

# Cabinet

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**Wednesday 15 October 2014 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 Leigh Bramall	(Business, Skills & Development)
Councillor Jackie Drayton	(Children, Young People & Families)
Councillor Isobel Bowler	(Culture, Sport & Leisure)
Councillor Ben Curran	(Finance and Resources)
Councillor Harry Harpham	(Deputy Leader/Homes & Neighbourhoods)
Councillor Mazher Iqbal	(Communities & Public Health)
Councillor Mary Lea	(Health, Care & Independent Living)
Councillor Jack Scott	(Environment, Recycling & Streetscene)

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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  
15 OCTOBER 2014**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 1 - 4)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting** (Pages 5 - 24)  
To approve the minutes of the meeting of the Cabinet held on 17 September 2014.
- 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 25 - 28)  
Report of the Director of Legal and Governance
- 9. Grounds Maintenance and Estate Services Review** (Pages 29 - 52)  
Report of the Executive Director, Place
- 10. Sheffield's Riverside Business District - Transforming a Key Economic Corridor in the City Centre from "Grey to Green"** (Pages 53 - 80)  
Report of the Executive Director, Place
- 11. Independent Living Solutions** (Pages 81 - 102)  
Report of the Executive Director, Communities
- 12. Medium Term Financial Strategy 2015/16 to 2019/20** (Pages 103 - 132)  
Report of the Executive Director, Resources
- 13. Revenue Budget and Capital Programme Monitoring 2014/15 Month 4 (as at 31/7/14)** (Pages 133 - 178)  
Report of the Executive Director, Resources

**NOTE: The next meeting of Cabinet will be held on  
Wednesday 12 November 2014 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 Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Interim 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 17 September 2014

**PRESENT:** Councillors Julie Dore (Chair), Leigh Bramall, Jackie Drayton, Isobel Bowler, Ben Curran, Mazher Iqbal, Mary Lea and Jack Scott

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**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillor Harry Harpham.

**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 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the previous meeting held on 23 July 2014 were approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Public Question in respect of the Number 66 Bus Service

Mr Barry Bellamy thanked Councillor Leigh Bramall, Cabinet Member for Business, Skills and Development, for his work in helping to restore the number 66 bus service from High Green to Rotherham. However, given all the hard work how was the service allowed to be withdrawn in the first place?

Councillor Leigh Bramall commented that he had not been happy about the withdrawal of the service. A large part of the route was in Rotherham and as such, and because of human error, Sheffield had not been made aware of the change to the service. Under the Bus Partnership Agreement minor amendments could be made to routes without informing Councillors but Councillor Bramall did not consider this change to be a minor amendment and should have been referred to Members in Sheffield for comment. He found it unacceptable that, considering the reaction to the Sheffield Bus Partnership Agreement, the South Yorkshire Passenger Transport Executive did not feel it necessary to inform Sheffield about the change.

5.2 Public Question in respect of AMEY works in High Green

Barry Bellamy asked about a number of works undertaken by AMEY within the High Green area. In response, Councillor Jack Scott, Cabinet Member for

Environment, Recycling and Streetscene, agreed to arrange a meeting with Mr Bellamy to discuss the works being undertaken in the High Green area.

5.3 Public Question in respect of Sheltered Housing and Social Care

Barry Bellamy commented that, through his local Ward Councillor, Councillor Adam Hurst, he had been attempting to arrange a meeting with Councillor Mary Lea, Cabinet Member for Health, Care and Independent Living, and officers regarding policies which he considered were putting vulnerable adults at risk. Given recent events he believed this meeting was more important than ever.

Councillor Mary Lea commented that she had not been aware that a meeting had been attempted to be arranged to discuss the issue. A meeting could be arranged and she would discuss this with Mr Bellamy and Councillor Adam Hurst.

5.4 Public Question in respect of the Demolition of the Cart and Horse Public House, High Green

Barry Bellamy stated that when Councillor Mazher Iqbal, Cabinet Member for Communities and Public Health, rejected a proposal to designate the Cart and Horse Public House, High Green as a building of community interest some of the information used to make this decision had been incorrect. If Councillor Iqbal knew this information was incorrect why did he reject the proposal and if he didn't know the information was incorrect why was this the case? Mr Bellamy requested a meeting with Councillor Iqbal to discuss the matter.

Councillor Iqbal confirmed that he had agreed the decision to reject the proposal and this had been published on the Council's website. He agreed to hold a meeting with Mr Bellamy and requested that Mr Bellamy email him the inaccuracies he believed were contained in the report used to make the decision prior to the meeting being held.

5.5 Public Question in respect of Libraries

Mr William Hiorns referred to a letter sent from the Secretary of State, Ed Vaizey, dated 9<sup>th</sup> September, asking a number of questions in respect of the Libraries Review Needs Analysis. Mr Vaizey had also requested that the Council did not implement the proposed changes to the Library Services until October 31<sup>st</sup> when he would determine whether to order a local inquiry. Therefore, Mr Hiorns asked whether the Council had yet responded to the Secretary of State in respect of his request to delay implementation? Mr Hiorns also asked when the Council would share that response with the impacted stakeholders in Sheffield, such as Library Services staff and the volunteer groups who were working to meet the 29 September deadline for handover?

Councillor Julie Dore, Leader of the Council, confirmed that conversations had taken place with Mr Vaizey's office to discuss the issues raised.

Councillor Mazher Iqbal acknowledged that he had received the letter from Mr Vaizey's office, dated 9 September, asking for further information and the Council

had provided a response to this which he believed answered the questions raised. This would shortly be published on the Council's website. Councillor Iqbal confirmed that the implementation of the proposals would not be delayed. The Minister had not taken into account all the issues and the progress that had been made towards implementation. Any delay would not be in the interest of stakeholders. Cabinet had agreed a timetable for implementation. Staff had taken voluntary retirement or redundancy or been served a redundancy notice. The Council were therefore working to a deadline of 29 September and a response would be drafted and circulated to all relevant community groups.

#### 5.6 Public Question in respect of Libraries

Marcus O'Hagan also referred to the letter sent by Ed Vaizey M.P. He had been amazed by the response of Councillor Iqbal to the previous question that it was not in the interests of community groups to delay implementation. Some groups had not yet seen lease agreements that they would be required to sign in two weeks. How could this be seen as reasonable?

Mr O'Hagan further commented that he believed Councillor Iqbal had been asked a number of questions in recent months which he had not provided answers for. The community groups had agreed to take on responsibility for the running of libraries as a last resort to prevent closure. Mr O'Hagan believed the Council were setting up libraries to fail. He had asked Councillor Iqbal if libraries would be shut if they were failing and had not received an answer.

Mr O'Hagan then commented that he had questions outstanding from January, February and March this year which had not been answered despite requests from the Information Commissioner to do so. He then asked how the Council would support libraries who struggled financially as Mr O'Hagan did not believe that the three year financial package offered would sustain these libraries in the long term?

Councillor Julie Dore commented that she had been in many meetings where questions had been asked in respect of the libraries review and she believed that all questions had been answered as well as the questions raised by Ed Vaizey M.P. Mr Vaizey's letter had been responded to and discussions had been held with the Minister's office. This would not be the end of the dialogue with the Minister's office. Mr O'Hagan would be sent a copy of the response to Mr Vaizey. It was the Council's aim to be as transparent as possible and not let the public have to rely on Freedom of Information requests and the response to Mr Vaizey would be published on the Council's website.

Councillor Mazher Iqbal commented that he wished to defend Council officers who had worked hard to deliver the right proposals to meet the legal requirement to provide a comprehensive and efficient service. The correspondence from the Information Commissioner concerned timing. The questions Mr O'Hagan had raised at both Council and Cabinet had been responded to in writing. Councillor Iqbal could provide further clarity if required.

Mr Vaizey had been aware of the Council's proposals which were presented to

Cabinet six months ago in February 2014 and Councillor Iqbal was puzzled as to why he was now asking for the proposals to be delayed when a lot of hard work had been put into implementation. Everyone was aware of the cuts facing the Council. Councillor Iqbal was grateful that community groups had come forward to offer to run libraries in the City. The Council had provided support in terms of lease agreements. It was not about what happened at the end of the three year funding it was about ensuring support to the groups was continual. A volunteer co-ordinator had been employed to offer support where required.

Councillor Dore suggested that a meeting take place with Mr O'Hagan to attempt to resolve the issue about unanswered questions. She requested that Mr O'Hagan provide any relevant correspondence with Councillor Iqbal or other relevant Members or officers prior to that meeting.

#### 5.7 Public Question in respect of Member Code of Conduct

Mr Nigel Slack referred to an incident at the last Council Meeting, held on 3 September 2014, involving a Councillor and a member of the public which he found completely unacceptable. He therefore asked if the Council would be bringing this to the attention of the Monitoring Officer or were they waiting for a member of the public to do so?

Councillor Julie Dore stated that normally if a member of the public wished to make a complaint against a Councillor this should be done in writing and addressed to the Monitoring Officer. In the light of ongoing dialogue to improve transparency Councillor Dore believed that it was not always appropriate to ask a member of the public to put a complaint in writing before addressing a situation. Councillor Dore would refer this particular complaint to the Monitoring Officer if Mr Slack was prepared to make a statement. Mr Slack confirmed that he would be prepared to make a statement. Councillor Dore confirmed that she would therefore refer Mr Slack's complaint to the Monitoring Officer on his behalf.

#### 5.8 Public Question in respect of Transport for Young People

Nigel Slack referred to discussions he had recently had with friends in respect of the recent news about child abuse in Rotherham where he had been told that relatives of his friends had a vulnerable child and Rotherham Council had offered them un-chaperoned taxi travel for their child. His friends had refused and were now thinking they had a lucky escape. He therefore asked whether Sheffield offered such taxi travel? If so was it chaperoned? And were the drivers CRB checked?

Councillor Jackie Drayton, Cabinet Member for Children, Young People and Families reported that CRB checks were now called DBS checks. The majority of children and young people who required transportation travelled in in-house vehicles which were predominantly minibuses suitable for disabled users. All drivers had a DBS check. This covered 1100 children. 172 children travelled in taxis which were provided by companies on a list of approved providers. These companies had to go through a rigorous checking process which involved insurance and DBS checks.

Escorts were provided for children based on an individual assessment of their needs. This may be an in-house provider or taxi company who had the relevant checks and balances in place. An assessment was currently being undertaken of all services provided particularly concerning the Jay report in Rotherham. A meeting would be held with officers to scope out any potential risks of the taxi companies used by the Council. Further details were now being worked out to ensure the correct checks were in place and were being applied correctly and that colleagues and external providers were sharing information appropriately. The Council could not sit on their laurels and would always look at policies and procedures that were in place. Other young people may use transportation through the Short Breaks scheme and the Council would ensure the appropriate checks were in place in this instance.

Councillor Isobel Bowler, Cabinet Member for Culture, Sport and Leisure, added that she was responsible for Licensing Policy and had previously been a member of the Licensing Committee. The safety of the travelling public in taxis was the Council's responsibility. Anybody who applied for a licence had to declare driving and criminal offences and DVLA and criminal records were checked. If there were concerns the Licensing Committee reviewed the application. If a serious complaint was received from a member of the public regarding a licensed driver the licence would be reviewed by the Licensing Committee. The Council could not be complacent about safety and if a member of the public ever had a bad experience with a licensed driver this should be reported to the Licensing section of the Council.

One of the issues of concern was that if a driver has a licence refused or removed they can appeal to magistrates and have it reinstated. In addition a driver licensed by another authority can operate as a private hire in the City. Therefore not all private hire drivers in Sheffield have been through the Council's procedures, and were not licensed by Sheffield City Council.

5.9 Public Question in respect of the Transatlantic Trade and Investment Partnership (TTIP)

Nigel Slack referred to a note on the City Region Local Enterprise Partnership (LEP) website which stated that they were to host a roadshow about the TTIP. Therefore, Mr Slack asked in the light of the continuing inclusion of NHS services in this treaty and the comments at Full Council by Councillor Mary Lea would the Council have anyone in attendance at the roadshow to talk about the potential problems of this treaty?

Councillor Julie Dore reported that she had sent an email to the Chair of the LEP on the issue. She was in agreement with the comment that an exemption was requested for the NHS and other public services and wanted the LEP to raise this when doing the roadshow. She would be meeting with the Chair of the LEP following the Cabinet meeting and would raise the issue again.

5.10 Public Question in respect of Transparency in Planning Decisions

Nigel Slack commented that he had received a reply from Councillor Leigh Bramall to his original question. This answer had highlighted the issue of transparency in planning decisions. It suggested that decisions could be made in private chats between developers and Councillors and he believed this was bad for transparency. He requested a meeting with Councillor Bramall and officers to discuss his concerns.

Councillor Bramall confirmed that he was happy to have a meeting with Mr Slack. He commented that there was a balance to be struck. There needed to be a way of negotiating with developers and coming to an agreement on minor elements. Final amendments were consulted on with a number of bodies. Councillor Bramall supported transparency, however and he welcomed a meeting with Mr Slack to discuss how this could be improved.

5.11 Public Question in respect of the Police and Crime Commissioner

Nigel Slack asked a question from Sheffield for Democracy in relation to the recent resignation of the South Yorkshire Police and Crime Commissioner. Mr Slack asked whether the Council's Police and Crime Panel Member could confirm whether the Panel would be meeting to appoint an interim Police and Crime Commissioner tomorrow? How and on what basis will this appointment be made? From what selection of candidates? And what powers were they using to make this appointment? What was the anticipated timescale for the by-election? Will the Police and Crime Panel continue to press for changes to the Police and Crime Commissioner legislation?

In the absence of the Cabinet representative on the Police and Crime Panel, Councillor Harry Harpham, Councillor Julie Dore commented that she knew an election would take place imminently. She understood that the appointment of an interim could only be made from the current office of the Police and Crime Commissioner. The Police and Crime Panel would follow the normal recruitment process. They would request expressions of interest in the post and if there was more than one would follow a selection process. A by-election was required to take place within 35 days of the resignation. The Council would continue to press for changes to the current legislation.

5.12 Public Question in respect of Domestic Abuse

Mr Martin Brighton commended the Council for its recent policy documents on Domestic Abuse. He asked if the Council would consider taking some of the relevant core principles and applying them ubiquitously?

Councillor Mary Lea thanked Mr Brighton for his comments and reported that a lot of hard work had gone into producing the report. Officers and Members would consider whether any important principles could be adapted elsewhere.

5.13 Public Question in respect of Abuse

Martin Brighton asked whether the Council, or any of its Elected Members, ever supported the use of abuse, or protect abusers, for political, pragmatic or for any

other reason?

Councillor Julie Dore stated that she categorically did not support any form of abuse and all Cabinet Members agreed on this. She hoped that all Elected Members agreed with this.

5.14 Public Question in respect of Political Supporters

Martin Brighton asked whether the current administration ever condoned the 'packing' of public meetings with its own supporters so as to further its own political agenda whilst creating the illusion of public consent, and what would such practice say about respect for democracy?

Councillor Julie Dore commented that she didn't condone such practices and was not aware that it had occurred with Labour supporters under the current administration.

5.15 Public Question in respect of Democracy

Martin Brighton asked whether the current administration ever condoned the calling in of the 'loyalty card' to persuade otherwise dissenting citizens to vote in favour of a political policy and what would such a practice say about respect for democracy?

Councillor Dore commented that she would consider this a bribe and would not condone it.

5.16 Public Question in respect of Group Responsibility

Martin Brighton asked whether the current administration accepted the principles of 'group responsibility', 'we are all in this together' or any other similar tactic? And if so could they please give examples?

Councillor Dore commented that she accepted the principles of collective responsibility but could not be held personally responsible for every member of her group. Where a member was accused of inappropriate activity she would take responsibility to ensure that it didn't happen again.

5.17 Public Question in respect of Response to Public Question

Martin Brighton asked what should the procedure be should it be demonstrated that an Elected Member deliberately gave a false answer to a question from a member of the public at a public meeting?

Councillor Dore responded that she was not aware of any instance as described in the question. If Mr Brighton had any evidence to suggest that was the case he should refer to the Members Code of Conduct procedure.

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

- 6.1 Matthew Borland, Scrutiny Policy Officer, submitted a report of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee outlining the outcome of the Scrutiny Committee meeting held on 28 August 2014 where a Call-In on the Statement of Community Involvement was considered.
- 6.2 **RESOLVED:** That Cabinet notes the decision of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee at its meeting held on 28 August 2014 in respect of the Statement of Community Involvement that:-
- (a) the contents of the report now submitted be noted, together with the comments now made and the responses to the questions raised; and
  - (b) no action be taken in relation to the called-in decision, but consideration be taken whether issues arising from the call-in need to be added to the Committee's Work Programme for 2014/15.

## 7. **RETIREMENT OF STAFF**

The Chief Executive 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>
<b><u>Children, Young People and Families</u></b>		
Surriya Chauhdry	Whole School Assistant, Lowfield Primary School	30
Jennifer Evans	Senior Early Years Practitioner	34
Alan Gerard	Application Development Manager	31
Doreen Goldthorpe	Teacher of the Deaf	35
Anne Greatorex	Cleaner, Lydgate Infant School	33
Judith Haughton	Assistant Headteacher, Beighton Nursery Infant School	27
Elizabeth Hearnshaw	Teacher of the Deaf	23
Joseph Henderson- Tang	Teacher of the Deaf	22
Susan Layhe	Early Years Trainer	36



Elizabeth Palmer	Social Worker	32
Victoria Shortland	Teacher of the Deaf	29
Diana Swain	Early Years Childcare Manager	39
Christine Whitehead	Residential Support Worker	20
Vivienne Williams	Pathways to Registration Manager	32

**Communities**

Trevor Back	Senior Practitioner Social Worker	35
Denise Boardman	Library and Information Assistant	31
Jillian Broomhead	Library and Information Assistant	27
Janet Eyre	Service Development Worker	41
Susan Freestone	Local Studies Librarian	29
Janette Gisher	Library and Information Assistant	24
Sandra Jenkinson	Housing Officer	30
Lesley Morris	Library and Information Assistant	42
Christine Shepherd	PRS Liaison Officer	29
John Smith	Community Development Librarian	34
Tim Sutton	Area Library Manager	34
Rachel Tew	Information Support Assistant	34
Angel Van Rensburg	Library and Information Assistant	36

**Resources**

Susanne Knight	Information Support Assistant	46
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Russell Markham	Assistant Finance Manager	29
Gordon Taylor	Property Office Workplace Management	39
Steve Warburton	BCIS Transition Project Manager	42

(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. DISPOSAL OF SITES FOR AFFORDABLE HOUSING**

8.1 The Executive Director, Place submitted a report in relation to the disposal of affordable housing.

8.2 **RESOLVED:** That Cabinet:-

- (a) notes the ongoing issues regarding securing development finance for affordable housing and supports the principle of assisting Registered Providers where appropriate by offering flexibility around mortgagee exclusion clauses;
- (b) supports the requests from Registered Providers for mortgagee exclusion clauses on the schemes named in Section 6.12 of the report subject in the case of new disposals, to the Registered Provider entering into an agreement for lease with the lease to be granted upon completion of the construction and that the Director of Capital and Major Projects be authorised to negotiate or renegotiate terms for the leases as appropriate and to instruct the Director of Legal and Governance to complete the necessary legal documentation; and
- (c) delegates authority to the Director of Capital and Major Projects, in consultation with the Director of Regeneration and Development Services and the Cabinet Member for Homes and Regeneration, in relation to social housing sites that have previously been disposed of by way of a long lease, to consider and where appropriate agree future requests from Registered Providers to vary the terms of those leases to include mortgagee exclusion clauses and to instruct the Director of Legal and Governance to complete the necessary legal documentation.

### **8.3 Reasons for Decision**

8.3.1 The 2013 Strategic Housing Market Assessment identified an annual requirement for 725 affordable homes in addition to the projected supply. Whilst the Council is embarking on a Stock Increase Programme for Council Housing, the Housing

Revenue Account does not have sufficient resources to meet the projected need for affordable housing. Further investment is required from Registered Providers and the Homes and Communities Agency.

- 8.3.2 As grant funding to Registered Providers reduces, they must look to maximise the potential of their existing asset base to realise additional resources for new affordable housing supply. By accepting a small measure of risk in granting Registered Provider's requests for mortgage exclusion clauses, the Council would increase Registered Provider development capacity by 20% at no financial cost to itself.
- 8.3.3 The Council's emerging Housing Delivery Investment Plan is designed to accelerate total housing delivery across all sectors. Removing restrictions on mortgages as a barrier to delivery would significantly improve delivery within the social sector.

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

- 8.4.1 The refusal of Registered Provider's requests for mortgage exclusion clauses would absolutely protect the ongoing social housing status of any social housing built by Registered Providers on Council land. However, it would not increase the available funding for social housing and may lead to some Registered Providers ceasing to develop in Sheffield.

### 9. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2014/15 MONTH 3 (AS AT 30/6/14)**

- 9.1 The Executive Director, Resources submitted a report providing the Month 3 monitoring statement on the City Council's Revenue Budget and Capital Programme for June.

#### 9.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by this report on the 2014/15 Revenue Budget position;
- (b) in relation to the Capital Programme, approves:-
  - (i) the proposed additions to the Capital Programme listed in Appendix 1 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) the proposed variations and slippage in Appendix 1; and notes
  - (iii) the latest position on the Capital Programme including the current level of delivery and forecasting performance; and

- (iv) the exercise of delegated authority to vary approved amounts by Directors of Service.

### 9.3 **Reasons for Decision**

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

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

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

## 10. **SHEFFIELD FLOOD AND WATER MANAGEMENT CAPITAL PROGRAMME 2014 TO 2021**

- 10.1 The Executive Director, Place submitted a report in relation to the Flood and Water Management Capital Investment Programme 2015-2021.

### 10.2 **RESOLVED:** That Cabinet:-

- (a) approves the inclusion of Sheffield's Capital Investment proposals in the Government's Flood Risk Management Grant in Aid programme (2015-2021) as outlined in section 4 of the report;
- (b) authorises Council Officers to open discussions with potential partner investors in the proposed Capital Programme of schemes and to clarify lead officer/capacity in the area of funds management;
- (c) authorises Officers to compile the necessary business cases to support the grant applications and seek approval from the appropriate Outcome Programme Boards; and
- (d) delegates authority to the Executive Director, Place in conjunction with the Interim Director of Legal Services, the Interim Director of Finance and the Interim Director of Commercial Services (or their nominated representatives), subject to revenue funding being made available, as outlined in section 6.7 of the report, to accept tenders and award contracts for the preparation of detailed business cases necessary to support submissions to the Environment Agency to secure Government flood grant in aid costs.

### 10.3 **Reasons for Decision**

10.3.1 To secure much needed capital investment in the City's critical flood and damage infrastructure.

10.4 **Alternatives Considered and Rejected**

10.4.1 Do nothing

Discounted. Government has indicated that this is a unique opportunity for LLFAs and the Environment Agency to register schemes within a much more stable medium term programme of FDGIA investment to 2021. The City Council is determined to maximise this opportunity to invest in Sheffield's critical flood and drainage infrastructure, therefore, the 'do nothing' option is discounted.

10.4.2 Split programme responsibility between: (a) the Environment Agency as main river authority to lead and deliver all principal river projects; and (b) Sheffield City Council as LLFA to lead and deliver ordinary watercourse projects

Discounted. The capital schemes forming the programme require partnership investment in order for them to achieve the desired priority score using the Environment Agency's prioritisation methodology. Sheffield City Council is best placed to use its position within the City to mobilise funding partners and to secure alternative sources of funding. This approach has been shown to work by the Lower Don Valley Flood Protection Scheme. In addition, the programme is essential to delivering corporate outcomes, some of which are not direct functions of the Environment Agency and therefore the City Council is able to direct where funding is applied. Clearly, delivery within Government's medium term investment period is in the overall functional interests of the City Council and therefore this option is discounted.

10.4.3 Split the programme and only register some schemes with Government

Discounted. This option would require the Council to decide to put one area above another and thereby increase the risk of flooding in the deselected area. As mentioned earlier this would be a lost opportunity to improve the resilience of significant parts of the City at a time when flood protection is increasing in priority for the Government and funds are being made available. That opportunity may not come again for some time.

10.4.4 Sheffield City Council as LLFA to lead and deliver the full programme supported by the Environment Agency as key programme partner and adviser

Preferred. This is the preferred option to ensure that the City benefits fully from this unique investment opportunity to become more resilient to flooding and the effects of climate change. Sheffield City Council has begun the process of building expertise and resources in this area with the formation of a Flood and Water Management Group that will lead delivery of the programme. Plans are for the Capital Delivery Service to provide full time project and funds management support to the programme with the Environment Agency's regional partnership team providing technical, legal and programme management expertise and advice.

**11. STATUTORY CHANGES AT OUGHTIBRIDGE PRIMARY, THE ROWAN PRIMARY AND BECTON SCHOOL - FEEDBACK FROM CONSULTATION**

11.1 The Executive Director, Children, Young People and Families submitted a report providing feedback on consultation which had taken place on changes to three Sheffield schools – an increase in capacity at Oughtibridge Primary, an increase in capacity at The Rowan Primary (Special) and a change of age range at Becton School (Hospital School) and sought a final decision on the proposals.

11.2 **RESOLVED:** That Cabinet approves:-

- (a) an expansion at Oughtibridge Primary from 45 places per year to 60 places per year, starting in the Reception intake in September 2015 and that a capital approval submission will be brought forward in due course;
- (b) an expansion at The Rowan Primary (Special School) from 68 to 90 places overall, starting in September 2015 on condition that the capital scheme receives planning permission by 1<sup>st</sup> May 2015;
- (c) a change in age range at Becton School (Hospital School) from 11-18 to 5-18 with a change to the proposed start date of 1<sup>st</sup> September 2014 to 1<sup>st</sup> October 2014; and notes
- (d) that the Rowan School expansion capital scheme is the subject of an approval request in the Month 3 Budget Monitoring report.

**11.3 Reasons for Decision**

11.3.1 Consultation has been conducted to listen to concerns and to test the levels of support for the proposals from parents, school staff, governors and the community. Overall the positive response to consultation reflects the wide ranging support for the proposals.

11.3.2 The proposal at the Rowan is the only one to gain a significant negative response, yet the key issues raised are not concerned with the principle of increasing the number of places at the school. The issues around parking traffic that have been raised are important considerations and therefore the recommendation is to proceed with the condition that the scheme receives planning permission. This is where the impact of the development on highways would be properly considered.

