

Cabinet

Meeting held 11 November 2015

PRESENT: Councillors Leigh Bramall (Deputy Chair), Ben Curran, Jackie Drayton, Jayne Dunn, Terry Fox, Mazher Iqbal, Mary Lea and Sioned-Mair Richards

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from the Leader, Councillor Julie Dore.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 The Chair reported that the appendices to agenda item 8 'Streets Ahead - Refinance', were not available to the public and press because they contained exempt information described in Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) and if Members wished to discuss the appendices the public and press would need to be excluded from the meeting.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the previous meeting of the Cabinet, held on 14 October 2015, were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Petition in respect of Proposed Holt House/Carterknowle School Development Plans

5.1.1 Teresa Dodds submitted a petition, containing 900 signatures, opposing the redevelopment proposals in respect of Holt House and Carterknowle schools.

5.1.2 She commented that the City Council had recently proposed knocking down Holt House Infant School and replacing it with both a through primary and a secondary school. Holt House is currently a wonderful school set in beautiful grounds in which the School's 210 children have exclusive access to ample green and open space and in which they felt safe and happy. Carterknowle Junior School, which will also be relocated, was a much-loved community school also with ample private outdoor space.

5.1.3 The Council proposed new buildings that will house up to 1,921 children on the same space as was currently solely occupied by Holt House Infant School. This would impact negatively on the already severe congestion/parking problems and

high pollution levels in the Abbeydale/Carterknowle corridor. It would also reduce the area of ground space from approximately 42 square metres per pupil to just 7 square metres. It would lead to the destruction of the School's beautiful green setting, and would place a secondary school immediately next door to a school with children as young as four. The petitioners believed their young children would feel intimidated in such an environment and would lack the space to express themselves.

5.1.4 The Council proposed that the schools should use the Bannerdale fields as their outdoor green space and that these should be shared with the community. These fields were 10 minutes' walk from the proposed schools and were often littered with dog faeces. The petitioners believed this was not a workable solution for short sports lessons and will consequently not be used by the schools. The petitioners therefore rejected Sheffield City Council's recent proposals to build both a through-primary and a secondary school on the site of Holt House Infant School. They demanded that genuine, realistic alternatives were developed that placed greater emphasis on the need for pupils to have exclusive access to green and open space, that would not position a secondary school immediately adjacent to a primary school and that would not have a negative impact on the local community and environment.

5.1.5 In response Councillor Jackie Drayton, Cabinet Member for Children, Young People and Families, commented that three options had been put forward to address the problems of school places in the area. Following initial consultation a fourth option of a school for children aged 3-18 on the Bannerdale site had been proposed.

5.1.6 She added that the City Council had a duty as an authority to ensure there were enough school places available in the City and the consultation aimed to ensure that every child was able to attend their local school. This current academic year had seen children in the South West and North East areas of the City not being able to get a place at a local school. As well as a new school, there was a need to ensure affordable housing in the area, to protect existing green spaces as well as to address problems associated with traffic congestion and air quality.

5.1.7 The City Council aimed to achieve best value for its residents within time constraints and existing funding. All new options would be made available on the Council's website and there would be a questionnaire for people to fill in to say whether they agreed with the options. Councillor Drayton assured Ms Dodds and other concerned residents that they were being listened to. It was a true consultation and it was not a 'done deal' as some residents had suggested. The deadline for the consultation had been extended to 27 November and all views would be listened to.

5.2 Public Questions in respect of School Places Proposals

5.2.1 Teresa Dodds then submitted a number of questions, in addition to the above petition, regarding the proposals for school places in the South West area, from parents and residents who had been unable to attend the meeting as follows:-

- What sites away from Holt House, Bannerdale and Carterknowle had been considered?
- Can the catchment areas for primary and secondary places reflect the whole locality as this was crucial?
- Why were catchment areas not discussed as part of this consultation?
- King Egbert School had recently rejected applications from 39 children of Year 7 age within its catchment area. Was there not therefore a need for a school in that area?
- Can the merger of Holt House and Carterknowle Schools be discussed as a separate issue after the consultation?
- The proposals would not create more school places, so what was the reason for the merger?
- If the proposed school became an academy how would the Council be able to have any control over it?

5.2.2 In response to the questions, Councillor Jackie Drayton commented that Government legislation required that all new schools had to become academies. Within the City, the Council tried to ensure that all academy sponsors agreed with its ethos and wished to be part of the family of schools in the City and adopt its common admissions process. The Council always worked hard to ensure a school had the right sponsor.

