a major loss to the city's economic fortunes. As SOLP is on Council land, this is not only not a viable option, it would also damage the Council commercially and its reputation.
Not extend SOLP and cap the project at its current geographic extent.	As set out in this report, there is the opportunity and appetite from partners and to expand the impact of SOLP by increasing its size and reach.
End LPL as a stand-alone company and delivery of SOLP in house	As set out in this report, this would not generate a significant saving to the Council as dedicated delivery capacity would still be needed, but it would risk a significant loss of momentum and effectiveness. On the understanding the LPL will involve other partners, this report recommends continuing with LPL.
Transfer land and assets to LPL	<p>This would mean SCC lose control of the decision making process. As set out in this report, it is essential that the Council seeks to recoup as much of the investment made to date in OLP as possible. LPL acting as the single point of contact for investment enquiries, but SCC retaining control of assets if felt to be the best way of achieving this.</p> <p>It is unlikely to meet the legal requirements for achieving best consideration.</p>
Pursue SOLP without an expanded set of partners	SOLP is a partnership of public and private sector bodies. No one institution could deliver the research and development, land, commercial and community elements of SOLP alone.
Do not appoint a private sector development partner	Would mean either no further expansion was likely or that the public sector would bear the up front development costs and risks.
Procure private sector development partner	<p>Would mean lengthy process, delaying future development and potentially losing the only developer who has shown interest in developing SOLP future phases.</p> <p>Would provide a competitive process if there were more bidders and allow the Council to have more control over development.</p>



## **12. REASONS FOR RECOMMENDATIONS**

- 12.1 In order to continue and expand the economic and social benefits to the city, it is recommended to confirm an expanded vision for SOLP, including retaining the special purpose vehicle LPL.
- 12.2 In order to ensure strong governance and democratic accountability, it is recommended that a Memorandum of Understanding is put in place to oversee the relationship between SCC and LPL.
- 12.3 In order to accelerate the commercial development of SOLP, it is recommended the Council negotiates with Scarborough International Property Limited as preferred development partner.

**APPENDIX 1**

*To be provided at the meeting*



**Author/Lead Officer of Report:**  
Damian Watkinson,  
Finance Manager

**Tel:** 0114 273 6831

**Report of:** *Eugene Walker*

**Report to:** *Cabinet*

**Date of Decision:** *17<sup>th</sup> July 2019*

**Subject:** *Capital Approvals for Month 02 2019/20*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		

Which Cabinet Member Portfolio does this relate to? ***Finance and Resources***

Which Scrutiny and Policy Development Committee does this relate to?  
***Overview and Scrutiny Management Committee***

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

**Purpose of Report:**

*This report provides details of proposed changes to the Capital Programme as brought forward in Month 02 2019/20.*

**Recommendations:**

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts
- Approve the acceptance of accountable body status of the grant funding detailed at Appendix 2
- Approve the making of grants to 3<sup>rd</sup> Parties as detailed at Appendix 2a

**Background Papers:**

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Tim Hardie</i>
	Legal: <i>Sarah Bennett</i>
	Equalities: No
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>Eugene Walker</i>
3	<b>Cabinet Member consulted:</b> <i>Councillor Olivia Blake Cabinet member for Finance and Resources</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> <i>Damian Watkinson</i>
	<b>Job Title:</b> <i>Finance Manager Business Partner Capital</i>
<b>Date:</b> 30/05/2019	

## **MONTH 02 2019/20 CAPITAL APPROVALS**

### **1. SUMMARY**

1.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 02 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.

1.2 Below is a summary of the number and total value of schemes in each approval category:

- 10 additions of specific projects to the capital programme creating a net increase of £19.3m;
- 8 variations creating a net decrease of £13.4m;
- 1 procurement strategy for approval with no increase to budgets

1.3 Further details of the schemes listed above can be found in Appendix 1.

### **2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

2.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

### **3. BACKGROUND**

This report is part of the monthly reporting procedure to Members on proposed changes to the Council's capital programme.

### **4. OUTCOME AND SUSTAINABILITY**

4.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

### **5. OTHER IMPLICATIONS**

#### **5.1 Finance Implications**

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendix 1 in relation to schemes to be delivered, Appendix 2 in relation to grants to be accepted and Appendix 2a in relation to grants to be issued.

## **5.2 Procurement and Contract Award Implications**

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

## **5.3 Legal Implications**

Any specific legal implications in this report are set out in Appendix 1, Appendix 2 in relation to grants to be accepted and Appendix 2a in relation to grants to be issued

## **5.4 Human Resource Implications**

There are no direct Human Resource implications for the Council.

## **5.5 Property Implications**

Any specific property implications from the proposals in this report are set out at Appendix 1.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 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.

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 7.2 To formally record changes to 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.
- 7.3 Obtain the relevant delegations to allow projects to proceed.

Scheme name / summary description		Value £'000
<b>A</b>	<b>Economic growth</b>	
	New additions	
	None	
	Variations and reasons for change	
Page 67	<b>IRR Junctions</b> <b>Scheme description</b> The Sheffield City Centre Masterplan (2013) set out to establish and grow the Riverside Business District and to bring forward the West Bar Development. The Masterplan also recommends the continued removal of general traffic travelling through the City Centre and re-directing that traffic onto the A61 Sheffield Inner Relief Road. Currently, a number of key city centre development sites around the Inner Relief Road are constrained by the lack of highway capacity. Traffic congestion and journey times in this area are increasing, particularly during peak travel hours.  The proposed project will provide additional traffic lane in each direction on the A61 Sheffield Inner Ring Road between Corporation Street and Bridge Street which all lie within the Riverside Business District. There will also be modifications in the existing junctions at Corporation Street, Gibraltar Street, Bridgehouses and Derek Dooley Way which will improve the efficiency of the operation of the junctions between Corporation Street and Savile street. These will provide increased capacity for planned city centre regeneration particularly in the Riverside Business District.  <b>What has changed?</b> To correct the Local Transport Plan funding allocation due to a calculation error in the previous approval. The budget reduction is £96k.  <b>Variation type: -</b> <ul style="list-style-type: none"> <li>[budget decrease]</li> </ul>	-68 19-20 -28 20-21
	<b>Funding</b>	Local Transport Plan
	<b>Procurement</b>	N / A
<b>B</b>	<b>Transport</b>	

New additions																																																		
Page 68	<p><b>Clean Bus Technology Phase 2</b></p> <p><b>Why do we need the project?</b></p> <p>The Government’s Joint Air Quality Unit has previously awarded the Council £1,947k through the Clean Bus Technology Fund to improve the emissions of Sheffield buses in order to improve Sheffield air quality. The funding is being used to retrofit 123 buses with Selective Catalytic Reduction Technology (SCRT) which will reduce emissions of buses selected for having frequent services on routes with high pollution.</p> <p>In March 2019, a further £3m was awarded to Sheffield City Council to increase the number of buses by 160 (283 in total) to be retrofitted with the Selective Catalytic Reduction Technology.</p> <p>The buses are selected on the basis they operate on high frequency services in Sheffield on routes where air quality levels set out by the EU are being breached.</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Phase 1</th> <th colspan="2">Phase 2</th> <th colspan="2">Total</th> </tr> <tr> <th></th> <th>No of Buses</th> <th>Cost</th> <th>No of Buses</th> <th>Cost</th> <th>No of Buses</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>First</td> <td>93</td> <td>1,510,000</td> <td>60</td> <td>1,200,000</td> <td>153</td> <td>2,710,000</td> </tr> <tr> <td>Stagecoach</td> <td>30</td> <td>436,800</td> <td>85</td> <td>1,530,000</td> <td>115</td> <td>1,966,800</td> </tr> <tr> <td>TBC</td> <td></td> <td></td> <td>15</td> <td>270,000</td> <td>15</td> <td>270,000</td> </tr> <tr> <td></td> <td>123</td> <td>1,946,800</td> <td>160</td> <td>3,000,000</td> <td>283</td> <td>4,946,800</td> </tr> </tbody> </table> <p><b>How are we going to achieve it?</b></p> <p>The procurement and re-fit will be undertaken by the bus operators, First South Yorkshire and Stagecoach Yorkshire.</p> <p>Signed agreements will be in place with bus operators defining the terms and reporting requirements of the grant and the Council will retrospectively ‘passport’ the grant to the two bus companies on production of proof of completed works.(See grants for issue section)</p> <p><b>What are the benefits?</b></p> <p>Reduction in NOx emissions in line with Euro VI which will align with the standard required for buses operating in the ‘Clean Air Zone’.</p> <p><b>When will the project be completed?</b></p> <p>September 2020</p>								Phase 1		Phase 2		Total			No of Buses	Cost	No of Buses	Cost	No of Buses	Cost	First	93	1,510,000	60	1,200,000	153	2,710,000	Stagecoach	30	436,800	85	1,530,000	115	1,966,800	TBC			15	270,000	15	270,000		123	1,946,800	160	3,000,000	283	4,946,800	3,000
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		123	1,946,800	160	3,000,000	283	4,946,800																																											
	<b>Funding Source</b>	DFT Clean Bus technology Fund	<b>Amount</b>	3,000k	<b>Status</b>	Ring fenced for transport projects	<b>Approved</b>	Grant approved March 2019																																										



	<b>Procurement</b>	N / A, funding will be passed to eligible bus operators.						
Page 69	<b>Cycle Crossing Portobello</b>							703.6
	<b>Why do we need the project?</b>							
	<p>Provision of a strong cycling and walking network is a key part of the Transport Strategy.</p> <p>Sheffield City Council have been awarded £2m through the Transforming Cities Fund tranche 1 (TCF) to invest in schemes that promote active travel (cycling and walking) to enable people to access jobs, education etc. through greener and healthier forms of travel. (See Appendix 2 for details of the grant offer)</p> <p>In February 2019, due to restrictive timescales, Cabinet approved the feasibility of three schemes planned to be funded from TCF Tranche 1 pending a successful bid. This project was one of those schemes.</p> <p>The Portobello cycle route links University of Sheffield and the western suburbs to the Heart of the City. One section of this was completed as part of the University of Sheffield Masterplan.</p>							
	<b>How are we going to achieve it?</b>							
<p>The aim of this project is to provide two further sections of the route by delivering two new cycle crossings at the junctions of West Street / Holly street and Mappin Street. The detailed design stage is to commence.</p> <p>The cost of the works is estimated at £700k funded from TCF plus £3.6k commuted sum. Currently it is not understood if the Commuted Sum can be funded from TCF and until this becomes clear, the commuted sum will be underwritten by Local Transport Plan (LTP)</p>								
<b>What are the benefits?</b>								
<ul style="list-style-type: none"> <li>• Completed cycling route</li> <li>• Reduced congestion on the network</li> <li>• Improved health and well being</li> </ul>								
<b>When will the project be completed?</b>								
31/03/2020								
<b>Funding Source</b>	Transforming Cities Fund (TCF)	<b>Amount</b>	703.6k	<b>Status</b>	Funding Agreement received – See grants for acceptance Appendix 2	<b>Approved</b>	Funding Agreement received	
<b>Procurement</b>		Direct award to Amey Hallam Highways Ltd. under Schedule 7 of the Streets Ahead PFI contract using the competitively tendered non-core rates set out within the contract.						
<b>City Centre West Cycle Route</b>							850	

**Why do we need the project?**

Provision of a strong cycling and walking network is a key part of the Transport Strategy.

Sheffield City Council have been awarded £2m through the Transforming Cities Fund tranche 1 (TCF) to invest in schemes that promote active travel (cycling and walking) to enable people to access jobs, education etc. through greener and healthier forms of travel. (See Appendix 2 for details of the grant offer)

In February 2019, due to restrictive timescales, Cabinet approved the feasibility of three schemes planned to be funded from TCF Tranche 1 pending a successful bid. This project was one of those schemes.

The City Centre West Cycle Route links suburbs in the West and Hallam University campus to the Heart of the City. Two sections have been completed to date – the area around Charter Row and a section in Broomhall.

**How are we going to achieve it?**

The aim of the project is to form the link between the existing sections creating a complete link.

Detailed design works will be undertaken with the proposed works including the construction of interventions on Wellington Street, Fitzwilliam Street, Broom Green and Hanover Way. This will improve junctions and crossing points, provide segregated cycle tracks and include minor improvements to public realm.

The cost of the works is estimated at £802k funded from TCF plus £48k commuted sum. Currently it is not understood if the Commuted Sum can be funded from TCF and until this becomes clear, the commuted sum will be underwritten by Local Transport Plan (LTP).

**What are the benefits?**

- Completed cycling route
- Reduced congestion on the network
- Improved health and well being

**When will the project be completed?**

31/03/2020

<b>Funding Source</b>	Transforming Cities Fund (TCF)	<b>Amount</b>	850k	<b>Status</b>	Funding Agreement received – See grants for acceptance Appendix 2	<b>Approved</b>	Funding Agreement received
<b>Procurement</b>		Direct award to Amey Hallam Highways Ltd. under Schedule 7 of the Streets Ahead PFI contract using the competitively tendered non-core rates set out within the contract.					

Variations and reasons for change

**Cycle Support Infrastructure**

**Scheme description**

The overall aim of this project is encourage and increase cycling across the city by providing supporting infrastructure with the additional benefits of improving air quality and congestion.

Following detailed design, the project is now due to progress to delivery with a project completion date of January 2020. The works to be delivered as part of this project are:-

Cycle Stands	6	New: Burton Road, Glossop Road, Crookes, Abbeydale Road, Union Street, Wellington Street Removal: Fitzwilliam Street
Counters	8	Broomhall Road, Shoreham Street, Sunnybank, Little Don Link – Deepcar, Cemetery Road 3 locations to be confirmed
Pumps	2	Hillsborough Park & Concord Park
Signal Improvements	2	Commercial Street / Park Square & Shoreham Street
Signing		Removal of 6 signs & the installation of 3 new signs
Barriers	5	Club Mill Road (2), Prince of Wales Road, Mosborough Parkway(2)

**What has changed**

The overall cost of the project is £56k and is fully funded from Local Transport Plan (LTP). The 2019-20 budget has been increased by £24k to enable delivery.