11.3.3 In line with the Regulations, once statutory notices have been published and consultation concluded, a decision must be reached by the decision maker (in this case, the Local Authority), otherwise the proposals must be formally withdrawn. It has not been possible to complete the process for Becton in line with the initial proposal to implement from 1<sup>st</sup> September 2014. Under its powers under the Regulations, Cabinet is asked to amend the proposal to change the implementation date to 1<sup>st</sup> October 2014. This has no practical implications as existing arrangements will continue and changes to financial arrangements would

not come in until the new financial year in April 2015.

#### 11.4 **Alternatives Considered and Rejected**

- 11.4.1 The alternative options would be to provide the capacity at alternative schools or not to provide the capacity at all. Analysis shows that this additional capacity is required to meet growing demand. The consultation process allowed for all alternative proposals to be put forward, including providing the capacity at a different school. No alternatives came forward during consultation and the proposals were largely supported.

### 12. **SHEFFIELD CITY CENTRE BUSINESS IMPROVEMENT DISTRICT**

- 12.1 The Executive Director, Place submitted a report seeking approval for development of a Sheffield City Centre Business Improvement District (BID). The BID has been proposed by the private sector in an attempt to add to the economic growth and social well-being of Sheffield City Centre.

#### 12.2 **RESOLVED:** That Cabinet:-

- (a) notes and approves the proposal of the existence of the City Centre BID scheme;
- (b) authorises the Council's Returning Officer to run the ballot subject to the receipt of the materials required by the Business Improvement Districts (England) Regulations 2004 to the delegated officer;
- (c) notes that following a successful ballot the BID Champions Group will seek to set up a BID Company
- (d) should the ballot be successful delegates authority either to the Executive Director, Place (or an officer nominated by him) or the Cabinet Member for Business, Skills and Development to sit as the Sheffield City Council Board Member on the BID Board;
- (e) notes that the Executive Director, Place, in consultation with the Director of Finance and the Interim Director, Legal and Governance and Cabinet Member for Business, Skills and Development be authorised to:-
  - (i) take such steps as (s)he feels appropriate to assist in the delivery of the development and implementation of the City Centre BID project;
  - (ii) formally approve the BID Business Plan and associated documents, negotiate, agree and complete the Financial Operating Agreement and Memorandum of Understanding and the BID Levy Rules between Sheffield City Council and Sheffield City Centre BID Champions Group; and
  - (iii) confirm the Baseline City Centre Management and Major Events

services relevant to the BID for the 5 years of the BID term.

### **12.3 Reasons for Decision**

- 12.3.1 The BID will bring new, private and public sector investment to the City Centre which will complement the existing offer. The BID is an opportunity for businesses based in Sheffield to invest in the future of the City Centre and be responsible for the allocation of these funds.
- 12.3.2 Given the City's long desired aim to improve the City Centre officers feel the BID is a key 'strategic component' which will help this aim come to fruition. A BID would provide a very real opportunity which many other towns and cities across the UK are already grasping. The time is right for Sheffield to adopt this model and give the business community a voice and the power to help change the City Centre for the better.
- 12.3.3 The ambitions for the City Centre fall across a number of the City's stated strategic objectives, those being a 'strong and competitive economy' and a 'vibrant City' together with other opportunities to support other outcomes 'a great place to live' and 'safe and secure communities'. A BID would complement and support these ambitions.
- 12.3.4 A BID can provide a tangible and workable strategic relationship in an open and transparent way with the business community and will help to identify key themes and projects we can work on together, both for them as a business community and for the wider Sheffield population, to come and enjoy the ever improving offer available in the City Centre at this time.
- 12.3.5 A BID will be organised by the business community, creating not only a strong voice but the economic capacity to enact practical change.

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

- 12.4.1 Do nothing. The billing authority may only veto a BID on the grounds stipulated in the legislation, therefore if a BID proposer approaches the billing authority with a proposal the authority is obliged to engage to some extent with the concept. Sheffield City Council could decide not to engage beyond the narrow level of involvement dictated in the legislation and regulations. Refusing or failing to engage would be a missed opportunity to work together with the business community to build a successful future for the City Centre.
- 12.4.2 Create a voluntary contribution scheme. The City Centre Retailers group have discussed a voluntary contribution scheme; however the variation in management and organisation between companies made such a concept very difficult for some businesses to engage in as permission by central management may be refused. In contrast the majority of major companies and chains are accustomed to participating in BIDs. A BID would have a financially secure five year operational life, would be accountable to all eligible businesses and would be led by the business community which a voluntary scheme may not be.



- 12.4.3 Sheffield City Council to provide additional funds on top of the current service level. Given the current budget position the City Council could not invest a further £800,000 in the City Centre without causing serious budget reductions in other key Council services.

### **13. DOMESTIC ABUSE SERVICES PROCUREMENT**

- 13.1 The Executive Director, Communities submitted a report outlining the procurement plan for community based domestic abuse services in Sheffield, which was necessary as current contracts were coming to an end in March 2015.

13.2 **RESOLVED:** That Cabinet:-

- (a) approves the commissioning and procurement plan for domestic abuse services outlined in the report;
- (b) delegates authority to the Director of Commissioning (or their nominated representative) to take the necessary steps to implement the commissioning and procurement plan for domestic abuse services in consultation with the Director of Commercial Services and the Director of Legal and Governance or their nominated representatives; and
- (c) delegates authority to the Director of Commissioning to award the contracts to the successful tenderers.

### **13.3 Reasons for Decision**

- 13.3.1 This re-procurement exercise is necessary for compliance with Council standing orders. It is also informed by the Domestic Abuse needs assessment and the performance management of existing contracts over the past year. A Domestic and Sexual Violence and Abuse strategy has recently been developed which recognises the impact of domestic abuse on thousands of people in Sheffield every year, and commits the Council to continuing to provide support services to those affected.

- 13.3.2 The inclusion of training services in the scope of the two other contracts will enable economies of scale to be exploited. This will help us to limit the increased investment in domestic abuse services next year to just under £70,000 – far less than the actual pressure on services which amounts to around £200,000.

- 13.3.3 Officers did consider moving to a single contract for community based domestic abuse services but feel that the proposed arrangements will enable officers to ensure adequate focus is on both early intervention and prevention, and meeting the immediate safety needs of people who are in a very high risk, potentially life-threatening situation.

### **13.4 Alternatives Considered and Rejected**

- 13.4.1 The possibility of merging all three contracts was considered. This was rejected in

order to ensure that both High Risk and Medium/Standard Risk client groups are seen as important and given adequate focus by the successful providers. This way officers feel certain that providers should be clear about the outcomes wanted for both groups of service users.

- 13.4.2 The option of not procuring domestic abuse services at all was also considered. This was rejected as domestic abuse is recognised as a priority by the Safer and Sustainable Communities Partnership in its Partnership Plan for 2014-17. Domestic Abuse was identified as a priority as 'There had been an increase in the number of domestic abuse incidents reported to the Police over the last few years, and an increase in the number of high risk cases referred to the Multi-Agency Risk Assessment Conference (MARAC) over the last year. This reflects greater clarity from professionals and the public on how to access support for domestic abuse. Referral processes between the Police and domestic abuse services are more robust and the availability of the domestic abuse helpline has increased, meaning that victims feel more able to report. Just under a quarter are repeat victims and a quarter have mental health problems. Information about the support services available must be widely distributed and those suffering must continue to be supported to be able to safely report it. There are things that all organisations can do to further this, including increasing the wider knowledge of domestic abuse including an understanding of risk issues, how to report it and how to access support.
- 13.4.3 A Domestic and Sexual Violence and Abuse Strategy has also recently been developed for the City which outlines the impact of domestic abuse on people and services in the City. Not procuring domestic abuse services in the City would be counter to the commitment contained in the strategy to 'continue to ensure the **provision of good quality services** that are responsive to local need, and get it right first time. We will do this by:-

***Commissioning efficient and responsive services whose staff can demonstrate understanding of the needs of users, and effectively performance managed.***

#### **14. TERMINATION OF THE SCOWERDONS, WEAKLAND, AND NEWSTEAD (SWAN) DEVELOPMENT AGREEMENT**

- 14.1 The Executive Director, Place submitted a report in relation to the termination of the Scowerdons, Weakland and Newstead (SWaN) Development Agreement.
- 14.2 **RESOLVED:** That Cabinet approves the termination of the Scowerdons, Weakland and Newstead (SWaN) Development Agreement:.
- 14.3 **Reasons for Decision**
- 14.3.1 The Development Agreement between SCC and Home Group to deliver new, mixed tenure housing on the estates is no longer fit for purpose, and any future development under the Agreement would not be financially beneficial for either party. A mutual decision to terminate the Development Agreement at No Fault

would allow the Council to find alternative options for the redevelopment of the remaining land.

#### 14.4 **Alternatives Considered and Rejected**

- 14.4.1 **Continue with the Development Agreement and continue to hand land over in phases to Home Group for development:** Future phases will not meet the Development Agreement's key financial indicators and so will not be financially viable. Phases will not be handed over for development if they are not financially viable, so this option was rejected.
- 14.4.2 **Terminate the Development Agreement at Home Group's Fault:** A failure to meet the key financial indicators (KFIs) for an individual phase is not specifically mentioned as a material breach of the warranties and obligations of Home Group under the terms of the Development Agreement. The Development Agreement sets out a procedure for addressing failure to meet the KFIs, which includes deferring phases and re-running the financial appraisal. If the KFIs are still not met, and the parties cannot agree steps to preserve the KFIs, then the Development Agreement terminates as a No Fault Termination. This option was therefore rejected.
- 14.4.3 **Allow the Development Agreement to 'time out':** the Development Agreement will automatically terminate at No Fault in March 2018 (the Longstop Date). This option would mean that the Council could do nothing with the land until the Longstop Date is reached, so this option was rejected.

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## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Chief Executive

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**Date:** 15 October 2014

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**Subject:** Staff Retirements

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**Author of Report:** Simon Hughes, Democratic Services

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**Summary:** To report the retirement of staff across the Council's various Portfolios

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### Recommendations:

Cabinet is recommended to:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by members of staff in the various Council Portfolios and referred to in the attached list;
  - (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 twenty years service.
- 

**Background Papers:** None

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**Category of Report:** OPEN

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**RETIREMENT OF STAFF**

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

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
<b><u>Children, Young People and Families</u></b>		
Christine Allen	Teacher, Dobcroft Infant School	21
Norma Archer	Supervisory Assistant, Woodseats Primary School	25
Mary Collins	Principal Educational Psychologist	33
Joan Spriggs	Supervisory Assistant, Malin Bridge Primary School	37
<b><u>Communities</u></b>		
Susan Clayton	Library and Information Assistant	23
Dianne Dudley	Library and Information Assistant	29
Julia Eastburn	Library and Information Assistant	23
Jane Godfrey	Support Worker	23
Linda Greenwood	Library and Information Assistant	28
Sheila Hawker	Service Development Librarian	30
Maureen Piggott	Library and Information Assistant	37
Claire Simpkin	Support Worker	21
Julie Skiba	Library and Information Assistant	30
Howard Spencer	Support Worker	33
Jenny Wells	Library and Information Assistant	34
Katherine York	Library and Information Assistant	34
<b><u>Resources</u></b>		
Ann Sheppard	Escort	27

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
Lorraine Smedley	Senior Customer Adviser	34

2. 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 twenty years service.

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**Cabinet Report**

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**Report of:** Simon Green, Executive Director of Place

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**Report to:** Cabinet

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**Date:** 15 October 2014

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**Subject:** Grounds Maintenance and Estate Services Review

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**Author of Report:** David Hargate

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**Key Decision:** YES /  NO\*

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**Reason Key Decision:**

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**Summary:**

Grounds maintenance across the city is currently carried out by several services. This results in confusion for members of the public and inefficiency in service delivery. Service standards also vary across the city, particularly in council housing areas. An options appraisal of the internal provision of grounds maintenance was carried out which identified 6 key findings that have the potential to improve service delivery with a particular focus on a reconfigured service delivery model.

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**Reasons for Recommendations:**

The recommendations have the potential to improve equality of service delivery, maintain standards and provide financial savings to both the Housing Revenue Account and the General Fund resulting from increased efficiency.

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**Recommendations:**

**That Cabinet:**

- 1 Notes the contents of the report and the services efficiencies and savings that can be achieved for the HRA and General Fund.
  - 2 Approves the delivery of Housing grounds maintenance by a single service and that this be achieved by the transfer of Estate Officers from the Council Housing Service to the Parks and Public Realm service, with a review of the structures and job descriptions across Parks and Public Realm and Estate services.
  - 3 Approves the reconfiguration of the remaining Council Housing Service estate services functions following the transfer of grounds maintenance work to Parks and Public Realm.
  - 4 Authorises the Director of Culture and Environment and the Interim Director of Housing and Neighbourhood Services to take the necessary step to implement these recommendations.
- 

**Background Papers:** Equality Impact assessment form (Appendix A)  
Options appraisal methodology (Appendix B)  
Options appraisal workshop outcomes (Appendix C)

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**Category of Report:**  OPEN /  CLOSED\*

**If CLOSED add '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).'**

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\* Delete as appropriate

## Statutory and Council Policy Checklist

<b>Financial Implications</b>	
<input checked="" type="checkbox"/> YES/ <input type="checkbox"/> NO	Cleared by: Chris Nicholson & Liam Duggan (HRA)
<b>Legal Implications</b>	
<input checked="" type="checkbox"/> YES/ <input type="checkbox"/> NO	Cleared by: Andrea Simpson
<b>Equality of Opportunity Implications</b>	
<input checked="" type="checkbox"/> YES/ <input type="checkbox"/> NO	Cleared by: Annemarie Johnston
<b>Tackling Health Inequalities Implications</b>	
YES/ <input type="checkbox"/> NO	
<b>Human Rights Implications</b>	
YES/ <input type="checkbox"/> NO	
<b>Environmental and Sustainability implications</b>	
YES/ <input type="checkbox"/> NO	
<b>Economic Impact</b>	
YES/ <input type="checkbox"/> NO	
<b>Community Safety Implications</b>	
YES/ <input type="checkbox"/> NO	
<b>Human Resources Implications</b>	
<input checked="" type="checkbox"/> YES/ <input type="checkbox"/> NO	Cleared by: Joanne Wright-Coe
<b>Property Implications</b>	
YES/ <input type="checkbox"/> NO	
<b>Area(s) Affected</b>	
<b>Relevant Cabinet Portfolio Lead</b>	
Harry Harpham and Isobel Bowler	
<b>Relevant Scrutiny Committee</b>	
Safer and Stronger Communities Scrutiny and Policy Development Committee	
<b>Is the item a matter which is reserved for approval by the City Council?</b>	
YES/ <input type="checkbox"/> NO	
<b>Press Release</b>	
YES/ <input type="checkbox"/> NO	

## **REPORT TO THE CABINET**

### **Grounds maintenance and Estate Services review**

#### **1.0 SUMMARY**

- 1.1 Officers in Parks and Countryside and the Council Housing Service are jointly working on a project to improve the efficiency of service delivery and the cost effectiveness of the grounds maintenance service and other associated services, for both parks and for housing land.
- 1.2 This current arrangement for housing estates, which includes maintenance by both Parks and the Housing Estates teams, creates some confusion for members of the public and inefficiencies for internal service delivery as each service has their own maintenance specifications and standards, this is most noticeable where this is applied to adjacent pieces of land. Monitoring of service delivery and quality is carried out by Housing staff, tenant inspectors and Parks staff.
- 1.3 As part of this project officers undertook an options appraisal workshop to review the internal provision of grounds maintenance and to help inform the future options for service delivery.
- 1.4 The options appraisal identified 6 key findings that have the potential to improve equality of service delivery and provide financial savings to both the Housing Revenue Account (HRA) and the General Fund resulting from increased efficiency.
- 1.5 Four of the key findings (item 4.11 a-d) have led to the recommendations in this report, namely, to integrate the grounds maintenance work currently undertaken by the Housing Estate Officers with that of the Parks and Public Realm service to create a single Parks and Public Realm service; this will include a review of staff structures and job descriptions in both Parks and Public Realm and a review/reconfiguration of the remaining Housing Estate Services function. The other findings require further work by officers.

#### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 Integrating the Housing grounds maintenance function with Parks and Public Realm will provide more a coherent service delivery for tenants, residents and other beneficiaries of the service. The new arrangements for grounds maintenance will provide greater equality of service delivery across the city and a more streamlined point of public contact. The integrated service will ultimately become responsible for management and maintenance for both housing and parks land and will make the service delivery easier to understand

and improve value for money.

### **3.0 OUTCOME AND SUSTAINABILITY**

3.1 Successful integration will result in a better coordinated approach to grounds maintenance across the city with the opportunity to deliver a more consistent service specification informed by the 'Sheffield Standard', a quality standard for Sheffield's green and open spaces based upon the outcomes of clean, safe and attractive, and applied across areas and across neighbourhoods with a single point of contact for green space issues i.e. Parks and Countryside.

3.2 Integration will improve the resilience of the service to fluctuations in staff availability during holiday periods and the impacts of severe weather events when individual services may have previously been more stretched. The current service standards will be maintained at a reduced cost.

### **4.0 MAIN BODY OF THE REPORT**

#### **4.1 Introduction**

Parks and Public Realm are responsible for the bulk of the grounds maintenance on Housing land; in addition, Sheffield Housing Services also carry out some of their own grounds maintenance, whilst Amey maintain the highway verges. This arrangement creates some confusion for members of the public who may not know what standards to expect and who is responsible for the service in their immediate locality.

4.2 In addition to the grounds maintenance service for Housing, Parks and Public Realm also deliver playground inspections and a dog bin service; all of these are managed using a client/contractor model through various Service Level Agreements (SLAs) with Housing. This grounds maintenance is supplemented by Housing Estate Officers who carry out additional work over and above the SLA and provide a responsive service for tenants.

4.3 Officers from both Parks and Public Realm and Council Housing Services, together with representatives from Finance and HR, have carried out a comprehensive review of the current service provision through an options appraisal workshop.

#### **4.4 Method of assessment**

A 2-day workshop involving a variety of stakeholders was used to review the current service delivery arrangements for both Parks and Housing and score each of 6 service delivery options against a set of criteria and award a maximum score for each criterion. The methodology was previously used to assess the non-PFI elements of Streetforce prior to their integration into Parks. The scoring also uses weightings to give a combined total that highlighted the most

desirable outcome.

- 4.5 The key outcome weighting considerations for the assessments were:

Customer First (weighting 30%)  
Value for money (30%)  
Council Considerations (20%)  
Employee Considerations (20%)

- 4.6 **Working group composition**

A core group with representatives from Parks and Public Realm, the Council Housing Service, HR and Finance attended the workshops and was supplemented as required by additional officers with specific knowledge of a particular service area. The workshop was independently chaired and facilitated by a manager from a different service area.

- 4.7 The options appraisal workshop looked at various aspects of public realm service delivery, but chose not to score all of these, and focus instead on those areas of service which offered the best opportunity for service improvements. The Options Appraisal Methodology is attached to this report as Appendix B.

- 4.8 **Future Service Options**

Initially, 7 service delivery possible options were proposed in the workshop, but after discussion it was agreed to combine two options into one. The remaining six possible service delivery options considered were:

**Maintain** current status quo service delivery arrangements (Housing & Parks)

**Reconfigure** the current service delivery arrangements and form a new internal service delivery model

**Split** the current arrangements and transfer to multiple specified Council Service providers (split up and transfer to other parts of the Council)

**Transfer** to an external Council contractor with no procurement (outsource whole)

**Transfer** existing service delivery to external Council contractor following procurement (outsource whole)

**Transfer and split** existing service to multiple external contractors (outsource and split)

- 4.9 The Options appraisal workshop outcomes are attached to this report as Appendix C. They identified that Parks management and maintenance, playground services and the dog bin service should continue with the status quo, but that Housing grounds maintenance and the block cleaning elements of Housing Estate services could be reconfigured.

4.10 Officers were in agreement that the six key findings below would contribute to improved customer focus and better value for money. It was recommended by the options appraisal group that these findings be further developed to ensure that they provide the best outcome for future service delivery.

4.11 **Key findings and their benefits identified through the options appraisal:**

- (a) **To integrate the grounds maintenance provision by Estate Officers in the Council Housing Service into the Parks and Public Realm service.**
- (b) **To review the delivery of grounds maintenance**
- (c) **To reconfigure the remaining Council Housing Service estate services functions**
- (d) **To review structures and job descriptions across Parks and Public Realm and Estate services as part of the reconfiguration.**
- (e) **To set up a group to review the support services as the shapes of the reconfigured services emerges.**
- (f) **To explore how the reconfigured Parks and Public Realm grounds maintenance service frequencies might be coordinated with the grounds maintenance service element of the Amey contract.**

4.12 **Future Service Delivery benefits**

The grounds maintenance carried out by Parks and Public Realm on Council Housing land is currently governed by an SLA which operates as a client/contractor relationship. Additional maintenance and tenant responsiveness are currently provided by Housing Estate services. The new delivery model will focus on holistic management of open space across all areas bringing together the best elements of both services into one operating model.

4.13 Current provision means that different services have different standards. By taking a holistic approach, tenants and residents across the city will benefit from the same service standards.

4.14 One aim of the new service is to reduce the number of interfaces for members of the public. In future, tenants and residents will have a single point of contact for any issues relating to green spaces in their neighbourhood. The Parks and Public Realm service will become a single green provider service for grounds maintenance on both housing and parks land, with the capacity to extend this

role across land managed by other Council services in the future

### **Additional Benefits**

- 4.15 The increased size of the Parks and Public Realm service will provide greater resilience to fluctuations in staff caused by holidays and sickness. The combined service will have greater capacity to cope with severe weather events, for example the wet summer of 2012. It will also provide a larger service base to which the management of other grounds maintenance could be integrated.

### **Legal Implications**

- 4.16 The Council may hold land for housing purposes and provide housing accommodation under Part II of the Housing Act 1985 (the 1985 Act). The powers include the provision and maintenance of recreation grounds and other buildings or land benefitting the residents of its housing accommodation and the power to lay out open spaces on its housing land.
- 4.17 Income and expenditure relating to houses and land held for the purposes of Part II of the 1985 Act must be accounted for in the Housing Revenue Account by virtue of Part VI of the Local Government and Housing Act 1989. Schedule 4 of that Act prescribes what income and expenditure may be accounted for within the HRA. Only those things itemised in the Schedule may be credited or debited to the HRA. The majority of the expenditure that must be debited is expenditure on the repair, maintenance supervision and management of houses and other property within the account. The costs of amenities (which include play and other recreational areas, grassed areas and gardens) which are shared by a wider community than the Council's housing tenants may be apportioned between the HRA and the General Fund.

The proposals in this report comply with the statutory restrictions on the HRA.

### **5.0 Financial Implications**

- 5.1 The current cost of grounds maintenance services is £2.3m within the Parks & Public Realm service and £0.9m within the Housing Estates service (i.e. £3.2m in total). This cost is funded £2.5m (78%) from the Housing Revenue Account and £0.7m (22%) from the General Fund.
- 5.2 It is estimated that the integration of the two existing teams offers the opportunity to deliver savings/efficiencies of around £219k p.a.(7%) as detailed in the table below:



	Estimated Full Year Saving / Efficiency	Comment
	£'000	
Employees	118	Management of grounds maintenance (estimated at 1.1fte) absorbed by Parks and Public Realm (£38k). Holiday and sickness contingency from SE Pilot no longer required (£30k). Other staffing efficiencies (2fte; £50k).
Vehicles/ Fuel	80	Integration of teams allows better utilisation of the current fleet within Parks and Public Realm. There are currently 16 vehicles designated for grounds maintenance in the estate teams which would be reduced to 6 after integration.
Waste Disposal	21	Parks and Public Realm have the capacity to use larger vehicles for waste disposal and to recycle green waste.
	219	

- 5.3 It is anticipated that around 23fte staff will move from Estates to Parks, but since current grades for the relevant posts overlap, there are risks in estimating staff costs until recruitment to the new structure is complete.
- 5.4 It should be noted that the potential full year savings/efficiencies identified, exclude relatively minor net cost impacts from reduced vehicle numbers.
- 5.5 The table below shows the split of the potential savings/efficiencies at the existing HRA/General Fund split of 78/22, all of this would need reviewing.

Incidence of Estimated Saving/Efficiency		
Hsg Rev Account	General Fund	Total

£'000	£'000	£'000
171	48	219

## 5.6 **Housing Estate Services**

Grounds maintenance amounts to between 15 and 20% of estates services. As a consequence of the integration of staff into Parks and Public Realm, reorganisation of the remaining estate service functions will be required will be carried out alongside the current Housing Plus project.

## 6.0 **ALTERNATIVE OPTIONS CONSIDERED**

6.1 Five alternative options were considered during the options appraisal. The full details of the options appraisal methodology and results of the appraisal are included in Appendices B and C.

6.2 In addition, integration of the Parks and Public Realm SLA work for Housing into the Council Housing Service's estate services was considered during the options appraisal. The Parks and Public Realm services were fully merged in 2012. Improvements in efficiency as a result of this merger, led to savings of 11% for employee costs and 6% of other costs. Officers feel that previous efficiencies and savings would be lost if Parks & Public Realm were to be disaggregated and therefore there would be a corresponding rise in costs in these areas.

6.3 This option was discounted by the options appraisal as the cost of delivering the service could increase significantly and therefore did not offer value for money.

## 7.0 **REASONS FOR RECOMMENDATIONS**

7.1 The recommendations have the potential to improve equality of service delivery, maintain standards and provide financial savings to both the Housing Revenue Account and the General Fund resulting from increased efficiency.

## 8.0 **REASONS FOR EXEMPTION** (if a Closed report)

8.1 Not Applicable

## **9.0 RECOMMENDATIONS**

### **That Cabinet:**

- 9.1 Notes the contents of the report and the services efficiencies and savings that can be achieved for the HRA and General Fund.
- 9.2 Approves the delivery of Housing grounds maintenance by a single service and that this be achieved by the transfer of Estate Officers from the Council Housing Service to the Parks and Public Realm service, with a review of the structures and job descriptions across Parks and Public Realm and Estate services.
- 9.3 Approves the reconfiguration of the remaining Council Housing Service estate services functions following the transfer of grounds maintenance work to Parks and Public Realm.
- 9.4 Authorises the Director of Culture & Environment and the Interim Director of Housing and Neighbourhood Services to take the necessary steps to implement these recommendations.