5.2.3 Before the consultation had begun and any options put forward, discussions were held with all headteachers and governors affected. Councillor Drayton understood those at Holt House and Carterknowle were not unhappy about the two schools merging but she would check again to clarify.

5.2.4 The fact that 39 catchment children had not been allocated a place at King Egberts highlighted the need for additional school places in the area. The catchment for schools in that area was different to what many people thought and pupils in the Nether Edge area had the options of two catchment schools.

5.2.5 The catchment areas of the new school were not being discussed as part of this consultation and concerns over catchment areas would be added to the consultation comments. Any proposal for a new school would include discussions with all interested parties regarding the catchment area for the school.

5.2.6 Meetings had been held with all Secondary headteachers to obtain their views on getting a new school in the area. The City Council knew a new school was needed in that area and it was important to obtain best value within the financial constraints that it had to work in.

5.3 Public Question in respect of Highway Trees

5.3.1 Dave Dilner asked if discussions had been held with AMEY about the possibility of relaxing regulations in respect of highway trees and kerbs.

5.3.2 Councillor Terry Fox, Cabinet Member for Environment and Transport, reported that he had met with Alan Robshaw from Save our Rustling Trees (SORT) and David Caulfield, Director of Regeneration and Development Services and the new lead of the tree element of the Streets Ahead project and David Caulfield had given a commitment to examining the proposals put forward by Mr Robshaw. Councillor Fox would liaise with David Caulfield and ensure a response is provided to Mr Robshaw.

5.4 Public Questions in respect of Highway Trees

5.4.1 Louise Wilcockson asked whether the Council would be drafting alternative highways specifications to retain Sheffield's healthy, mature and safe roadside trees, rather than keep forging ahead with the same ones that did not take into account roadside trees?

5.4.2 Councillor Terry Fox commented that he had attended recent meetings of the Tree Forum which had explored alternative proposals and he would investigate these further. He was totally independent on the matter and once the Director of Regeneration and Development Services had looked into the alternative options Councillor Fox would arrange a meeting with representatives of SORT.

5.4.3 Ms. Wilcockson further asked if some of the savings from the Streets Ahead Refinance (item 8 on the agenda for the meeting) would be used to save roadside trees in the City where possible.

5.4.4 Councillor Ben Curran, Cabinet Member for Finance and Resources, commented that the money would be used to offset future government cuts. The Council has reduced spending by £300 million since 2010 and faced another £50 million of cuts this year. Savings had been made in back office functions and millions had been saved in IT costs and staff and senior officer pay. This approach had been endorsed by the public at the budget consultation events which had been held over the last few years.

5.5 Public Question in respect of Devolution

5.5.1 Nigel Slack reported that the 'Democracy Matters' pilot citizen's assembly in Sheffield had recently finished its deliberations. Mr Slack believed that the Council would not be surprised that the "Citizens in South Yorkshire had called for a much stronger devolution deal than the one currently on the table for the Sheffield region."

5.5.2 The press release also revealed that "If a vote on the current devolution deal had been held this past weekend, a two-thirds majority of Assembly members would have rejected it. Another vote showed strong opposition to an Elected Mayor." (Professor Matt Flinders, Sheffield University Crick Centre).

5.5.3 Mr Slack further stated that, conscious that this was an informed opinion from a

balanced group of citizens from across the South Yorkshire Metro Council areas and following previous comments from Councillor Bramall that the City Council would reject the deal in the face of overwhelming public opposition, is this the sort of levels that might be envisaged as overwhelming? Will the Council push to include simple questions about acceptance of the deal and, separately, the acceptability of an Elected Mayor in the forthcoming consultation?

5.5.4 Councillor Leigh Bramall, Deputy Leader and Cabinet Member for Business, Skills and Development, commented that the Democracy Matters pilot was welcomed but he would not class that as a full and proper consultation. If the Council had used the pilot as the only consultation, he believed Mr Slack would have had similar views about the extent of the consultation. The precise nature of the consultation was being discussed. It was a very complex issue but it needed to be a genuine consultation and understandable for those involved.

5.6 Public Question in respect of Smithy Wood

5.6.1 Nigel Slack referred to a question and subsequent answer he received at a previous meeting of Full Council in respect of Smithy Wood. He commented that the response was no doubt accurate but also singularly lacking in any useful information. He was therefore rephrasing the question in the hope of a more expansive comment. The question was that the developers proposing the destruction of the 12th century ancient woodland to the North of the City, 'Extra MSA Group', had shown in their presentation a preparedness to use planning guidelines in a way they were not intended. They had also put forward a dubious claim that this would be a development that will save lives on the motorway.