**Variation type: -**

- [budget increase]

**Funding**

Local Transport Plan

	<p><b>Procurement</b></p>	<p>As previously approved:</p> <p>Supply and installation of counters will be procured by competitive quotations, using local contractors where possible.</p> <p>Supply of pumps will be by competitive quotations.</p> <p>Supply &amp; installation of stands and signage and the installation of pumps will be via direct award to Amey Hallam Highways under the Streets Ahead PFI.</p> <p>Signal adjustment to be undertaken internally by Urban Traffic Control.</p> <p>Cost management by Amey Hallam Highways and SCC's Highways Management Division</p>	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 72</p>	<p><b>School Keep Clear Review</b></p> <p><b>Scheme description</b></p> <p>This project is part of the Council's Danger Reduction programme. This is a citywide strategy which concentrates on reducing perceived danger on the roads in the City. This project in particular focuses on reviewing the parking restrictions at all schools in the City and is being delivered in phases.</p> <p>This project has been a rolling programme of the review of the 'School Keep Clear' road markings at all the school entrances in Sheffield to determine interventions (signing and parking restrictions) required to allow legal enforcement by the parking services team.</p> <p><b>What has changed?</b></p> <p>The scheme is in the final stages of completion and following a snagging review, additional / minor snagging works have been identified at 17 schools. As a result, £27k of Local Transport Plan (LTP) funding has been added to the budget for 2019-20.</p> <p>The additional works will increase the commuted sum value by £3k</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• [budget increase]</li> </ul>		<p>27</p>
	<p><b>Funding</b></p>	<p>Local Transport Plan</p>	
	<p><b>Procurement</b></p>	<p>As previously approved</p>	
	<p><b>PROW 2019-20</b></p> <p><b>Scheme description</b></p>		<p>0</p>

Page 73	<p>The Council has a statutory responsibility for the maintenance and improvement of an extensive public rights of way (PROW) network. PROWs provide a vital part of the city’s overall transport network, with many paths being within or on the edge of the more urban part of the city. They provide our citizens with a sustainable and healthy means of access to work, education, training and provide health and leisure opportunities. PROW’s make a valuable contribution to the Council’s overall policies</p> <p><b>What has changed?</b></p> <p>The annual enhancement and maintenance programme will now be procured via the corporate non-highways resurfacing measured term contract. This will deliver best value on both procurement and performance.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>[procurement]</li> </ul>		
	<p><b>Funding</b></p>	<p>LTP STAF</p>	
	<p><b>Procurement</b></p>	<p>Call-off via the non-highways measured term contract.</p>	
<b>Quality of life</b>			
New additions			
	<p><b>Upperthorpe Healthy Living Centre</b></p> <p><b>Why do we need the project?</b></p> <p>The Upperthorpe Health Living Centre (also known as Zest Centre) helps to support physical activity in Sheffield, with a particular focus on inactive communities. The Zest centre also delivers a range of activity aimed at improving health and wellbeing and reducing health inequalities.</p> <p><i>Problem to address</i></p> <p>The costs of repairs and maintenance of the Upperthorpe Health Living Centre is putting increasing pressure on Netherthorpe and Upperthorpe Community Alliance (Zest). In December 2017 Cabinet agreed that the proceeds of sale from 54-56 Upperthorpe Road should be reinvested into the Upperthorpe Health Living Centre as the surrender of the lease interest on this property by Zest facilitated the disposal. A capital business case for the use of these funds has now been produced by Zest. Zest is a nationally recognised community development trust.</p> <p>SCC has a recurrent grant funding agreement with the Upperthorpe Health Living Centre Trust (the “UHLC Trust”) and provides the UHLC Trust a grant of £80k p.a. to contribute towards the operation of the swimming pool and gym areas within the Zest centre. Both SCC and the UHLC Trust have agreed to bring savings and reduce the SCC revenue subsidy over the coming 3 years on the basis that the capital grant will allow improvements to be made that provide a revenue income.</p>		118

Zest has produced a Business Plan for the Zest centre, which gives a good overview of potential areas for Capital Investment. Progress of identified options will be dependent on the ability to bring in match funding.

*Why address it now?*

Reinvestment of the proceeds of sale will support the future viability of the Upperthorpe Healthy Living Centre by offering match funding to other potential investment pots. This will enable Zest to develop and deliver services in order to maximise income and in turn reduce their reliance on SCC revenue support.

The existing revenue grant funding agreement between SCC and UHLC Trust runs indefinitely unless and until either party terminates it and arguably it assumes ongoing commitment of revenue subsidy from SCC. However, both SCC and the UHLC Trust have worked in partnership and agreed to reduce the amount of revenue subsidy from SCC. The UHLC Trust will continue a full operational review to identify areas of where saving can be made.

*Implications of not doing it now?*

Without reinvestment Zest will continue to struggle to finance the maintenance requirements of the Upperthorpe Healthy Living Centre and will struggle to deliver the agreed revenue savings over the next three years.

SCC will continue heavily subsidising the operation of the Zest centre each year and that is not in line with SCC's saving plans.

**How are we going to achieve it?**

The agreed reinvestment of capital receipts will be ring-fenced and be used to deliver improvements to the Upperthorpe Health Living Centre. Any funded improvements must either:

- a) Improve the fabric of the building or
- b) Support the Trust in generating income to support the ongoing sustainability of the Upperthorpe Healthy Living Centre.

Payments to Zest from the budget will be supported by a Business Case from them, signed off by the Director of Culture and Environment as Project Sponsor.

With regards to the revenue subsidy, both SCC and the UHLC Trust will enter into a new grant funding agreement ("the New Funding Agreement"). The New Funding Agreement will replace the existing one which was signed in 2002 and was outdated. It is proposed that the New Funding Agreement will be in a 10-year contract term and that after the financial year of 2021/22, SCC will only provide revenue subsidy subject to SCC's further review and approval.

**What are the benefits?**

*Objectives*

- Deliver a package of capital improvement work to the Upperthorpe Healthy Living Centre which will enhance the quality of the facility for the benefit of all users
- Reduce the SCC revenue subsidy as follows:
  - 2019/20 – no saving, grant remains at £80k to allow time for implementation of capital work and further development of savings proposals

- o 2020/21 – £25k saving, annual grant reduces to £55k per annum
- o 2021/22 - £25k saving, grant reduces to £30k per annum

*Outputs*

- Capital improvement works to the Upperthorpe Healthy Living Centre improving the overall viability of the facility and support the reduction in revenue grant
- Improve the overall fabric of the building and enhance the opportunity for the Centre to generate additional income

*Benefits*

- Investment in the Upperthorpe Health Living Centre
- Improved facilities for users
- Contributing to the health and wellbeing of the community by keeping the Centre open and well maintained
- Reduced reliance on SCC revenue subsidy and the budget savings made as a result of the above proposal will be reinvested into the other Public Health activity that has previously been funded by SCC’s core revenue budget

**When will the project be completed?**

31st March 2021

The New Funding Agreement is proposed to be in a 10-year contract term from its commencement date but this is subject to the final agreement between SCC and the UHLC Trust.

**Costs**

Total of £118K to be invested in the Healthy Living Centre.

Payments to Zest will depend on approved Capital Grant Business Cases so the best estimate at the moment is:

2019/20 £29K  
2020/21 £89K

The SCC revenue subsidy will be as follows:

- o 2019/20 – no saving, grant remains at £80k to allow time for implementation of capital work and further development of savings proposals
- o 2020/21 – £25k saving, annual grant reduces to £55k per annum
- o 2021/22 - £25k saving, grant reduces to £30k per annum

**Funding**

The funding of the £118K will be the Capital Receipts from the sale of 54-56 Upperthorpe Road

The revenue subsidy (total £165K) will be funded from the Place Public Health Budget.

<b>Funding Source</b>	Capital Receipts	<b>Amount</b>	118K	<b>Status</b>	Held on Balance Sheet	<b>Approved</b>	Cabinet Dec17
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	<b>Procurement</b>	N / A, capital contributions will be made to UHLC Trust/Zest who will procure works according to the standards outlined within the New Funding Agreement. See appendix 2a	
	Variations and reasons for change		
	None		
<b>D</b>	<b>Green and open spaces</b>		
	New additions		
	None		
	Variations and reasons for change		
Page 76	<b>Rethinking Parson Cross Phase 3</b>		70
	<p><b>Scheme description</b></p> <p>Parson Cross District Park is an area of Council-owned green space in Parson Cross that currently suffers from a lack of visibility, is much underused and has poor connections with the surrounding neighbourhood. In addition, it is in an area of health inequality.</p> <p><b>What has changed?</b></p> <p>SCC Parks &amp; Countryside has developed a masterplan for the Park. Phase 1 delivered playground improvements and a new footpath link, Phase 2 has delivered a North South footpath link and new gate to improve access to the sustainable urban drainage scheme (SUDS).</p> <p>Phase 3 is now being progressed which will deliver an improved skate area and all wheels facility aiming to increase the active use of Parson Cross Park by children, young people and adults. The investment in improving the skate area has been agreed with the community who during consultation were more interested in this than making improvements to the ball court area.</p> <p>The scope and funding for all the phases of the project were approved in September 2017 but the budget has only been added to the Capital Programme as each phase has come forward. This is therefore a £70K increase in the Capital Programme but not a change of scope for the project, funded by allocated/approved Public Health funding.</p> <p><b>Variation type:</b> - Budget Increase</p> <p><b>Budget</b> Feasibility £5K Phase 1 £62K Phase 2 £55K</p>		



	<p>Phase 3 £70K Total £192K</p> <p>Previous Years £121K Current 19/20 budget £1K + Phase 3 £70K = £71K Total £192K</p> <p><b>Funding:</b> S106 £92K Public Health £100K</p>		
Page 77	<p><b>Funding</b></p>	<p>Public Health – remaining part of the £100K allocation (£30K was used on Phase 2)</p>	
	<p><b>Procurement</b></p>	<p>i. A single stage, cost-led, design and build contract via competitive tender procedure with suitability assessment for the design and construction of the new skate area.</p> <p>ii. Signage will be managed by SCC’s Communications team.</p>	
	<p><b>Sheffield Lakeland – Woodland Heart</b></p> <p><b>Scheme description</b></p> <p>The Woodland Heart project (the capital element) is to move our forestry estate away from purely commercial forestry toward sustainable woodlands with heritage, leisure and ecosystems.</p> <p><b>What has changed?</b></p> <p>The extraction track built at More Hall as part of Phase 1 was badly affected by weather conditions and now requires re-instatement. The original budget for the track was £34K and it has cost £27K to date leaving £7K available. The contractor has quoted for the re-instatement and the cost is £22K meaning a further £15K is required to complete the track.</p> <p>It is proposed that this extra cost is covered by the investment of additional timber income which the Project Manager has secured because the current price of timber is higher than estimated at Final Business Case stage, therefore leaving the rest of the capital budget intact. The Place Revenue Business Partner have checked the figures and approved the additional contribution from timber income.</p> <p><b>Variation type:</b> - Budget Increase</p> <p>As the budget was increased by £19K last month in order to pay the Steel Valley Project the S106 promised, this further addition of £15K means total variations are now £34K and so require full approval</p> <p><b>Budget</b></p> <p>Current Total Budget £169K + £15K = £184K Funded by £80K HLF + £85K RCC + £19K S106</p>		15

	<b>Funding</b>	Additional Timber Sales RCC	
	<b>Procurement</b>	As per original approval	
<b>E</b>	<b>Housing growth</b>		
	New additions		
Page 78	<b>Daresbury View, Berners Road and Gaunt Road New Build Council Housing</b>		14,200
	<p><b>Why do we need the project?</b></p> <p><i>Problem we are trying to address</i> Sheffield is investing in regeneration and growth and the population is increasing as a result. In order to support the vision for Sheffield and the growing population there is a significant demand for new and varied types of housing.</p> <p>Sheffield City Council (SCC) has an ambitious and challenging Housing Growth agenda with the need to deliver an emerging ambition for 3,000 new council properties over the next 10 years.</p> <p>A Master Programme has been developed based on Strategic Housing Land Assessment and other data sources. This exercise generated a short list of sites owned by SCC which appeared to be appropriate for council housing development.</p> <p>Further feasibility work has been carried out on all sites and 3 of these have been identified as ready to progress to the next stage of procurement. These are Daresbury View, Berners Road, and Gaunt Road.</p> <p><b>Why address it now?</b> To address the current shortage in SCC housing stock and deliver the approved Stock Increase Programme in line with the HRA Business Plan.</p> <p><b>Implications of not doing it now</b> In February 2015 the Council approved the revised Housing Growth Business Plan including a mixed programme of new build to renew the Council's housing stock. Without this project SCC will not deliver the housing units to meet officer and member commitments regarding increased capacity within the city.</p> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Masterplans to be produced for each site, identifying a house type mix required in the specific area. Option of mix of house types to be presented</li> </ul>		

for approval

- Options for each site to be agreed before progression to procurement stage
- Tender documents to be produced for each site to be used for price contract negotiation with directly appointed Contractor selected under YORbuild Lot 7 Rotation
- Price to be negotiated with Contractor for each site and delivery programme agreed
- Agreed scheme price for each site to be the subject of approval before contract to commence

**What are the benefits?**

*Outputs*

The project will deliver new council housing, as part of the Stock Increase Programme, on the following 3 sites:

- Daresbury – Daresbury View (Option B), Arbourthorne x 10 units
- Berners – Berners Road and Berners Place, Arbourthorne x 63 units
- Gaunt – Gaunt Road, Gleadless Valley x 19 units

*Benefits*

- Contribution to replenishing the Council's housing stock, which is essential to the health of the self-financing HRA Business Plan and to the provision of the affordable housing that the city needs, as is the aim of the Stock Increase Programme.
- Deliver approximately 92nr new affordable homes in the City
- Regenerate three vacant sites in SCC ownership
- Approximately £14m of additional economic activity
- Provide types of social housing to meet current needs
- Better quality social housing (e.g. higher standards of insulation)

**When will the project be completed?**

- Daresbury – December 2020
- Berners – December 2021
- Gaunt – March 2021

<b>Costs:</b>	<b>Daresbury</b>	<b>Berners</b>	<b>Gaunt</b>
Construction	£1,344K	£7,452K	£4,023K
Contingency	£67K	£339K	£235K
Client	£10K	£45K	£17K
Fees	£73K	£385K	£210K
<b>TOTAL</b>	<b>£1,494K</b>	<b>£8,221K</b>	<b>£4,485K</b>

**Total Scheme £14,200K**

Page 80	<p><b>Budget:</b>                  2019/20 £659K                  2020/21 £10,347K                  2021/22 £3,164K                  2022/23 £30K                  TOTAL £14,200K</p> <p><b>Funding:</b>                  The cost estimates have been assumed based on an amount of Homes England grant for each site, which means 1-4-1 receipts can't be used at this time in case this grant is awarded.</p> <p>If the grant is awarded this will be added to the funding at FBC stage.                  If not 1-4-1 receipts funding will be introduced at FBC stage.</p>							
	<b>Funding Source</b>	HRA	<b>Amount</b>	£14,200K	<b>Status</b>	Approved	<b>Approved</b>	Housing Growth PG June19
	<b>Procurement</b>	Appointment by rotation via the YORbuild2 framework.						
Variations								
<p><b>Council Housing Stock Increase Programme Block Allocation</b></p> <p><b>Scheme description</b>                  Block allocation of HRA funds for New Build schemes.</p> <p><b>What has changed?</b>                  A project has been brought forward for New Build schemes at Daresbury View, Berners Road and Gaunt Road. The funding for these schemes is to be drawn down from this allocation</p> <p><b>Variation type:</b> - budget decrease on block allocation but no change to the overall programme</p> <p><b>Budget:</b>                  Current 19/20 Budget £768K - £659K = £109K                  Current 20/21 Budget £14,216K - £10,347K = £3,869K                  Current 21/22 Budget £15,089K - £3,164K = £11,925K                  Current 22/23 Budget £10,355K - £30K = £10,325K                  Current Total Budget £40,428K - £14,200K = £26,228K</p>							-14,200	

	N.B. the funding will be HRA only at this stage as a Homes England grant will be applied for, but the remaining budget allocation will still be split between HRA and 1-4-1 funding.		
	<b>Funding</b>	HRA	
	<b>Procurement</b>	N / A	
<b>F</b>	<b>Housing investment</b>		
	New additions		
	<b>None</b>		100
<b>Page 81</b>	Variations and reasons for change		
	<b>Temporary Accommodation – 250 Barnsley Road</b>		314
	<b>Scheme description</b>		
	<p>Following a review of temporary emergency accommodation in 2017, a proposal to develop a new purpose built facility that will integrate provision for all customer groups with assessment as well as accommodation services has been approved, but this facility will not become available until 2021. An interim solution is therefore required to meet current need in the city.</p> <p>The plan is to convert 250 Barnsley Road to provide up to 13, short term, (2-3 nights) emergency homeless places, including 2 accessible rooms, on an interim basis until the permanent solution is in place. This facility is required to have a 3-5 year life expectancy, with adaptability to be subsequently used for care leavers beyond this timescale.</p>		
	<b>What has changed?</b>		
	<p>Now the feasibility has been completed, what can be provided in that building and the potential cost is known. The original objectives were:</p> <ul style="list-style-type: none"> <li>To provide 10 – 12, short term, (2-3 nights) emergency homeless places on an interim basis until a permanent solution is in place</li> <li>To provide temporary / interim accommodation over a 3-5 year period, with adaptability to accommodate care leavers once a purpose built facility becomes available</li> </ul> <p>Following the feasibility the objectives are now:</p> <ul style="list-style-type: none"> <li>To provide up to 11 short term, (2-3 nights) emergency homeless places on an interim basis, including 2 accessible rooms, until a permanent</li> </ul>		