Paul Billington, Director of Culture & Environment

And

Janet Sharpe, Interim Director of Housing and Neighbourhood Services

21 August, 2014

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# Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

**Name of policy/project/decision:** Grounds maintenance and Estate Services review

**Status of policy/project/decision:** New

**Name of person(s) writing EIA:** Ian Turner

**Date:** 18/7/14

**Service:** Culture and Environment

**Portfolio:** Place

**What are the brief aims of the policy/project/decision?** To provide an integrated grounds maintenance provision for council housing tenants

**Are there any potential Council staffing implications, include workforce diversity?** If approved, a process of integration of staff from the Council Housing Estates staff into the existing Parks and Public Realm structure. This will be accomplished without reduction of total numbers of employees. However, there may be loss of vacant posts that will generate some financial savings. Discussions are ongoing with unions from both Parks and Public Realm and Housing. Changes to structures as a result of integration will be through an achieving change to be launched in October 2014.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Neutral	Low	<p>The proposals will not result in any change to workforce numbers as there will be no reductions unless there is a choice made to utilise vacant posts. Changes to job roles are an extension of current duties and will not create disadvantage to employees. The posts are all currently in the Council Housing Service and will transfer through an achieving change.</p> <p>The current workforce profile has a high percentage of white males and 22% are over 55 years old. The proposals will affect 23 out of 96 staff in that area, but we will have an application and selection process attached to the achieving change so until we identify which 23, the profile will be unknown. However we will</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>monitor and evaluate this to ensure that no group is disproportionately impacted.</p> <p>We have been engaging with unions from both areas for several months and have sent out a number of bulletins to both P&amp;PR staff and Housing staff through our normal communications channels. We will continue to do this throughout the process. Once we start the achieving change process, we will set up staff briefing sessions with both sets of staff. We have a communications plan from December which needs revising for timescales now that we have dates set for the cabinet process</p> <p>For residents current variations in service delivery standards across the city will be removed, therefore creating a fair service. Ease of access will be improved for all by having a single point of contact for any issues relating to neighbourhood green spaces.</p>
<b>Disability</b>	Neutral	Low	As above and where any of the staff have an agreed reasonable adjustment this will be continued
<b>Pregnancy/maternity</b>	Neutral	Low	As above
<b>Race</b>	Neutral	Low	As above
<b>Religion/belief</b>	Neutral	Low	As above
<b>Sex</b>	Neutral	Low	As above
<b>Sexual orientation</b>	Neutral	Low	As above
<b>Transgender</b>	Neutral	Low	As above
<b>Carers</b>	Neutral	Low	<p>As above.</p> <p>There may be an impact on those with caring responsibilities transferring from extended flexible working arrangements to annualised hours.</p> <p>As part of the recruitment, we could ask for working area preference and reason for choice. That way we could prioritise locations for those with caring responsibilities if we have too great an uptake for a</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			given area
<b>Voluntary, community &amp; faith sector</b>	Neutral	Low	As above
<b>Financial inclusion, poverty, social justice:</b>	Neutral	Low	As above. No staff will be negatively impacted by moving to the council's pay structure. Pay grades in housing overlap the relevant pay grades in SCC
<b>Cohesion:</b>	Neutral	Low	As above
<b>Other/additional:</b>	Negative	Low	

**Overall summary of possible impact (to be used on EMT, cabinet reports etc):** There are no significant equalities implications for the proposals. There will a positive impact for customers regarding consistency in standards across the city, improved engagement and a single point of contact.

The decision does not have any significant equalities implications for staff. Any agreed reasonable adjustments for members of the team will continue in the new structure. Support and guidance through the Achieving Change process will be in accordance with agreed policies. We will monitor and evaluate the process to ensure that there are no disproportionate impacts.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

**Review date:**                      **Q Tier Ref**                      **Reference number:**

**Entered on Qtier:** No                      **Action plan needed:** Yes

**Approved (Lead Manager):** Ian Turner                      **Date:** 26/8/14

**Approved (EIA Lead person for Portfolio):** Annemarie Johnston                      **Date:** 26/8/14

**Does the proposal/ decision impact on or relate to specialist provision:** no

**Risk rating:** Low

## Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
Workforce	Any agreed reasonable adjustments for members of the team will continue in the new structure. Support and guidance through the Achieving Change process will be in accordance with agreed policies and through delivery of an updated communications plan. We will monitor and evaluate the process to ensure that there are no disproportionate impacts.	Ian Turner Monitored and reviewed throughout the process and at the end.
-Select-		
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**Approved (Lead Manager): Ian Turner Date: 26/8/14**

**Approved (EIA Lead Officer for Portfolio): Annemarie Johnston Date: 26/8/14**



# Service Delivery Assessment

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## Introduction

The aim is to provide 'Quality Place Management' where neighbourhoods and green spaces are well managed, are clean and well maintained. The green and open space service provision is divided between a number of services. The operations of these services in relation to green and open spaces can be subdivided into individual service elements. For example, the Parks Service provides the maintenance for many of the city's green open spaces, but this can be subdivided into elements such as playgrounds and grounds maintenance. An objective method of assessment is required in order to work out the most effective management for each element.

## Method of assessment

Each area is to be assessed based on a set of criteria for the best way to manage the element in the future. It is proposed that an options appraisal methodology similar to that carried out for the non-PFI elements of Streetforce is undertaken. During this assessment, a series of workshops involving a variety of stakeholders was used to score each element against a series of options. These scores were then weighted to give a combined total that highlighted the most desirable outcome.

A full assessment of each element of each service will be required prior to the assessment process. This will include assessment of turnover, income, direct staff costs and a brief synopsis of the operation.

## Key considerations

The following are the key considerations for assessment. Each area of consideration shows a weighting that should be applied to the total score. The final score is the sum of the mean score in each section multiplied by the weighting.

### Customer First (30%)

- **Customer focus:** Makes sense to the public – accessible, responsive, Customer Friendly. Links to TARAs and FOGs.
- **Accessibility:** Clear accountability, non-bureaucratic minimising unnecessary service interfaces. One point of contact for all open space.
- **Area delivery:** Delivers flexibility that is joined up with Area based working (Housing plus, links to ward boundaries). Contributes to the benefit areas for Great Place to Live Outcome. Links to Clean Attractive Neighbourhoods.

### Value for money (30%)

- **Modern efficient Organisation:** Delivering a high quality service. Foreseeable efficiency gains possible.
- **Resource management:** Costs match the best – benchmarked. Will contribute to meeting targets for reduced costs to both General Fund and HRA 30 year Business Plan.
- **Asset consideration:** Resource capacity (availability of land, Depot facilities, ICT etc. for service delivery)

## Appendix B

### Council Considerations (20%)

- **Statutory/regulatory/political:** Identify statutory or other constraints that limit choices
- **Financial Risk:** Minimise financial risk for the council (liability, fraud, loss of income)
- **Resource Risk:** Does not expose resources to undue risk. Maximises opportunity for efficient resource management. Consolidating responsibility for resource management
- **Reputational risk to council:** eg service quality issues, service delivery failure

### Employee Considerations (20%)

- Job security, T&Cs, Career prospects

### Working group composition

A core group will attend all assessment workshops and be supplemented by additional people with specific knowledge of a particular service area when needed. The core group will have, collectively, an understanding of all elements under consideration and potential outcomes to ensure that possible linkages between service elements will be included in the considerations. The group will be chaired by an independent person. Membership will not include external organisations in order to ensure that discussions can be candid. Each assessment will continue until consensus is reached on the scores. A record of each assessment will be kept along with notes on the key aspects of the considerations, which will be published as a report at the end of the process with the recommendations of the outcomes.

The group will consist of:

- Independent Chair (Ian Oldershaw)
- David Hargate
- Jayne Foulds
- Liam Duggan
- 2 x District Parks Officers
- 2 x Housing Area Managers
- Finance representative
- HR Representative

### Options

Various potential options for the future delivery of each service element have been identified as follows:

1. Maintain status quo
2. Form a new internal service (reconfigure)
3. Transfer to other specified Council Service provider (move)
4. Transfer to multiple specified Council Service providers (split)
5. Transfer to existing external Council Partner with no procurement (outsource whole)
6. Transfer to external council Partner following a procurement (outsource whole)
7. Transfer to multiple external partners (Outsource split)

## Appendix B

### Scoring

Scoring will be on a scale of 0 to 6 as follows:

0	Unacceptable
1	Clear disadvantages to customer and council. Poor outcome
2	Some disadvantages to the customer and/or council. Negative outcome.
3	Advantages equal disadvantages or no information.
4	Some advantages to Customer and/or Council. Positive outcome.
5	Clear advantages to customer and council. Good outcome
6	Potential for excellence

A matrix scoring sheet (Appendix A) will be used for use in the assessment workshops and the final scoring will be part of the final report from the process.

### Links and synergies

In order to facilitate comparison between the various operations, operations can be grouped into similar workstreams so that they can be assessed consecutively. These are as follows:

#### **Horticultural maintenance:**

Parks grounds maintenance  
Housing grounds maintenance  
Housing Estate Officer grounds maintenance  
City Centre grounds maintenance (incl water features)  
City Centre Horticulture  
Other internal Clients grounds maintenance  
External Clients grounds maintenance  
Bereavement Services

#### **Non-horticultural maintenance**

Playground inspection and maintenance (for all clients)  
Playground Installation (for all clients)

#### **Citywide service provision**

Dog bin service  
Graffiti Team  
Litter Team

#### **Organisation and Support**

Green open spaces strategy (incl GIS)  
Parks Project team  
Housing Support functions (incl policy & procedure, inspections, contract monitoring)  
Parks OH & support  
Housing OH & Support  
City Centre External Clients

#### **Other**

Block Cleaning  
Estate Services functions (fly tip, bin skimming etc.)  
Housing Land Tree inspections

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# Green Space Project

## Options Appraisal Workshop Outcomes

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### Method of assessment

A 2-day workshop involving a variety of stakeholders was used to score each element against a series of options. Each element was assessed based on a set of criteria for the best way to manage the element in the future using an options appraisal methodology similar to that carried out for the non-PFI elements of Streetforce. Scores were allocated on a scale of 0 (unacceptable outcome) to 6 (potential for excellence). Scores were then weighted to give a combined total that highlighted the most desirable outcome.

The key considerations for the assessments were:

- Customer First (30%)
- Value for money (30%)
- Council Considerations (20%)
- Employee Considerations (20%)

### Working group composition

A core group with representatives from Parks and Public Realm (P&PR), Council Housing Services (CHS), HR and Finance attended the workshops and was supplemented by additional people with specific knowledge of a particular service area when needed. The workshop was independently chaired and facilitated by a manager from a different service area

### Options

Initially, 7 possible options were proposed. After discussion by the group, the 'reconfigure' and 'internal move' were merged. The remaining six possible service delivery options considered were:

1. Maintain status quo
2. Form a new internal service (reconfigure and/or move)
3. Transfer to multiple specified Council Service providers (split)
4. Transfer to existing external Council Partner with no procurement (outsource whole)
5. Transfer to external council Partner following a procurement (outsource whole)
6. Transfer to multiple external partners (Outsource split)

### Key Findings

Current service provision is good with high levels of public satisfaction across all areas considered. However, the conclusion of the group is that improvements can be made to value for money and customer service by reconfiguring the existing services. The results of the options appraisal exercise and brief comments are included at the end of the document. Further work is now required on the following options:

- 1 **To integrate the grounds maintenance provision by Estate Officers in Council Housing Services into the Parks and Public Realm service.**
- 2 **To review the delivery of grounds maintenance taking into account the current Service Level Agreement (SLA), Southeast Pilot and Northeast Pilot.**
- 3 **To reconfigure the remaining CHS Estate Services functions**
- 4 **To review structures, terms and conditions and job descriptions across Parks and Public Realm and Estate services as part of the reconfiguration**
- 5 **To set up a group to review the support services as the shapes of the reconfigured services emerges.**
- 6 **To investigate how the client function for highways grounds maintenance can work more closely with the reconfigured Parks and Public Realm service.**

### Appendix: Results

#### Parks management and grounds maintenance

Highest Score: **Maintain status quo** (4.45/6)

2<sup>nd</sup> Highest: Outsource whole to an existing external partner (2.95/6)

Comments:

The current service is already customer focussed with easy access for customers.

The current service provision benchmarks well against the Streets Ahead project maintenance rates and against other core city grounds maintenance costs. Outsourcing could compromise the relationships with Friends of groups and is not considered to offer improved VFM.

#### Housing grounds maintenance by P&PR (SLA)

Highest Score: **Move/Reconfigure** (3.9/6)

2<sup>nd</sup> Highest: **Maintain status quo** (3.6/6)

Comments:

The current service is based on an SLA costed specification that is inadequate to meet the current requirements of the CHS tenants. The SLA is therefore supplemented by estate officers from CHS. Although the SLA offers value for money and is responsive to the customer, reconfiguring and integrating with other areas would offer greater flexibility and higher quality (see also Housing Estate Officer grounds maintenance assessment below). Two pilot trials have shown that efficiency and/or quality can be improved by integrating workforces from CHS and P&PR. Limitations due to differing terms and conditions of staff mean that extending the successes of the pilots more widely would not offer the same opportunities as fully integrating the grounds maintenance teams. Integration will lead to a full review of job descriptions and terms and conditions for employees in the newly integrated service.

#### Other Clients grounds maintenance by P&PR

Highest Score: **Move/Reconfigure** (3.7/6)

2<sup>nd</sup> Highest: **Maintain status quo** (3.6/6)

Similar to above – i.e. reconfigure as part of a whole service reorganisation.

#### Housing Estate Officer grounds maintenance

Highest Score: **Move/Reconfigure** (3.85/6)

2<sup>nd</sup> Highest: **Maintain status quo** (3.75/6)

Comments:

The current service is a supplement to the P&PR SLA. Customers like the personal service offered and it allows for rapid response to customer enquiries. Move/reconfigure would offer a similar level of customer service but could deliver better quality and value for money if integrated with the P&PR service as a single deliverer of green space maintenance. P&PR already has resources available that would lead to improved efficiency of vehicle use. The specific details relating to FTEs, Transport and supplies and services still require further verification to ensure that an adequate resource is transferred to maintain current quality standards.

One major issue highlighted was the delivery of grounds maintenance on and around the highway. This will remain confusing to customers. Discussions with the Highways client are required to better align the delivery of the services

#### City Centre Horticulture (incl water features) & City Centre External Clients

Comments:

This area was not scored. Discussion about whether or not this should be in scope. Decision was that there were no foreseeable efficiency gains possible in integrating this area into Parks. The position of this service within the City Centre wider team was seen as the best fit for this service.

## Appendix C

### Bereavement Services

Comments:

This area was not scored. The work of the Cemetery grounds maintenance and burial teams is specialised and closely allied to the work of the whole of Bereavement Services.. Therefore, recommend that this area of service delivery continues to remain as a stand-alone section within Parks and Public Realm.

### Non-horticultural maintenance

#### Playgrounds:

Highest Score: **Maintain status quo** (4.35/6)

2<sup>nd</sup> Highest: **Move/Reconfigure** (3.05/6)

Comments:

Maintenance and inspection costs have been benchmarked against both private sector and other local authorities and compare well. Current operational organisation provides a good service to customers. There were no obvious linkages with other service delivery areas. Reconfiguration would not result in improved customer focus or value for money.

### Citywide service provision

#### Dog bin service

Highest Score: **Maintain status quo** (3.85/6)

2<sup>nd</sup> Highest: **Move/Reconfigure** (3.80/6)

Comments:

Current service equates to 2 FTE with vehicles and services dog bins across the city. Business continuity is an issue for this service. Alternative options discussed included a reduction in some specific dog bins in favour of 'multi-use' litter bins, the contents of which could be more easily disposed of. Maintaining status quo makes most sense from a customer perspective and this is therefore the recommendation. However, service delivery should continue to be reviewed regularly to assess for any changes to the options appraisal for this area.

### Graffiti Team

Comments:

This area was not scored. Current service equates to 2 FTE with a dedicated vehicle and provides a specialist graffiti removal service to internal and external clients. The team and its line management have a high level of expertise in this area, particularly in dealing with graffiti on listed structures. The priority for this team is to remove offensive graffiti quickly anywhere in the city rather than to recoup costs from land owners. Business continuity could be an issue in the future and there is a need to ensure there continues to be an adequate, trained staff resource to maintain service delivery. It is recommended that this service remains as it is.

### Litter Team

Comments:

The Parks litter team operates specifically on Parks and Countryside land and was therefore considered to be included in the Parks Grounds Maintenance element (scored above).

### Organisation and Support

#### Green open spaces strategy (incl GIS)

#### Parks Project team

#### Council Housing Services Estate support services (incl policy & procedure, inspections, contract monitoring)

#### Parks and Public Realm support services

Comments:

These areas were considered together and not scored. Changes in the delivery of green space maintenance highlighted earlier will likely result in changes to the functions and operation of the above teams. Synergies already exist between these operations but without the detail of how the future green space delivery would change, it is not possible at this point to consider how these areas will be affected. It is

## Appendix C

recommended that a group be set up, with representatives from each service area, to consider the implications of the reconfiguration of other service areas in relation to support services.

### Other

#### Block Cleaning

Highest Score: Move/**Reconfigure** (4.15/6)

2<sup>nd</sup> Highest: Maintain status quo (3.85/6)

#### Estate Services functions (fly tip, bin skimming etc.)

Highest Score: Move/**Reconfigure** (4.15/6)

2<sup>nd</sup> Highest: Maintain status quo (3.85/6)

Comments:

Both these elements were considered and scored separately, however the resulting recommendations apply equally to both areas. Different Housing areas have different practices across the city which to some extent depends on the type of housing stock in an area. The proposed transfer of grounds maintenance from Housing to Parks & Public Realm gives the opportunity to reconfigure these services to create a more effective service. There is also an opportunity to work more closely with P&PR over sharing responsibility for litter and/or fly tipping on areas of green space whether they be inside or outside the HRA ring fence.

#### Housing Land Tree inspections

Comments:

This area was not scored. It was considered that this service already provides a high quality service to Housing and Schools and its location and skill base within P&C makes good sense.





## SHEFFIELD CITY COUNCIL

### Cabinet Executive Report

**Report of:** Simon Green

**Report to:** Cabinet

**Date:** 15 October 2014

**Subject:** Grey to Green Phase 1 Project

**Author of Report:** Simon Ogden

**Key Decision:** YES / NO\*

**Reason Key Decision:** Expenditure over £500,000\*

#### Summary:

1. The Grey to Green Corridor project aims to transform 1.3 km of redundant road surface and infrastructure in the Castlegate and West Bar area from a barrier and maintenance liability into an attractive new linear public space incorporating perennial meadows, sustainable drainage, rain gardens, walking and cycling routes which will dramatically improve the setting of a number of key businesses, development sites and civic buildings. This will accelerate the redevelopment. Phase 1 of the project will deliver 0.492 km.
2. This report concerns the final confirmation of the funding package for the Grey to Green Phase 1 project only and the financial, legal and programming issues involved.
3. This is an important project to kickstart regeneration of an underperforming strategic business area in the City Centre. The Leader signed an Executive Leader Report on 27 August 14 that authorised SCC entering into a funding agreement with South Yorkshire's European Regional Development Fund (ERDF), in consultation with the Interim Director of Legal and Governance and Interim Director of Finance. This was signed on .....[expected w/c 6th October].

4. The total cost for the Phase 1 element is £3,790,000. The ERDF contribution to the project is £1,426,000. The Sheffield City Region Investment Fund (SCRIF) and the Sustainable Transport Fund will contribute £2,139,000. [The SCRIF Business Case has been appraised and SCC were informed on 15 September 14 that there is a positive recommendation going forward to the Board meeting on 6<sup>th</sup> October 14]. SCC has contributed £225,000 towards design costs [NOTE: As outlined in previous reports, in the unlikely scenario that the SCRIF funding package does not materialise, there is an alternative funding package to provide the match for ERDF as described in section 5.3 of the report].

---

### **Reasons for Recommendations:**

This is a high priority project that has used the final opportunity to access ERDF funding from the current programme for delivering a high priority scheme. To draw down the full ERDF contribution, the project must start and complete by autumn 2015. To meet this programme, it is necessary to progress the design and tendering process now hence the request for conditional approval in advance of the final SCRIF decision. Confirmation of the detailed design of the project and the match funding package means that the project can now physically go ahead.

---

### **RECOMMENDATIONS**

- 1) That the proposed scheme, as detailed in this report and with the timeline described in section 4.6, subject to the required funding package being in place, be approved.
- 2) To note that a capital approval submission has been submitted in the Month 4 Budget Monitoring report for the necessary authority to undertake and procure the proposed works, in accordance with Council procedures.
- 3) That the Director of Regeneration and Development Services, in consultation with the Interim Director of Legal Services, Interim Director of Commercial Services and Interim Director of Finance be authorised to negotiate and agree any agreements additional to those in paragraph 2 above required to deliver the works for the above scheme, subject to the required funding being in place.

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**Background Papers:** Sheffield City Centre Master Plan 2013

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**Category of Report:**        **OPEN**

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**If CLOSED add '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).'**

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Paul Schofield
<b>Legal Implications</b>
YES/ Cleared by: Deborah Eaton
<b>Equality of Opportunity Implications</b>
YES/NO Cleared by: Anne Marie Johnston
<b>Tackling Health Inequalities Implications</b>
YES/NO
<b>Human Rights Implications</b>
YES/NO
<b>Environmental and Sustainability implications</b>
YES/NO
<b>Economic Impact</b>
YES/NO
<b>Community Safety Implications</b>
YES/NO
<b>Human Resources Implications</b>
YES/NO
<b>Property Implications</b>
YES/NO
<b>Area(s) Affected</b>
Central ward
<b>Relevant Cabinet Portfolio Lead</b>
Councillor Leigh Bramall
<b>Relevant Scrutiny Committee</b>
Economic and Environmental Well-Being
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES/NO
<b>Press Release</b>
YES/NO

## **REPORT TO CABINET**

### **Sheffield's Riverside Business District – Transforming a key economic corridor in the City Centre from “Grey to Green”**

#### **1.0 SUMMARY**

- 1.1 The overall project proposes to transform 1.3 km of redundant road surface and infrastructure in the Castlegate / Riverside area from a barrier to economic regeneration into an attractive new linear public space incorporating perennial meadows, sustainable drainage, rain gardens and walking cycling routes. This will improve the setting of a number of development sites in the vicinity (See Annex B). It will be high-profile and innovative but low maintenance, linking together a number of priority regeneration areas and sites and will attract national attention. Phase 1 forms about half of the total project.

#### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 It will improve the links from the core of the City Centre ('Heart of the City'), to the Riverside Business District and to the northern City Centre quarters, namely Kelham Island, Wicker/ Nursery St and Castlegate/ Victoria Quays (please see Annex A for location plan) to maximise investment and pedestrian movements, connecting to and maximising the use of the emerging Steel Route.
- 2.2 It will create a network of high quality public spaces which will establish Sheffield's Central Riverside as a distinctive and high quality location for new businesses, and will change investors' and existing occupiers' poor perceptions about the area and thereby improve investment and bring new jobs to the City.
- 2.3 It will help to create a wider context for the proposed Castle Hill Park on the former Markets site; improve the setting and accessibility of the existing cluster of seven hotels in the area; provide an appropriate civic setting for the Crown and Family Courts.
- 2.4 It will exploit the benefits of the construction of the Inner Relief Road (completed in 2007) to assemble and bring forward new sites for quality employment use, creating much needed investment particularly in office and professional and knowledge intensive business services.
- 2.5 It will support Sheffield's bid for the location of the High Speed 2 Station in the city centre (the Council's preferred option is at Victoria Station) which is in close proximity to the proposed works.
- 2.6 It will develop an innovative and aspirational model for the recycling of

redundant highway infrastructure – Sheffield’s own take on Manhattan’s “High Line Park” and Paris’ ‘Promenade Plante’ based on Sheffield’s acknowledged expertise in the field and which can be reproduced locally by Streets Ahead and nationally by Amey as a new technique.

- 2.7 It will provide a 1.3 km (0.492 Km in Phase 1) corridor of porous surfaces providing a sustainable solution to surface water drainage reducing run off to the River within the ‘flood zone’ and helping to mitigate flood risk from surface water
- 2.8 It will increase tree street cover and shade to mitigate increasing heat island effect of climate change.

### **3.0 OUTCOME AND SUSTAINABILITY**

- 3.1 This project will help a key objective of the City, as set out in the City Centre Master Plan, to transform the Castlegate / Riverside area into a desirable location for new investment, maximising the opportunities offered by the inner ring road (and minimising travel distances) and the availability of large vacant or semi vacant sites to bring new jobs and wealth to the City.
- 3.2 It will create a significant section of attractive and safe walking and cycling routes into and around the City Centre.
- 3.3 It will complement the proposed HS2 station which would add further advantage to this location for new businesses. However should the city centre option be rejected, this project will provide a highly sustainable location in terms of the highways network and direct links to the M1.
- 3.4 It also offers an opportunity to bring greenery as well as providing a 0.492 km corridor of porous surfaces reducing run off to the River within the ‘flood zone’ and helping to mitigate flood risk from surface water. This is particularly important to deal with the expected impact of climate change.