5.6.2 Mr Slack further commented that since the Council went to extraordinary lengths to remedy its negligence over the Devonshire Street demolition decision (failing in their duty to consult relevant heritage organisations) and knowing a developer's ability to suggest benefits that are immeasurable (Sheffield University's claims on employment and income for the City in respect of the demolition of the grade 2 listed Jessop Hospital), Mr Slack was trying to elicit whether the Council planning department would go to the same lengths to check and investigate, rather than just assess, the claims of the developer in this case?

5.6.3 Councillor Jayne Dunn, Cabinet Member for Housing, responded that the Council planning department's assessment of this application will include checking and investigating the submissions made by the applicant. As part of this process the relevant documents will be reviewed by planning officers, with support from experts from within the Council, including, for example, the Council's Ecology Service and Highways team and also South Yorkshire Archaeology Service. Highways England had also been consulted and were advising on the impact on the highway network.

5.6.4 Standing advice was also provided by bodies such as Natural England and the Forestry Commission. This advice will also be considered alongside the representations from members of the public and amenity groups, such as Sheffield Wildlife Trust and The Woodland Trust, which had been received as part of the application process.

5.7 Public Question in respect of Streets Ahead – Refinance

- 5.7.1 Nigel Slack referred to item 9 on the agenda, Streets Ahead – Refinance. He commented that it was interesting in the scope of the savings to be made, even if incrementally quite small year on year. However, bearing in mind the potential financial risks commented on in the report at paragraph 8.5, what was the level of confidence that this time the refinancing deal will be accepted by Government?
- 5.7.2 Mr Slack further commented that classing the global company as an individual meant that the public would not be getting the full picture of the changes to this contract. Will the Council therefore give details of the operational changes to be made to the contract whilst not revealing the finances of these changes?
- 5.7.3 Councillor Ben Curran commented that the previous refinancing deal had been rejected by the Government as it was seen as taking money off the private sector to balance public finance sheets. The current refinancing did not do that. The appendices were confidential but these contained procedural changes rather than substantial things about the contract.

5.8 Public Question in respect of Sheffield Plan Consultation

- 5.8.1 Nigel Slack stated that the City Council website had a page for the new Sheffield Plan. This page indicated a consultation on the first stage began today, in respect of the 'Citywide Options for Growth to 2034'. Following links on the site to try and find more details on the consultation were fruitless, eventually leading back to the same page, nor was the consultation available on the 'consultation hub'. What was the latest on this consultation.
- 5.8.2 Councillor Bramall thanked Mr Slack for informing him about the issues. He would look into that and would try and resolve it as soon as possible. He commented that people should always be cautious with what Government policy stated as Government statements often contradicted policy. The important thing was to look at what the Council could control and do the best it could in respect of that.

6. ITEMS CALLED-IN FOR SCRUTINY

- 6.1 There were no items called-in for Scrutiny since the previous meeting of the Cabinet.

7. RETIREMENT OF STAFF

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

RESOLVED: That this Cabinet :-

(a) places on record its appreciation of the valuable services rendered to the City Council by the following staff in the Portfolios below:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
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Children, Young People and Families

Carole Staniland	Headteacher, Carterknowle Junior School	20
Fiona Smith	Assistant Headteacher, Mossbrook Primary School	21

(b) extends to them 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 them.

8. STREETS AHEAD - REFINANCE

8.1 The Executive Director, Place and Interim Executive Director, Resources, submitted a joint report seeking approval to the Council pursuing a contract refinance in relation to the Streets Ahead contract and to progress some minor operational contract changes.

8.2 **RESOLVED:** That:-

- (a) option 1 be rejected – Do Nothing as it has been determined by the Council and Amey that there is an opportunity during the Core Investment Period (CIP) to make savings from refinancing the Contract;
- (b) exploring options 2 and 3 to refinancing with existing and potential new funders be continued, in order to determine the optimal route in terms of maximising savings and mitigating risks and subsequently take forward the preferred option;
- (c) the ongoing dialogue with the Department for Transport (DfT) throughout the refinance process be continued and a business case be submitted seeking DfT/HM Treasury (HMT) approval to complete the refinance which includes agreeing the optimal process for funding the DfT's share of the refinance savings.
- (d) the additional budget from the Private Finance Initiative (PFI) Reserves be provided to fund the conclusion of the refinance and the processing of the contract changes;
- (e) any abortive project costs of the Refinance from the Streets Ahead contingency be funded;
- (f) staged payments be made to Amey in relation to the Refinance and Contract change due diligence costs subject to such costs being auditable; and in accordance with agreed estimates;

- (g) officers explore the option of the Council providing up front capital in place of more expensive private finance and, if this results in increased levels of saving, that approval is delegated to the Interim Executive Director, Resources, to borrow the requisite sums;
- (h) authority be delegated to the Interim Executive Director, Resources to:-
 - (i) monitor the progress made by Council officers in determining the optimal refinancing option and approve (if appropriate) the recommended option; and
 - (ii) complete the refinance of the Contract subject to the approval of commercially acceptable terms by the Director of Legal and Governance; and
- (i) authority be delegated to the Director of Legal and Governance to process the High Value Changes under a Deed of Variation.