<p>solution is in place</p> <ul style="list-style-type: none"> <li>To provide temporary / interim accommodation over a 3-5 year period, with adaptability to be utilised as another form of supported housing once a purpose built facility becomes available</li> </ul> <p>Full budget approval now required to allow the scheme to be procured.</p> <p><b>Variation type:</b> - budget increase</p> <p><b>Budget:</b> Actuals 18/19 £1K Current 19/20 Budget £28.0K + £314K = £342K Current Total Budget £29.0K + £314K = £343K</p> <p><b>Costs:</b> Surveys £1K Construction £255K Contingency £20K Fees £67K Total £343K</p>		
<p><b>Funding</b></p>	<p>HRA</p>	
<p><b>Procurement</b></p>	<p>Closed competitive tender procedure inviting Sheffield based contractors to tender.</p>	
<p><b>H &amp; S Essential Work Block Allocation</b></p> <p><b>Scheme description</b></p> <p>HRA funds held for allocation to schemes that deal with essential works to meet Health and Safety standards in Council dwellings.</p> <p><b>What has changed?</b></p> <p>HRA funding has now been agreed for the continuation of the Barnsley Road Temporary Accommodation project (see above), which therefore needs drawing down from the allocation</p> <p><b>Variation type:</b> - budget decrease</p> <p><b>Budget:</b></p>	<p>-314</p>	

	Current 19/20 Budget £2,208K - £314K = £1,894K			
	<table border="1"> <tr> <td data-bbox="159 268 311 331"><b>Funding</b></td> <td data-bbox="311 268 1989 331">HRA</td> </tr> </table>	<b>Funding</b>	HRA	
<b>Funding</b>	HRA			
	<table border="1"> <tr> <td data-bbox="159 331 544 395"><b>Procurement</b></td> <td data-bbox="544 331 1989 395">N / A</td> </tr> </table>	<b>Procurement</b>	N / A	
<b>Procurement</b>	N / A			
<b>G</b>	<b>People – capital and growth</b>			
	New additions			
Page 83	<p><b>Aldine House - 2 Bed Extension &amp; MUGA (preconstruction phase only - £134.5k)</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>Aldine House Secure Children’s Home (SCH) is a Local authority run provision, one of only 14 SCH’s in England.</li> <li>It is in a very secure position, having recently won a new contract for 5 of our 10 beds and having achieved 100% occupancy over the past few years. There is currently an increased demand for beds leading to a saturation of the Welfare bed market. The DfE has ring fenced grant fund which SCH’s can bid for each year to ensure they can progress, develop and add value moving forward. A bid for a total amount of £2,471,500 to deliver 2 additional beds and improved facilities has recently been successful.</li> <li>The project will improve Aldine House’s attractiveness and future survival by capitalising on economies of scale and the current high demand for secure beds by adding a two bed extension (feasibility project). There will also be additional outdoor and vocational space for the young people.</li> </ul> <p><b>What are the implications of not doing it now?</b></p> <ul style="list-style-type: none"> <li>If this work is not completed Aldine House will continue to operate on its existing business plan but will miss the opportunity of strengthening this and robustly safeguarding its future. The opportunity to add additional specialisms into the care and education offers will be missed and the young people at Aldine House will receive a less varied curriculum than elsewhere in the estate.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Two storey office &amp; meeting room extension; External play area and garden space; Provision of a remotely controlled entrance barrier; Extended services to accommodate the new facilities – Relocation of CCTV server, new standby generator, new mains panel, new incoming electrical supply.</li> <li>Single storey extension providing two additional bedrooms, class / multipurpose area, breakout space and staff office; Tarmac surfacing to service the rear extension, and provision of extra parking spaces.</li> </ul> <p><b>What are the benefits?</b></p>	134.5		

- Objectives:
  - Aldine House is safeguarded. Aldine House continues to be future proofed and keeps pace with newer SCH's in the county to ensure that the service remains competitive and efficient. Sheffield retains one of only 14 Secure Children's homes in the country.
  - Good use of available funds. Efficient use of grant funding which will increase Aldine's annual revenue.
  - Good publicity for Sheffield. Aldine House is acting upon OFSTED recommendations in relation to the vocational space which will hopefully enable the service to maintain if not improve upon the good ratings it has had in recent years.
  - Job security. Aldine House seeks to enhance the service it offers to ensure it remains a highly sought after specialist placement, thus ensuring confidence from the Ministry of Justice, Department for Education and OFSTED. This in turn ensures competitiveness at future rounds of national commissioning and good performance during monitoring and inspection.
  - Public Protection. The new build will eliminate the need for the perimeter fence, thus improving the security of Aldine House which in essence provides two crucial services; safeguarding vulnerable children and public protection.
  - Improved outcomes for young people due to additional outside recreational space and an increased vocational offer and increased engagement in learning within the home.
  - Increased competitiveness of Aldine House in keeping pace with other SCH's and ensuring safeguarding the long term future of a critical local authority service.
  - The works are part of a larger ongoing refurbishment and innovation theme that the Service is committed to pushing forward in order to ensure long term survival by future proofing the building and keeping it fit for purpose.
  - All projects within this report will be sustainable long term and will add only minor maintenance fees (largely absorbed within current maintenance contracts).
- Outputs:
  - The provision of a single storey extension between the existing 3 bedroom wing and sports hall to enclose the existing play area to the south as suggested by the management at Aldine House. The extension will create two further bedrooms on the lower ground floor together with an additional class/multipurpose room, breakout space and staff office.
  - The "infilling" of the existing external south west recessed corner of the building adjacent to main foyer to create two floors of meeting and office space.
  - The provision of additional secure external play area and garden space to the north of the building on the existing grassed area and secure link to the existing building.
  - Provision of a remotely controlled entrance barrier to prevent vehicular access beyond the entrance road.
  - The construction of tarmac surfacing to service the rear extension, and provision of extra parking spaces.
  - Extended services to accommodate the new facilities – Relocation of CCTV server, new standby generator, new mains panel, new incoming electrical supply
- Benefits:
  - Income generation



Page 85	<ul style="list-style-type: none"> <li>○ Increased offer of vocational courses</li> <li>○ Better resourced staff</li> </ul> <p><b>THE APPROVAL CURRENTLY REQUESTED IS £134.5k FOR PRE CONSTRUCTION DEVELOPMENT WORKS ONLY</b></p> <p><b>When will the project be completed?</b></p> <ul style="list-style-type: none"> <li>• December 2020 (full project expected completion date).</li> <li>• The grant must be spent in full by 31 March 2021.</li> </ul>								
	<b>Funding Source</b>	DfE Secure Homes Grant (100% funding)	<b>Amount</b>	£134,500 (total Grant:£2,471,500)	<b>Status</b>	Grant accepted – Individual Cabinet Member Decision	<b>Approved</b>	May 2019	
	<b>Procurement</b>		Feasibility work will be delivered in-house by the Capital Delivery Service and the Capital Service Delivery Partner where required.						
	<p><b>Aldine House - Education &amp; Office Space</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>• Aldine House is still a relatively modern building, with an excellent reputation with key stakeholders. Now is the right time to invest and ensure the building remains well maintained and resourced to ensure a strong marketability and low risk when moving forward to future rounds of commissioning.</li> <li>• In addition to the major grant secured above a further award has been made of £38.3k to improve staff and young persons’ personal space and improve educational facilities.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>• Remodel the library and make further improvements to other areas. Purchase educational equipment as Aldine house investigates the creation of further vocational areas we are keen to increase the offer and add ceramics into the existing workshop set up.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Outputs:                             <ul style="list-style-type: none"> <li>○ The home will offer two additional usable work stations for staff.</li> <li>○ The home will offer a new intervention area for young people and staff.</li> <li>○ The home will boast a modern and consistently high quality education department.</li> <li>○ The curriculum offer will be improved.</li> </ul> </li> <li>• Benefits:</li> </ul>							38.3	

- **Education Refurbishment:** While Aldine House continues to investigate and carry out feasibility into further expansion to deliver better variety and specialism to its young people, there are current far less costly options to aid this in the short to medium term. Currently several areas of the Education department require some work to bring them in line with the newly constructed and newly refurbished areas.  
The above will improve the consistency and quality of the day to day experience within education, and allow young people to take part in an increased curriculum offer. Behaviour management will be improved as more usable breakout space will be created and better security around controlled items and less movement between locations from teaching staff will be required improving supervision and therefore safety.
- **Staff and Office Space:** The medical room on the ground floor will no longer be required as a new space has been built as part of the 2 bedroom extension project (above). This area will be refurbed and equipped to house 2 members of staff. In addition to this, the office on the 5 bed corridor is not used as it is not in the ideal position to use as office space. It will be used as break out / intervention space for young people and be fully decorated and furnished appropriately.
- This project will improve staff efficiency by improving access to work stations and also provide an intervention space on the 5 bed corridor rather than taking up a living space.

**When will the project be completed?**

- It is anticipated that the refurbishment will be complete and the equipment and furniture will be delivered by October 2019.
- The grant must be spent in full by 31 March 2020.

<b>Funding Source</b>	Two DfE Secure Homes Grants (100% funding)	<b>Amount</b>	£38,294	<b>Status</b>	Grant accepted – Delegated to Director	<b>Approved</b>	May 2019
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<b>Procurement</b>	<ul style="list-style-type: none"> <li>i. Supply of goods and equipment via direct call-offs from existing corporate contracts and/or competitive quotes.</li> <li>ii. Refurbishment works via closed competitive tender procedure inviting local contractors to tender.</li> <li>iii. Supply of cameras via the existing corporate contract with Open View.</li> </ul>
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**Adaptations Schools**

**Why do we need the project?**

- Adaptations – physical alterations to school buildings to allow access to a pupil or pupils with particular requirements as recommended via SEN (Special Education Needs) and Occupational Therapists. Funding held as a “contingency allocation” of £50k pending receipt of said recommendations.
- Implications of not doing it now:  
If unable to adapt buildings to provide access for pupils with particular needs, we may fail to exercise our responsibilities under the Equality Act and deny a parental choice to enrol a pupil in particular school.

Page 87	<p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Hold contingency allocations sufficient to allow reactive support beyond the means of individual schools, in the areas of adaptations.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Gives greatest flexibility in ability to respond to unforeseen requirements.</li> <li>Benefit: ability to undertake building adaptations to allow access to pupils with particular requirements once such requirements are made apparent.</li> </ul> <p><b>When will the project be completed?</b> The budget is a reactive one to cover the year to 31/03/2020.</p>								
	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£50k	<b>Status</b>	Total allocation of £2,704,181 announced: received in instalments	<b>Approved</b>	DfE confirmed	
	<b>Procurement</b>		Due to the unforeseen nature of works a range of compliant procurement solutions may be used to address requirements linked to adaptation works. These are likely to include in-house delivery, closed competitive tender or variations to existing corporate contracts.						
	<p><b>Dobcroft Junior School Replacement Single Mobile Classroom Unit</b></p> <p><b>Why do we need the project?</b></p> <p>Dobcroft Junior School has had an on-going issue with the condition of a number of mobile classrooms that make up part of the overall capacity of the school. A structural survey of one of these modules recommended a number of critical repairs required to keep the classroom operational for a further period of time (one or two years), recognising that it had reached the end of its useful life. Furthermore, it was recognised that these repairs could expose further underlying issues requiring remediation The cost of replacement has been estimated at £90,000 (plus fees estimated at £15k). On balance, the most economically advantageous course of action is replacement.</p> <p><b>How are we going to achieve it?</b></p> <p>The adjacent site – Dobcroft Infant School, is having a double mobile classroom unit replaced over the summer holiday. This presents an opportunity to negotiate with the appointed contractor to vary the contract they have to include the supply and installation of the single classroom unit at the Junior site in order to achieve timescales and best value.</p> <p><b>What are the benefits?</b></p> <p>Improved school facilities Reduced maintenance liabilities.</p> <p><b>When will the project be completed?</b></p> <p>Subject to these negotiations the intention will be to deliver the provision of the mobile classrooms to both the Infant and Junior sites in parallel, and in sufficient time to be brought into use for the beginning of the Autumn Term, September 2019</p>							105	

	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£100k	<b>Status</b>	Total allocation of £2,704,181 announced: received in instalments	<b>Approved</b>	DfE confirmed		
	<b>Procurement</b>		Variation to existing contract to deliver double mobile classroom on adjacent Infant School site							
Page 88	<b>Primary School Maintenance Emergency Works</b>									
	<b>Why do we need the project?</b>									
	<ul style="list-style-type: none"> <li>Emergency Works – significant unforeseen works that exceed the value of delegated DFC (Devolved Formula Capital) grant available to any individual school. Funding held as a “contingency allocation” of £50k.</li> <li>Implications of not doing it now: If unable to respond to unforeseen failures in school building fabric, schools may have to close, interrupting delivery of the curriculum to pupils and impacting on the wider school community.</li> </ul>									
	<b>How are we going to achieve it?</b>									
<ul style="list-style-type: none"> <li>Hold contingency allocations sufficient to allow reactive support beyond the means of individual schools, in the areas of emergency works.</li> </ul>										
<b>What are the benefits?</b>										
<ul style="list-style-type: none"> <li>Gives greatest flexibility in ability to respond to unforeseen requirements.</li> <li>Benefit: ability to react to unforeseen, emergency building condition failures in a responsive manner.</li> </ul>										
<b>When will the project be completed?</b> The budget is a reactive one to cover the year to 31/03/2020.										
	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£50k	<b>Status</b>	Total allocation of £2,704,181 announced: received in instalments	<b>Approved</b>	DfE confirmed		
	<b>Procurement</b>		Due to the unforeseen nature of works a range of compliant procurement solutions may be used to address requirements of an emergency nature. These are likely to include in-house delivery, closed competitive tender or variations to existing corporate contracts.							
Variations and reasons for change										
	<b>Astrea – Sports Pitch (variation for post-feasibility works)</b>								50	
	<b>Scheme description</b>								775.8	

Astrea Academy is a new through Primary and Secondary School on the site of the old Pye Bank Primary school. However, it is a constrained site and has limited outdoor sports provision. As such additional sports pitch facilities need to be provided off-site. The near-by Stanley Fields site has been identified as the preferred site for these facilities to be provided.

**Objectives:**

- Enhance the appearance and use of Stanley field site by providing sports pitch facilities for use by the Academy and the local community
- Retain elements of the Stanley Field site for housing

**Benefits:**

- Astrea Academy will have access to improved sports facilities
- The local community will have access to improved sports facilities
- The appearance of the site at Stanley Fields will be improved

**How are we going to achieve it?**

- In-house design and project team to produce design package, planning application, tender package and contract for construction work.
- Specialist designer to be appointed during design stage to advise on pitch, lighting and fence design's.
- Highway consultation commenced to discuss traffic calming to allow safe crossing of Pitsmoor Road

**Expected completion date:**

- 10/04/2020 although the grass pitch will not be playable until the start of the September 2020 term.

**Variation type: -**

- Budget increase: Additional £775.8k requested to move to full project cost of £830.2k as post-feasibility works are commissioned.

**Funding**

DfE Basic Need Allocation £695.8k – Housing Growth Contribution £80k

**Procurement**

- i. Core construction work to be competitively tendered via YORcivil2 framework (Lot 3 South) to source suitable contractors *or* should insufficient levels of interest be received from framework contractors, procurement shall be via restricted procedure with PQQ.
- ii. Surveys & Ground Investigation by closed competitive tender via Constructionline inviting Sheffield suppliers to tender in the first instance.
- iii. Specialist Pitch Design Consultant & geotechnical engineer via the Capital Delivery Service Partner.