### **4.0 PROPOSALS**

#### Background

- 4.1 For the past 15 years, Sheffield City Centre has experienced a significant transformation, spreading out from the ‘Heart of the City’ and the other key projects that originated from the 2000 Sheffield One Masterplan, which were in part funded by Objective 1. Dramatic improvement of the physical environment, linked to key development sites and partnerships have played a key role in establishing a new Central Business District, Cultural Heart and regeneration of the Moor

## Physical Works

- 4.2 The “Grey to Green” project uses a similar approach, albeit adapted to an era of scarce resource and greater sustainability. It has grown out of proposals in The City Centre Masterplan 2013 (Draft) and is a key step towards the vision of where the City wants to be over the next 10-15 years. It proposes the transformation of the corridor linking Riverside Business District and Castlegate to the rest of the City Centre (see Annex A for location) with a strong emphasis on climate change resilience and low maintenance costs. Some visuals for the project are included in Annex C and D.
- 4.3 The project has received strong endorsement from both businesses and wider public (see Annex E1, E2 and E3 for letters of support). It also forms part of the package of measures in the City Centre’s Sheffield City Region Investment Fund (SCRIF) submission as well as a current ERDF submission.
- 4.4 Grow Wild UK’ is a four year campaign funded by the Big Lottery to bring people together to grow UK native wild flowers. On 28<sup>th</sup> February Sheffield University submitted an Expression of interest for a small part of the ‘Grey to Green’ project (Love Square) a privately owned site occupying a pivotal location in the corridor at the junction of West Bar and Bridge St – the gateway to Riverside Exchange. This has been successful in reaching the shortlist of six and the University has been asked to submit a full application. The winning project will be decided by a public TV vote on the Country File programme, providing good publicity for Sheffield and the wider ‘Grey to Green’ project. Smaller grants will be offered to the runners up.
- 4.5 Major Risks and Mitigation
- ERDF Defrayal - all eligible work has to be completed by end of November 2015 (post agreement with DCLG, see 4.6 below) to be able to draw down the ERDF funds so there is some mitigation. Some residual risk remains (for example in extreme bad weather).
  - Technical problems once construction starts such as utility diversions or bad weather causing severe delays. The design is flexible so that it can be amended without having an impact on the overall scheme design or outputs.
  - A full project risk register has been produced by the project team which includes mitigation measure for each event

#### 4.6 Timeline

- January 2014 – ERDF Outline Application Form agreed
- July 2014 ERDF agree to fund the project and draft Funding Agreement sent to SCC for consideration
- 27 August 2014 SCC Leader signed Executive Leader Report; report now on SCC's website.
- 17 July 14 and 26 August 2014 Final Business Case approved by Competitive City Board
- 29 August 2014 Project achieves financial approval (Gateway 4) at Capital Programme Group
- 5 September 2014 – ERDF has accepted the extension of the ERDF project (for physical works to end by end November 15 instead of end September 15)
- 9 September 2014 – EMT meeting
- 22 September 2014 – CMT/ EMT meeting
- October 2014 – SCC signs ERDF funding agreement
- Friday, 10 October 2014 – Completion of Detailed Design (RIBA Stage E). This is funded by New Homes Bonus. Critical date to achieve ERDF timescales
- 6 October 2014 – SCRIF decision
- 14 October 2014 – Report to EMT on the outcome of SCRIF/ SLTF process
- 15 October 2014 – Cabinet Meeting
- 26 January 2015: CPG - Construction Contract awarded by Capital Programme Group
- February - March 2015 Contractor Mobilisation
- March 2015 to November 2015 – Construction
- 31<sup>st</sup> Dec 2015: Financial closure



## 5.0 FINANCIAL IMPLICATIONS

- 5.1 The **overall estimated cost** for this project is **£3.565m** plus a further £225K to undertake the detailed design for the Grey to Green Phase 1 project to be funded from:

<i>Source</i>	<i>Amount £m</i>
ERDF	1.426
SCRIF including SLTF	2.139
New Homes Bonus	0.225
<b>Total</b>	<b>3.790</b>

- 5.2 The European Regional Development Fund (ERDF) funding is based on an intervention rate of approx. 40%. The outline SCRIF Business case has also been approved and the Detailed Business Case was submitted to SCRIF on 29 August 14A final decision on the SCRIF funding will be made on 6 October 2014.

- 5.3 In accepting the ERDF funding, the Council will therefore be committing to providing match funding in line with its application to ERDF (including any declared outputs). The outcome of the SCRIF and SLTF bids is expected by October at the latest. If these bids are unsuccessful, the Council proposes to provide the match funding from the following sources which will require some re-prioritisation of expenditure:

- New Homes Bonus
- Section 106 Agreements, in relation to City Centre developments
- Local Transport Plan programme

- 5.4 A further sum of £225,000 has been approved from the New Homes Bonus Fund for the detailed design, which will enable procurement of a contractor for the scheme and its construction. However this expenditure is deemed to be eligible for SCRIF funding so should be reclaimed in due course, subject to SCRIF approval.

- 5.5 In any of the events below, the Council will become liable to increase its own contribution to the project. This applies equally to ERDF, the SCRIF and LSTF funding but will not be known until that grant offer is made:

- The project is not complete by the proposed ERDF eligible expenditure deadline of 30<sup>th</sup> November 2015, any unspent ERDF cost would fall 100% on the Council;
- If the Council incurs ineligible expenditure, acts in a non-compliant way, overspends on the construction budget (beyond the allowed contingency), any resulting claw back or penalties will be payable by the Council
- The Council and its partners fail to deliver the projected outputs over the next ten years

### European Regional Development Fund (ERDF)

- 5.6 The Council was invited to submit an 'outline expression of interest' for ERDF funding for this project at the end of December 2013. This was approved and a Full Business Plan was submitted on 31<sup>st</sup> March 2014.
- 5.7 In order to meet the tight timescales for delivery, the ERDF bid addresses only Phase 1 - the central section (i.e. West Bar) of the Grey to Green corridor. Phase 2 will be 100% funded through SCRIF/SLTF subject to approval of a further Full Business Case.
- 5.8 The project was approved by ERDF Programme Board on Tuesday, 17 June 2014. A formal letter and conditions have now been received. Legal and External Funding Teams have confirmed that the conditions are standard. There are specific clauses which require the project to be delivered to the approved spending plan and 10% of the funding will be withheld until the final monitoring report has been approved and all audit issues resolved.
- 5.9 This paves the way for the Council to sign the ERDF funding agreement. [Expected w/c 6 October 14].

### Sheffield City Region Investment Funding (SCRIF)

- 5.10 This project forms part of a wider Sheffield City Centre Programme which has been accepted to proceed to submission of Full Business Plan within SCRIF with a spend profile of £7.6m in 2015/16. The "Grey to Green" project is part of the Year 1 City Centre programme. It is explicitly mentioned in the Sheffield City Region's "Strategic Economic Plan for Regional Growth Fund" document and will form an early win for the programme which is under pressure from national government to produce schemes which can start in 2015. One of the factors in the SCRIF appraisal is the ability of projects to bring match funding to the programme which the proposed ERDF application does.
- 5.11 The SCRIF Business Case has been appraised and SCC were informed on 15 September 14 that there is a positive recommendation going forward to the Board meeting on 6<sup>th</sup> October 14, which will make a final decision.

### Sustainable Local Transport Fund

- 5.12 The project has also been included in Sheffield's latest programme for the Local Sustainable Transport Plan 2015-16. Approval of this programme is also expected before the end of October.

### Design Costs

- 5.13 Design and development costs of the project (which are required for the SCRIF programme anyway), need to be incurred in advance of the SCRIF and LSTF grant awards. Normally any pre-award expenditure is ineligible but the City region office have confirmed that the detailed design costs associated with a successful SCRIF Project are eligible expenditure so should be recoverable in principle from SCRIF. However if this proves not to be the case, the Council will have to provide its own funding.

### Future revenue implications

- 5.14 The Streets Ahead contractor and the Council's Client Team have been involved in development of the 'Grey to Green' project and are very supportive as it offers wider savings opportunities for the programme. The initial calculation of the commuted sum to Amey is an increase of £25,000. This is ineligible for ERDF but has been requested as part of the SCRIF bid.

### Timescale Issues

- 5.15 The original programme for construction to meet ERDF Financial close-down in September 2015 was extremely tight and ERDF have accepted to move this date to end November 15. An allowance of three weeks has also been made in the programme for bad weather delay as well as a contingency of £467,000 for unforeseen items, acceleration and inflation.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 The Council has a general power under the Localism Act 2011 to act in any way that it sees fit, provided that the activity falls within the law and is in the best interests of their local area. This power would supplement the specific powers in the Highway Act 1980 to improve the highway, to plant trees, shrubs and lay grass to vary the relative widths of the carriageways and footpaths and to carry out drainage works.
- 6.2 Once the ERDF funding agreement has been entered into, there is no right for the Council to terminate the agreement in the event of anticipated match-funding being unavailable. This could trigger an event of default which would enable the DCLG to claw back any funding already paid. However, if the Council has not drawn down any funds, there is nothing to claw back and therefore there would be no sums on which interest would be payable. In any event, the alternative match funding outlined above mitigates the risk of the Council triggering this event of default.
- 6.3 The works elements of the project must be procured following the Council's standing orders and all relevant EU procurement directives. The procurement process will therefore have to be open, transparent, fair

and non-discriminatory. The contract awarded to the successful tenderer/s must ensure compliance with all applicable legislative requirements and provide for effective service delivery, value for money and ensure the delivery of the project outcomes.

## **7.0 COMMUNITY SAFETY IMPLICATIONS**

7.1 Parts of the Castlegate and Riverside area are characterised by declining footfall, which will be exacerbated as the full impact of the closure of Castle Market are felt. On others such as Snig Hill/Bridge St footfall has increased dramatically but still in a poor environment. It is somewhat AN isolated part of the city centre dominated by roads that have very little traffic but still make the area look unfriendly.

7.2 This project will help to transform the areas image both to investors and to members of the public. This should lead to increased footfall and dwell-time and in turn help improve the perception and therefore safety that people feel.

## **8.0 EQUALITY IMPLICATIONS**

8.1 The scheme will have a positive impact for all sections of the community by creating a more pedestrian friendly environment. In particular older people and people with disabilities will benefit from removal of kerbs, provide wider footpaths and ensuring appropriate materials are incorporated to help blind people navigate.

8.2 A potential pedestrian / cyclist conflict on the proposed shared footpath / cycle lane has highlighted. However it was acknowledged that this raises strategic issues about the Council's broader approach towards encouraging cycling and the appropriate balance to be struck between such conflicts. There is ongoing work with disabled access officers to ensure their needs are properly addressed.

## **9.0 ALTERNATIVE OPTIONS CONSIDERED**

9.1 A more traditional reclamation and renewal of redundant carriageways could be undertaken and this group of highways is due for renewal in 2017 under the current Streets Ahead programme. However this would simply replace like with like and at a similar maintenance cost and would not deliver the transformative benefits outlined above.

9.2 Do nothing. For the reasons mentioned in Section 7 above, this is not a viable option. It would lead to further decline in the area, depressing property prices, sustainability of businesses which in turn would affect the Council's National Non Domestic Rate income. Finally because of higher risk of flooding, marginal it may be, translated into both lack of an appetite for new investment and higher insurance premiums. The Council's own property in this area would suffer directly.

## **10.0 REASONS FOR RECOMMENDATIONS**

10.1 This is a final opportunity to access ERDF funding for delivering a high priority scheme. To draw down the full ERDF contribution, the project must start and complete by Autumn 2015. To meet this programme, it is necessary to progress the design and tendering process now hence the request for conditional approval in advance of the final SCRIF decision. The detailed design, work has had to be undertaken concurrently with the approval process but will be completed by the Cabinet date.

## **11.0 RECOMMENDATIONS**

- 1) That the proposed scheme, as detailed in this report and with the timeline described in section 4.6, subject to the required funding package being in place, be approved.
- 2) To note that a capital approval submission has been submitted in the Month 4 Budget Monitoring report for the necessary authority to undertake and procure the proposed works, in accordance with Council procedures.
- 3) That the Director of Regeneration and Development Services, in consultation with the Interim Director of Legal Services, Interim Director of Commercial Services and Interim Director of Finance be authorised to negotiate and agree any agreements additional to those in paragraph 2 above required to deliver the works for the above scheme, subject to the required funding being in place.

## **ANNEXES**

Annex A – Sheffield City Centre Plan  
Annex B – ‘Grey to Green Boundaries, March 2014  
Annex C and D – Visuals  
Annexes E1, E2 and E3 – Letters of support

Simon Ogden  
Head of City Regeneration  
6 October 2014

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- Strategic pedestrian links within Sheffield city centre -

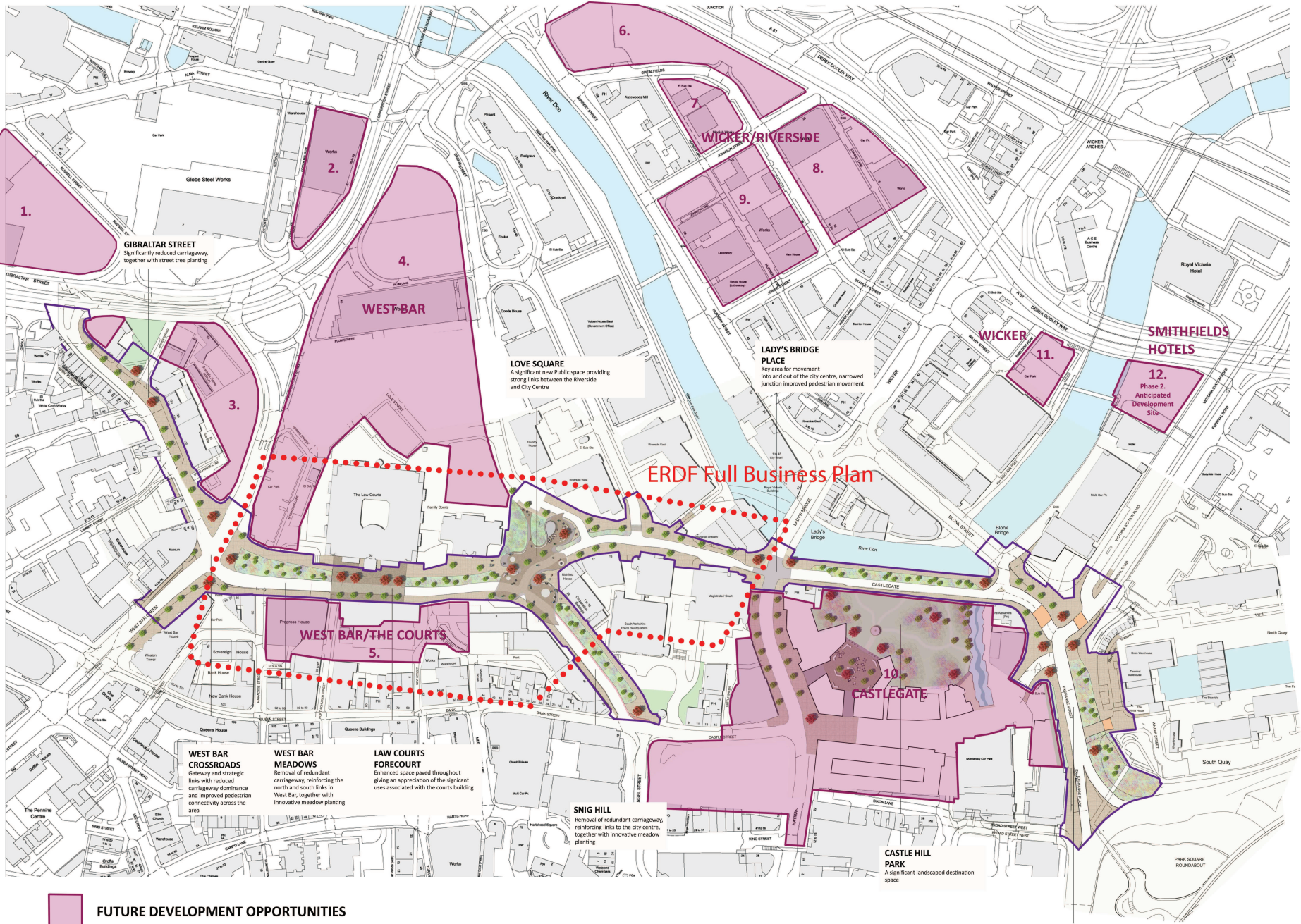
 = Gold Route

 = Steel Route









 FUTURE DEVELOPMENT OPPORTUNITIES

**EXCHANGE SQUARE**  
A significant area requiring change to help pedestrian movement and the general appearance and character. Removal of large areas of redundant carriageway.

# SHEFFIELD'S RIVERSIDE BUSINESS DISTRICT

from grey to green ERDF Bid 2014

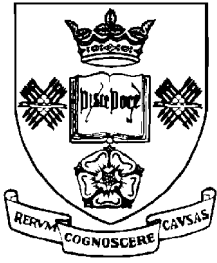
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**The University of Sheffield**  
**Department of Landscape**

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Mr S Ogden  
Head of City Regeneration  
Regeneration and Development Services  
Sheffield City Council  
Howden House  
1 Union Street  
Sheffield S1 2SH

27<sup>th</sup> March 2014

Dear Mr Ogden

**ERDF – City Centre, Grey to Green Project**

On behalf of the University of Sheffield, I am writing to express our full support and enthusiasm for the proposed Sheffield City Centre Grey to Green Project. This visionary project aims to create a new identity for the West Bar corridor and Riverside Business District. There is an urgent need to transform the quality of the environment and public realm of this area, both to provide an appropriate level of connectivity and facilities for those already living and working here, but also to promote significant new inward investment into what is the financial and legal quarter of the city. The proposed scheme will make direct and clear connections with the city centre, and, crucially, will create a very high quality and distinctive sequence of public spaces that will enhance the image and potential of this district, but which will also make this area a destination in its own right.

But it is the innovative and forward-looking aspects of this proposal that is particularly striking, and which gives this project the potential for national and international significance:

- The conversion of former inner city highway to shared space with pedestrian and cycle priority over large areas makes a strong statement with regard to the importance of public realm, liveability and human focus.
- The Grey to Green concept is vital for urban climate-change adaptation, and to address environmental issues that will become increasingly problematic in cities, such as urban flooding, poor air quality, and elevated temperatures.
- The focus on SUDS and water-sensitive design over such an extended area as a core element of the public realm will be unique in a British city centre location, and will make a significant contribution to reducing the surface water runoff into the adjacent River Don.
- The proposed landscape solutions, involving high impact, low input plantings with strong year-round visual appeal and wider biodiversity value, will provide a new

approach in the UK to create high quality urban landscape vegetation which is low-cost and simple to maintain.

The combination of all these factors, over an extended linear route, has the potential to create a truly distinctive urban feature that will have many of the characteristics of New York's High Line and as well as providing very significant benefits to the West Bar and Riverside Business District areas, will also raise the profile and character of Sheffield itself at national and international level, with associated economic benefit. The New York Highline has provided the impetus for major regeneration of the areas through which it runs, and has become a remarkable destination in its own right. The proposed Grey to Green project, which will have its own distinctive character, has the potential to have a similar impact within the city of Sheffield.

The University of Sheffield is the largest employer in the city, and has an international reputation in landscape architecture, urban design, architecture, and town planning. More specifically, and in relation to this proposal, the University is a world-leader in terms of urban greening, innovation in urban landscape planting and management, and in SUDS and urban water sensitive design. We are able to bring this expertise to the project in an advisory and practical capacity. Through our extensive student body we are able to support the development of the project through live design projects, and to create a programme of temporary interventions and installations that will build momentum, profile and excitement around the development of the final scheme.

We are fully committed to, and strongly supportive of, this innovative and visionary scheme that not only has the potential to transform the investment, economic, physical and environmental landscape of the specific area, but also on the profile and image of the city as a whole.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Dunnett', is placed on a light-colored rectangular background.

Dr Nigel Dunnett  
Professor, Department of Landscape, University of Sheffield



Mr S Ogden  
Head of City Regeneration  
Regeneration & Development Services  
Sheffield City Council  
Howden House,  
1 Union St  
Sheffield S1 2SH

25 March 2014

Dear Mr Ogden

## **European Regional Development Fund (ERDF) – City Centre, Grey to Green Project**

On behalf of the Board of Urbo, I would like to express our strong support for the above project. Urbo is the developer behind the West Bar development and substantially owns/controls the site for development purposes. West Bar is the largest project in the Riverside Business District, the area identified in the Sheffield City Centre masterplan as the priority area for inward investment. Urbo is engaged, working in partnership with the Public sector, in progressing West Bar which will provide the only site within Central Sheffield for new build grade A large footprint office accommodation. The nature of the scheme means that it will attract good quality covenants, with large numbers of employees, and the local Environment surrounding the site is vital in order for the location to be attractive from an occupier perspective.

The 'Grey to Green' project is also focussed on the Riverside Business District. It is a highly innovative approach to improve the attractiveness, connectivity, economic impact and environmental credentials of this important but under-performing business district in the northern edge of the City Centre (Gibraltar St/ West Bar). High quality large floor-plate office and 'knowledge intensive business services' will be promoted in the development sites identified in the area, following the works on the highway, junction improvements and environmental works that are promoted by the scheme. Occupiers of this kind demand an excellent quality of environment and as such the Grey-to-Green project offers the opportunity to make a 'game-changing' difference to perceptions of this part of Sheffield.

No development has taken place on the Riverside Business District since the beginning of 2008 and we are working hard with Sheffield City Council to re-establish development activity at West Bar. We firmly believe that the prospects for early large scale investment will be very significantly enhanced by the proposed works

The scheme has the following main benefits:

- Integration of the Riverside Business District into the core of the city;
- Creation of a network of high quality public spaces and infrastructure which will establish the area as a distinctive location for new businesses in the City Centre, challenging investors' poor perceptions about the area;

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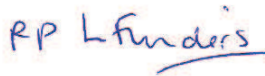
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Beresford Way  
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Registered in England No 2932405

# Urbo Regeneration.ltd

- It increases the likelihood of the development of the West Bar site in particular, which has capacity for 71,000 m2 of floor-space, gross job potential of 4,500. West Bar is considered the only quality location in the city for large scale office development. Therefore, its development will make a significant contribution to the GVA of Sheffield City Region;
- It will support Sheffield's bid for the location of the High Speed 2 Station in Sheffield to be at Victoria Station (which is in close proximity to the proposed works) in line with the recent CBRE report about the economic benefits of this option;
- It will provide a 0.65km corridor of porous surface providing a sustainable solution to surface water drainage as part of the River Don flood reduction measures.

Urbo is a prominent company in urban regeneration regionally and in recent years has invested millions of pounds in preparing large projects. Two of these, Chesterfield Waterside and Canal Road Urban Village in Bradford (completed value of over £500million), have recently commenced on site. We are also working hard to bring forward large-scale development at West Bar in the near future following our substantial investment in land-holdings there. I firmly believe that large-scale landscape improvements along West Bar supported by SCRIF can make a vital difference in raising confidence and in re-connecting the area to the City Centre to bring forward this much needed investment and new jobs.

Yours sincerely



**Peter Swallow**  
Managing Director



Simon Ogden  
Head of City Regeneration  
Regeneration & Development Services  
Sheffield City Council  
Howden House, 1 Union Street  
Sheffield. S1 2SH

25<sup>th</sup> March 2014

Dear Mr Ogden,

European Regional Development Fund (ERDF) – City Centre, Grey to Green Project

I would like to express strong support for the above project. As you will be aware Carillion are the developers of The Square in the Castlegate quarter, for which we entered into an agreement with the City Council who are the landowners. Redevelopment has stalled for the past few years due to the economic downturn but we do expect to be able to move on to the remaining phases in the near future, building on the success of the early phases, and I firmly believe the Grey to Green project will help to boost to this part of Sheffield and give confidence that the City holds this area in high regard as it continues to invest in important projects like this.

The Grey to Green project is located on the Riverside Business District which includes Castlegate. It is a highly innovative approach to improve the attractiveness, connectivity, economic impact and environmental credentials of an important but underperforming business district in the northern edge of the City Centre. High quality large floor plate office and “knowledge intensive business services” will continue to be promoted in the development sites identified in this area, following the works on the highway, junction improvements and environmental works that are promoted by the scheme. The Square development will be significantly enhanced by the proposed works thus increasing the likelihood of attracting new occupiers and assisting in the redevelopment of the remaining phases.



We believe the scheme will have the following benefits:

- Integration of the Riverside Business District and Castlegate into the core of the City Centre area
- Creation of a network of high quality public spaces and infrastructure which will establish the area as a distinctive location for new businesses in the City Centre, challenging investors' perceptions about the area
- Increase the likelihood of the development of the remaining sites at The Square, which has capacity for around 15000m<sup>2</sup> of mostly commercial but possibly some residential floorspace, gross job potential of circa 1,500
- It will support Sheffield's bid for location of the High Speed 2 Station in Sheffield to be at Victoria Station (which is in close proximity to the proposed works) in line with the recent CBRE report about the economic benefits of this option
- It will provide a 0.65km corridor of porous surface providing a sustainable solution to surface water drainage as part of the River Don flood reduction measures

Carillion is a leading construction, property and support services company employing over 40,000 people in the UK, Canada and Middle East. We are committed to working with forward thinking Local Authorities to invest in and deliver regeneration projects and economic prosperity. It is because of Sheffield City Council's continued investment and support for private sector investment the City remains high on our agenda.

Yours Sincerely,

Neil McMillan

Development Director

**Cabinet Report**

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

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**Report to:** Cabinet

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**Date:** 15<sup>th</sup> October 2014

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**Subject:** Independent Living Solutions

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**Author of Report:** Andy Hare and Louisa Willoughby, 0114 273 6815

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**Key Decision:** YES

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**Reason Key Decision:** Expenditure/savings over £500,000

Affects 2 or more wards

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**Summary:**

Independent Living Solutions is one of the projects within Sheffield's Integrated Health and Care Commissioning Programme. This programme will deliver a significant increase in joint health and care commissioning in Sheffield, which will in turn lead to increased integration of health and care services on the ground.

Within this wider programme, the Independent Living Solutions project is focussed on how we can help more Sheffield people – children, young people and adults – to live independently, safely and well, at home and in their local communities.

The first phase of the Independent Living Solutions project involves the commissioning of a new equipment service to supply or loan equipment that helps people to live more independently. This Cabinet report sets out the background to, and ambitions for, this service and seeks approval of the proposed procurement strategy.

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## **Reasons for Recommendations:**

The current contract for the supply and loan of equipment to help people live independently ends in June 2015 and we need a replacement contractual arrangement to meet our statutory duties. We also need to refresh the scope and specification of the contract so that we can:

- achieve better outcomes and increase value for money where possible
- deliver against increasing customer expectations
- future-proof the service in light of proposed changes to legislation, guidance and operational requirements e.g. the Care Act, 7-day working commitment in the NHS, the Children and Families Act.

In order to maximise the efficiency of the proposed new service the Council needs to work with the CCG.

---

## **Recommendations:**

It is recommended that:

- Cabinet approves the commissioning of and procurement strategy for the redesigned equipment service.
- Cabinet delegates authority to the Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance and the Interim Director of Commercial Services to take the necessary steps to agree the pooled budget arrangements with the CCG and amend the Section 75 Agreement.
- Subject to agreement being reached with the CCG and the Section 75 Agreement being amended, Cabinet delegates authority to the Director of Commissioning (Communities) to take the necessary steps to implement the procurement strategy for the redesigned equipment service in consultation with the Interim Director of Commercial Services and the Interim Director of Legal and Governance.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance to award the contract for the redesigned equipment service.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Cabinet Member for Health, Care and Independent Living and the Cabinet Member for Children, Young People and Families, as appropriate, to take such steps as he deems appropriate to achieve the outcomes set out in this Report.

**Background Papers:** Sheffield Better Care Fund Summary document:

<https://www.sheffield.gov.uk/caresupport/health/health-wellbeing-board/what-the-board-does/priorities/integration.html>

**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Ray Wright and Hugh Sherry
<b>Legal Implications</b>
YES Cleared by: Sarah Bennett
<b>Equality of Opportunity Implications</b>
YES - EIA completed. Cleared by: Phil Reid
<b>Tackling Health Inequalities Implications</b>
YES
<b>Human Rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
YES
<b>Economic Impact</b>
YES
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
Not for SCC/CCG
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
All wards
<b>Relevant Cabinet Portfolio Lead</b>
Mary Lea and Jackie Drayton
<b>Relevant Scrutiny Committee</b>
Healthier Communities and Adult Social Care and Children and Young People
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
NO



# REPORT TO THE CABINET MEMBER FOR HEALTH, CARE AND INDEPENDENT LIVING

## INDEPENDENT LIVING SOLUTIONS: A PROPOSED APPROACH

### 1.0 SUMMARY

- 1.1 Independent Living Solutions (ILS) is one of the projects within Sheffield's Integrated Health and Care Commissioning Programme. This programme will deliver a significant increase in joint health and care commissioning in Sheffield, which will in turn lead to increased integration of health and care services on the ground.
- 1.2 Within this wider programme, the ILS project is focussed on how we can help more Sheffield people – children, young people and adults – to live independently, safely and well, at home and in their local communities.
- 1.3 The first phase of the ILS project involves the commissioning of a new equipment service to supply or loan equipment that helps people to live more independently. This Cabinet report sets out the background to, and ambition for, this service and seeks approvals in relation to the proposed procurement strategy.