8.3 Reasons for Decision

- 8.3.1 As outlined in the report, there is a clear strategic and economic case to justify the Council concluding the refinance in order to realise saving of circa £0.3m to £0.6m p.a. This saving can be achieved with low risk to the Council and without impacting on the delivery of the highway maintenance service and the ongoing improvements in the infrastructure asset.
- 8.3.2 Failure to progress the refinancing of the Contract will result in more pressure on achieving the Council's current and future budget pressures.

8.4 Alternatives Considered and Rejected

- 8.4.1 **Option 1 - Do Nothing – Wait Until Completion of CIP in 2017**
Under this option no further action would be taken now and any consideration of the other options set out below would be deferred until the CIP is complete.
- 8.4.2 Owing to the disadvantages for Option 1 detailed in Appendix A, it is not recommended that this option is progressed. However, if a refinance is secured now it would still be possible to carry out a further refinance after the completion of the CIP if the prevailing conditions are favourable and the savings outweigh the further transaction costs.
- 8.4.3 **Option 2 – Existing Funders Margin Reduction**
Under this option the Council and Amey would negotiate with the existing funders to reach agreement on a reduction in their funding margins.
- 8.4.4 All of the current funders are still actively lending in the infrastructure market and in recent discussions, they all have expressed a desire to retain their investment in the Contract. The level of saving they are prepared to offer differs between each funder with some having more flexibility to reduce margins than others.

- 8.4.5 On the basis of the estimate of bank margins and fees for Option 2 as set out in Appendix A being achieved then the net saving to the Council after transaction costs and arrangement fees is £0.3m p.a.
- 8.4.6 Option 3 – Full Open Market Funding Competition
Under this option the Council would go to the banking market to seek a new set of funders on revised terms. All of the existing funding agreements would be cancelled and new agreements put in place. This could result in more or less funders than the current four banks.
- 8.4.7 There have been some initial informal discussions with a small number of potential new lenders and all have expressed an interest and indicated that they would be able to offer more competitive terms than initially proposed by the existing funders.
- 8.4.8 On the basis of the assumed bank margins being achieved then the net saving to the Council after transaction costs and arrangement fees is £0.4m p.a. The detailed terms and basis of the saving for Option 3 are again set out in Appendix A of the report.
- 8.4.9 As detailed in the options set out above, there is not a significant difference between the levels of saving achievable at the two modelled margins. However, it is possible that lower margins than the ones assumed in the scenarios could be achieved from new funders and from further negotiation with some of the existing funders. Therefore a more likely refinance scenario is securing a margin reduction from a combination of existing funders and new funders with the savings potentially being in the region of £0.4m to £0.6m p.a. Some examples of alternative potential refinance scenarios are also set out in Appendix A of the report.
- 8.4.10 There is a low-medium risk that if the Council approach the market for replacement funders and preferential terms cannot be achieved, then the existing funders may withdraw their offer of reduced margins resulting in the Council having to fund the abortive transaction costs.

9. SITE GALLERY EXPANSION

9.1 The Executive Director, Place submitted a report in relation to the proposed expansion of the Site Gallery.

9.2 **RESOLVED:** That Cabinet:-

- (a) approves the proposals to enter into the agreement to grant a lease of property at Brown Street to Site Gallery on the terms set out in this report;
- (b) delegates authority to the Executive Director, Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this transaction; and

- (c) delegates authority to the Director of Legal and Governance to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interests.

9.3 **Reasons for Decision**

- 9.3.1 The proposed expansion of Site Gallery will be a major boost for the cultural attraction of the city centre and the Cultural Industries Quarter (CIQ) in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area.
- 9.3.2 The proposal to grant a lease for 22 years at a peppercorn rent will unlock a grant from the Arts Council England (ACE) of just under £1m towards a £1.7m project. The refurbishment of the property will benefit a Council owned asset which is currently in a poor state of repair.