**Woodhouse Hub / Library (programme update only)**

0

**Why do we need the project?**

In March 2012, a Cabinet Report was approved for the proposed re-development of the Tannery Lodge site in Woodhouse. Since then, the Council has remained committed to provide a hub facility for the co-location for council services alongside Woodhouse Community Forum with an approved budget of £450k.

**Objectives:**

- Provision of a new community facility in Woodhouse
- Decommissioning of the existing Woodhouse Library building
- Disposal of the existing Woodhouse Library building
- Decant of the staff and resources to the new facility
- Fit-out of the new facility, including required ICT

**Benefits:**

- A new facility with reduced maintenance costs to the revenue budget
- Provision of a flexible use fit for purpose Hub space for the community
- Capital receipt from the disposal of the existing Woodhouse Library building to replenish the Growth Investment Fund

**How are we going to achieve it?**

- Sale of SCC land to contractor who, in return, will build the community facility to a capped construction budget (£267k).
- Agree additional construction element requirements to be paid from SCC budget.
- Procure required SCC secure ICT requirements.
- Procure Library and community facility fit-out.

**What are the benefits?**

- Outputs:
  - New build community HUB providing spaces for a volunteer-run library, community activities and workshops, office space, kitchenette and WC facilities. No new resources for the library or community group have been included in this budget.

**Expected Completion:** 17/01/2020

**What has changed?**

- Initial Business Case reflects a timing change of £267k to go to contractor for construction costs: £50k in July 2019 (within 28 days of damp proof course installation); followed by two stage payments of £108.5k each in October and December of 2019;
- £163k balance to be allocated to the fit-out the new Library Hub – to be managed by SCC Libraries department.

**Variation type:**

	<p>Note: the £450k expenditure budget is already authorised: variation clarifies construction timeline, along with fit-out and to reflect change in project sponsor to be Libraries in the People portfolio.</p>			
	<table border="1"> <tr> <td data-bbox="159 284 315 347"><b>Funding</b></td> <td data-bbox="315 284 1991 347">Capital contribution (held by SCC on behalf of the Woodhouse Community Association).</td> </tr> </table>	<b>Funding</b>	Capital contribution (held by SCC on behalf of the Woodhouse Community Association).	
<b>Funding</b>	Capital contribution (held by SCC on behalf of the Woodhouse Community Association).			
	<table border="1"> <tr> <td data-bbox="159 347 546 523"><b>Procurement</b></td> <td data-bbox="546 347 1991 523"> <p>i. The Capital Delivery Service will provide Project Management services, ICT procurement, spec development and design liaison and building decommissioning.</p> <p>ii. A negotiated procedure with Jaguar Estates will be progressed for the integration of additional build elements, fit-out and ICT infrastructure.</p> </td> </tr> </table>	<b>Procurement</b>	<p>i. The Capital Delivery Service will provide Project Management services, ICT procurement, spec development and design liaison and building decommissioning.</p> <p>ii. A negotiated procedure with Jaguar Estates will be progressed for the integration of additional build elements, fit-out and ICT infrastructure.</p>	
<b>Procurement</b>	<p>i. The Capital Delivery Service will provide Project Management services, ICT procurement, spec development and design liaison and building decommissioning.</p> <p>ii. A negotiated procedure with Jaguar Estates will be progressed for the integration of additional build elements, fit-out and ICT infrastructure.</p>			
<b>H</b>	<b>Essential compliance and maintenance</b>			
	New additions			
Page 91	<p><b>Kitchen Improvements – Essential Compliance and Maintenance - 3 sites (feasibility)</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>Improvements are needed to kitchen facilities at Batemoor &amp; Jordanthorpe Community Centre, Stocksbridge Cemetery and High Green Miners Welfare sites</li> </ul> <p><b>Why do we need to address it now?</b></p> <ul style="list-style-type: none"> <li>Improve welfare facilities for council staff</li> <li>Enhance facilities in community buildings</li> </ul> <p><b>What are the implications of not doing it now?</b></p> <ul style="list-style-type: none"> <li>Welfare facilities remain inadequate</li> <li>Community buildings remain under equipped</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Due to similar nature of works, group together for procurement to maximise economies of scale and value for money to council.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Objectives: Improve kitchen facilities to each of the sites listed</li> <li>Benefits:             <ul style="list-style-type: none"> <li>Better welfare facilities for council operatives</li> </ul> </li> </ul>	7.7		

	○ Improved facilities in community buildings							
	<b>Funding Source</b>	Revenue Contribution*	<b>Amount</b>	£7,678	<b>Status</b>	* from Minor Works BU15187	<b>Approved</b>	BU Manager
	<b>Procurement</b>		Feasibility work to be delivered by the Capital Delivery Service.					
	Variations and reasons for change							
	None							
<b>I</b>	<b>Heart of the City II</b>							
	New additions							
	None							
	Variations and reasons for change							
	None							



	Scheme name / summary description of key terms	Funder	Value £'000
<b>A</b>	<b>Economic growth</b>		
	None		
<b>B</b>	<b>Transport</b>		
	<p><b>Transforming Cities Fund</b></p> <p>This Project forms part of the Transforming Cities Fund: Tranche 1 application submitted by Sheffield City Region (SCR) to the Department for Transport (DfT) in June 2018. The Project comprises of three Works packages –</p> <p>1) City Centre West Cycle Route, consisting of –</p> <ul style="list-style-type: none"> <li>• a new cycle route extending exiting facilities on Charter Row through to Hanover Way, meeting up with an existing crossing point on the Inner Ring Road to link to the new facilities in Broomhall; and</li> <li>• provision of short and long stay cycle parking on or near to the new route.</li> </ul> <p>2) Portobello Cycle Route, consisting of –</p> <ul style="list-style-type: none"> <li>• provision of new controlled crossing point on Mappin Street and Holly Street.</li> </ul> <p>3) E-bikes and Accessories, consisting of the purchase of 200 e-bikes and accessories which will be made available to employees through an equipment loan to employers, via one of the following categories</p> <ul style="list-style-type: none"> <li>• in house short term loans (try before you buy);</li> <li>• fleet operations (deliveries etc); and</li> </ul>	Sheffield City Region	2,000

	<ul style="list-style-type: none"> <li>pool bikes for work purposes.</li> </ul> <p>The Project Outputs are completion of the work programmes. The Project Outcomes are around usage of the equipment/infrastructure.</p> <p><b>Financial and Commercial Implications</b></p> <ul style="list-style-type: none"> <li>Funding / Project dates: Start - 1st April 2018, Completion- 31st March 2020.</li> <li>Grant is used for the Project and the Project must achieve the Project Outputs/Outcomes.</li> <li>Grant value is up to £2,000,000 and the expenditure budget is summarised as follows :</li> </ul> <table border="0" data-bbox="517 697 1115 898"> <thead> <tr> <th>Works</th> <th>Eligible Costs (£)</th> </tr> </thead> <tbody> <tr> <td>City Centre West Cycle Route</td> <td>1,050,000</td> </tr> <tr> <td>Portobello Cycle Route</td> <td>700,000</td> </tr> <tr> <td>E-bikes and Accessories</td> <td>250,000</td> </tr> <tr> <td>Funding Total</td> <td>2,000,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Grant only for the Eligible Costs and in accordance with the terms and conditions set out in the Agreement and it cannot be used for any other purpose without prior funder approval.</li> <li>Expenditure must be defrayed.</li> <li>SCC cannot make any significant change to the Project or any changes which breach EU rules.</li> <li>Inform SCR of any significant changes to the Project and</li> <li>Procure the commencement of the Works within 60 days from the date of the Agreement and procure Practical Completion by the Project Completion Date;</li> <li>Ensure that all Project Outputs are achieved by the Project Completion Date;</li> </ul>	Works	Eligible Costs (£)	City Centre West Cycle Route	1,050,000	Portobello Cycle Route	700,000	E-bikes and Accessories	250,000	Funding Total	2,000,000		
Works	Eligible Costs (£)												
City Centre West Cycle Route	1,050,000												
Portobello Cycle Route	700,000												
E-bikes and Accessories	250,000												
Funding Total	2,000,000												

	<ul style="list-style-type: none"> <li>• Ensure that all Project Outcomes are achieved by the Final Review Date.</li> <li>• SCC to notify the funder if it does not intend to claim the Maximum Amount of the Grant available by 31 December in any Financial Year</li> <li>• SCC must comply with the Special Conditions as detailed in Schedule 7 and the payment of Grant is subject to such compliance.</li> <li>• Where the Maximum Amount for any part of the Grant is allocated to a particular Financial Year then the Grant shall be available for that Financial Year unless approved otherwise by SCR</li> <li>• Expenditure should not breach EU Rules</li> <li>• Internal costs for administration of the Project will not be funded.</li> <li>• Retention at 5% of the Grant will be made until the Project Outcomes have been delivered by the Final Review Date.</li> <li>• SCC must Notify SCR if intending to apply for other third party funding for the Project. SCC must not apply for/ accept duplicate funding or any funding which would result in a breach of any threshold for funding the Eligible Costs set out in the EU Rules, including GBER.</li> <li>• Subject to External Audit</li> <li>• Comply with claims and reporting requirements/timetables</li> <li>• Funding is for capital expenditure and is to be treated as funded by a capital receipt to reflect section 25(1)(b) of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.</li> <li>• The grant is subject to clawback in a range of circumstances which the Project Manager will need to read, understand and comply with.</li> <li>• Comply with all EU Rules and State Aid requirements and ensure that all requirements of the EU Rules are met in relation to the Project;</li> <li>• Records shall be maintained for 10 years following the granting of the aid.</li> <li>• If Project Outputs are not reached for any part of the Project then SCR can require repayment to the proportionate value of the Project Outputs that have not been met.</li> <li>• Grant is outside the scope of VAT but if any VAT is chargeable the payment of the Grant will be inclusive of all VAT.</li> </ul>		
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	<ul style="list-style-type: none"> <li>• Key dates and delivery milestones are identified at Schedule 2</li> <li>• The Project Manager will need to read understand and comply with all of the grant terms and conditions</li> </ul>		
<b>C</b>	<b>Quality of life</b>		
	None		
<b>D</b>	<b>Green and open spaces</b>		
	None		
<b>E</b>	<b>Housing growth</b>		
	None		
<b>F</b>	<b>Housing investment</b>		
	None		
<b>G</b>	<b>People – capital and growth</b>		
	None		
<b>H</b>	<b>Essential compliance and maintenance</b>		
	None		
<b>I</b>	<b>Heart of the City II</b>		
	None		



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	Scheme name / summary description of key terms	Recipient	Value £'000
<b>A</b>	<b>Economic growth</b>		
	None		
<b>B</b>	<b>Transport</b>		
	<p><b>Clean Bus Technology Fund</b></p> <ul style="list-style-type: none"> <li>The aim of the funding is to address air quality concerns across the city by reducing NO2 emissions, particularly at locations close to busy traffic roads / routes. The Recipients shall retrofit a number of public buses in 2019/20 with Selective Catalytic Reduction Technology (SCRT). The Recipients are responsible for sourcing and arranging the retrofit of their vehicles with accredited technology and have identified such technology and with routes / services will provide the maximum impact / reduction of harmful emissions.</li> <li>The Recipients are responsible for on-going maintenance and repair of the technology.</li> <li>The Recipients will be responsible for monitoring and reporting. SCC will agree the exact monitoring requirements required from the Recipients and these will be included within schedules to the agreement. The monitoring and reporting requirements imposed upon the Recipients will ensure that there is in turn compliance by SCC of requirements imposed by central government.</li> <li>Although not required by central government – the Council have requested that monitoring of the ‘impact’ of the retrofits is carried out for a period of 5 years.</li> <li>Such grant funds will only be paid following evidence of actual spend by the Recipient of the retrofit technology.</li> <li>SCC are able in certain circumstances to require the grant to be repaid, such claw back may be enforced where the Recipient fails to comply with the Agreement.</li> </ul>	First South Yorkshire	Revised total value (inc. phase 1) 2,710
	<p><b>Clean Bus Technology Fund</b></p> <ul style="list-style-type: none"> <li>The aim of the funding is to address air quality concerns across the city by</li> </ul>		Revised total value

	<p>reducing NO2 emissions, particularly at locations close to busy traffic roads / routes. The Recipients shall retrofit a number of public buses in 2019/20 with Selective Catalytic Reduction Technology (SCRT). The Recipients are responsible for sourcing and arranging the retrofit of their vehicles with accredited technology and have identified such technology and with routes / services will provide the maximum impact / reduction of harmful emissions.</p> <ul style="list-style-type: none"> <li>• The Recipients are responsible for on-going maintenance and repair of the technology.</li> <li>• The Recipients will be responsible for monitoring and reporting. SCC will agree the exact monitoring requirements required from the Recipients and these will be included within schedules to the agreement. The monitoring and reporting requirements imposed upon the Recipients will ensure that there is in turn compliance by SCC of requirements imposed by central government.</li> <li>• Although not required by central government – the Council have requested that monitoring of the ‘impact’ of the retrofits is carried out for a period of 5 years.</li> <li>• Such grant funds will only be paid following evidence of actual spend by the Recipient of the retrofit technology.</li> <li>• SCC are able in certain circumstances to require the grant to be repaid, such claw back may be enforced where the Recipient fails to comply with the Agreement.</li> </ul>	<p>Stagecoach Yorkshire</p>	<p>(inc. phase 1) 1,967</p>
<b>C</b>	<b>Quality of life</b>		
	<p><b>Upperthorpe Healthy Living Centre</b></p> <p><b>Background</b></p> <p>A funding agreement between SCC and Zest to be approved allowing SCC to pay:</p> <ol style="list-style-type: none"> <li>i. Capital Grant (£118K) to Zest who will invest them in the Upperthorpe Healthy Living Centre. Funding will be paid over in stages as per Capital Grant Business Cases from Zest to be approved by the Council.</li> <li>ii. Revised revenue Grant funding profile for Zest Centre as follows:             <ul style="list-style-type: none"> <li>• 2019/20 - £80K</li> <li>• 2020/21 - £55K</li> <li>• 2-21/22 - £30K</li> </ul> </li> </ol> <p>Schemes Zest use the capital receipts for must:</p>	<p>Netherthorpe and Upperthorpe Community Alliance (Zest)</p>	<p>118 Capital Grant 165 Revenue Grant</p>