### 2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

- 2.1 The proposed procurement will lead to an improved equipment service and a more coherent offer to support independent living. As such it will have positive impacts for Sheffield people who need the service and their carers. While the service will in the main provide practical pieces of equipment to support independence, future elements of work will recognise the social elements of disability and support the creation of wider policies around independence in Sheffield.
- 2.2 The specification for the new service will be shaped by consultation undertaken with service users, interest groups and practitioners. The new service will be more responsive to its users as the intention is that the selected provider will have an obligation to prioritise direct engagement with service users.

### 3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The ILS project and the redesigned equipment service in particular will help more people increase their independence and wellbeing leading to improved outcomes for individuals and hard, measureable reductions in the use of the formal health and care system. The impact of the project will be measured using indicators that will *include*:
  - Wellbeing and satisfaction indicators for individuals benefiting from the service
  - Net attributable reductions in the demand on social care purchasing budgets
  - Reduced hospital length of stay (and related reductions in delayed hospital

discharges)

- 3.2 The selected equipment provider will also be required to recycle equipment where possible to increase value for money. They will also be required to provide information and advice to help people help themselves including providing a route for people to buy their own equipment.

## **4.0 MAIN BODY OF THE REPORT**

### **Background to ILS**

- 4.1 The Council and CCG selected four main projects in December 2013 to form the Integrated Commissioning Programme. These were included within Sheffield's Better Care Fund submission to Government. One of these projects was ILS.
- 4.2 Running in parallel, the Children's Joint Commissioning Group and the Children's Health and Wellbeing Partnership Board commissioned an exercise to look at the supply of children's equipment. In June 2014, the Children's Joint Commissioning Group agreed that the work should be progressed within the Integrated Commissioning Programme to maximise the efficiencies to be gained through an integrated service for children, young people and adults.
- 4.3 The project is attempting to reimagine how more independent living can be supported in Sheffield. The first phase of this is redesigning the way that equipment and minor adaptations are provided. However, this is very much the start of a larger piece of work.

### **Our vision for independent living**

- 4.4 Our vision for independent living in 2020 is one in which Sheffield people, including children, young people, and adults, are:
- Supported by a coherent health and care policy for independent living, agreed by a range of health and social care organisations. The implementation of this policy will enable more people to live independently in their homes and in their communities
  - Able to access the equipment, adaptations and applications they need to stay independent, safe and well. This support will be digital where possible, fit for purpose, and good quality. People will be supported to live at home and in their community - including after a spell in hospital. The right solution will be provided at the right time in the right way for the individual
  - Able to independently select and order the equipment, adaptations and applications they need. Where a formal assessment of requirements is required, this will be done in an efficient and timely manner by a trained and expert assessor – preferably in the person's own home
  - Able to use any equipment, adaptation or application for as long as it is needed. This will be enabled by pooled and shared funding for both adults and children,

and health and social care needs. The provider will focus on the individual's interest, not the interests of individual organisations. Individuals' needs will be reviewed over time to ensure that the solution offered is appropriate and effective

4.5 Underpinning all this is a desire to:

- Support people throughout their life-course to facilitate a more streamlined transition from children's and young people's services to adults' services, and between health and care services.
- Encourage independence, providing excellent information, advice and guidance that maximises independence and wellbeing. While we recognise that children do not live independently, our overall objective is to support people to live at home *independent of ongoing health and social care support.*

### **Phases to the ILS project**

4.6 There are three main phases to this project:

#### **1. Commissioning a new equipment service**

The current contract for the supply and loan of equipment is commissioned by NHS Sheffield Clinical Commissioning Group (CCG), on behalf of the CCG and the Council. Local Authorities and specified NHS bodies are able to work jointly including having pooled budget arrangements and undertaking commissioning on each other's behalf as long as such arrangements are in accordance with Section 75 NHS Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000. The current agreement between the CCG and the Council under section 75 in relation to the equipment service (the Section 75 Agreement) sets up a pooled budget and names the CCG as the lead commissioner.

The current service provider is the Sheffield Health and Social Care NHS Foundation Trust and the service is branded as SCELS (Sheffield Community Equipment Loan Service). The current contract is due to expire at the end of June 2015. The contract has a value of around £2.75m per annum; about £850,000 of this is funded by the Council.

Building on work done by Right First Time, notably to provide equipment out of hours, we want to commission a new modernised and more cost effective approach that delivers tangible benefits to people in need across the city, and aligns a number of smaller pathways across health, education and social care.

It is proposed that the new service will be commissioned by the Council on behalf of itself and the CCG. This will require amendments to the existing Section 75 Agreement. The amended section 75 agreement will also need to specify the management arrangements for the pooled budget e.g. how any underspend or overspend will be reported and managed.

#### **2. Rethinking independent living**

We will be developing our understanding and offer around independent living and what this really means and could include. This will include developing clear policies

around independent living and working with practitioners to better promote independent living across the city. In addition, phase 2 will include the selected provider of the redesigned equipment service identifying and delivering innovative and creative solutions – constantly updating their offer so as to maximise their impact.

### **3. Working with practitioners**

We will be rethinking how assessment to support independent living can be done and by whom, how the budget can be managed with reducing resources, and how the supported living contract can be most effectively used as part of wider health and care services.

This Report concerns phase 1 of ILS - Commissioning a new equipment service. .

#### **Phase 1 of ILS: a new equipment service**

4.7 The new service will be the hub of a city wide approach to ILS. In the first instance it will replace the existing SCELS service. It will be an efficient, flexible operation which can quickly evolve and adapt to changing demands from the health and social care community – including providing expert advice to practitioners so that they can better spot opportunities to support people to live independently. The contractual arrangements will be designed around a catalogue of products and services – meaning it will be able to expand as the contract progresses.

4.8 During summer 2014 officers spoke to a range of practitioners, service users, interest groups, as well as local authorities across the country, to get the best understanding possible about what service Sheffield needs and how it can best be provided. Officers also held a provider afternoon where a number of prospective providers, including the current holder of the contract, came to discuss various ideas.

#### **What we want the new provider to offer**

4.9 We want the provider that wins the contract to be an experienced and high quality organisation at the cutting edge of the disability equipment industry. They will:

- Be highly regarded and will meet or exceed nationally recognised standards in every aspect of their service delivery
- Have an overview of community equipment (including for children, adults, speech/language therapy and sensory impairment).
- Develop and maintain excellent operational and other links with all stakeholders, manufacturers and interested parties around the city.
- Have up to date expertise of the equipment on offer and provide accurate advice and information to professionals and members of the public.
- Procure equipment on a value for money basis using a catalogue which can change quickly and easily. The catalogue of standard equipment will be supplemented by the efficient sourcing of specialist or bespoke equipment when this is required. Bariatric equipment will be available to the same timescales to

facilitate quicker hospital discharges.

- Offer a modern and easy to use web portal for professional prescribers which will provide the information and advice needed. People will be able to use the website themselves to order and pay for equipment privately should they choose to do so. The website may include reviews on specific pieces of equipment. There will be a helpline to answer queries from prescribers and members of the public.
- Operate a system which can get equipment to people quickly – in some cases a same day delivery service to facilitate discharges from hospital or intermediate care. Prescribers will be able to select from a range of delivery times according to the circumstances. The service will be available 7 days a week with opening hours that reflect needs of customers and stakeholders. *If* required, there will be “satellite stores” around the city to enable rapid access to equipment.
- Train workers, such as drivers, to have a good awareness of the health and social care needs of customers, including basic understanding of safeguarding and signs of abuse or neglect. They will have the skills to demonstrate the equipment and to fit it where simple fixings are required (e.g. grab rails). Furniture will be moved (within health and safety parameters) to make space for the equipment. They will conduct a quick wellbeing and safety check while they are in the home and will signpost or refer people to other sources of help where appropriate. The delivery service will also collect equipment which is no longer required or not being used.
- Refer back to a relevant agency where a review or reassessment of a person’s needs is indicated.
- Offer an accessible demonstration facility where people can try out equipment or be trained how to use it.
- Track equipment using an up to date database which will allow the equipment issued to an individual to be quickly identified. The service will let prescribers know the status of their order and where required will notify them when equipment has been delivered. Where necessary, the service will arrange joint visits to service users’ homes.
- Recover equipment promptly when required and proactively where equipment is not being used or has been duplicated. Equipment will be cleaned, repaired and re-issued unless this is not cost effective.
- Continuously monitor its own performance and operate a proactive quality assurance system to ensure the delivery of robust performance data to commissioners.
- Run a series of reference groups for service users and practitioners which will allow continuous assessment of its performance from a customer perspective and prompt changes to the service as appropriate.

## **Procurement Strategy**

The procurement stage of the process will be managed by Commercial Services

4.10 within Sheffield City Council. Market analysis and discussions with other local authorities suggest that there are likely to be about 5 or 6 bids; hence, a one stage process is preferred (as opposed to a two stage process involving a pre-tender pre-qualification questionnaire). An Invitation to Tender will be issued nationally in mid-November and the contract award process will be completed by the end of February 2015. This gives us around 3-4 months to manage the transition and implement the new contract. The new contract will run for three years with an option to extend for a further two, subject to the usual conditions which include provider performance.

### **Legal implications**

4.11 The Council has a number of powers and duties that are relevant to the provision of an equipment service as proposed in this Report:

- Section 2 Chronically Sick and Disabled Persons Act 1970 imposes a duty on local authorities to provide practical assistance and additional facilities for the greater safety, comfort or convenience of people who are assessed as needing them.
- Section 29 of the National Assistance Act 1948 gives local authorities
  - the power, with the approval of the Secretary of State; and
  - the duty, to the extent that the Secretary of State may direct, in relation to persons ordinarily resident in the area of the local authority

to make arrangements for promoting the welfare of persons aged eighteen or over who are blind, deaf or dumb, or who suffer from mental disorder of any description or who are substantially and permanently handicapped by illness, injury, or congenital deformity or such other disabilities as may be prescribed.

- Section 17 Children Act 1989 imposes a duty on local authorities to safeguard and promote the welfare of children within their area who are in need; and so far as is consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs. For the purpose of facilitating the discharge of their general duty, every local authority also has the specific duties and powers set out in [Part 1 of Schedule 2](#) to the Act.
- Section 75 NHS Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000 allows local authorities and specified NHS bodies to work jointly including having pooled budget arrangements and undertaking commissioning on each other's behalf.
- A number of provisions of the Care Act 2014 will also be relevant once they have been brought into force. These include:
  - Section 1, Promoting individual well-being
  - Section 2, Preventing needs for care and support
  - Section 3, Promoting integration of care and support with health services etc.
  - Section 18, Duty to meet needs for care and support

- Section 20, Duty and power to meet a carer's needs for support

The proposed service will contribute to the fulfilment of these duties.

- 4.12 The proposed contract outlined in this Report has a value in excess of the threshold for contracts for services (£172,514) in the Public Contracts Regulations 2006 (the 'Regulations') and thus the procurement and contract award processes to be followed in relation to the proposed contracts will be subject to those Regulations. However, health and social care services are Part B Services for the purposes of the Regulations and as such, only some of the requirements of the Regulations will apply.
- 4.13 The Council should also comply with the general EU Treaty principles such as non-discrimination, transparency and proportionality. This will require an open and fair procedure to be adopted. The procurement process proposed, which also complies with the Council's Contract Standing Orders, should ensure the Council fulfils these legal obligations.
- 4.14 Neither a reference during or after this procurement process to the Regulations or the use of language or terminology common to the Regulations shall require the Council to conduct a fully regulated procurement in accordance with the Regulations.
- 4.15 If there is a change in service provider this will have an impact on the staff providing the service and TUPE may apply. It will be suggested to bidders that they consider the potential impact of TUPE and current providers will be required to share information as appropriate in accordance with their existing contracts and TUPE regulations.

### **Financial implications**

- 4.16 The expectation is that the re-tendering of this existing contract will not only enable a more effective service to customers, but will also deliver savings, because the prices tendered are likely to be lower overall than those of the current provision. Bidders will be asked to set out how they will deliver the service to meet these requirements. This first phase of ILS will involve pooling around £2.3m of Sheffield City Council and NHS Sheffield Clinical Commissioning Group budgets for use within the new joint contract. The pooled budget will cover the vast majority of children's and adults' health and social care equipment needs in Sheffield.
- 4.17 However, payments to the new provider will be primarily based on actual usage – meaning that the pooled budget will only pay for equipment that is ordered. Phases 2 and 3 of the project will involve detailed analysis of the kind of equipment being used and how we can further increase the efficiency of the service. These phases will also involve considering whether the current model whereby hundreds of health and care staff can order equipment, is fit for purpose going forward.
- 4.18 The cost of the new arrangements will be contained within existing budgets and if current commitments look likely to exceed the existing budget this will be reported to Cabinet as part of financial risk monitoring. However, we currently believe that the net cost of the new arrangements will actually be lower than the current arrangements, not least because closer working with NHS Sheffield Clinical Commissioning Group in

this area should enable more cost-effective provision *across the whole health and care economy*.

4.19

Equipment services are also essential to ensure a preventative system that supports individuals to be independent, safe and well in their own homes rather than in acute care settings.

4.20

If required we will return to Cabinet at the end of the procurement experience to provide details of the evaluation outcome, including the financial details of the new contract, prices and any other financial impacts and the revised savings.

### **Equalities implications**

4.21

Under the Equality Act ([Public Sector Equality Duty](#)) local authorities have to pay due regard to: “Eliminate discrimination, harassment and victimisation, advance equality of opportunity, and foster good relations”. A key element of the Equality Act is that of ‘no delegation’ – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a Duty that cannot be delegated. This means that when we are commissioning and contract monitoring services, equality and diversity will form a key part of the criteria used to do this.

4.22

An Equalities Impact Assessment has been carried out for this scheme of work which recognises the benefits for particularly those with a physical or sensory disability, both children and adults. Around 11,000 people of all ages received an item of equipment in 2013/14. Consultation carried out in August 2014 indicated that without such a service, those individuals would not be able to continue to live safely at home.

4.23

The Equalities Impact Assessment stipulates that the new provider be asked to provide information in a range of languages; adheres to equalities legislation; and proactively involves service users and carers as part of its monitoring and improvement plan. The Commissioning service in the Communities portfolio will hold the provider to account for these actions and will include some element of assessment of this in the tendering exercise.

## **5.0 ALTERNATIVE OPTIONS CONSIDERED**

5.1 **Do nothing:** This option is not favoured because the Council has legal duties to provide equipment to people in need as set out above.

5.2 **Extend the contract with the current provider:** This option is not favoured because we believe that the service needs to achieve greater value for money, and increase its impact. However, we would obviously welcome proposals from the current provider on how they could achieve this (as per the new contract specification).



## **6.0 REASONS FOR RECOMMENDATIONS**

6.1 The current contract for the supply and loan of equipment to help people live independently ends in June 2015 and we need a replacement arrangement to meet our statutory duties. We also need to refresh the scope and specification of the contract so that we can:

- achieve better outcomes and increased value for money where possible,
- deliver against increasing customer expectations
- future-proof the service in light of proposed changes to legislation, guidance and operational requirements e.g. the Care Act, 7-day working commitment in the NHS, the Children and Families Act.

6.2 In order to maximise the efficiency of the proposed new service the Council needs to work with the CCG.

## **7.0 RECOMMENDATIONS**

7.1 It is recommended that:

- Cabinet approves the commissioning of and procurement strategy for the redesigned equipment service.
- Cabinet delegates authority to the Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance and the Interim Director of Commercial Services to take the necessary steps to agree the pooled budget arrangements with the CCG and amend the Section 75 Agreement.
- Subject to agreement being reached with the CCG and the Section 75 Agreement being amended, Cabinet delegates authority to the Director of Commissioning (Communities) to take the necessary steps to implement the procurement strategy for the redesigned equipment service in consultation with the Interim Director of Commercial Services and the Interim Director of Legal and Governance.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance to award the contract for the redesigned equipment service.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Cabinet Member for Health, Care and Independent Living and the Cabinet Member for Children, Young People and Families, as appropriate, to take such steps as he deems appropriate to achieve the outcomes set out in this Report.

Andy Hare

Louisa Willoughby

Contracts Manager

Commissioning Officer

6 October 2014

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[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

**Name of policy/project/decision:** Independent Living Solutions - phase 1

**Status of policy/project/decision:** New

**Name of person(s) writing EIA:** Louisa Willoughby

**Date:** 4 September 2014

**Service:** Commissioning

**Portfolio:** Communities

**What are the brief aims of the policy/project/decision?**

Independent Living Solutions is one of the four commissioning workstreams set out in the Health and Wellbeing Board's Better Care Fund submission. At its heart is a desire to bring together CCG and Council spending to reimagine independent living in Sheffield. The first phase of this is redesigning the way that equipment and minor adaptations are provided across Sheffield.

There are three main phases to this piece of work, the first phase of which will be the most extensive:

1. Commissioning a new service. The current contract for this type of service is held by the Sheffield Health and Social Care NHS Foundation Trust and is branded as SCELS (Sheffield Community Equipment Loan Service). This contract runs out in June 2015. Building on work done by Right First Time, notably to provide equipment out of hours, we want to commission a new model that delivers tangible benefits to people in need across the city, and redesigns a number of smaller pathways across health, education and social care.
2. Rethinking independent living. We will be developing our understanding and offer around independent living and what this really means and could include. This will include developing clear policies around independent living and working with practitioners to promote this across the city. In addition, we expect future providers to be innovative and creative in their use and supply of digital technologies and constantly update their offer. They should be prepared to work with other providers and local communities.
3. Working with practitioners. We will be rethinking how assessment to support independent living can be done and by whom, how the budget can be managed with reducing resources, and how contracts can be most effective to meet commissioning outcomes.

Our vision for independent living in 2020 is one in which:

- Sheffield's people – children, young people and adults – are supported by a coherent policy for independent living, agreed by a range of health and social care organisations and which enables them to live independently in their communities for as long as possible.
- Sheffield's people are able to access the equipment, adaptations and applications they need to stay independent, safe and well for as long as possible. This support will therefore be appropriately digital, fit for purpose and good quality, supporting individuals to live at home and in their community, at times following, or preventing, a spell in hospital. The right solution will be provided at the right time.
- Sheffield's people are able to independently select and order the equipment, adaptations and applications they need. Where they need a formal assessment of

requirements, this will be done in an efficient and timely manner by an assessor in their own home.

- Sheffield's people are able to use any equipment, adaptation or application throughout their lifecourse for as long as is appropriate. This will be facilitated by pooled and shared funding for both adults and children, and health and social care needs; and organisations will focus on the individual's interest, not in the interests of individual organisations. Individuals' needs will be reviewed over time to ensure that the solution offered is appropriate and effective.

Underpinning all this is a desire to:

- Think across the lifecourse to facilitate a more streamlined transition from children's and young people's services to adults' services.
- Encourage independence, providing excellent information, advice and guidance that maximises independence and wellbeing. While we recognise that children do not live independently, our overall objective is to support people to live at home independent of ongoing health and social care support.

The Council, and the health and wellbeing system across Sheffield more generally, faces severe financial pressures, and people are anxious about the impact this might have on their own care and support. There is, therefore, a need to ensure the best quality and value for money so people can get the most from the available resources. This first phase of the Independent Living Solutions work is about ensuring the future provider of a community equipment service is efficient, effective, provides a value for money service, and enables a fluent and flexible relationship between hospitals and the support people need in their own homes. Supporting people to live independently at home, in this instance in the main through equipment, is at the heart of strategies to prevent hospital use (where it can be prevented) and speed up hospital discharge (where people have been admitted to hospital).

Consultation for this work took place over the course of summer 2014. It consisted of:

- a general online survey. This enabled a range of individuals, and organisations/carers representing individuals, to feed in their views.
- telephone calls with service users and their families and carers. This was felt to be the best method of communicating directly with service users given that some of them have significant and severe mobility difficulties and would have struggled to come to face-to-face sessions or would have been unable to carry out an online survey.
- an online survey for practitioners.
- two workshops for practitioners.
- an analysis of past consultations or comments from service users that contribute to this work, including from Disability Sheffield, Right First Time Programme, and the Quality Team in Business Strategy, Communities, Sheffield City Council.
- an analysis of what other local authority areas have done.
- a workshop for prospective providers. These providers were encouraging in their commitment to engaging with service users and practitioners directly over the course of the contract, were they to be successful. This is not something that the current provider offers at this moment in time.

More information about this consultation work has been included in the Appendix to this document.

This EIA is being written in partnership with NHS Sheffield Clinical Commissioning Group.

## Are there any potential Council staffing implications, include workforce diversity?

While Council and CCG staff may be required to work in slightly different ways, there are currently no significant Council or CCG staffing implications.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Positive	High	<p>Independent Living Solutions has an impact on two main age-groups:</p> <p>1. Older people - particularly those who are disabled and at risk of hospital admission. The new service will build on the current service in enabling them to live independently, safely and well at home for longer. The majority of service users spoken to in August 2014 confirmed that equipment in the home makes a real difference. The current service supported over 11,000 people in 2013/14, the majority of whom were over 65. Predictions about Sheffield's population of older people based on 2010 projections, indicate that by 2016 there will be an additional 4,300 people of or above the age of 65 and an additional 3,600 people between the age of 15 and 65. Therefore there will be an increasing impact on this group going forward. There is potential for an increase in hospital admissions following accidents to service users who have not received equipment. There is potential for an increase in the length of time people spend in hospital where equipment is not available and discharge is delayed. Provision of equipment plays a crucial role in reablement.</p> <p>2. Children and young people with complex needs (and continuing this support into adulthood). These children will be supported to get the equipment that they need to live and be supported at home and also in mainstream education. In particular, the work will streamline the approach practitioners have to take to get the funding for children's equipment, which in turn will affect the child's experience (and their family's). Children will then be supported into adulthood. Parents consulted in August 2014 felt the equipment</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>received was helpful but made comments about how it could be improved (which is one of the reasons for this project).</p> <p>The new provider will be required to ensure their service is accessible for all characteristics.</p>
<b>Disability</b>	Positive	High	<p>All service users affected by this proposal will have a degree of disability, therefore Improving the support for those with a disability of some description to live independently at home is one of the main reasons for this project and one of the main benefits of equipment in people's homes. Therefore the work will have a significant positive impact on those with a disability; indeed, it is absolutely essential. Some 11,000 people of all ages received an item of equipment in 2013/14. One service user spoken to in August 2014 commented that without such a service he would not be able to function.</p> <p>A more efficient, resourceful and effective service - which would be the intended outcome of the procurement exercise - would lead to better outcomes and have an (even more) positive impact on those with a disability.</p> <p>The new provider will be required to ensure their service is accessible for all characteristics.</p>
<b>Pregnancy/maternity</b>	Neutral	Low	<p>This project is unlikely to have a significant impact on someone due to their pregnancy/maternity, although a pregnant woman who had some kind of disability might be in receipt of the service for that reason.</p> <p>The new provider will be required to ensure their service is accessible for all characteristics.</p>
<b>Race</b>	Positive	Low	<p>As an <i>indicator</i> of the percentage of users who will be from BAME communities, between April to September 2012, around 12% of service users supported by Council Occupational Therapists were from BME communities. ONS data indicates that around 5.7% of the retired population in Sheffield is from BME communities. As the majority of service users are older people, this proposal has the potential to disproportionately impact against BME service users.</p> <p>However, this project is unlikely to have a significant impact on someone due to their race. Nonetheless, the new provider will be asked to provide information in a range of different languages which may support those for whom English is not their first language. The need for this was raised in our consultation around this new service.</p>

<b>Areas of possible impact</b>	<b>Impact</b>	<b>Impact level</b>	<b>Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)</b>
			The new provider will also be asked regularly for monitoring information around ethnicity and other protected characteristics, and will be required to ensure their service is accessible for all characteristics.
<b>Religion/belief</b>	Neutral	Low	This project is unlikely to have a significant impact on someone due to their religion/belief. The new provider will be required to ensure their service is accessible for all characteristics.
<b>Sex</b>	Neutral	Low	This project is unlikely to have a significant impact on someone due to their sex. The new provider will also be asked regularly for monitoring information around gender and other protected characteristics.
<b>Sexual orientation</b>	Neutral	Low	This project is unlikely to have a significant impact on someone due to their sexual orientation. The new provider will be required to ensure their service is accessible for all characteristics.
<b>Transgender</b>	Neutral	Low	This project is unlikely to have a significant impact on someone due to their being transgender. The new provider will be required to ensure their service is accessible for all characteristics.
<b>Carers</b>	Positive	Medium	Carers play a vital role in ensuring that those with a disability, health/care need or mobility problems are able to live full and independent lives. By enabling individuals to have access to the equipment that helps them live independently, carers too are helped. In addition, a more efficient system will aim to remove the stress and waiting times for carers as they try to ensure that those they care for get the best they can. The new provider will also be asked regularly for monitoring information around carers and other protected characteristics. Of the consultation we carried out, 9 identified as either Parent of SU/Patient/Customer or as a Carer.
<b>Voluntary, community &amp; faith sector</b>	Neutral	Low	There may be some impact on VCF providers but it is difficult to say what these will be at this stage as the provider for the new service has not yet been selected.
<b>Financial inclusion, poverty, social justice:</b>	Neutral	Low	While some individuals may choose to purchase equipment of their own accord, either through the provider of this service or through other means, the majority will receive the equipment on loan without a cost, providing they have had an assessment by a professional practitioner.
<b>Cohesion:</b>	Neutral	Low	No anticipated impact.





Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
	user/carer (or more than one) in the tendering process.	
Race	The provider will be asked to provide information in a range of different languages which may support those for whom English is not their first language.	Commissioning Service, Communities, through regular contract management processes. The new service is due to begin in July 2015.
General	<p>We recognise the importance of ensuring that the new provider adheres to equalities legislation and proactively seeks to ensure the protected characteristics are supported with this service. We also recognise our duties in public sector procurement.</p> <p>Therefore we will aim to:</p> <ul style="list-style-type: none"> <li>• Include equality questions in the selection/scoring processes that will be monitored as the contract is managed.</li> <li>• Consider whether equality targets could be included in the specification – <i>however, as equipment is provided according to practitioner assessment, it is really down to the practitioner to ensure they cover these needs. We cannot give targets to an equipment provider when they do not have control over what they provide to whom.</i></li> </ul>	Commissioning Service, Communities, through regular contract management processes. The new service is due to begin in July 2015.
General	This EIA relates to phase 1 of the ILS project and will be reviewed regularly and to inform future phases of the project. Additional EIA/s will also be completed for phase 2 and 3 of the project if this is appropriate (the size of phases 2 and 3 is still to be determined and so this may not be required and/or may be covered in this EIA).	Commissioning Service, Communities, between October 2014 and October 2015 if required.

**Approved (Lead Manager):** Andy Hare **Date:** 3 October 2014

**Approved (EIA Lead Officer for Portfolio):** Phil Reid **Date:** 3 October 2014

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**Cabinet Report**

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**Report of:** Eugene Walker

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**Report to:** Cabinet

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**Date:** 15 October 2014

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**Subject:** Medium Term Financial Strategy: 2015/16 to 2019/20

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**Author of Report:** Allan Rainford (ext. 35108)

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**Key Decision:** YES

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**Reason Key Decision:** Expenditure/savings over £500,000

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**Summary:**

This report is to provide Members with details of the forecast financial position of the Council for the next 5 years; and

To recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget over the medium term.

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**Reasons for Recommendations:**

To provide a strategic framework for the development of budget proposals and the business planning process for 2015/16 and beyond.

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**Recommendations:** Please refer to paragraph 2 of the main report for the recommendations.

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**Background Papers:**

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**Category of Report:** OPEN

## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Andrew Eckford
<b>Legal Implications</b>
NO
<b>Equality of Opportunity Implications</b>
NO
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human Rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
YES/NO
<b>Economic Impact</b>
NO
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
NO
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
<b>Relevant Cabinet Portfolio Lead</b>
<b>Relevant Scrutiny Committee</b>
Overview and Scrutiny Management Committee
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
NO

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## **MEDIUM TERM FINANCIAL STRATEGY: 2015/16 TO 2019/20**

### **Purpose of the Report**

1. The purpose of the Report is to:
  - provide Members with details of the forecast financial position of the Council for the next 5 years; and
  - to recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

### **Recommendations**

2. It is recommended that Members:
  - Note the forecast position for the next 5 years is noted
  - Agree the approach to business planning targets
  - Agree the following approach to capital planning.
    - Maximise flexibility in resource pools to ensure priorities in relation to housing can be most effectively achieved, including policies related to affordable housing
    - Manage capital resource pools including New Homes Bonus and Community Infrastructure Levy to ensure that Council wide objectives are achieved
    - Reaffirm the existing Corporate Resource Pool allocation principles

### **Background**

3. The last report on the Medium Term Financial Strategy (MTFS) was considered by Cabinet in September 2013. The MTFS has been updated to reflect the budget decisions of March 2014.
4. This updated MTFS sets out the broad issues that will impact on the Council's financial position for 2015/16, outlines some of the decisions facing the Council over the medium term and sets out the planning parameters for the next 5 years.
5. The Local Government Finance Settlement for 2015/16 will not be known until December 2014. However as part of the 2014/15 Settlement, the Government issued an Indicative Local Government Finance Settlement for 2015/16. This was one of the most difficult finance settlements since the introduction of austerity budget measures in 2010.

6. The July 2013 Spending Review sets out the Governments spending plans from April 2015 to March 2016. There has not been an announcement regarding spending beyond April 2016 and therefore the likely level of funding for local government is not known. The position will become clearer following the 2015 general election.
7. In the future the Council's financial position will be significantly determined by the level of business rate income and council tax income: each of these may be subject to considerable volatility. The announcement also included a figure of £38m in respect of the Pooled NHS and LA Better Care Fund and it will be an issue for the Council as to how this can be accessed.

### Settlement Funding Assessment for 2015/16

8. The December 2013 Local Government Finance Settlement included an indicative settlement for 2015/16 of £112m; this is a reduction of £45m or 29% compared to the figure for 2014/15. It was expected that this would present a more difficult picture for local government following the Autumn Statement announcement of further reductions in funding.
9. When the increase in business rate top up grant is factored in the overall reduction in Settlement Funding Assessment (SFA) is approximately £42m. The SFA includes an assumed increase in locally retained business rates of £2.8m. The Council will need to make its own assessment of retained business rates for 2015/16.

		SETTLEMENT	ILLUSTRATIVE	Difference
		2014/15	2015/16	
		£000	£000	£000
Revenue Support Grant		157,460	112,088	-45,372
Baseline Business Rates Funding				
	Local Share of Business Rates	100,593	103,370	2,777
	Top Up Grant	28,342	29,124	782
<b>Settlement Funding Assessment</b>		<b>286,395</b>	<b>244,582</b>	<b>-41,813</b>

10. On 22 July 2014 the Government issued a Technical Consultation on the Finance Settlement for 2015/16. The proposals that effect Sheffield City Council were as follows:
  - The compensation for the 2% cap on the small business rate multiplier is to continue in 2015/16. This is to be calculated on the basis of the reduction to estimated retained income, as in 2014/15. Whether this funding will then continue in years beyond March 2016 is unknown. This funding amounted to approximately £1m for Sheffield in 2014/15.



- The Council Tax Freeze Grant for 2014/15 of £1.9m has been included in the Illustrative SFA for 2015/16. This has therefore increased the Illustrative SFA to £246.551m. It provides the potential for a larger reduction in future years should a percentage reduction be applied to the quantum of SFA.
11. The Technical Consultation also refers to other aspects of the proposed 2015/16 settlement which will remain as set out in the 2014/15 settlement. At a national level these include:
- A £1 billion hold back to fund the New Homes Bonus
  - A £50m hold back for the rates retention safety net
  - Protection for grants rolled into the SFA in April 2013 from the percentage reduction announced in the 2013 Spending Review.

### **Specific Grant funding in 2015/16**

12. The Indicative Finance Settlement for 2015/16 has provided an indication of the likely level of specific grant funding via the Spending Power figures. The spending power concept was introduced in 2011 as a measure of the aggregate level of resources that the Government believes are available to individual local authorities. The spending power figures are adjusted each year in the light of policy changes and comparisons between years then include notional figures to provide a basis for comparison.
13. The figures shown in the table below have largely come from the Illustrative Spending Power for 2015/16. The exception being the grants relating to business rates scheme (the compensation for the 2% cap and the extension of small business rates relief) where the actual figures have been based on form NNDR1 which was submitted to the DCLG in January 2014. It has been assumed that the allocations for 2015/16 for the 2% cap and extension of business rates relief will be at the same level as 2014/15.
14. The table shows the actual allocation for 2014/15 (from the 2014/15 spending power figures), the adjusted 2014/15 allocations (to reflect new responsibilities and policy changes) and the illustrative 2015/16. The latter two sets of figures are taken from the Illustrative Spending Power for 2015/16.
15. There are some grant regimes where no figures are provided for 2015/16. The Local Welfare Provision grant is being removed from April 2015. This currently amounts to £2.5m and funds the Council's welfare assistance scheme.

	Actual	Adjusted	Illustrative
	2014/15	2014/15	2015/16
<b>Specific Grant allocations (from Spending Power figures)</b>	£m	£m	£m
Compensation for business rates capping (not from SP figures)	1.079	1.079	1.079
Small Business Rate Relief grant (not from SP figures)	2.522	2.522	2.522
Lead Local Flood Authorities	0.086	0.086	0.058
Community Right To Challenge	0.009	0.009	
Community Right To Bid	0.008	0.008	
Local Welfare Provision Grant	2.472	2.472	
New Homes Bonus	5.954	5.954	7.313
New Homes Bonus: returned funding	0.443	0.443	1.127
Local Council Tax Support and Housing Administration Subsidy	3.868	3.868	
Council Tax Support New Burdens Funding	0.270	0.270	
Local Health Reform and Community Voices DH grant	0.489	0.489	0.489
Public Health Grant	30.748	30.748	30.748
Adult Social Care New Burdens		3.213	3.213
NHS funding to support social care	12.399	18.257	0.000
Pooled NHS and LA Better Care Fund			37.783
Less Council Tax Support Funding for Parishes	-0.085	-0.085	-0.085
<b>Estimated Specific Grants</b>	<b>60.262</b>	<b>69.333</b>	<b>84.247</b>

16. The table above makes reference to “Council Tax Support Funding for Parishes” of £85k. This relates to a specific grant that local authorities received in 2013/14 to compensate parish councils for the reduction in council tax base, and therefore council tax income, as a result of the introduction of the council tax support scheme. However there was not a specific grant in 2014/15. Instead the Government suggested that this funding had been included in the quantum provided to local authorities and therefore netted off an amount in the spending power for each local authority. The figure of £85k for Sheffield is therefore a notional figure.
17. There are some grants where the precise allocation will not be known until nearer the start of the relevant financial year and which are not included in the spending power figures: e.g. the level of Education Services Grant (ESG) will depend on the number of pupils. With a number of schools expected to become academies, there will be a reduction in the level of ESG for the City Council. If reductions do occur these would need to be reflected in the spending plans of the Portfolios affected: i.e. as part of the strategy for the management of “pressures”.
18. Where there are expected increases in specific grant, an issue will be how these play into the business planning process. It is proposed that where we expect

there to be additional funding, this is kept corporately to help manage the overall position rather than offset the target reductions in the relevant Portfolio.

19. The spending power figures suggest that the level of funding from specific grants and other Government funding will increase compared to 2014/15. However the increase is almost entirely attributable to the introduction of the Better Care Fund. There are also issues around the administration subsidy for housing benefits and council tax support scheme.

#### Administration Subsidy for Housing Benefit and Council Tax Support Scheme

20. The Council currently receives approximately £3.8m subsidy towards the administration costs of the housing benefit and council tax support schemes. The Illustrative Finance Settlement for 2015/16 did not provide details of the subsidy because of a Government review of the subsidy arrangements following a proposed transfer of some responsibilities to the DWP.
21. On 23 July 2014 the Minister for Welfare Reform issued a letter to local authorities to provide some assurance around the administration subsidy for 2015/16. The contents of this letter contained the following:
  - An assurance that the subsidy will not reduce as a result of the current universal credit delivery plans. The letter contains the statement that this “is a commitment made in the context of further spending efficiencies which the Government may seek”.
  - The subsidy will however reduce by £12m nationally as a result of the transfer of fraud responsibilities from local authorities into the DWP. How this adjustment will be made is to be subject to discussions with the local authority associations.
22. This letter has been interpreted by CIPFA as meaning that the total amount of subsidy is likely to be reduced by between 5% and 10% efficiency savings and a further £12m for the creation of the new Single Fraud Investigation Service (SFIS). Extrapolations from CIPFA suggest that the reductions for Sheffield could amount to £300k for SFIS and up to £386k for “efficiencies”: i.e. a potential reduction of up to £686k for 2015/16. For the purposes of the forecast, these amounts have been included as likely reductions in subsidy. The transfer of responsibility for fraud investigation should result in a variation in the Council contract with Capita and result in reduced costs. At the present time these cost reductions have not been included in the forecast.

#### Better Care Fund

23. The Council currently receive funding via the NHS to meet the costs of providing adult social care. The allocation to Sheffield is shown in the spending power figures as amounting to £12m in 2014/15. However once adjustments are made

for carers, reablement and new Care Bill costs, the “adjusted” figure for 2014/15 becomes £18m. However the actual amount so far allocated to the City Council is approximately £12m.

24. The 2013 Spending Review announced the creation of a £3.8 billion pooled budget for health and social services to work more closely together. It is funding that will be in the NHS budget and will be allocated to Clinical Commissioning Groups (CCG's). The spending power figures show £37m as being allocated to Sheffield from the Better Care Fund and via the CCG's in 2015/16. It is presently unknown as to how much of this will eventually find its way into the City Council budget for 2015/16 and therefore at this time no additional funding is built into the forecast.

### **Funding from Government for 2016/17 and beyond**

25. The Government has not provided any details regarding local government funding beyond March 2016. It is likely that there will be a spending review once the outcome of the 2015 general election is known. However a number of leading think tanks have warned that there are likely to be further spending reductions and that the period of austerity could run until 2020.
26. For the purposes of this forecast, it is assumed that there will be reductions in local government funding of 10% per annum from April 2016. Reductions of this scale have become the norm in funding for Government departments with the majority of public services reduced by this percentage in the spending plans for 2015/16. If Revenue Support Grant (RSG) for Sheffield City Council were to be reduced by 10% per annum this would result in reductions of £11m in 2016/17 to £9m by 2019/20.
27. There is the possibility that a percentage reduction could be applied to the SFA rather than to RSG. This would involve the Government making a bigger reduction in RSG and increasing the business rates baseline, thereby expecting local authorities to generate additional business rates income to make up the difference. If this were the case, reductions of 10% applied to SFA would mean grant reductions of £24m in 2016/17 and £18m by 2019/20. For the purposes of this forecast, it is assumed that reductions of 10% in RSG will happen from April 2016 but there is a risk of more significant reductions.

### **Council tax income**

28. The Council set a Council Tax Requirement for 2014/15 of £164.377m. The Band D equivalent council tax was £1,282.75 which was the same as the previous two years. The overall level of council tax income is dependent on the following:

- The Council Tax base: i.e. the overall number of properties that the Council can collect council tax from.
- The availability or otherwise of a Council Tax Freeze Grant
- Any restrictions on the ability of the Council to increase the level of council tax: i.e. the policy of the Government to prescribe an increase that will trigger a local referendum.

#### Council Tax base

29. The council tax base for 2014/15 was set at 128,144.18 Band D equivalent properties. This was a small increase of 94 properties compared to the figure for 2013/14. The introduction of the Council Tax Support Scheme (CTSS) has had a significant impact on the tax base: approximately 38,000 properties qualify for CTSS.

30. There is a statutory date for the determination of the tax base for 2015/16. However a review of the current position has been made based on information presently available:

- The overall number of properties: at the present time there are an additional 358 band D equivalent properties on the tax base compared to last year. Some increase was to be expected with additional properties being constructed or brought into use, particularly as a result of the new homes bonus. It is not known to what extent this figure will grow in the coming months.
- Number of properties eligible to discounts and exemptions (not including CTSS). The taxbase for 2014/15 assumed that 36,000 properties would be eligible for discounts and exemptions. At the present time the number of properties claiming discounts/reliefs total 34,500: approximately 1,500 less than anticipated. However with the imminent commencement of a new academic term, the level of student homes exemptions may increase and therefore the present figure cannot be relied upon as representing the final figure.
- Number of properties eligible for the Council Tax Support Scheme (CTSS). The current CTSS in Sheffield which was introduced in 2013 requires council tax payers of working age to pay a minimum of 23% of their council tax bills.

At the present time any change in the CTSS scheme for 2015/16 has not been assumed: however this will be an issue for Members to consider alongside the savings proposals for 2015/16.

An assessment will also need to be made of the performance of the current scheme and whether there is to be a variation in the number of properties.

The introduction of CTSS also has an impact on the collection rate. The budgeted level of income for 2014/15 assumes a collection rate of 95.5% (down from 96.5% the previous year).

31. On the basis of current information, there is the potential for the tax base to increase by 358 properties (a 0.30% increase). However there are a range of factors that are not yet known and therefore the forecast does not include any income from variations in the tax base. A 1% increase in the council tax base generates approximately £1.6m of additional income.

	Band D equivalent number of properties
Council Tax Base of Band D equivalent properties for 2014/15	128,144.18
Additional properties in 2014/15	358.76
Variation in number of properties entitled to discounts/exemptions?	??
Variation in properties entitled to CTSS?	??
Adjustment to collection rate? (currently 95.5%)	??
Council Tax Base of Band D equivalent properties for 2015/16	128,502.94

#### Council Tax referendum limits

32. Government policy regarding the trigger point for a local referendum is announced by the Secretary of State in February each year. In the 2013 Spending Review the Secretary of State indicated that “he was minded” to set a principle that an increase in council tax above 2% will trigger a local referendum. However this will not be known with certainty until the principles for 2015/16 are issued in February 2015.
33. The referendum principles issued in February 2014 did not relate to Parish Councils but included the statement “we are putting on notice that we are prepared if necessary to apply the referendum thresholds to larger town and parish councils from 2015 to 2016 onwards”.
34. It will be for the City Council to decide the policy regarding future Council Tax increases. For the purposes of this report, additional council tax income equivalent to an annual 1% increase (or £1.6m) is included in the forecast from April 2016, based on the current tax base. The position for 2015/16 is impacted by the availability of Council Tax Freeze Grant.

#### Council Tax Freeze Grant (CTFG)

35. The July 2013 announcement from the Secretary of State included a statement that CTFG will be available in 2015/16 and that the value of the grant will be

equivalent to a 1% increase in council tax but calculated on the Council Tax Base before the deduction for CTSS. For Sheffield it would mean a potential grant of £1.9m; this is £0.3m more than the amount generated by a 1% increase in Council Tax.

36. No assurances have been given beyond the current spending period and beyond the general election. It is therefore not known if CTFG will be available from April 2016 and the forecast has assumed that it will not be available.
37. Although the CTFG for 2014/15 and 2015/16 (if accepted) are to be added to baseline funding and mainstreamed within the overall SFA, it is not known if the lack of assurances beyond March 2016 places the continuation of this funding in doubt. In particular, when specific grants have been rolled up into SFA in previous years, the Government has subsequently split the allocations between RSG and Business Rates Baseline. If this is repeated in future years, it would mean that to generate the level of funding equivalent to the CTFG, the Council would need to achieve the level of the Business Rates Baseline target set by the Government.

### **Business Rate Income**

38. With the introduction of the retained business rate scheme a significant proportion of the Council's income will come from the 49% of retained business rate income. The financial position of the Council will now be substantially dependent on its ability to raise and collect the expected level of business rates.
39. The Government sets a "business rates baseline" figure which has been derived at the outset of the business rates retention scheme by dividing up the aggregate business rates income (the national total amount) by the proportionate share (the percentage of the national total historically collected by Sheffield). However it is for the Council to set its own estimate of the likely level of retained business rate income. For 2014/15 the Council agreed a business rates income budget of £100.898m. This figure is slightly above the Baseline figure of £100.595m.
40. In arriving at a reasonable estimate of retained business rate income in 2015/16 and beyond, there are a number of issues that will need to be considered:
  - Gross business rates income. When the estimate for 2014/15 was produced, it was estimated that the number of business premises in Sheffield that are liable for business rates is 17,602 with an aggregate rateable value of £530.083m. Based on the rating multiplier of 47.1p this produces a gross business rate estimated income (the "Gross Rate Yield") of £249.9m for 2014/15. This was the starting point for establishing an estimate and constitutes the potential level of income before any further adjustments.

For the purposes of this forecast it is assumed that there will be an inflation uplift in the annual rating multiplier and that this will generate approximately £2m per annum for the City Council. Any funding from Government to compensate local authorities for the capping of the inflation uplift (as happened in 2014/15 and is expected again in 2015/16) will offset this foregone income.

From a review of the developments that have taken place in the current year or are expected to take place, there is the potential for there to be an increase of £1m in the locally retained share. Any forecasts of potential growth need to be treated with caution as there may be reductions in business rate income elsewhere as businesses relocate. For the purposes of this forecast, an increase of £1m in retained business rate income is assumed for 2015/16.

- Losses due to appeals. With the introduction of the business rates retention scheme in April 2013 the Council was required to establish a provision for the potential losses of business rate income due to businesses lodging appeals. Business Ratepayers can seek an alteration to the rateable value of a property by appealing to the Valuation Office Agency (VOA). However because of the large volume of appeals decisions by the VOA can take several years. Based on data provided by VOA in September 2012 the number of Sheffield outstanding appeals include 317 in respect of the 2005 rating list and 1,510 in respect of the 2010 rating list. The Council established a provision of approximately £15m in 2013/14 and a further provision of £5m in 2014/15.

Recent discussions between council officers and officials from the VOA have suggested that the level of outstanding appeals at September 2013 total 985 cases. However there was not information available relating to the potential losses arising from these appeals or the cost of the appeals that have been settled to date. This is an issue that council officers will continue to address in discussions with the VOA. For the purposes of the forecast it has been assumed that the reduction in the appeals provision will amount to £3m per annum in 2015/16 and 2016/17, reflecting the potential for some appeals to be unsuccessful or to be settled at a level that is below that originally estimated. The Government has set a target for the VOA to work through 95% of outstanding appeals by July 2015 and therefore some improvement in losses due to appeals is to be expected.



## Forecast revenue expenditure

41. The Council set a net revenue budget for 2014/15 of £451.248m. There will be a number of items of additional expenditure that are likely to be incurred in future financial years and there will be other issues, about which there will currently be uncertainty, but which may also subsequently involve expenditure for the Council. A key issue for the budget process will be the approach to including additional budget provision during a period in which resources are constrained. Compared to the amounts budgeted for in 2014/15, there are a number of potential additions to annual expenditure in future years:

- Collection Fund: there was a surplus of £171k on the projected year end balance on the Collection Fund. This was utilised in setting the Council Tax for 2014/15. The forecast has removed this surplus from the position from April 2015 onwards.
- Pension scheme costs. There was an actuarial review of the South Yorkshire Local Government pension Scheme in 2013 that has determined the contribution rates for a three year period from April 2014. The overall amount paid by the City Council includes two elements:

1. An Employers contribution rate: contributions are required to meet the cost of future accrual of benefits for members after the valuation date. This is referred to as the "future service contribution rate" (FSR). At the time decisions were made about the 2014/15 budget, the FSR for Sheffield was considered to be 12.9% for the next 3 years.

2. Deficit recovery: additional contributions are required from the south Yorkshire employers to overcome a deficit resulting from the assets of the scheme being less than the funding target at the date of the actuarial valuation. The recovery programme involves the City Council making additional contributions, over and above the FSR, to recover the deficit. At the time the budget was considered, the likely deficit recovery contributions amounted to £26m in 2014/15 rising to £28m by 2019/20.

In 2014/15 the budget included an additional £9m and the approach to financing this cost involved the use of £4m from a reserve that had been secured from the winding up of the Kier Sheffield LLP partnership arrangement at the end of 2013/14. A net amount of £5m was therefore included in the 2014/15 budget.

In March 2014, following discussions between the South Yorkshire Treasurers, the Pensions Authority revised the assumptions, reducing the level of SFR and the deficit contribution rates. These are now 12.4% for FSR and £22.7m for deficit recovery contribution for 2014/15. This reduction in

cost together with further reductions in the staffing establishment has reduced the likely required contribution from the Reserve in 2014/15 by £3m (i.e. a contribution from the reserve of £1m).

For 2015/16, the estimated additional cost arising from the increase in FSR from 12.4% to 12.6% together with the increase in the deficit recovery contribution from £22.7m to £24.7m, amounts to a total of £1.5m. The forecast assumes that a further contribution of £0.5m from the Kier Reserve and a requirement to add £1m to the budget for 2015/16.

- Employers' national insurance contributions: the introduction of the new state pension from April 2016 will mean the abolition of the "contracted out" rate of employer's contribution. On the basis of the existing payroll size, the Council faces additional costs of approximately £2.4m from April 2016.
- Provisions for redundancy/severance costs: the Council will require an adequate provision for redundancy/severance costs. The current budget includes £11.2m for redundancy costs. This was based on a reduction of 644 posts set out in the 2014/15 budget. The budget provision for 2015/16 will depend on the post reductions set out in the budget proposals and an accurate assessment can be undertaken when the reduction in FTE's is known.

However there is the potential for these costs to increase because of recent advice from the South Yorkshire Pension Authority (SYPA) that costs of early retirement are likely to increase by an average of 15% from July 2014. It has come to light that the impact of early retirement costs had been considered separately from the recent actuarial valuation of the pension fund. In July the SYPA received the revised factors together with the indication that the underlying strain costs of early retirements had increased. The increased costs of up to 15% will apply to all early retirement applications to SYPA from July 2014. These cost increases are starting to appear in early retirement applications in 2014.

- Infrastructure Investment (New Retail Quarter): proposals relating to the development of the new retail quarter were submitted in October 2013. The 2014/15 budget included an additional £0.4m for capital financing costs associated with the required capital investment. The October 2013 report made reference to the £0.4m 2014/15 and the requirement for this to increase to £1.4m from April 2015, to cover capital financing costs and management costs. The forecast therefore assumes an additional £1m revenue expenditure from April 2015.

- Streets Ahead contract: the Council investment in the streets ahead contact will result in the required amount increasing by approximately £1.8m per annum from April 2015, as planned. This includes the full debt charges associated with borrowing £100m to finance the acquisition of assets.
- Improved sundry debt collection: as performance in respect of sundry debt collection improves, the practice of taking income to a corporate budget is being phased out. The improvement in debt collection is now reflected in Portfolio budgets. It is proposed to reduce the corporate budgeted income by £0.2m in 2015/16 which will mean the removal of the overall provision.
- Pay strategy: the Council agreed a new pay strategy with effect from April 2014. As part of this strategy the increment freeze was extended to March 2015 although there will be a payment of £250 for the lowest paid employees. The other elements of the strategy involving the introduction of mandatory unpaid leave, half increments and a Christmas shutdown, will take effect from April 2015.

The introduction of the new pay strategy, with discussions about the removal of enhancements continuing, will amount to £0.6m in 2015/16 rising to £6.4m by 2018/19 based on the current staffing structures. This assessment will change as more is known about revised staffing structures in future years. For the purposes of this forecast an additional cost of £0.2m has been included for 2015/16

- Impact of 2014/15 budget monitoring: the budget monitoring position for 2014/15 is presently showing a forecast overspend of £11m. Although it is expected that management action will be reflected in forecasts in future months, there are difficulties associated with delivering the full extent of the contract savings. For the purposes of the forecast, it has been assumed that there will not be any issues overhanging from 2014/15 or, if there are, these will be dealt with as part of the approach to managing pressures.

A significant part of the Council's net investment in the Great Place to Live Outcome is accounted for by three key lines of spending - the Streets Ahead road refurbishment project, the waste management and disposal contract and the levy payable to the Sheffield City Region Local Transport Body (LTB). If these areas of spending do not deliver the target level of savings there will be a disproportionate effect on the other services within the outcome if these have to make good the shortfall.

The 2014/15 Business Planning strategy set an overall savings target for the three line items for each of the next three years. A significant proportion of the 2014/15 target has been delivered. Work is in hand to develop options to

deliver the remainder of the savings target over the next two years. These options may include service redesign, refinancing or additional income to offset costs. The process is likely to be lengthy because the Streets Ahead and waste contracts are complex and will require renegotiation.