9.4 **Alternatives Considered and Rejected**

- 9.4.1 The unit which it is proposed to lease to Site Gallery forms part of the AVEC building, part of which is above the Sheffield Archives and in other places is closely linked to the recording studios behind. It is therefore extremely difficult to sell or grant a very long term interest in the property.
- 9.4.2 The property was almost completely vacant for several years after Sheffield Independent Film (SIF) went into administration as it proved difficult to find tenants prepared to take the property on in its poor condition. If the property was not to be leased to Site Gallery then it could be marketed but it is felt that any potential tenants would require a significant rent free period; would not attract the level of investment available from ACE and would be very unlikely to achieve the same cultural and economic benefits as the proposed lease to Site Gallery.

10. **PROPOSED LEASE OF LAND AT CHARLES STREET**

- 10.1 The Executive Director, Place submitted a report in relation to the proposed lease of land at Charles Street.
- 10.2 **RESOLVED:** That Cabinet:-
 - (a) notes the investment and approves the proposals to enter into the lease of land at Charles Street to Sheffield Hallam University (SHU) on the terms set out in this report;
 - (b) delegates authority to the Executive Director, Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this

transaction; and

- (c) delegates authority to the Director of Legal and Governance to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interests.

10.3 **Reasons for Decision**

- 10.3.1 The proposed improvements to this open space and its use for far more events, alongside other investments in the area, will be a major boost for the attraction of the city centre and the CIQ in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area. It also adds to the high quality of open spaces in the city centre making it a more pleasant place to live.
- 10.3.2 The proposal to grant a lease for 25 years will unlock an investment from SHU of approximately £400,000 and will remove a maintenance liability from the Council of approximately £1,000pa. The refurbishment of the land will benefit a Council owned asset which is currently in a poor state of repair.

10.4 **Alternatives Considered and Rejected**

- 10.4.1 The Council could simply do nothing and leave the open space as it is which would have little benefit and it would continue to be poorly used.
- 10.4.2 Alternative sources of funding could be sought to carry out the improvements but such funding is limited and if it was possible to secure any then that would be at the expense of other schemes. Whereas by utilising the investment from the University it is hoped to use this as match to drawdown further funding for improvements in this part of the city centre.

11. **GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES (POLICY)**

- 11.1 The Executive Director, Place submitted a report setting out the details of the revised Statement of Principles (Policy) to be published under the Gambling Act 2005 and details of the consultation process that had been undertaken. The report also sought approval to the final version of the Statement of Principles (Policy) and for it to be referred to Full Council.
- 11.2 It was reported for clarification that Neighbourhood Plans could only add to existing plans such as the Gambling Policy.
- 11.3 **RESOLVED:** That Cabinet approve the Statement of Principles (Policy) for referral to Full Council on 2nd December 2015.

11.4 **Reasons for Decision**

To comply with the Council's statutory obligations and in doing so promote the Council's Corporate Plan and support the Council's vision.

11.5 Alternatives Considered and Rejected

There were no alternatives presented in the report.

12. LICENSING ACT 2003 - STATEMENT OF LICENSING POLICY

12.1 The Executive Director, Place submitted a report setting out the details of the revised Statement of Licensing Policy to be published under the Licensing Act 2003 and details of the consultation process that had been undertaken. The report also sought approval to the final draft of the Statement of Licensing Policy and for it to be referred to Full Council.

12.2 **RESOLVED:** That Cabinet approve the Statement of Licensing Policy for referral to Full Council on 2nd December 2015.

12.3 Reasons for Decision

To comply with the statutory obligations and in doing so promote the core objectives under the Licensing Act, the Council's Corporate Plan and support the Council's vision.

12.4 Alternatives Considered and Rejected

There were no alternative options presented in the report.

13. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING MONTH 6 (AS AT 30/9/15)

13.1 The Interim Executive Director, Resources submitted a report providing the month 6 monitoring statement on the City Council's Revenue and Capital Budget for 2015/16.

13.2 Members commented that welfare reforms would put pressure on all residents in the City not just Council tenants and the Government's proposals regarding 'Pay to Stay' could have a catastrophic effect and clarity was awaited on the detail of these proposals.

13.3 **RESOLVED:** That Cabinet:-

(a) notes the updated information and management actions provided by the report on the 2015/16 Revenue Budget position;

(b) approves the spend request as shown in paragraph 29 of Appendix 1 of the report; and

- (c) in relation to the Capital Programme:-
 - (i) approves the proposed additions to the Capital Programme, listed in Appendix 5.1 and 5.2 of the report, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) approves the proposed variations, deletions and slippages in Appendix 5.1 and 5.2 of the report; and notes:-
 - (A) the latest position on the Capital Programme including the current level of delivery; and
 - (B) the variations approved under delegated authority provisions.

13.4 **Reasons for Decision**

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

13.5 **Alternatives Considered and Rejected**

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.

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