<p>a) Improve the fabric of the building or b) Support the UHLC Trust/Zest in generating income to support the ongoing sustainability of the Zest Centre, and therefore reduce SCC's revenue subsidy</p> <p>See Appendix 1 Section C above for more details about the overall project including both grants.</p> <p>Financial and Commercial Implications</p> <p>Zest agree to:</p> <ol style="list-style-type: none"> <li>1. Prepare a Capital Grant Business Case for each item of work and submit it for review and approval</li> <li>2. Not change the proposed use of the Capital Grant as set out in its Capital Grant Business Case once it has been approved. Where a variation is needed, a separate Capital Grant Business Case will be submitted for review and approval</li> <li>3. Not make any charitable donations from the Grant or any loan or grant to any person or Director, manager or employee from the Funding without the specific written consent</li> <li>4. Not use the Grant to pay any members of their Governing Body, to purchase land or buildings, or for any spend commitments entered into before the commencement date of the agreement, without prior written consent</li> <li>5. Include any third party funding obtained in relation to its delivery of the same purpose in a budget with a clear description of what the funding will be used for</li> <li>6. Keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Capital Grant monies received</li> <li>7. Promptly repay any money incorrectly paid to it either as a result of an administrative error or otherwise</li> <li>8. Keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Capital Grant for a period of at least six years following receipt of any monies</li> <li>9. Provide the Council with a copy of its annual accounts at least within six months of the end of the relevant financial year in respect of each year the Capital Grant is paid</li> <li>10. Comply and facilitate the Council's compliance with all statutory requirements as regards accounts, procurement, audit or examination of accounts, annual reports and annual returns</li> <li>11. Keep the Council fully informed of the delivery progress of the Capital Grant</li> </ol>		
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<p>Purpose with reports, forms and detail as the Council may reasonably require, including profit and loss accounts, cash flow, balance sheet statements, and Director’s executive summary of material financial issues</p> <p>12. On request provide the Council with further information, explanations and documents as the Council may reasonably require in order to establish the Capital Grant has been used properly in accordance with the Agreement</p> <p>13. Permit any person authorised by the Council reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the fulfilment of the conditions of this Agreement</p> <p>14. Permit any person authorised by the Council to visit once every quarter to monitor the delivery of the Business. If in its opinion the Council thinks additional visits are necessary, it shall be entitled to authorise any person to make such visits.</p> <p>15. Provide the Council with a final report on completion of the Capital Grant Period which shall confirm whether the Business has been successfully and properly completed</p> <p>16. Return any and all unspent monies at the end of the Capital Grant Period unless agreed between the parties and confirmed in writing that it can be kept for BAU</p> <p>N.B. the total amount of Capital Grant will not be increased in any event of overspending by Zest</p> <p>Legal Implications</p> <p>According to Section 19(1) of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”), SCC as a local authority also has a specific power to provide such recreational facilities as it thinks fit which includes powers to provide buildings, equipment, supplies and assistance of any kind.</p> <p>Section 19(3) of the Act specifically provides that a local authority may contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities which the authority has power to provide by virtue of Section 19(1). A “voluntary organisation” is defined in the Act as any person carrying on or proposing to carry on an undertaking otherwise than for profit and the UHLC Trust / Zest meets this definition.</p>		
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	<p>SCC also has a general power of competence under Part 1 of the Localism Act 2011 that allows it to do anything that an individual may do (subject to any specific statutory restriction; none of which apply in this case).</p> <p>Both Revenue Grant and Capital Grant are not considered to be State Aid because:</p> <ul style="list-style-type: none"> <li>the Zest centre has a purely local character and it supports inactive communities to become active in Sheffield;</li> <li>it does not affect trade between member states.</li> </ul> <p>Both grants are subject to clawback in a range of circumstances which the responsible officer will need to read, understand and comply with.</p>		
<b>D</b>	<b>Green and open spaces</b>		
	None		
<b>E</b>	<b>Housing growth</b>		
	None		
<b>F</b>	<b>Housing investment</b>		
	None		
<b>G</b>	<b>People – capital and growth</b>		
	None		
<b>H</b>	<b>Essential compliance and maintenance</b>		
	None		

I	Heart of the City II		
	None		



**Author/Lead Officer of Report:** Dave Phillips,  
Head of Strategic Finance

**Tel:** 0114 273 5872

**Report of:** *Eugene Walker*

**Report to:** *Cabinet*


**Date of Decision:** *2<sup>nd</sup> July 2019*

**Subject:** *Revenue and Capital Budget Monitoring 2019/20 –  
As at 31st May 2019*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Finance and Resources</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Overview and Scrutiny Management Committee</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

<p><b>Purpose of Report:</b></p> <p><i>This report provides the outturn monitoring statement on the City Council's Revenue and Capital Budget as at the end of Month 2, 2019/20.</i></p>
<p><b>Recommendations:</b></p> <p>1. Cabinet are asked to:</p> <p style="padding-left: 20px;">(a) Note the updated information and management actions provided by this report and the attached appendix on the 2019/20 Revenue Budget Outturn.</p> <p style="padding-left: 20px;">(b) In relation to the Capital Programme, note the forecast Outturn position described in <b>Appendix 2</b>.</p>

## Background Papers:

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Dave Phillips</i>
		Legal: <i>Sarah Bennett</i>
		Equalities: No
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>Eugene Walker</i>
3	<b>Cabinet Member consulted:</b>	<i>Councillor Olivia Blake Cabinet member for Finance and Resources</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Dave Phillips</i> 	<b>Job Title:</b> <i>Head of Strategic Finance</i>
	<b>Date:</b> 4 <sup>th</sup> July 2019	

### 1. PROPOSAL

- 1.1 This report provides the outturn monitoring statement on the City Councils Revenue and Capital Budget for 2019/20.

### 2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 To formally record changes to the Revenue Budget and gain Member approval for changes in line with Financial Regulations.

### 3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 *No*

### 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 4.1 Equality of Opportunity Implications

4.1.1 There are no specific equal opportunity implications arising from the recommendations in this report.

#### 4.2 Financial and Commercial Implications

4.2.1 The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2017/18, and as such it does not make any recommendations which have additional financial implications for the City Council.

#### 4.3 Legal Implications

4.3.1 There are no specific legal implications arising from the recommendations in this report.

#### 4.4 Other Implications

4.4.1 Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor are there any arising from the recommendations in this report.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 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.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 To record formally changes to the Revenue Budget and the Capital Programme.

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## Revenue Budget & Capital Programme Monitoring As at 31<sup>st</sup> May 2019

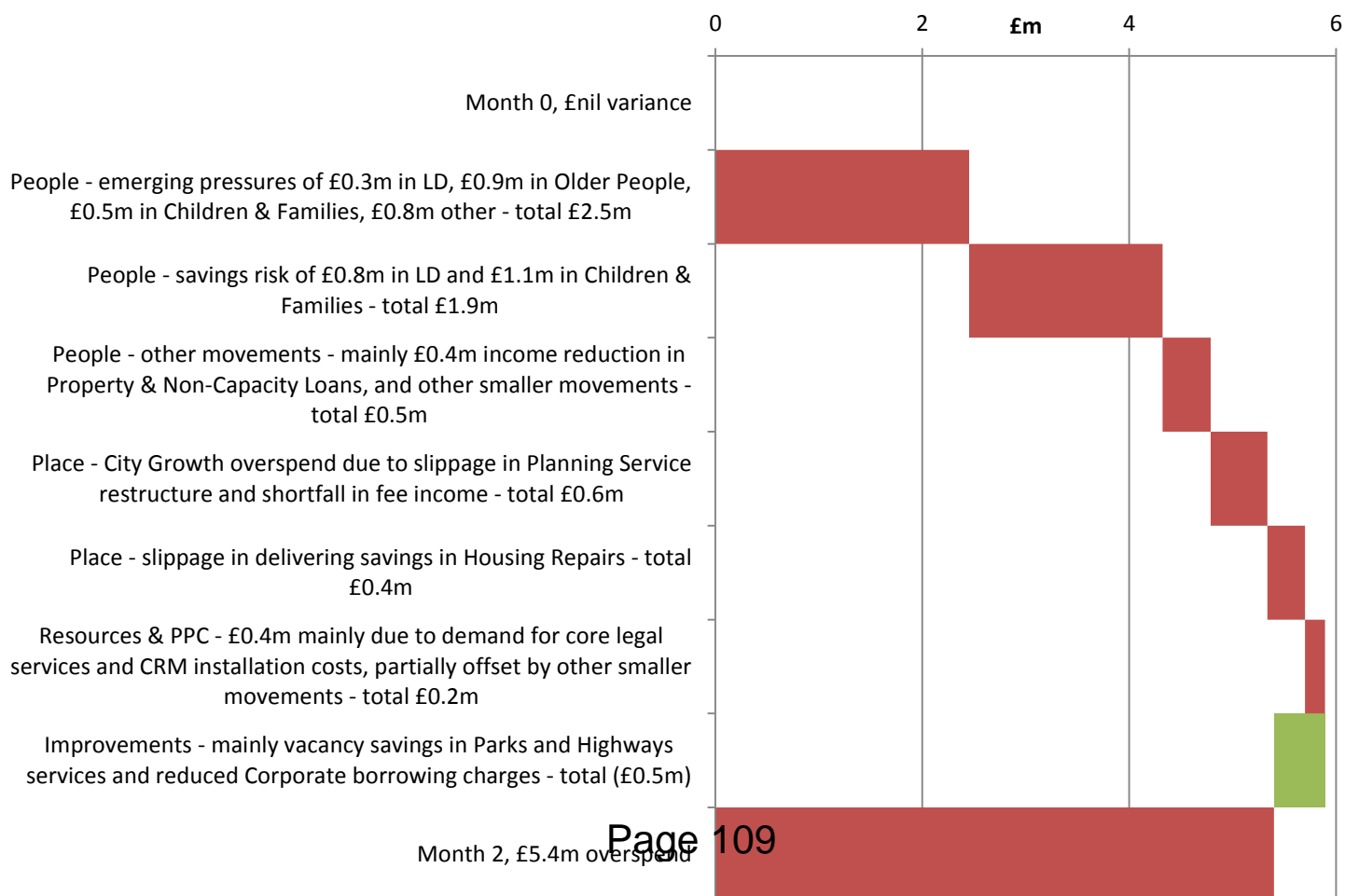
Report author: Dave Phillips, Head of Strategic Finance

### Purpose of the Report

1. This report describes the budget monitoring position on the City Council’s Revenue Budget and Capital Programme as at Month 2.

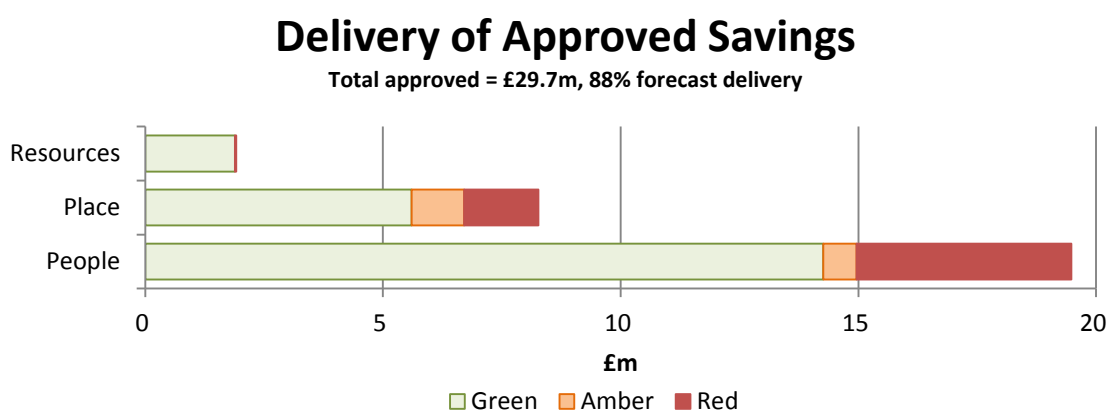
### Summary

2. The Council’s revenue budget is currently forecast to be overspent by £5.4m.
3. It should be noted that this position represents the worst case scenario. Almost the entirety of the overspend is within Social Care budgets, reflecting nation-wide and much publicised demand and cost pressures within that sector. The authority has made a significant investment in social care services within its 2019/20 Budget, and this investment is reflected in a much reduced forecast overspend compared to this time last year (a £14.9m overspend was forecast at Month 2 18/19).
4. It is also expected this position will improve over the course of the year as measures to control demand and spending have an effect.
5. The below graph summarises the early movements toward this forecast outturn from an initially balanced budget with comments on significant movements.



## Savings Monitoring

6. The 2019/20 Revenue Budget approved £29.7m of savings within Portfolios. We currently assess 88% of savings as being deliverable, whereas the remaining 12% are at risk of non-delivery. Whilst this represents good progress, even £3.4m of non-delivery increases the use of reserves needed to support our financial position. In particular if none of these savings are achieved (as opposed to merely slipping by a year) then the impact over 4 years almost £14m.
7. The below graph gives more details of the amount of savings proposals categorised using the traffic light approach with the following parameters – Green (no more than 10% or £50k at risk of non-delivery), Amber (no more than 25% or £500k at risk) and Red (less than 75% deliverable, or more than £500k at risk).



8. At Month 2, this represents a cautious early view of the savings position, and work is ongoing to secure the delivery of challenging savings and to identify other mitigations.

## Dedicated Schools Grant (DSG)

9. At Month 2, the Council is forecasting a £1.1m overspend on DSG budgets. The key reasons for the £1.1m overspend are a forecast £838k overspend relating to SEND placements, reflecting higher costs and demands for these placements, and a staffing overspend of £180k following implementation of an MER.

## Public Health

10. Public Health services are funded by Public Health Grant – any variances to budgeted expenditure will be managed by adjusting the drawdown of grant income to match, therefore Public Health variances will be nil in terms of net expenditure and therefore invisible within the above reported position. The Public Health reserve will be utilised in case of any overspend at year end – there is forecast to be no General Fund impact this year. This table demonstrates the variances to budget before the application of grant income.

Public Health	Forecast Outturn	Full Year Budget	Forecast Variance
People	27,584	27,089	495
Place	2,875	2,872	3
Director of Public Health	1,811	1,916	(105)
<b>Total</b>	<b>32,270</b>	<b>31,877</b>	<b>393</b>

11. The key reason for this position is the inclusion of the new sexual health contract with the SCT/PCS that is due to start 1<sup>st</sup> August 2019. The overspend reflects a demand pressure for the first 4 months of the year, and the costs of the new contract for the remainder. The total impact of this is a £495k overspend.

### Housing Revenue Account

12. The HRA income and expenditure account provides a budgeted contribution towards funding the HRA capital investment programme of £3.3m. As at Month 2 the account is forecasting a £1.2m adverse variance from this budgeted position.

Housing Revenue Account ( <i>excluding Community Heating</i> )	Forecast Outturn	Full Year Budget	Forecast Variance
1. Net Income - Dwellings	(138,129)	(138,761)	632
2. Other Income	(6,317)	(6,311)	(6)
3. Tenant Services incl. Repairs & Maintenance	89,798	89,241	557
4. Depreciation	39,284	39,284	0
5. Interest on borrowing	13,265	13,265	0
6. Contribution to Capital Programme	2,099	3,282	(1,183)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

13. Early projections influencing the outturn position include lower than budgeted rental income and an overall net increase in repairs and running costs. The position on the account will be monitored throughout the year.
14. There is also an improvement within Community Heating of £89k, reflecting lower than expected usage due to milder weather.

### Collection Fund

15. As at Month 2, the local share of the Collection Fund income stream is forecasting an overall in-year surplus of £1.2m, made up of a £0.2m surplus on Council Tax and a £1.0m surplus on Business Rates. This position is discussed in more detail within **Appendix 1**.

### Capital Summary

16. The approved capital programme budget for 2019/20 at 31 May 2019 was £178.0m. The overall outturn of expenditure against this approved budget is forecast to be £172.9m, representing a variance of £5.1m. Further monitoring of the Capital Programme is reported in **Appendix 2**.

## Corporate Risk Register

17. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. These risks are regularly reviewed, and changes to the last published version are detailed in **Appendix 3**.

## Implications of this Report

### Financial implications

18. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2019/20, and it does not make any further recommendations that have additional financial implications for the City Council.

### Equal opportunities implications

19. There are no specific equal opportunity implications arising from the recommendations in this report.

### Legal implications

20. There are no specific legal implications arising from the recommendations in this report.

### Property implications

21. There are no other property implications arising from the recommendations in this report this report.

## Recommendations

22. Cabinet are asked to:
  - (a) Note the updated information and management actions provided by this report and the attached appendix on the 2019/20 Revenue Budget Outturn.
  - (b) In relation to the Capital Programme, note the forecast Outturn position described in **Appendix 2**.

## Reasons for Recommendations

23. To record formally changes to the Revenue Budget and the Capital Programme.

## Alternative options considered

24. 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.

# Collection Fund Monitoring

## As at 31st May 2019

### Summary

1. In 2019/20 approximately £315.6m of SCC net expenditure is forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
2. As at the end of May, the local share of the Collection Fund Income Stream is forecasting an overall in-year surplus of £1.2m made up of a £0.2m surplus on Council Tax and a £1.0m surplus on Business Rates. Due to Collection Fund accounting regulations, this surplus is not available for in-year use and will be fed into the budget process for 2020/21.