- The Sheffield City Region Local Transport Body (LTB), previously the Integrated Transport Authority, reduced the transport levy in 2014/15 by 9% resulting in a saving to the Council of £3m. As part of a 4 year budget approach the LTB has planned to make further savings of 4.5% in 2015/16 and 2.7% in 2016/17. This results in savings to the City Council of £1.4m and £0.8m in 2015/16 and 2016/17 respectively. As part of the approach to balancing the budget for 2015/16, the Place Portfolio has included these savings within that Portfolio's overall savings proposals and therefore these reductions in the LTB levy are not factored into the overall financial forecast.
- Sheffield City Trust (SCT) debt charges – In 2013 Cabinet approved proposals to restructure the funding for SCT. The forecast includes an increase of £0.45m per annum from April 2015 as set out in the report to Cabinet on 19 June 2013.
- Capital financing costs: an assessment has been made of the likely level of capital financing costs in future years. Given the low levels of interest and the current capital spending profile, it is estimated that the capital financing budget can be reduced by £1.6m in 2015/16 rising to £8.5m by 2019/20.
- Howden House PFI: there will be additional costs associated with the annual inflation uplift in the unitary charge. Based on current inflation forecasts, the additional annual cost is expected to be approximately £0.3m in 2015/16 rising to £0.8m by 2019/20.
- Capita contract: the current capita contract expires in January 2016 and the Council has been considering what should happen beyond this point. There has been a working assumption that, given the nature of the difficult financial scenario facing the Council, any renewal of the contract or alternative arrangement must involve a lower cost than at present. There are some anticipated additional costs which are assumed to be met from those savings.

42. In terms of Portfolio cost / demand pressures, these amounted to approximately £30m in 2014/15 and were offset by savings of an equivalent figure. The majority of the pressures in 2014/15 related to adult social care costs and it is likely that these will again feature prominently in a review of potential pressures in 2015/16. It is proposed that the approach to be taken regarding pressures will be the same as that adopted previously: i.e. that Services/Portfolios will be required to manage

their pressures from within existing resources and where necessary will be required to identify offsetting savings.

43. The level of pressures for 2014/15 included a provision for staff pay awards of 1% amounting to approximately £2m. The Chancellors Budget Statement in March 2013 confirmed that a 1% pay cap for public sector pay will continue in 2015/16.

### Overall Position

44. Bringing together the picture relating to forecast resources and forecast expenditure, there is a forecast revenue gap of £38m in 2015/16 rising to £78m by 2019/20. This is the cumulative position and would reduce by the value of savings identified in year one which is 2015/16. Details of the build-up of the forecast are set out in Appendix One and summarised in the table below:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Base position b/forward	0.0	38.3	52.2	63.4	72.2
Reductions in Government funding	40.8	14.8	10.0	9.0	8.0
Reduction in business rate appeals provision	-3.0	-3.0	0.0	0.0	0.0
Increase in business rate income	-3.0	-2.0	-2.0	-2.0	-2.0
Increase in council tax income	0.2	-1.6	-1.6	-1.6	-1.6
Expenditure increases	5.0	8.1	6.7	5.4	3.8
Expenditure reductions	-1.6	-1.6	-1.9	-1.7	-1.7
<b>Total forecast Gap</b>	<b>38.3</b>	<b>52.6</b>	<b>63.4</b>	<b>72.2</b>	<b>78.2</b>

### Council Tax Support Scheme (CTSS)

45. The new CTSS was introduced in April 2013 following the abolition of the Council Tax Benefit scheme and the financial arrangements that involved the Government meeting the costs of benefit payments. The CTSS for 2013/14 was designed to meet the new funding arrangements and reflect a reduction of approximately £5m by capping benefits at 77%.
46. In announcing a Provisional Local Government Finance Settlement for 2014/15 with a reduction in RSG of approximately £33m, the details provided indicate that funding for CTSS has been subsumed within the overall formula and that no specific amounts are identifiable. The Council may wish to consider making further changes to the CTSS for future years so as to more closely reflect the

overall funding position. For the purposes of this forecast, no further changes to CTSS have been included.

### **Approach to balancing the budget**

47. The Council requires sufficient savings proposals to meet a forecast shortfall of £38m in 2015/16 plus sufficient savings to meet the value of Portfolio cost/demand pressures. Over the first three years of the forecast period, the value of savings proposals required will amount to approximately £63m plus pressures.
48. There are some elements of the Council budget where it is particularly difficult to make reductions, where expenditure is not directly controlled by the Council and/or where the expenditure is largely fixed in nature. This does not mean that these budget elements will not be reviewed and does not mean that these budgets will be ring fenced in some way and avoid reduction. There will be a separate process for exploring the scope for achieving reductions in these budgets which will be outside of the business planning process and will not involve the application of a predetermined percentage reduction. The elements that fall into this category include:
  - Benefit payments (£194m)
  - CYP Pensions (£0.9m)
  - Central costs including external audit fees, Capita contract costs, bank charges, pension cost of former employees, redundancy costs (£47m)
  - Combined Authority Transport Levy and Environment Agency Levy (£31m)
  - Commercial services savings: identified as a separate item in the budget (-£.8m)
  - Streets ahead contract, Howden House and Schools PFI contracts (£76m)
  - Capital Financing costs (£65m)
  - Housing Association payments (£5m)
  - The transport and facilities management budget (£14m) where savings are being achieved through the workplace programme.
  - Budget additions from Reserves carried forward
49. After adjusting for the items referred to above, to achieve the level of savings required over the next three years will involve reductions in service budgets of approximately 35% across the three years. These reductions will impact on all service budgets.
50. The approach to balancing the budget will be to build on the strategic outcome model that the Council has adopted in the past year and which has assisted in

developing strategic proposals that have achieved a greater alignment of priorities and resources. This will involve taking a three year view.

51. Strategic Outcomes are an important statement of how the Council achieves its priorities and give important direction and prioritisation for the authority. However, they are also critical to shaping the decision making process for the budget. They should help the Council to articulate what it is seeking to achieve, what the objectives are within this, and to help it to make decisions about how to prioritise activity in support of these objectives, with a focus on impact. In particular, strategic outcomes – if implemented effectively – should assist the Council to make better decisions as they will focus on the key things that it is trying to achieve. This will clearly flow through into decision making about the budget.
52. In terms of developing the model used last year and building on that approach, there will be a focus on bringing greater consistency, with more structure around some of the outcomes. However, outcomes also operate within their own context and that therefore there needs to be some flexibility as to how this is done. Officers will be seeking to set minimum expectations for each outcome with EMT putting in place arrangements to check that these minimum expectations are in place.
53. To facilitate the alignment of resources with priorities and the identification of savings proposals, budgets will be allocated to outcomes and plans will be developed to keep within financial limits. Those financial limits will reflect the levels of savings required across the next three financial years. It is proposed that reductions of 35% over the three years will be built into the financial limits analysed across the three years as follows:
  - For 2016/17 reduction of 15%
  - For 2017/18 reduction of 10%
  - For 2018/19 reduction of 10%
54. A reduction of 15% in 2015/16 is sufficient to balance in that year although there is not significant scope for non-achievement of that requirement. The reality of the position facing the Council is that there is considerable uncertainty surrounding the precise level of resources that will be available in future years and there are a number of variables that could add considerably to the expenditure base of the Council beyond that currently forecast. The Council is in a position where it will have to deliver all of the required savings with little margin for variability or potential rejection of proposals. This adds further potential risk to the budget process.

55. It is important to note that this approach will involve broad planning totals that will assist in the identification and development of savings proposals. The final decisions regarding the allocation of resources will be made by Members.

## **Capital Programme for 2015/16**

56. Capital spending pays for buildings, roads and council housing and for major repairs to them. It does not pay for the day-to-day running costs of council services. The Council's Corporate Capital Strategy is shaped by a number of Government policies.

- the self-financing regime for the Housing Revenue Account (HRA) has provided for a relatively well funded programme of investment in existing and even new Council housing stock
- the Streets Ahead programme is providing massive investment in the City's roads and street lighting over the next few years, funded via the Private Finance Initiative (PFI), which is outside the capital programme
- the Government austerity programme, which has had a major impact on the rest of the non-housing programme, which has not only led to less capital funding but is also reducing revenue budget funding reducing the scope for contributions to the capital budget;
- the education policy mandating that all new schools should be academies which transfers maintenance responsibilities away from the Council's Local Education Authority (LEA) role and will subsequently reduce central grant funding which is formula driven based on pupil numbers;
- the shift towards capital funding to economic regeneration projects which generate a financial return to repay the initial investment and create a revolving fund;
- the devolvement of capital funding to City Region authorities and the involvement of the Local Enterprise Partnerships (LEP) in capital allocation decisions.

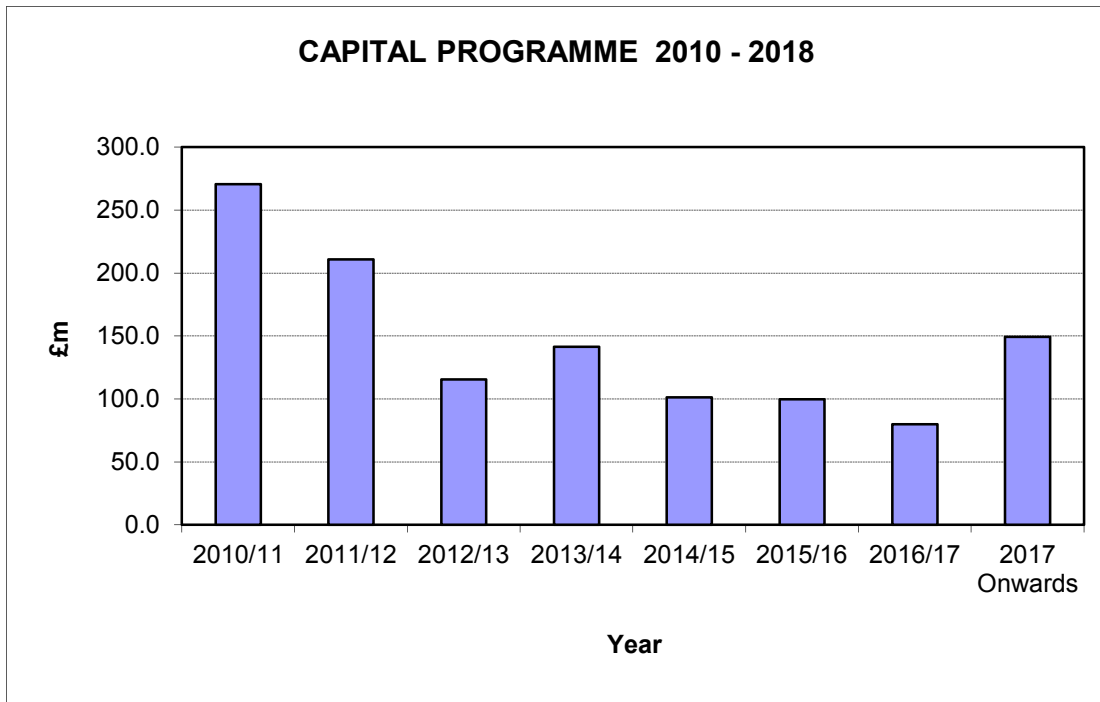
57. As a result of the above, the Housing investment programme therefore now accounts for almost three-quarters of the Capital Programme. The next biggest category includes economic regeneration, council buildings and recreation facilities like Graves and North Active Leisure centres.

58. The delivery of the Council's Affordable Housing policy will be increasingly through council housing investment and, for private sector affordable housing, local housing associations or the Sheffield Housing Company initiative where the Council is working in partnership with a private sector developer to increase the number of affordable homes and regenerate housing estates.

59. In the Competitive City outcome, the focus will be on creating the necessary infrastructure to support economic regeneration. The declining central government support will place increased reliance on the Council's Asset Enhancement programme to generate capital receipts to use on its own priorities.



The graph below illustrates the change in activity in the Capital Programme from 2010/11 to 2017.



## Corporate Resource Pool

60. The CRP funds those elements of the capital programme not funded by other dedicated funding streams which already have established provision for housing, transport and education schemes – be that internal funds for housing (Housing Revenue Account and housing land) or government funds for education and transport. A large number of Council priorities have no clear source of funding and have to be funded by the Corporate Resource Pool (CRP), which is largely financed by capital receipts from land sales.
61. So, capital receipts plug the gaps and provide match funding to lever in external funding. Recent examples include:
- the significant enhancement of the City’s recreational leisure facilities which should also deliver revenue budget savings. The Council has put £2.5m into the £7.1m North Active facility to gain £2.3m from the Department of Health’s National Centre for Sport Exercise and Medicine (NCSEM) initiative. A further £750k has been used by SIV at Concord Leisure Centre; and
  - £2m into the £6.2m Don Valley remediation project to win £2.3m ERDF grant.
62. Without capital receipts, these projects would not have happened. Other projects requiring CRP support include the demolition of vacant property which again helps the Revenue budget. Castle Market buildings is an example where the Council needs to find £4m but this may secure additional external funds to realise the vision for the site of a park showcasing the old castle ruins.

63. A large proportion of our capital already goes to social housing but in addition many housing sites are disposed of under value or at nil value to deliver social housing (e.g. for housing association schemes where the council is obliged often to give its land at little or no value to make the scheme work).
64. So, to ensure the CRP reaches the projects it is intended to support, and make best use of a scarce resource, CRP allocations are based on the following guidelines:
- The project has no other available funding sources i.e. not from central government, internal investment funds e.g. HRA, or other grant funding bodies; and
  - is in line with corporate priorities; and
  - the project is necessary to make an asset compliant with legislation; or
  - the project has a robust business case which delivers financial savings or significant improvements in performance; or
  - is a strategic project which requires cash flow support until a funding package can be arranged. Funding for these projects will be on an **exceptional** basis taking into account the current level of unallocated cash within the CRP. The project must be viable and capable of repaying the CRP within a reasonable time, for example, by generating asset sales. If the project does not proceed, any abortive project costs would have to be financed from the sponsoring portfolio's Revenue Budget.
65. For the last three years, officers have recommended that no commitments beyond one year are made from the CRP. This reflects the uncertain and lower level of receipts due to the general economic downturn. The impact of the Affordable Housing policy has created further pressure whilst diverting more funds towards Housing investment.
66. The timing of future capital receipts has been very difficult to forecast and usually over optimistic. All land transactions are inherently fraught with difficulty because of the contractual process and often tend to slip. The relatively low level of receipts in recent years means that the pool has reduced and approved and potential commitments, plus the need to maintain reserves for emergencies like major infrastructure failures or the floods of 2007, mean that these cumulative demands exceed the current reserves and a future stream of receipts is essential.
67. The Report on the 2015/16 Capital Programme will therefore recommend again that no further commitments are made beyond 2015/16.

## **Pressures on the Capital Programme**

68. The capital programme faces several challenges:
- Decreasing central government funding e.g. transport;
  - Increasing demand pressures e.g. school places plus local standards which may mean that additional support beyond that provided by central government is required. Tinsley and the Attercliffe schools are examples;

- Increasing costs as the construction sector recovers from the recession and tender prices rise. This means we get less for our money or need to spend more to deliver the same scope;
- Contingency for overspends to cover unforeseen delivery problems e.g. ground contamination on BRT North (£4m+);
- Contingency for assumed future funding streams such as Community Infrastructure (CIL). £2m is assumed to arise to fund the Bus Rapid Transit scheme (BRT North) based on planned developments in Meadowhall;
- Providing capital to enable revenue saving projects to go ahead and deliver savings to meet the demands of the National Austerity programme;
- The increasing age of the Council's building estate requiring refurbishment. This may incur significant compliance costs to bring infrastructure up to current standards (e.g. electrical systems) or make buildings accessible; and
- Member priorities.

## **Alternative Funding Opportunities**

69. Faced with the pressures identified above, the Council needs to look at alternative funding streams. The General Fund is not likely to be an option given the continuing austerity measures. At best there may be some limited headroom *if* there is a genuine increase in National Non Domestic Rates (NNDR) from additional development activity – but there are many competing demands on these resources.

### Sheffield City Region Investment Fund (SCRIF)

Not new money but central government grants devolved to City Regions to allocate in pursuance of their local priorities. Likely to be allocated to large economic development projects (e.g. city or town centre redevelopments, transport infrastructure). £2.1m bid in to support the Grey-to-Green project to redevelop West Bar to Castlegate. Over £20m of other bids submitted for city centre redevelopment.

### Tax Incremental Financing (TIF)

This initiative is useful for large scale infrastructure projects which are expected to generate future revenue streams e.g. through NNDR. It is to be employed to fund the city centre development work.

### Community Infrastructure Levy (CIL)

To be introduced from 1<sup>st</sup> April 2015 this will raise funds from developments on a differential scale linked to the location and type of development. It is intended to cope with the costs of growth e.g. additional schools and transport infrastructure.

Expectations around the impact of this money need to be carefully managed. It is a significant opportunity but the annual income is likely to be no more than £4m and the first £2m is promised to an approved project BRT North.

#### New Homes Bonus

A scheme which incentivises Council's to facilitate additional housing through either new construction or bringing long term empties back into use with premiums for Affordable Housing. Typically this generates between £1,400 and £1,800 per unit. This could amount to £7m - £9m in each of the next three years. £9m existing of planned commitments over this period have already been made but there is still a substantial sum. However, NHB is not additional money. It is top sliced out of the Revenue Support Grant and most empirical studies suggest that Northern metropolitan councils are "net losers" compared to those areas in the South East experiencing very active housing construction.

#### Better Care Fund (BCF)

Proposals for this initiative are being developed and within the scale of BCF and the capital programme this is very small. However it does fund work to adapt homes to enable people to live independently which is a Member priority.

#### Section 106

There is about £3.7m of unallocated funding from previously made agreements can be used as part of the capital strategy for funding the programme.

### **Conclusions on capital**

70. The Capital programme funding strategy needs to be flexible enough to respond to the above opportunities.
71. The traditional approach to funding capital is not sustainable. A *passive* approach relying on central government grants is likely to result in a much diminished programme and undelivered priorities. The Council will only be able to expand the programme to meet its priorities by winning alternative external funding. Many of these funding streams are the subject of competitive bidding. Three consequences follow:
  - The Council will have to ensure that it is organised such that it has the necessary skills to construct successful bids for funds. This may require new investment in training on new cost-benefit-analysis techniques as seen in the recent TCA bids;
  - The Council will need to have its own resources to pledge as match funding; and

- Outcome Boards must proactively select and supervise projects to ensure that approved projects deliver maximum benefits and offer real value for money.
72. The current programme is heavily skewed towards Housing schemes because 3 things that ensure that a significant proportion of the council's capital programme already goes to social or affordable housing:
- The capital programme itself is nearly 75% housing
  - A large number of housing land sales are under value
  - Affordable housing requirements then take a slice of general capital receipts
73. What the current discussions and recommendations are seeking to do ensure that a reasonable proportion of potential receipts go to fund the other unfunded commitments in the capital programme to meet a broad range of Corporate Plan objectives. The budget process will test if Council priorities are accurately reflected in the current distribution of capital funds.
74. In terms of a medium term financial strategy for capital, the approach to be adopted should:
- Maximise flexibility in resource pools to ensure priorities in relation to housing can be most effectively achieved, including policies related to affordable housing
  - Manage capital resource pools including New Homes Bonus and Community Infrastructure Levy to ensure that Council wide objectives are achieved
  - Reaffirm the existing Corporate Resource Pool allocation principles

**FORECAST REVENUE POSITION 2015/16 TO 2019/20**

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
<b><u>Grant variations:</u></b>					
Reductions in RSG - 2015/16	44.52	44.52	44.52	44.52	44.52
Reductions in RSG - 2016/17 (10%)		11.20	11.20	11.20	11.20
Reductions in RSG - 2017/18 (10%)			10.00	10.00	10.00
Reductions in RSG - 2018/19 (10%)				9.00	9.00
Reductions in RSG - 2019/20 (10%)					8.00
Reductions in HB and CTSS Admin Subsidy	0.69	0.69	0.69	0.69	0.69
Fall out of Freeze Grant -2014/15 & 2015/16		?	?	?	?
Council Tax Freeze Grant for 2015/16/Council Tax Increase	-1.90	-1.90	-1.90	-1.90	-1.90
Fall out of compensation for small business rates cap		1.08	1.08	1.08	1.08
Small Business Rates Relief Grant	-2.50	?	?	?	?
<b><u>Business rate income:</u></b>					
Inflation on business rate multiplier	-2.00	-4.00	-6.00	-8.00	-10.00
Increase in Business rate income	-1.00	-1.00	-1.00	-1.00	-1.00
Reduction in appeals provision	-3.00	-6.00	-6.00	-6.00	-6.00
<b><u>Council Tax income:</u></b>					
1% increase per annum from April 2016		-1.60	-3.20	-4.80	-6.40
Fall out of Collection Fund surplus	0.17	0.17	0.17	0.17	0.17
<b><u>Expenditure variations:</u></b>					
Pensions deficit	1.00	2.00	3.00	4.00	5.00
Use of Reserves to fund pensions	?	?	?	?	?
Employers NI Contributions		2.40	2.40	2.40	2.40
Redundancy costs	?	?	?	?	?
Debt charges (New Retail Quarter)	1.00	1.00	1.00	1.00	1.00
Streets Ahead contract	1.80	3.70	5.60	7.50	9.30
Sundry Debt saving	0.25	0.25	0.25	0.25	0.25
Pay Strategy	0.20	2.00	4.87	6.40	6.40
MSF ongoing Increase	0.45	0.90	1.35	1.80	2.25
Howden House PFI	0.26	0.39	0.52	0.65	0.78
Capital Financing costs	-1.60	-3.20	-5.10	-6.80	-8.50
Capita contract costs?	?	?	?	?	?
<b>TOTAL</b>	<b>38.34</b>	<b>52.60</b>	<b>63.45</b>	<b>72.16</b>	<b>78.24</b>
Year-on-year increase	38.3	14.3	10.8	8.7	6.1



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**Cabinet Report**

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**Report of:** Eugene Walker

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**Report to:** Cabinet

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**Date:** 15 October 2014

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**Subject:** Revenue and Capital Budget Monitoring 2014/15 – As at 31<sup>st</sup> July 2014

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**Author of Report:** Allan Rainford (ext. 35108)

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**Key Decision:** YES

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**Reason Key Decision:** Expenditure/savings over £500,000

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**Summary:**

This report provides the month 4 monitoring statement on the City Council's Revenue and Capital Budget for 2014/15.

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**Reasons for Recommendations:**

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

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**Recommendations:** Please refer to paragraph 103 of the main report for the recommendations.

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**Background Papers:**

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**Category of Report:      OPEN**

## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES    Cleared by: Andrew Eckford
<b>Legal Implications</b>
NO
<b>Equality of Opportunity Implications</b>
NO
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human Rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
YES/NO
<b>Economic Impact</b>
NO
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
NO
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
<b>Relevant Cabinet Portfolio Lead</b>
<b>Relevant Scrutiny Committee</b>
Overview and Scrutiny Management Committee
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
NO

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## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31 JULY 2014

### Purpose of the Report

1. This report provides the Month 4 monitoring statement on the City Council's Revenue Budget and Capital Programme for July. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 67.

### Revenue Budget Monitoring

#### Summary

2. At month 3 the overall Council position was for a potential overspend of £11.4m. This largely reflected areas where action is intended to be taken to implement corrective action but where the forecasts of managers do not yet reflect this. The position at month 4 shows an improvement of around £2.9m on the previous month, with a forecast potential overspend of £8.5m to the year end. This is summarised in the table below.

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
CYPF	71,482	71,151	331	↔
COMMUNITIES	161,033	155,877	5,156	↓
PLACE	163,671	161,118	2,553	↓
POLICY, PERFORMANCE & COMMUNICATION	2,702	2,601	101	↔
RESOURCES	83,112	82,510	602	↓
CORPORATE	(473,519)	(473,258)	(261)	↔
<b>GRAND TOTAL</b>	<b>8,481</b>	<b>-</b>	<b>8,481</b>	<b>↓</b>

3. In terms of the main variations since month 3 these are due to the following:
  - Place are forecasting an improvement of £1.6m, mainly due to additional forecast income as well as forecast cost reductions in staffing through vacancy management, contracts and local growth funded projects within Regeneration & Development Services.
  - Communities are forecasting an improvement of £713k which has arisen across most services, primarily in Care & Support due to planned action to accelerate existing strategies in Adults Purchasing, implementing the Learning Disability supported living framework in September and a continuing reduction in take-up of the Local

Assistance Scheme, offset by further shortfalls in service user contributions.

- Resources are forecasting an improvement of £566k, mainly due to the temporary use of the Invest to Save reserve to fund ICT pressures in BCIS and Customer Services which has been agreed since Month 3, pending the outcome of Capita Sourcing Strategy proposals.

## Individual Portfolio Positions

### Children Young People And Families (CYPF)

#### Summary

4. As at month 4 the Portfolio is forecasting a full year outturn of an overspend of £331k on cash limit (shown in the table below), and the position on DSG is a forecast reduction in spend of £588k. The key reasons for the forecast outturn position are:
  - **Business Strategy:** £99k forecast reduction in spending due mainly to a reduced level of pump priming of £120k for Vulnerable Groups with activity now being picked up by schools and anticipated additional Education Services Grant (ESG) income of £200k due to timing of the Academy conversion programme. This reduction in spend is partly offset by a forecast £90k overspend on Bus Passes due to demand increase and a £60k pressure as a result of redundancy costs relating to the reorganisation of the music service.
  - **Children and Families:** £627k forecast overspend, £213k overspend in Management and Business Support due to delay in the Business Support MER, £151k overspend in Legal Fees (based on previous year's trends), £130k net overspend (following some mitigation) on Fieldwork Service areas and Permanence and Throughcare mainly due to difficulties in achieving vacancy monitoring targets and £419k overspend in Adoption due to additional placements particularly via Special Guardianship Orders and Inter Agency. These overspends are being partially offset by a reduction in spend of £244k on Early Years as a result of the effective integration of Early Years and the Multi Agency Support Team including an appropriate commissioning strategy for external contracts. The service is continuing to review activities and funding streams to find mitigating action to offset the remaining overspend.

- **Inclusion and Learning Services:** £196k forecast reduction in spend, made up of £78k in Access and Pupil Services and £50k in Inclusion and Learning services due to vacancies.
- **DSG Budgets:** Overall a £588k reduction in spend made up of a £800k reduction in spend in Business Strategy overall due mainly to £872k reduction in spending on 2 Year Old FEL, as a result of numbers being lower than anticipated, and an anticipated overspend of £252k in Inclusion and Learning overall, made up of overspends of £773k in Banded Funding and £188k Independent Placements due to demand pressures, partially offset by reductions in spend on In City SEN Provision £596k and £90k access and pupil services.