Income Stream (all figures £m)	Budget 19/20	Billed to Date	Forecast Year End Position	Variance
Council Tax	(216.3)	(216.0)	(216.5)	(0.2)
Business Rates Locally Retained	(99.3)	(109.4)	(100.3)	(1.0)
<b>Total</b>	<b>(315.6)</b>	<b>(325.4)</b>	<b>(317.0)</b>	<b>(1.2)</b>

### Council Tax

3. The forecast year end position for Council Tax is a surplus of £0.2m. This is primarily because of an additional £0.3m of Council Tax income resulting from an increase in the number of dwellings and a reduction in Council Tax Support of £0.3m. This improvement is offset by a £0.5m increase in exemptions.

### Business Rates

4. The forecast year end position for Business Rates is a £2.1m surplus of which Sheffield's share is £1.0m. The £2.1m surplus is primarily made up of an increase on the Gross Rates Income Yield of £3.6m offset by an increase in empty property/statutory relief of £1.5m. Further analysis of the business rates position can be found on the following pages.

Collection Fund - Business Rates (all figures £m)	Budget 19/20	Billed to Date	Forecast Year End Position	Variance
Gross Business Rates income yield	(262.7)	(270.3)	(266.3)	(3.6)
Estimated Reliefs	46.7	42.8	47.5	0.8
Losses on collection, appeals and increase/(decrease) to bad debt provision	11.0	0.7	11.0	-
<b>Net Collectable Business Rates</b>	<b>(205.0)</b>	<b>(226.8)</b>	<b>(207.8)</b>	<b>(2.8)</b>
Transitional Protection Payments due from Authority	2.7	4.1	3.4	0.7
Cost of Collection allowance	0.8	0.8	0.8	-
<b>Non Domestic Rating Income</b>	<b>(201.5)</b>	<b>(221.9)</b>	<b>(203.6)</b>	<b>(2.1)</b>
Appropriation of net business rates:				
Sheffield City Council (49.3%)	(99.3)	(109.4)	(100.3)	(1.0)
SY Fire Authority (1%)	(2.0)	(2.2)	(2.0)	-
Central Government (49.4%)	(99.5)	(109.5)	(100.6)	(1.1)
Designated Areas (0.4%)	(0.7)	(0.8)	(0.7)	-
<b>Total Appropriations</b>	<b>(201.5)</b>	<b>(221.9)</b>	<b>(203.6)</b>	<b>(2.1)</b>

## Gross Rates Income Yield

5. The Gross Business Rates Income Yield has increased primarily due to delays in major retail development. As part of the 2019/20 budget setting process, we built in expected decline in gross business rates due to large scale retail redevelopments. For the period of the redevelopment, it is expected that business rates income will drop due to affected hereditaments appealing and thus reducing their rateable value. This development has subsequently been delayed until late 2019 and should this delay in the development continue, then the surplus for 2019/20 will increase.

## Reliefs and Discounts

Reliefs (all figures £m)	Budget 2019/20	Billed to Date	Forecast Year End Position	Variance
Small Business Rates Relief	13.3	12.7	13.3	-
Transitional Relief	(2.7)	(4.1)	(3.4)	(0.7)
Mandatory Charity Relief	23.6	23.3	23.6	-
Discretionary Relief	1.5	0.3	1.5	-
Empty Property / Statutory Exemption	7.2	7.7	8.7	1.5
Partly Occupied Premises Relief	0.6	-	0.6	-
New discretionary reliefs	3.2	2.9	3.2	-
<b>Total Reliefs</b>	<b>46.7</b>	<b>42.8</b>	<b>47.5</b>	<b>0.8</b>

6. Most reliefs and discounts are generally awarded in full at the point of billing in March. The total level of reliefs awarded to the end of May amounts to £42.8m which is £3.9m below the £46.7m in the budget. These reliefs are expected to rise to £47.5m by year end. This forecast increase is primarily due to increased empty property/statutory reliefs, along with expected reliefs for partially occupied properties and anticipated discretionary reliefs being realised.

## Appeals

7. The 2019/20 Council budget anticipated £7.5m of in year refunds resulting from appeals. To date, the number of Check, Challenges and Appeals being processed by the VOA are significantly reduced on previous years. Data released by MHCLG in March 2019 show that there were only 100 outstanding Challenges for Sheffield.
8. The VOA have committed to resolving all outstanding 2010 list appeals bar for any in litigation by September 2019. The major case currently under litigation relates to ATM's. The VOA have been granted leave to appeal the latest decision by the Supreme Court however this is not expected to be cleared for approximately 18 months. The case is currently decided in favour of the parties bringing this suit and we have a prudent provision to meet all obligations should this be the eventual outcome.

## Conclusion

9. The forecast in year position of a £1.2m surplus on the Collection Fund is healthy however this is after only 2 months of the year. Due to the size of the Collection Fund, a small percentage variation in income or expenditure over the coming months will have a significant impact on the forecast outturn. Monthly monitoring of the Collection Fund position is conducted to ensure that we are fully aware of any change and the potential budget impacts.
10. The delay in the major retail development has had a positive impact on the current in-year surplus, should this be delayed further, the in-year surplus will increase. It should be noted however that significant delays or cancellations of these major redevelopments will negatively impact on the long-term Business Rates growth forecast for the city.

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# CAPITAL PROGRAMME MONITORING AS AT MAY 2019

## 1 - Statement of Budget Movement

The table below summarises the movement in budget from month 1 to month 2 and Capital programme budget position as at May 19.

	2019/20	2020/21	Future	Total	Comments
Month 1 Approved Budget	177.2	150.7	298.7	626.6	The key changes to the programme from last month relate to: ADDITIONS +0.5m Corporate Essential Repairs Programme (Resurfacing/Dams and Watercourses) VARIATIONS + 1.1m Low Emission Vehicles chargers - £0.3 CHS Electrical Rewires (funds to be returned to block allocation - not yet approved)
Additions	0.4	0.1	0.0	0.5	
Variations	0.4	-0.2	0.7	0.9	
Reprofile	0.0	0.0	0.0	0.0	
Slippage and Accretion	0.0	0.0	0.0	0.0	
Month 2 Approved Budget	178.0	150.6	299.4	628.0	

## 2 - Top 20 Projects by value as at February 2019

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2018/19. This group accounts for 61% of the 2019/20 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year								Remaining Life of Project				Comments	
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %		Delivery RAG
Msf Finance	2,295	2,295	(0)	13,767	13,767	-	0.0%	NR	78,145	78,145	(0)	0.0%	NR	
New Build Coun Hsg Ph 4a	9	9	0	8,303	8,269	34	0.4%	G	20,615	14,759	5,856	39.7%	G	All years overspend reflects latest estimated from contractor. Discussed at Housing Growth Board. Revised FBC to be brought forward.
Electrical Strategy	1,476	1,376	100	8,790	7,958	831	10.4%	G	29,574	29,574	(0)	0.0%	G	See Item 5.2
Council Hsg Acquisitions Prog	583	1,076	(493)	7,318	7,318	(0)	0.0%	G	41,922	41,922	(0)	0.0%	G	
C Pepper Pot Building	240	798	(557)	4,836	5,937	(1,101)	-18.6%	NR	17,240	17,240	(0)	0.0%	NR	See Item 4.4
B Laycock House New Build	262	894	(632)	5,083	5,765	(682)	-11.8%	NR	16,116	16,116	0	0.0%	NR	See Item 4.6
Programme Management Costs Gf	-	-	-	5,420	5,420	-	0.0%	G	8,130	8,130	(0)	0.0%	G	
New Build Council Hsg Phase 2	4	173	(169)	5,377	5,377	-	0.0%	G	5,389	5,389	-	0.0%	G	
Pitched Roofing & Roofline	1,268	1,114	154	2,957	5,267	(2,310)	-43.9%	G	33,767	33,767	(0)	0.0%	G	See Item 4.1
Devonshire Quarter	0	-	0	5,100	5,100	-	0.0%	NR	5,100	5,100	-	0.0%	NR	
Brownfield Site	-	-	-	5,070	5,070	-	0.0%	NR	6,061	6,061	-	0.0%	NR	
Sheffield Retail Quarter 2	151	795	(644)	4,926	4,926	(0)	0.0%	G	4,926	4,926	(0)	0.0%	G	
Transport Efficiency	5	-	5	4,888	4,888	-	0.0%	NR	4,888	4,888	-	0.0%	NR	
Hoc II Infrastructure & Pr	-	641	(641)	2,929	4,286	(1,358)	-31.7%	NR	7,443	7,443	0	0.0%	NR	See Item 4.2
Astrea Academy	2,513	2,513	(0)	4,122	4,182	(60)	-1.4%	A	4,122	4,182	(60)	-1.4%	A	
Grey 2 Green Ph2	22	589	(567)	4,824	4,077	747	18.3%	A	4,824	4,077	747	18.3%	A	See Item 5.3
A Palatine Chambers Block	116	698	(582)	3,269	3,758	(489)	-13.0%	NR	3,803	3,803	(0)	0.0%	NR	See Item 4.10
Broadfield Road Junction	13	42	(29)	2,177	2,714	(537)	-19.8%	A	3,488	3,182	306	9.6%	A	See Item 4.8
Adaptations	248	400	(152)	2,098	2,704	(606)	-22.4%	G	12,704	12,704	0	0.0%	G	See Item 4.7
Garage Strategy-Improvement	268	450	(182)	2,521	2,521	-	0.0%	G	2,521	2,521	-	0.0%	G	
Top 20 Value	9,473	13,862	(4,389)	103,773	109,304	(5,531)	-5.1%		310,778	303,929	6,849			
Rest of Programme	7,119	10,872	(3,753)	69,149	66,695	2,454	3.7%		325,854	324,036	1,818			
Total Capital Programme Value	16,592	24,734	(8,142)	172,922	177,999	(5,077)	-2.9%		636,633	627,964	8,668			
% of Programme within the Top 20	57%	56%	54%	60%	61%	109%			49%	48%	79%			

## 3 - Current Year to date and Forecast Outturn Position

The forecast year position is £5.1m below budget. This represents an increase of £2.7m from the £2.3m below budget reported at Mth 1. The key variances by board are explained below. The main reasons for this overall movement away from budget is due to the further £2m slippage identified in the overall Heart of The City II programme.

BOARD	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
QUALITY OF LIFE	2,352	2,773	(421)	16,107	16,114	(7)	
HOUSING GROWTH	803	1,567	(764)	36,445	36,506	(61)	
HOUSING INVESTMENT	5,552	6,227	(675)	47,284	49,569	(2,285)	See items 4.1, 4.3, 4.5, 4.7,4.9,5.1 and 5.2
HEART OF THE CITY II	808	4,747	(3,938)	28,627	32,453	(3,825)	See items 4.2,4.3,4.6,4.10
INFRASTRUCTURE	5	-	5	4,888	4,888	-	
PEOPLE CAPITAL & GROWTH	2,810	3,431	(621)	11,747	10,474	1,273	See items 5.4, 5.5 and 5.6
ECONOMIC GROWTH	1,405	2,662	(1,257)	12,915	12,513	402	See item 5.3 offset by forecast £200k slippage on Upper Don Valley Scheme
TRANSPORT	1,064	1,225	(162)	7,473	8,002	(530)	See item 4.8
CORPORATE	1,250	1,250	-	1,250	1,250	-	
ESSENTIAL COMPLIANCE & MAINT	497	744	(247)	4,462	4,695	(233)	Saving anticipated on Moorfoot Lifts (£66k) plus slippage across Corporate Essential Replacement Programme
GREEN & OPEN SPACES	44	108	(63)	1,726	1,535	191	See items 5.9 and 5.10
ICT	-	-	-	-	-	-	
Grand Total	16,592	24,734	(8,142)	172,922	177,999	(5,077)	

## 4 - Top 10 Forecast Slippage against Full Year Budget

The table below illustrates that of the £9.7m main forecast underspends against budget, £3.4m relates to delays in schemes in delivery or where contract has been awarded. while the remainder relates to expected savings/re-profiling of allocations not yet committed.

Business Unit	Board	FY Budget	FY variance on budget	Explanation
4.1 Pitched Roofing & Roofline	HOUSING INVESTMENT	5,267	(2,310)	REPROFILE - Underspend in 2019/20 due to the delay in commencing the 2019-22 Roofing Programme, which now has a proposed start on site in April 2020.
4.2 Hoc II Infrastructure & Pr	HEART OF THE CITY II	4,286	(1,358)	REPROFILE - Revised profile of works now expected as timetable for Block H works is developing.
4.3 Communal Areas-low Rise Flats	HOUSING INVESTMENT	1,842	(1,142)	SAVING / REPROFILE - Contract now at an end. Budget consisted of element to finalise contract against which a saving was achieved and an allocation for future works which will now be re-profiled into future years.
4.4 C Pepper Pot Building	HEART OF THE CITY II	5,937	(1,101)	SLIPPAGE - The budgets on Blocks B & C include the construction phase budget but this was based on earlier design phase and programme which has slipped. Now that GT are appointed and on site, costs for the preconstruction phase are now starting to come through. At the end of this phase a more realistic construction programme and cost profile will be agreed in August.
4.5 Internal Works	HOUSING INVESTMENT	1,000	(1,000)	REPROFILE/AWAITING APPROVAL - Budget reprofile due to be approved at June Cabinet to reflect likely timing of works at Deer Park.
4.6 B Laycock House New Build	HEART OF THE CITY II	5,765	(682)	SLIPPAGE - The budgets on Blocks B & C include the construction phase budget but this was based on earlier design phase and programme which has slipped. Now that GT are appointed and on site, costs for the preconstruction phase are now starting to come through. At the end of this phase a more realistic construction programme and cost profile will be agreed in August.
4.7 Adaptations	HOUSING INVESTMENT	2,704	(606)	SLIPPAGE - Current forecast is £600k underspend at the end of May. This is due to uncertainty whether the target of 7 extensions can be delivered and concerns about contractors progress.
4.8 Broadfield Road Junction	TRANSPORT	2,714	(537)	SLIPPAGE/OVERSPEND - Forecast project costs exceed available budget. Forecast over spend of £305k. Client briefed. Transport Board are seeking additional funds. Project on hold until it is confirmed that there is sufficient funds to deliver the scheme. YTD underspend as a result. Forecast YTD spend is based on programme which assumes a CPO is progressed but not required, when this programme is confirmed CAF variation approval will be sought to carry funds into 20/21.
4.9 Windows& Doors Placement(chs)	HOUSING INVESTMENT	566	(526)	SAVING - Forecast outturn will be £500K underspend and will complete the contract commitments. Budget will be reviewed later in the year.
4.10 A Palatine Chambers Block	HEART OF THE CITY II	3,758	(489)	SLIPPAGE - The budget allocation for the Pre-construction phase costs was done on a fairly flat basis but in reality the costs are much more back-ended. In addition the development activity on Block A has slipped. However Architects are now appointed and design works are underway and expenditure is expected to ramp up. The construction phase for the block is now expected to come forward for approval in December. It is proposed therefore to do a CAF to re-profile the remaining budget.
Total		33,840	(9,752)	

## 5 - Top 10 Forecast Overspends over Full Year Budget

The table below indicates that currently none of the current major in year forecast spends above budget actually reflect an additional call on SCC resources.

	Business Unit	Board	FY Budget	FY variance on budget	Explanation
5.1	Kitchen/bathrm Planned Replmt	HOUSING INVESTMENT	(7)	2,500	<b>ACCELERATION / BUDGET AWAITING APPROVAL</b> -Accerleration due to increased voids work. Revised budget due to be approved at June Cabinet
5.2	Electrical Strategy	HOUSING INVESTMENT	7,958	831	<b>ACCELERATION</b> - Contractor progressing ahead of schedule.
5.3	Grey 2 Green Ph2	ECONOMIC GROWTH	4,077	747	<b>AWAITING APPROVAL</b> - Variation between current full year budget and latest outturn forecast current year is due to budget not yet being uplifted to include ERDF funding - CAF revision currently being processed to uplift budget.
5.4	Sf Devolved Capital	PEOPLE CAPITAL & GROWTH	20	658	<b>AWAITING APPROVAL</b> - Budget uplift to reflect 2019/20 allocation due to be approved at June Cabinet
5.5	Disabled Grants	PEOPLE CAPITAL & GROWTH	1,864	573	<b>AWAITING REVIEW</b> - Review of overall use of Disabled Facilities grant ongoing. Sufficient funds exist to cover expenditure but accurate profile to be worked up.
5.6	Fra 16-17 Ecclesfield Primary	PEOPLE CAPITAL & GROWTH	-	345	<b>AWAITING APPROVAL</b> - No overspend expected. Corrections to related Business units required before budget approval is progressed.
5.7	Srq - Strategic Dev Partner	HEART OF THE CITY II	82	325	<b>ACCELERATION</b> -the run rate of costs has come down considerably from previous years now that more of the programme costs are attributable to blocks but there will continue to be a level of internal fees and external programme management costs charged to this BU for the duration of the HOC programme. The acceleration of 19/20 budgets has left a considerable and growing in year overspend but this will be covered by additional budgets from each block allocation. However, as the block programme is itself slipping then this is exacerbating this issue. It is proposed therefore to look at doing a CAF to re-profile the current budget as an interim measure
5.8	H1 Leahs Yard	HEART OF THE CITY II	260	146	<b>INCORRECT FORECAST</b> - To be reviewed by project finance.
5.9	Shirebrook Visitor Centre	GREEN & OPEN SPACES	-	87	<b>AWAITING APPROVAL</b> - Revised budget due to be approved at June Cabinet
5.10	Rethinking Parson Cross Park	GREEN & OPEN SPACES	2	70	<b>AWAITING APPROVAL</b> - Revised budget due to be approved at July Cabinet
	<b>Total</b>		<b>14,256</b>	<b>6,282</b>	

## 6 - Key Issues and Risks

## Key Issues

## - SCRIF FUNDED PROJECTS

- IRR Junctions - forecasting to spend in excess of amount required to meet SCRIF target - OK.
- Upper Don Valley Flood Alleviation Scheme - Forecasting £2.26m below amount currently required to meet SCRIF target - Change request submitted to SCR to slip project. Decision expected 29th July 2019 - £400k currently at risk.
- Grey To Green 2 - Current forecast expenditure indicates SCRIF target spend will be hit.

## Key Risks

- Knowledge Gateway - Current month forecast now shows balanced budget.
- Broadfield Road - Confirmation of extension to DfT funding still required - Approx. £190k at risk.

## Changes to the Corporate Risk Register As at 31st May 2019

1. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. This was published alongside the 2019/20 Revenue Budget<sup>1</sup>.
2. The following paragraphs contain amendments to that version.

### Treasury Mangement

3. Following a review, paragraphs 35 and 36 (relating to card payment regulations and card payment services) have been removed as the risks are no longer relevant.

### Future funding uncertainty

4. The following risk is an addition to the Register as last published:
  - The Government is currently reviewing the basis on which funding is distributed to local authorities (the 'Fair Funding Review'). This is contemporaneous with the introduction of 75% retention of business rates and also with the wider Spending Review. The Fair Funding Review has been subject to considerable delay, with extensive consultation already complete but with more still to do. The Review was originally scheduled to be in place by 1st April 2020 – it has not officially been delayed, but the introduction of a new funding regime is increasingly likely to be delayed by at least a year against a backdrop of political and economic uncertainty.
  - 2019/20 is also the last year of the current four-year LG funding settlement, and there is a lack of information from Central Government about its future plans for funding the sector.
  - Consequently there is a potential risk of a net reduction in the Council's revenue funding, either because the total funding to Local Government falls, or because the Council's share of it reduces. Currently the MTFs assumes these national funding changes will have a nil overall impact to the Council. Any loss therefore would have an immediate impact on service delivery and financial sustainability, which also creates uncertainty for business planning purposes, so financial planning for 2020/21 and beyond is currently proceeding on uncertain and cautious footing. Late announcements of temporary, one-off, funding also do not create a safe foundation for business planning and investment.<sup>2</sup>
  - The current planning assumption is being closely monitored by business planning functions and the Strategic Finance team. These teams respond to consultations,

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<sup>1</sup> Available at [Sheffield.gov.uk](http://Sheffield.gov.uk) for the Revenue Budget Book, Appendix 5 of Item 8 of March Council 2019.

<sup>2</sup> Recommendations and Conclusions of the [76th Report of the Public Accounts Committee](#) on Local Authority Spending, published 6<sup>th</sup> February 2019.

and communicate with colleagues in other authorities to communicate our position, to argue for a fair financial settlement, and to formulate a sustainable plan for future years' budgets.

### **Heart Of the City 2 (formerly Sheffield Retail Quarter)**

5. The following paragraph should be inserted between Paragraphs 66 and 67 of the published register (relating to the Heart of the City 2 development):
  - Approval is now also being sought for the next phase of the development, Block H. This block is being sub divided to deliver a separate office building as a result of securing a pre-let to a blue chip occupier, thus considerable de-risking this development. In addition the construction appointment will be split into two distinct phases, so that the office building (H2) can be accelerated as required to meet market demand if necessary.

### **Business Rates**

6. Paragraph 6 of the published register should now read 'As at 31st May 2019, there are around 400 properties relating to the 2010 valuation list with a rateable value of approximately £50m under appeal in Sheffield' reflecting resolution of those appeals.



**Author/Lead Officer of Report:** Steve Birch,  
Principal Development Officer

**Tel:** 35880

**Report of:** Laraine Manley, Executive Director Place

**Report to:** Cabinet

**Date of Decision:** 17/07/2019

**Subject:** Disposal of land at Parkwood Springs to enable development as an outdoor leisure destination

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? Finance				
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny and Policy Development Committee				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 580				
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"Appendix A is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

**Purpose of Report:**

The report seeks authority to enter into an Agreement for Lease with Extreme Destinations Limited for Sheffield City Council's land interests at the former Parkwood Springs ski village and adjoining land, to enable redevelopment of this prominent and derelict site as an outdoor leisure destination.

**Recommendations:**

- 1) That the Chief Property Officer, in consultation with the Executive Director of Resources, be authorised to agree terms for the disposal of the Land, including any reasonable variations to the boundaries as required and that the Director of Legal and Governance be authorised to complete all necessary legal documentation and notices in order to complete the disposal, subject to no objections being received to the open space notice.
- 2) That Cabinet declare the hatched land identified at Appendix C as surplus to requirements.

**Background Papers:**

None

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Schofield
	Legal: David Sellars & David Hollis Equalities: Annemarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> Laraine Manley
3	<b>Cabinet Member consulted:</b> Olivia Blake
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> Steve Birch
	<b>Job Title:</b> Principal Development Officer
<b>Date:</b> 20/06/2019	

## 1. BACKGROUND

- 1.1 The former Sheffield Ski Village is located at Parkwood Springs, 1.5 miles north of the city centre. The site is bordered by Council-owned land to the east and Viridor's former landfill site to the North (See Plan A). Nearby established communities at Shirecliffe and Burngreave are only a short walk away, as are new and emerging neighbourhoods at Kelham Island and Neepsend.
- 1.2 Sheffield City Council owns the freehold of the former Ski Village site, however following several years of neglect, arson, anti-social behaviour and vandalism under previous private leasehold ownership, the Ski Village site is now in extremely poor condition, over-run by redundant remains from the former facility, overgrown vegetation and invasive species as well as out-dated site infrastructure. With an area of approximately 21 hectares, current management, maintenance and holding costs to the Council are in the region of £30,000 per year. The site is difficult to secure and manage in its current state given the size and there are potential risks to trespassers on the site from its previous use and current state.
- 1.3 The land is now in need of significant clearance and reclamation, servicing and preparation to make it suitable for re-use. Given its highly prominent location on the hillside visible from the city centre as well as neighbourhoods such as Crookes, Walkley and Hillsborough, the site acts as a continuous and depressing reminder of the failure of the former facility as well as the need for the Council to bring forward redevelopment of the site for the benefit of the people of Sheffield. Without commercial redevelopment the Council will face substantial costs at a future point to address the poor state of its land and will continue to have to manage the site on an ongoing basis.
- 1.4 The land adjacent to the former ski village has previously been operated as an open landfill site which exacerbates the issues and compromises redevelopment of the site for a range of uses such as residential and commercial development.
- 1.5 Given the poor quality of the environment, and the need for regeneration of the former ski village and surrounding land, the Council has recently produced a new draft masterplan for the wider Parkwood Springs area. The masterplan sets out a long term vision for a 'country park in the city', building on the views of local stakeholders and the community. Delivery of this vision requires a phased approach to develop the funding and delivery mechanisms required to realise the local ambitions.
- 1.6 A key component of the masterplan is development of the former ski village site as a pay to play leisure destination (the focus of this report). This ambition builds on a market assessment undertaken in 2015 to

assess options for redevelopment of the former ski village site. The assessment identified that there was an opportunity to develop a modern outdoor pay-to-play sport and leisure attraction for the site, which could aspire to be a tourist destination of regional significance.

- 1.7 Accordingly, in 2017 the Council led a market competition for a development partner to bring the site back into a positive use. This exercise was unambiguously based on the principles that the Council would not subsidise or operate the leisure facility, although access to City Region infrastructure funding for capital works might be available: instead, the Council offered to make its land available via a long lease in return for a private sector developer and operator taking all commercial and development risk.
- 1.8 As a result of this competition, Extreme Destinations Limited were selected based on their proposal for a modern ski slope, mountain biking trails, a hub building and visitor accommodation (land bordered blue on the plan at Appendix B), as well as the strength of their sports brand and marketing expertise. They are also in advanced talks with a major international sports operator who is seeking to open a venue in Sheffield. If secured, this will be fundamental to ensuring that the development is a success and has the potential to cement the facility's position as a regional, if not national, destination offer.
- 1.9 Heads of Terms for a lease were agreed between the Council and Extreme in May 2018. Negotiations have progressed and it is intended to enter into an Agreement for Lease (AfL) prior to entering into the lease itself in order to give Extreme the security required to continue to invest in activities supporting the planning application as well as seeking funding for the scheme.
- 1.10 Entering into the AfL is a critical milestone that will enable Extreme to accelerate delivery of this important project and allow the Council to deliver on a project which will not only kick start delivery against the wider vision set out in the Masterplan, but potentially act as the 'jewel in the crown' of the Outdoor City Economic Strategy.
- 1.11 If the Council do not agree to enter into the AfL, Extreme will withdraw their interest in the site, leaving the Council with no clear route to bring the site forward and critically leaving the site disused to deteriorate further. In addition to the resulting reputational damage, the Council would also incur ongoing vacant management costs to secure the site and address the frequent anti-social behaviour which is attracted to the area.
- 1.12 This report therefore now seeks authority to enter into the AfL

## 2. **PROPOSAL**

- 2.1 The Council's Outdoor City Economic Strategy states the following



vision: “Sheffield: The Outdoor City will be internationally renowned for its unique people, places and outdoor offer”. It also defines a mission “To grow the brand ‘The Outdoor City’ by investing in places that appeal and attract, aligned with supporting infrastructure that enables residents, businesses and visitors to have easy access to high quality outdoor recreation experiences”. Within this context, Sheffield City Council has identified Parkwood as the city’s most significant potential outdoor recreational hub sites. It is a hugely important site in its own right and an opportunity to help further cement the Outdoor City identity and deliver associated economic benefits such as over £30m increased investment, over 400 new jobs and in the region of 1,000,000 additional visitors to the city every year.

2.2 Extreme and its partners are proposing a high quality sport and leisure destination. In addition to the specialist activities, the site will offer cafes, bars and restaurants, with onsite visitor accommodation planned in future phases. It will represent a unique asset for the city, the region, but critically also for local neighbourhoods such as Shirecliffe and Burngreave. The attraction has the potential to literally put these areas on the map, at the same time as making the connections with the emerging city centre districts at Kelham Island and Neepsend.

2.3 The boundary plan at Appendix B has been amended in relation to the original redline plan of the market competition in 2017. It does this in two main ways:

1. It extends to the north to incorporate Council freehold land which had previously been leased to Viridor within their landfill site boundary. This provides additional space for the sport and leisure facilities that will be located on the site; it ensures that public rights of way and other pathways required to be installed by Viridor as part of their planning application and remediation of the landfill site can be designed to allow permeable access from the leisure attraction to the wider country park, and vice versa; and it establishes a mechanism for delivering and maintaining in the long term enhanced open space and landscaping;
2. It extends to the east beyond the original ski village area to incorporate additional Council-owned land to enable more sustainable redevelopment of the site and create opportunities to deliver new and enhanced facilities at the top of the park where the views into the city and out to the Peak District are most prominent.

2.4 These alterations offer a real and tangible delivery mechanism through which to realise some of the local community’s wider aspirations for the country park:

- It enables integration of the development into the wider country park, improving the setting of the development, enhancing public access and enabling greater permeability throughout the site;

- It enables the site to incorporate a specific element of the development which will be delivered by a major international outdoor leisure operator in addition to the proposals put forward by Extreme as part of the original marketing exercise. If secured, this will significantly enhance the viability and deliverability of the scheme. Critically, this element represents a massive economic opportunity for Sheffield that can more than justify the additional land take and with careful landscaping and active community engagement could provide opportunities to ensure access and wider aspirations of local communities and stakeholders are enhanced;
- It ensures contiguous site ownership and enhances future management of the site. Leaving a strip of SCC owned land between Viridor freehold and Extreme leased land could create future management complexities.

2.5 The Council and Extreme have engaged over some considerable time with local stakeholders to gain an insight into the area and their aspirations for it. At the same time as supporting the vision for the site and the potential benefits for the wider city, they have articulated the need for sympathetic design to mitigate the potential impact of the development on the natural setting of the country park and important elements which they are most concerned about such as ecology, public rights of way and viewing points.

2.6 Initial design ideas demonstrate a strategy for overall betterment at Parkwood Springs, for example:

- Possibility of any ridgetop development providing new facilities for visitors to the top of Parkwood Springs, e.g. café/refreshments, changing facilities for local sports teams;
- Opportunities for any footpaths which may need to be diverted to retain the existing ridgeway aspect through the leisure site;
- Potential extension for new purpose-built viewing points to be created to capitalise on the very best vistas;
- Opportunities to explore good design, ecological diversity, sensitive landscaping and natural screening as part of the design and development process which gives consideration to the wider vision for a country park in the city.

2.7 Whilst clearly at a very early stage, and with much work to do in the way of design and cost development, the Council and Extreme are committed to working with interested parties to ensure that impacts are minimised, mitigated and compensated for as far as possible, and for positive benefits to be maximised as far as possible, through meaningful consultation and good design. Extreme have already undertaken initial site surveys and highway feasibility work. On completion of the AfL, Extreme will carry out further more detailed surveys and enter into formal pre-application discussions in preparation for a planning application: this is expected to be submitted in the

second half of 2019 with a view to construction works on site beginning in early 2020.

- 2.8 As detailed design is yet to be undertaken and there are a number of risks to ensuring satisfactory delivery, the AfL and lease have been drafted to ensure that Extreme are held to tight delivery timescales to ensure progress is made on this important and prominent development. Should Extreme fail to meet their obligations as developer, the Council can regain control and pursue alternative options for the site. The Lease will only be signed if the milestones set out in the AfL and development obligations have been met.

### **3. HOW DOES THIS DECISION CONTRIBUTE?**

- 3.1 Strong economy – By bringing brownfield land back into use for the development of a brand new leisure facility, attracting national and international brand partners and creating hundreds of new jobs, the project will support the policies to: attract investment across the city and support businesses to start and to grow; create jobs (with an emphasis on residents in nearby deprived communities); attract more visitors to Sheffield, by increasing the city's vibrancy and raising the city's profile; attract individuals and businesses to Sheffield as the UK's top Outdoor City.
- 3.2 Better health and wellbeing – By bringing a new and unique leisure attraction into the city, improved access to and participation in active sport will help the Council to deliver its policies to: promote good health and help people achieve a greater level of wellbeing including improving mental and emotional wellbeing and reducing loneliness and isolation.
- 3.3 Thriving neighbourhoods and communities – By converting derelict low quality land into a national standard sporting venue, the project will improve the image and perception of the city and more directly those adjoining neighbourhoods which suffer from the stigma of deprivation, offering members of the community new positive activities in line with Council policies to: encourage people to have a good quality of life and feel proud of where they live, with increased access to local amenities and facilities including high quality parks and green spaces.
- 3.4 Tackling inequalities – Located centrally between a wide diversity of national and cultural communities and neighbourhoods, many of which suffer from the effects of longstanding deprivation which impacts particularly on the life choices available to young people, this project provides new ways to bring people of different backgrounds together through new sport and employment opportunities, supporting Council policies to: make it easier to overcome obstacles by investing in the most deprived communities and supporting individuals to help themselves and achieve their full potential .

#### 4. HAS THERE BEEN ANY CONSULTATION?

4.1 Extreme and Council officers have worked together to develop networks and contacts to build awareness and obtain early buy-in to the principles of the development including:

- Local community groups including the Friends of Parkwood Springs, Friends of Wardsend Cemetery and Kelham Island and Neepsend Community Alliance – supported to establish themselves in some cases, and by hosting and attending ongoing public meetings;
- Wider Sheffield population – through a public exhibition on the wider Parkwood Springs country park masterplan.

4.2 Engagement with local stakeholders has demonstrated some significant support for the principles of the scheme, however acknowledging the early stage of design progress, a range of comments have been raised as summarised below for ongoing consideration. These have been, and will continue to be, critical elements of the detailed design progresses

	<b>Stakeholder Priorities</b>	<b>Potential response</b>
<b>Wildlife</b>	Loss of trees habitats and overall greenspace, promotion of ecology and creation of habitat corridors including wetland(s), Acid grassland and heath which allow passage of species through the site;	Ongoing consultation with Viridor and local stakeholders to support the former's works to hand leasehold land back to the Council and discharge its' planning conditions. Initial ecological and tree surveys undertaken on the leisure destination site, detailed appraisals to follow. Impacts to be mitigated and opportunities maximised via good design of landscape through the facility as per planning submission and sympathetic to the country park setting.
<b>Permeable access around and through site</b>	Including preservation and enhancement of the ridgeway walk above the development site, as well as routes through the site and connections with routes in the wider	Ongoing consultation with Viridor and local stakeholders to support the former's works to hand leasehold land back to the Council and discharge its' planning conditions.

	country park which connect people and places between the north, south, east and west;	Opportunities maximised via good design, giving consideration to security solutions which minimise fencing, etc, around and through the site, and taking account of the vision and plans for the wider country park, e.g. permeable boundaries and possibilities for bridges, tunnels, balconies/terraces to preserve complete routes, as per planning submission.
<b>Views</b>	Capitalising upon the best views from the site to the city and out to the Peak District;	Ongoing consultation with local stakeholders with a view to maximising opportunities via good design e.g. identifying key vistas, considering viewing galleries, potential locations for orientation plans/maps and telescopes.
<b>Amenities</b>	Impact on existing free mountain biking trails and other features;	Ongoing consultation with SCC Parks Service and local stakeholders regarding potential to mitigate impact through good design, e.g. incorporation into new leisure destination masterplan, replacement or alternative compensation measures.
<b>Wider benefits</b>	Maximising overall benefit and betterment from the development to the wider country park;	Ongoing consultation with SCC Parks Service and local stakeholders regarding potential for mitigation and alternative betterment to be developed through the design and development process, taking account of the vision and plans for the wider country park, e.g. local

		suggestions of café and sports club changing facilities.
<b>Being involved in making it happen</b>	Supporting efforts to bring improvements forward as quickly as possible, by being involved in the detail.	The Council and Extreme are committed to meaningful engagement with stakeholders from the earliest stages, and this has begun already. Greater opportunity will be available as design development work begins towards a planning submission.

4.3 Upon completion of the AfL, and as Extreme then accelerate the pace of progress in relation to the site design and planning application processes, stakeholders will be engaged in further detail to allow them to feed into the scheme and build local buy in and ownership.

## 5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 5.1 Equality of Opportunity Implications

5.1.1 An Equality Impact Assessment has been undertaken for the redevelopment of Parkwood Springs Leisure Destination: no negative equality impacts have been identified.

5.1.2 The site will be of universal positive benefit for all local people regardless of age, sex, race, faith, disability, sexuality, etc. Local people will benefit from the creation of a significant number of new full and part time jobs. The socio-economic and community cohesion impacts locally will be particularly positive.

5.1.3 As the Leisure Destination development progresses there will be further opportunities for stakeholders and the public to be engaged and to make comments through the statutory planning process.

5.1.4 Ease of pedestrian access throughout the scheme is of paramount importance, clearly within the site but also connecting to the surrounding parkland which is the subject of a wider masterplan developed by the Council's Planners. Pedestrian and cycle routes will require careful design, including integration of chairlifts, ramps, stairs and pathways for all users as appropriate.

### 5.2 Financial and Commercial Implications

- 5.2.1 There are no direct financial implications following from the decision to grant the agreement for lease. The cost of the work required to execute this agreement should not have an impact on the Council's General Fund.
- 5.2.2 There are wider financial implications should this decision lead to the development of the proposed scheme which, along with a summary of due diligence findings and other confidential information relevant to this decision, are provided at Appendix A.

### 5.3 Legal Implications

- 5.3.1 The Council has the power to dispose of the Land for the best consideration that can be reasonably obtained under section 123 of the Local Government Act 1972. This is interpreted as the best price achievable in the open market.
- 5.3.2 The Council has satisfied the obligation to achieve best consideration by carrying out a competitive marketing exercise, in accordance with its Disposal Policy, and selecting a preferred bidder from offers received as a result of the marketing exercise. In addition a valuation exercise has been undertaken by the Council which by capitalising the projected ground rents provided by Extreme and allowing for the netting off of any costs incurred to remediate the site shows that the Council will achieve the best price available on the open market.
- 5.3.3 The land shown as hatched at Appendix C falls within the development's boundary and is wholly owned by the Council. It is held within Transport & Planning and Estates services, and is required to be formally declared surplus in order for it to be appropriated to the Parks committee as open space to facilitate the redevelopment scheme and wider park improvements.
- 5.3.4 Section 123(2A) of the Local Government Act 1972 provides that no disposal of Open Space Land can take place until notice of the intention to dispose has been advertised for two consecutive weeks in a local newspaper and any objections have been considered.

## 6. **ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 Do nothing – Council retain site
- Nil impact on Council's resource capacity to deliver redevelopment.
  - Fails to deliver on the Council's Outdoor City Economic Strategy.
  - Leaves a prominent strategic site derelict and unviable for redevelopment by the market, whilst at the same time vulnerable to continued anti-social behaviour, vandalism and arson, with an ongoing maintenance cost and liability to the Council in the long

term.

- Does not assist the Council any further to market the site anew if current development partnership was not successful.

6.2 Council carries out improvement/infrastructure works and then re-markets the site

- The Council could seek to enhance the value of the land and deliverability/viability by carrying out improvement/infrastructure works prior to release/disposal (such as works to the access road and improvements to drainage) before re-marketing the site.
- There is no certainty of securing a developer to deliver the economic aspirations and outcomes expected from the site or guarantee that a significantly improved market rate will be achieved.

6.3 Council retains the site and undertakes the development itself

- The Council could develop, and operate or seek an operator for a leisure destination.
- This approach would require significant resource and funding and, as set out above, the viability and risk associated with developments of this nature can be marginal.
- At this point in time this approach would expose the Council to undue commercial and financial risk

## 7. REASONS FOR RECOMMENDATIONS

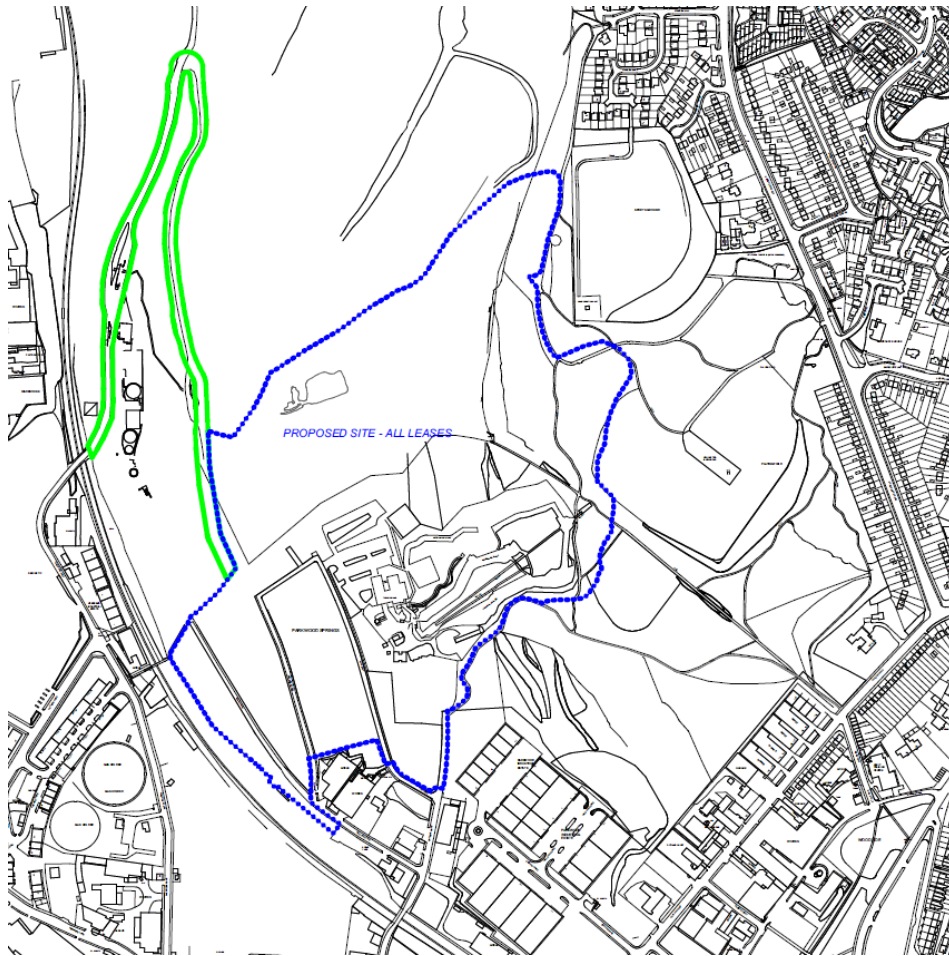
7.1 Preferred option – Proceed with the AfL with Extreme Leisure Destinations

This approach passes the commercial and financial risk of the development and design work to the developer. Safeguards are built into the AfL to commit the developer to timely delivery and ensure the Council retains control should the developer fail to make significant progress.

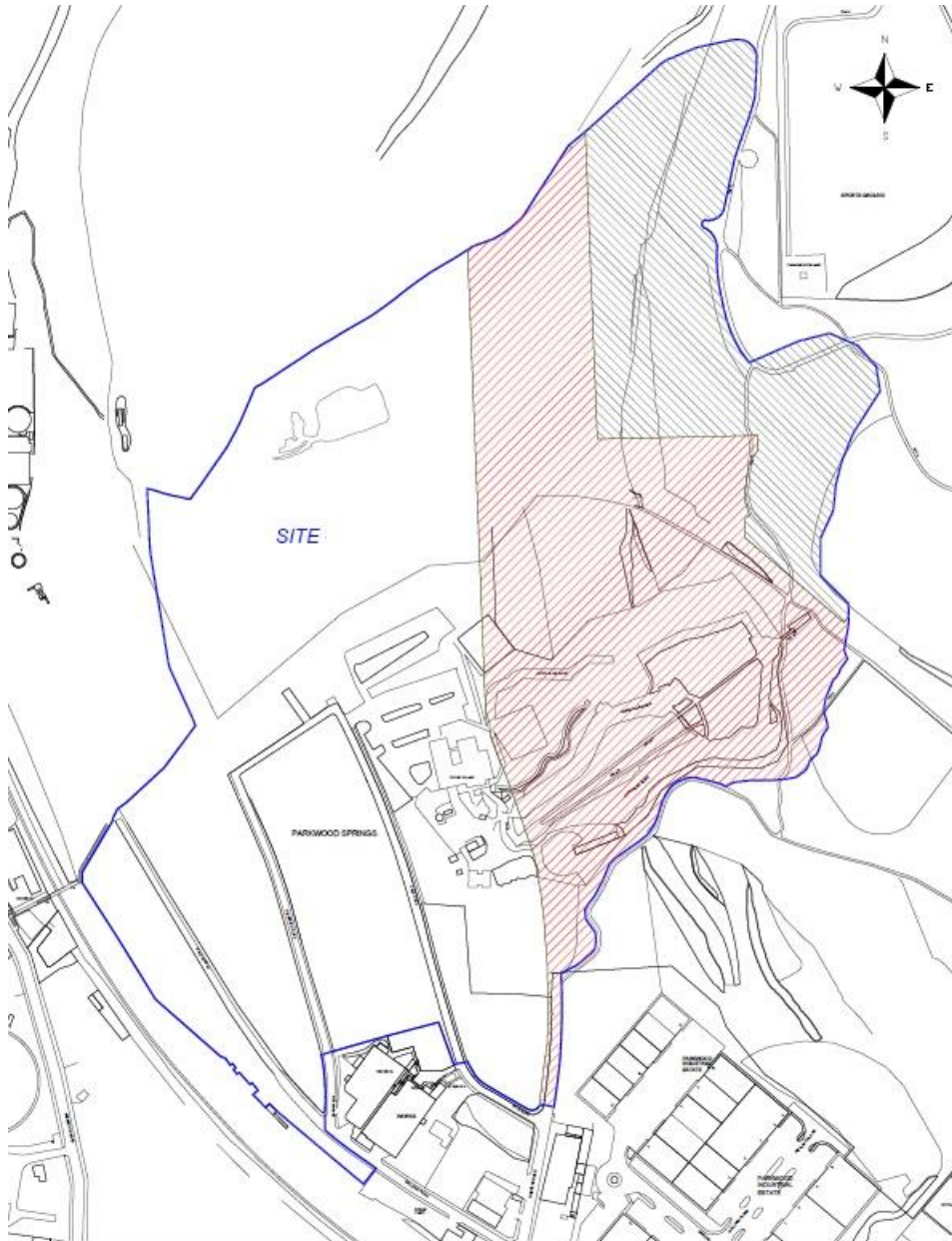
Entering into the AfL with Extreme will enable detailed work to begin on development of the scheme whilst protecting the Council's interests. This represents an important step in realising the vision set out in the Parkwood Masterplan and achieving the benefits for local communities and the people of Sheffield. The AfL enables SCC to pass commercial risk to the developer through a traditional landowner-developer relationship, with principal risks managed by Extreme.



Appendix B – site boundary



Appendix C – SCC land to be declared surplus in order for it to be appropriated to the Parks committee as open space



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

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