### Financials (Non – DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
BUSINESS STRATEGY	(2,477)	(2,378)	(99)	↔
CHILDREN & FAMILIES	61,629	61,002	627	↔
INCLUSION & LEARNING SERVICES	2,486	2,682	(196)	↓
LIFELONG LEARN, SKILL & COMMUN	9,844	9,845	(1)	↔
<b>GRAND TOTAL</b>	<b>71,482</b>	<b>71,151</b>	<b>331</b>	<b>↔</b>

### Commentary

5. The following commentary concentrates on the key changes from the previous month.

### Non DSG Budgets

6. As at month 4 the Portfolio is forecasting a full year outturn of an overspend of £331k on cash limit, an improvement of £74k compared with last month's position.

### Business Strategy

7. As at month 4, Business Strategy is forecasting a reduction in spend of £99k (shown in the table above) relating to cash limit. This is an adverse movement of £74k from the previous month. The adverse movement this month is mainly due to the aforementioned £60k pressure as a result of redundancy costs relating to the reorganisation of the music service.

### Children & Families

8. As at month 4, Children and Families is forecasting a £626k overspend (shown in the table above) relating to cash limit. The position is broadly in line with that reported at Month 3. The service is continuing to work with Finance to closely monitor the high risk budgets such as Placements.

**Inclusion & Learning Services**

9. As at month 4 the Service is forecasting a £196k reduction in spend, an improvement of £156k on last month's position due to staffing vacancies in Access and Pupil services and Inclusion and Learning services.

**DSG Budgets**

10. The month 4 position is a £588k reduction in spending, which is an improvement of £559k from the month 3 position. The main reason for this is a review of the commitment against the 2 Year Old FEL expenditure based on the first quarter activity of £651k. This is partially offset by increased volume in SEN placements of £110k.

**Place****Summary**

11. As at month 4 the Portfolio is forecasting a £2.6m overspend, an improvement of £1.6m from the month 3 position. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation:** £1.3m forecast overspend largely due to risks associated with contract negotiations to deliver the full £3.3m waste management savings in the 2013/14 and 2014/15 Budgets.
  - **Capital & Major Projects:** £877k forecast overspend due to income and cost pressures within markets of £500k and commercial property £300k.
  - **Regeneration & Development Services:** £324k forecast overspend due to shortfalls in planned contract savings.
12. All directors continue to review current spending plans to prepare options to further reduce the overspend which will be reported in the Month 5 forecast.



## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
BUSINESS STRATEGY & REGULATION	29,713	28,381	1,332	↑
CAPITAL & MAJOR PROJECTS	1,137	260	877	↓
CREATIVE SHEFFIELD	2,620	2,685	(65)	↔
CULTURE & ENVIRONMENT	44,377	44,429	(52)	↓
MARKETING SHEFFIELD	916	777	139	↔
PLACE PUBLIC HEALTH	(1)	0	(1)	↔
REGENERATION & DEVELOPMENT SER	84,909	84,585	324	↓
<b>GRAND TOTAL</b>	<b>163,671</b>	<b>161,118</b>	<b>2,553</b>	<b>↓</b>

## Commentary

13. The following commentary concentrates on the key changes from the previous month.

### Business Strategy & Regulation

14. The forecast for this activity is an overspend of £1.3m, an adverse movement of £250k this period. This reflects an assumed £1.1m risk around securing agreement with the Contractor to deliver the full £3.3m waste management savings included within the 2013/14 and 2014/15 budget plans. Other cost pressures have largely been mitigated to date, through one-off savings / additional income including the finalisation of the prior year sale of heat income due to the council. However, risks remain around underlying waste volumes and additional costs associated with diversion of waste should further maintenance be required on the Energy Recovery Facility.

15. Work is progressing on developing further the range of options for negotiation with the contractor with a view to implementation by October. Should there be slippage on this timescale this may result in a further adverse movement.

### Capital & Major Projects

16. The forecast for this activity is an overspend of £877k, an improvement this period of £172k. The improvement largely arises from an £137k increase in forecast income within the commercial estate activity.

17. There may be further risk here if more market traders leave once the full rents are demanded. The business model for the market is under review as is the balance between rent and service charges to traders.

### Culture & Environment

18. The forecast for this activity is a reduction in spending of £52k, an improvement of £551k this period. The improvement largely reflects

recognition of planned actions being progressed within SIV to address a previously forecast £0.5m pressure arising from difficult trading conditions. The Director continues to work closely with SIV to ensure that these plans are progressed and the risk is mitigated.

### Regeneration & Development Services

19. The forecast for this activity is an overspend of £324k, an improvement of £1m this period. The improvement arises from additional forecast income within the City Development and Sustainable City activities of £400k and forecast cost reductions in staffing through vacancy management £400k, contracts £100k and local growth funded projects £100k.
20. A key strand of the 2014/15 business plan was to deliver £4.2m reductions in contract spend on the Sheffield City Region Local Transport Body (SCRLTB) levy and Streets Ahead Programme. Whilst savings of £2.9m have been secured on the SCRLTB levy, only £100k are included in the forecast for Streets Ahead Programme at this stage. Based on the work done to date, it is unlikely that any significant savings will be delivered this year. However, the current £1.2m shortfall is reduced by around £900k of one-off performance / milestone related cost reductions to leave a net forecast shortfall of £400k. Mitigation of this shortfall will be dependent on continuing shortfalls in contractor performance.

## Communities

### Summary

21. As at month 4 the Portfolio is forecasting a full year outturn of £5.2m overspend. The key reasons for the forecast outturn position are:
  - **Business Strategy:** Overspend of £188k. Executive & Portfolio-wide Services shows £162k overspend. This is mainly due to the savings target for the Leadership Structure being held here – at Month 4 the actual savings are distributed across the Portfolio. Budget virements for Month 5 reporting will reset budgets and eliminate the savings target. Planning and Performance Services forecast a reduction in pay spend of £77k and Quality and Safeguarding Services report a forecast £103k overspend as a result of additional spend on Deprivation of Liberty (DoLs) cases driven by implementation of revised legislation.
  - **Care and Support:** An overspend of £4.7m is currently forecast due to ongoing pressures and issues in Adult Social Care primarily

relating to care purchasing budgets. These budgets are currently the focus of recovery action led by the Adult Social Care Savings Board, overseeing several initiatives to contain the overall cost of care purchasing. Significant improvements have been made in the Adults Service care purchasing which is forecasting a reduction in spend of £445k by year-end. However this is offset by a further £618k reduction in service user income which is currently forecasting a total shortfall of £1.6m due to numbers of contributing service users falling more significantly than anticipated. Also significant overspends are forecast within the Learning Disabilities Service (currently standing at £4.9m overspent) relating to care purchasing and in-house care provision.

- **Commissioning:** Reporting a forecast overspend of £296k due mainly to cost pressures in the Adult Mental Health Partnership budgets, specifically an increase in Pension liabilities and an agreed share of Sheffield Health & Social Care Trust's (SHSCT) unachieved savings dating back to 2013/14. A joint plan is being implemented to mitigate these unachieved savings. Forecast overspends on pay in Social Care Commissioning Services are more than offset by reduced spending in Housing Commissioning Services, specifically reduction in spend on Housing Related Support contracts and over-recovery of income received from collection of water rates from Housing tenants.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
BUSINESS STRATEGY	4,035	3,847	188	↓
CARE AND SUPPORT	116,167	111,447	4,720	↓
COMMISSIONING	32,293	31,996	296	↔
COMMUNITY SERVICES	8,539	8,587	(47)	↓
<b>GRAND TOTAL</b>	<b>161,033</b>	<b>155,877</b>	<b>5,156</b>	<b>↓</b>

## Commentary

22. The following commentary concentrates on the changes from the previous month.

### Business Strategy

23. An improvement of £203k mainly due to the elimination of Portfolio-wide Business Support savings targets through transfer in of Portfolio-wide BS budgets.

**Care and Support**

24. An improvement of £306k due to a continuing reduction in take-up of the Local Assistance Scheme of £174k, planned action to accelerate existing strategies in Adults Purchasing of £445k, implementing the LD supported living framework in September (£338k), offset by further shortfalls in service user contributions £618k.

**Community Services**

25. An improvement of £210k as a result of a review of Library Service's financial risk related to the achievement of the savings target. This is mainly due to a number of VER / VS leavers who are leaving ahead of the MER implementation date.

**Resources****Summary**

26. As at month 4 the Portfolio is forecasting a full year outturn of an overspend of £602k, an improvement of £566k from the month 3 position. The key reasons for the forecast outturn position are:
- **Commercial Services (savings):** £317k overspend due to reduced forecast income from cashable procurement savings, in particular £135k from British Gas.
  - **Legal Services:** £102k overspend in Legal Services owing to the under recovery of fee-earning income.
27. The Resources Leadership Team have identified actions to mitigate the forecast overspend and these will be reflected in the month 5 forecast.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
BUSINESS CHANGE & INFORMATION SOLUTIONS	416	363	53	↓
COMMERCIAL SERVICES	838	866	(28)	↔
COMMERCIAL SERVICES (SAVINGS)	(1,134)	(1,451)	317	↑
CUSTOMER SERVICES	3,179	3,158	21	↓
FINANCE	5,432	5,441	(9)	↔
HUMAN RESOURCES	3,568	3,649	(81)	↔
LEGAL SERVICES	3,499	3,397	102	↔
RESOURCES MANAGEMENT & PLANNING	184	205	(21)	↔
TRANSPORT AND FACILITIES MGT	41,399	41,329	70	↓
<b>TOTAL</b>	<b>57,381</b>	<b>56,957</b>	<b>424</b>	<b>↓</b>
CENTRAL COSTS	24,976	24,826	150	↔
HOUSING BENEFIT	755	727	28	↔
<b>GRAND TOTAL</b>	<b>83,112</b>	<b>82,510</b>	<b>602</b>	<b>↓</b>

## Commentary

28. The following commentary concentrates on the key changes from the previous month.

### Customer Services

29. A forecast £21k overspend. This is an improvement of £344k from the previous month, which is due to the temporary use of the Invest to Save reserve to fund ICT pressures which has been agreed since Month 3, pending the outcome of Capita Sourcing Strategy proposals.

### Commercial Services (Savings)

30. A forecast £317k overspend. This is an adverse movement of £135k from the previous month, which is due to a reconciliation payment received from British Gas being £135k lower than expected.

### Transport & Facilities Management

31. A forecast £70k overspend. This is an improvement of £149k from the previous month.

32. The improvement this month is due to:

- £144k improvement on Burngreave New Deal as a result of a transfer of income from Place.
- £40k improvement on Asset Management.
- £70k improvement on Utilities as a result of realigning budgets from Community Buildings.

- £80k improvement on Transport Fleet Passenger Services as a result of an increase in income from self-hires.

## Policy, Performance and Communications

### Summary

33. As at month 4 the Portfolio is forecasting a full year outturn of an overspend of £101k, an improvement of £10k from the month 3 position. The key reasons for the forecast outturn position are:

- £85k overspend in Communications mainly due to employee costs.
- £22k overspend in CEX office due to LGYH costs.
- £48k overspend in Electoral registration due to the costs of canvas staff and IT support costs.

Offset by:

- £36k reduction in spend in Business Support due to salary costs & training expenditure.
- £25k reduction in spend in Policy and Improvement is due to £27k overspend in supplies & services.

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,837	2,736	101	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,702</b>	<b>2,601</b>	<b>101</b>	<b>↔</b>

## Corporate items

### Summary

34. The month 4 forecast position for Corporate budgets is a £261k reduction in spend, which is broadly unchanged from the month 3 position. The key reason for the forecast outturn position is a reduction in spend of £210k on capital financing costs.

35. The table below shows the items which are classified as Corporate and which include:

- **Corporate Budget Items:** corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs.
- **Corporate Savings:** the budgeted saving on the review of enhancements and the budgeted saving from improved sundry debt collection.
- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

## Financials

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u>
	<u>£'000</u>	<u>£'000</u>	<u>Variance</u>
			<u>£'000</u>
Corporate Budget Items	71,527	71,737	-210
Savings Proposals	-1,550	-1,550	0
Income from Council Tax, RSG, NNDR, other grants and reserves	-543,497	-543,445	-52
<b>Total Corporate Budgets</b>	<b>-473,519</b>	<b>-473,258</b>	<b>-261</b>

## Collection Fund - 2014/15 - Quarter 1

### Introduction

36. Following the implementation of the Government's Business Rates Retention Scheme on 1 April 2013, steps have been taken to monitor the Collection Fund more closely however the overall position is subject to change due to the impact of national austerity measures on Business Rates income and the impact of the introduction of the local Council Tax Support (CTS) Scheme on Council Tax collection rates.
37. There have also been a variety of challenges accurately forecasting the collection fund in 2014/15 to date; some of these are new issues, some longer term. These include, in brief, difficulty in capturing information around changes to appeals and CTS, challenges in reconciling Capita reports to each other and therefore OEO and difficulties over the formatting of reports. Officers are working with Capita to resolve these issues. The figures that follow therefore need to be caveated by the above.

### Summary

38. In 2014/15 approximately £271m of our expenditure is forecast to be financed directly through locally collected taxation, out of a total of £456m. This taxation is initially collected by the Council and credited to

the Collection Fund. The Government receives 50% of the business rates collected (the “Central Share”) and uses this to finance grant allocations to local authorities. The Fire Authority receives 1% of Business Rates collected and the Council retain the remaining 49% as below:

Income Stream	2014/15 Budget	Amounts Collected in First Quarter	Forecast Year End Position	Forecast Year End Surplus
	£m	£m	£m	£m
Council Tax	-164.38	-47.38	-165.91	-1.53
Business Rates Locally Retained	-103.35	-32.20	-104.77	-1.41
	-267.73	-79.58	-270.68	-2.94
RSG/Business Rates Top Up Grant	-185.80	-46.45	-185.80	0.00
<b>TOTAL</b>	<b>-453.53</b>	<b>-126.03</b>	<b>-456.48</b>	<b>-2.94</b>

39. As at the end of quarter 1 the collection fund is forecasting a £1.5m year-end surplus on Council Tax primarily due to student exemptions showing a £0.9m reduction in spend against budget and an increase in properties since the tax base was set (£0.4m).
40. As at the end of quarter 1 the collection fund is forecasting a £1.4m year-end surplus on locally retained Business Rates primarily due to Empty Property relief showing a significant reduction in spend. This is partly due to a prudent budget position on empty properties and partly as a result of a reduction in Compulsory Purchase Order properties owned by the Council.
41. However, due to the volatility in several areas of the fund, these surpluses should not be assumed to be available for use in 2015/16.

### Business Rates

42. The following table shows in more detail the elements involved in the determination of the business rate position. This examines the current position and then compares the resultant year end forecast with the 2014/15 budget for business rates income.



Collection Fund - Business Rates	Budget 2014/15 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Gross Business Rates income yield	-249.96	-250.65	-249.74	0.22
-Additional yield from small business supplement	-5.12	-5.17	-5.17	-0.05
	<b>-255.08</b>	<b>-255.82</b>	<b>-254.91</b>	<b>0.17</b>
LESS Estimated Reliefs	36.89	30.71	33.83	-3.06
Losses and Cost of Collection	2.24	0.98	2.24	0.00
Losses on Appeals re Current Year Bills	5.03	0.66	5.03	0.00
<b>Net Collectable Business rates</b>	<b>-210.93</b>	<b>-223.48</b>	<b>-213.81</b>	<b>-2.88</b>
Appropriation of net business rates:				
1% SY Fire Authority	-2.11	-2.23	-2.14	-0.03
50% Government	-105.46	-111.74	-106.91	-1.44
49% Sheffield City Council	-103.35	-109.50	-104.77	-1.41
Additional SCC Income from Government:				
Section 31 Grant Income	-4.20	-3.80	-4.28	-0.09
Enterprise Zone retained income	-0.06	0.00	0.00	0.06
Cost of collection allowance	-0.78	-0.78	-0.78	0.00
<b>Total SCC Appropriations</b>	<b>-108.38</b>	<b>-114.08</b>	<b>-109.83</b>	<b>-1.44</b>

### Gross Rate Yield

43. The Gross Rate Yield (GRY) represents the Rateable Value of the City multiplied by the Business Rates Multiplier. This is a measure of the total business rates billed in the city before taking account of reliefs, discounts and other adjustments.
44. The rateable value of the city is broadly forecast to be in line with budget. More detailed cross-portfolio work is now being done to forecast business rates going forward.

### Reliefs and Discounts

	Budget 2014/15 £m	Year to Date Quarter 1 £m	Forecast Year-End Outturn £m	Variance £m
Small Business Rates Relief	5.06	5.16	5.70	0.64
Mandatory Charity Relief	18.98	17.69	18.20	-0.78
Discretionary Relief	0.51	0.19	0.70	0.19
Empty Property / Statutory Exemption	9.79	7.20	7.70	-2.09
Partly Occupied Premises Relief	1.34	0.18	0.33	-1.01
New discretionary reliefs	1.20	0.29	1.20	0.00
	<b>36.89</b>	<b>30.71</b>	<b>33.83</b>	<b>-3.06</b>

45. Most reliefs and discounts are awarded in full at the point of billing at the start of the year. The total level of reliefs awarded in the first quarter amounts to £30.7m which is below the £36.9m assumed in the budget.

Reliefs are forecast to rise to £33.8m by the end of the year, still £3m under budget.

46. There is a high degree of volatility in empty property reliefs. A prudent position was established during budget setting due to the potential for businesses to manipulate this relief. To date, year-end forecasts are £2.6m below budget leaving us in a potentially beneficial position. For year end this has been reduced to £2.1m. Part of this forecast reduction is due to a decline in Compulsory Purchase Order properties owned by the Council as they revert back to Hammerson's ownership.
47. The level of reliefs and discounts awarded can be affected by economic conditions, court rulings and businesses' behaviour and will be closely monitored throughout the remainder of the year.

### **Appeals**

48. Appeals are notoriously difficult to forecast due to the lack of available information. The way that appeals are applied and then recognised in the system is significantly undermining the collection fund monitoring framework. If refunds due to appeals were always paid in cash to tax payers at the point of award, then the system would be straight forward. However, the system of refunds is more complicated and refunds due to appeal are awarded through a variety of means.
49. The 2014/15 Council budget anticipates £5m of refunds in year resulting from appeals. This is based on historical trend analysis. So far in year the Council have paid out £0.7m refunds as a result of appeals but this has been forecast to the full £5m by year end whilst detailed analysis alongside the VOA is ongoing.
50. There is also a prudent provision of £13.6m carried forward into 2014/15. This should cover the back dated element of any appeals refunds in 2014/15 or later years which relate to 2013/14 income or earlier. The Business Rates Retention Scheme brought with it a requirement to account for these back dated appeals.

### **Collection Rates**

51. The Net Collectable Debit (NCD) is the Gross Rate Yield less any discounts and reliefs applied. The amount of Business Rates collected at the end of quarter one stands at £65.7m, of which £32.2m is the Council's share. This represents a collection rate of 29.9% of the Net Collectable Debt. This is comparable to previous year's figures so we are well placed to achieve budgeted levels of collection.

**Losses in Collection**

52. Write offs to date amount to £0.2m. This is forecast to increase to £1.5m which will bring us in line with the budgeted figure for Losses in Collection. We will be able to forecast this more accurately as the year progresses but avoidance remains a significant risk to business rates income. This is in addition to the £0.8m cost of collection calculated by the government.

**Overall Forecast Outturn for Business Rates**

53. Bringing together the elements identified above results in an improvement of £1.4m compared to budget. If this position materialises it would result in an additional surplus to the £1.3m SCC surplus already carried forward from 2013/14 on the Collection Fund so £2.7m would be available for use in 2015/16. However, given the inherent uncertainty around appeals and reliefs, no assumptions should be made at this stage about availability of resources in 2015/16.

**Council Tax**

54. Council Tax is being monitored closely by the Revenues and Benefits team. This monitoring involves analysis of the discounts and exemptions, movements on the tax base and collection rates. Deductions for elements such as student exemptions can swing the year end forecast significantly from month to month.
55. The number of student exemptions currently awarded is around 1500 below the prudent level assumed in the budget. This means there is the potential for more council tax income to be collected. It is anticipated that the number of exemptions granted will increase to similar levels to previous years due to student numbers increasing throughout the remainder of the year but this will remain under the number budgeted for in the tax base.

**Collection Rates**

56. Council Tax collected to quarter one of this financial year stands at £55.0m of which £47.4m is the Councils share. This represents a collection rate of 26.8%. This is slightly down on the same point last year due to issues with Council Tax Support collection and related bailiff costs. Recovery policy is being reviewed in light of this.

**Overall Forecast Outturn for Council Tax**

57. The forecast shows that outturn will be a £1.5m surplus compared to budget. If this position materialises it would result in an additional surplus to the £2m SCC surplus already carried forward from 2013/14 on

the Collection Fund so £3.5m would be available for use in 2015/16. However, given the uncertainty around Council Tax Support no assumptions should be made at this stage about availability of resources in 2015/16.

### New Homes Bonus Fund

58. The position on the New Homes Bonus Fund is as follows:

		<b>£m</b>
Income	Reserves as at 1/04/14	-5.1
	2014/15 NHB Grant Received	-1.9
	14/15 Anticipated NHB Grant	<u>-4.5</u>
	<b>Total Income</b>	<u><u>-11.5</u></u>
Expenditure	2014/15 Spend to date at Month 4	1.1
	Forecast to Year End	4.3
	Future Years' Commitments	<u>1.9</u>
	<b>Total Expenditure</b>	<u><u>7.3</u></u>
	<b>Funds Available for Investment</b>	<u><u><b>-4.2</b></u></u>

59. The majority of the spend this period had been invested in completing the cycle path between Park Square and Norfolk Park. This project is expected to encourage the development of housing along the route.
60. If the anticipated New Homes Bonus arrives this year there will be £4.2m of funds available for investment in other projects.

### Housing Revenue Account

61. The HRA Business Plan is based on the principle of ensuring that investment and services required for council housing is met by income raised in the HRA.
62. The 2014/15 budget is based on an assumed in year surplus of £6.9m which is to be used to fund the HRA capital investment programme. In accordance with the HRA's financial strategy any further in- year revenue surplus / savings generated by the account will be used to provide further funding for the future HRA capital investment programme.
63. As at month 4 the full year forecast outturn is a predicted £2.5m overall improvement from budget. As such, funding for the capital investment

programme will be revised from £6.9m to £9.4m (shown in the table below) and this will be factored into the planned update of the Business Plan and capital investment programme later in the year.

64. The areas contributing to the improvement are a forecast reduction of £283k in capital financing costs due to a small reduction in the interest rate, lower than budgeted for bad debt provision mainly resulting from revised predictions of year-end debt bandings (£228k) and a saving of £401k on repairs. The main area of saving is a forecast £1.2m overall reduction in running costs primarily due to staff vacancies and lower than expected recharges to the HRA budget. A forecast improvement from budget of £224k in relation to rental income and £176k of other income is predicted at this stage.
65. During the latter part of 2014/15 there may be a need to spend on IT equipment and systems in relation to reshaping the Housing service. Once firmer timescales and costs are known these will be factored into budget and outturn forecasts later in the year.

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 3
1.RENTAL INCOME	(149,894)	(149,670)	(224)	↔
2.OTHER INCOME	(4,894)	(4,718)	(176)	↑
3.FINANCING & DEPRECIATION	52,528	52,811	(283)	↔
4.OTHER CHARGES	5,543	5,771	(228)	↔
5.REPAIRS	36,597	36,998	(401)	↑
6.TENANT SERVICES	50,712	51,883	(1,171)	↓
7.CONT TO CAPITAL PROG	9,408	6,925	2,483	↑

\*subject to roundings

### Community Heating

66. The budgeted position for Community Heating is a draw down from Community Heating reserves of £348k. As at month 4 the forecast position is a draw down from reserves of £469k resulting in an increase in expenditure of £121k. This is a movement of £50k from last month mainly due to higher than expected gas bills and other revised forecasts. The table below summarises the position as at month 4.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 3
INCOME	(3,285)	(3,440)	155	↔
EXPENDITURE	3,754	3,788	(34)	↓
<b>Total</b>	<b>469</b>	<b>348</b>	<b>121</b>	↓

## CAPITAL PROGRAMME MONITORING

### Summary

67. At the end of July 2014, the end of year position forecasts a variance of £9.1m (4%) below the approved Capital Programme. There have been significant changes to the Schools and Housing programmes as a few key projects have slipped behind schedule and the reasons are discussed below.
68. The forecast is now in line with the Year to Date position which shows spending to be £9.5m below the approved programme profile. The Highways and Housing programmes are, respectively, over 30% and 48% below budget.
69. Of the £9.5m Year to date variance, £5.7m (60%) is identified as being caused by operational delays where delivery has fallen behind the original project plan due to planning, design, procurement or scope changes. These represent genuine variations to the plan and show that project managers are pro- actively monitoring and forecasting project delivery. Only £1.5m (16%) is due to “incorrect budget profiles” and project managers are working on revising the profiles.
70. Finance and the Capital Delivery Service are working together to review financial results, relate this to physical progress in order to gain an informed understanding of capital delivery performance and in doing so identify areas for improvement e.g. contractor performance appears to be a recurring theme in the explanation of variances this month. This may reflect the increasing buoyancy in the construction sector where contractors can be more selective in bidding for work. This has implications for the future programme as prices are expected to rise.
71. The degree of participation in forecasting and reporting financial progress is improving (now at just under 93%) but more remains to be done on the quality of forecasting. There is still a propensity to park expenditure in Period 12 rather than input a profile which mirrors the physical project plan. This shows the degree of competence in current project management, most of which is done in service. The Place portfolio has started to split commissioning from project management and is looking to transfer project management staff into the CDS so that all project management is done by a dedicated group where best practice can be developed and easily shared.

72. So the reconstruction work is not yet complete but significant progress has been made and this can be shown by the respective positions over the last three years at Month 4:

Total	Spend to date at Month 4	Budget to Date at Month 4	Variance from Budget at Month 4	Full Year Forecast	Full Year Budget	Forecast Full Year Variance	Actual Full Year Outturn	% of Month 4 Forecast Delivered
	£m	£m	%	£m	£m	%	£m	%
2012-13	34.3	50.4	-32%	185.8	210.8	-12%	115.6	55%
2013-14	24.8	40.9	-39%	130.8	187.9	-30%	116.5	62%
2014-15	21.8	31.3	-30%	213.8	222.9	-4%	152.0	68%

**Note:** 2014-15 Outturn figures are a Finance forecast of the likely outturn

## Financials 2014/15

All figures reported in £000

<u>Portfolio</u>	Spend to date £000	Budget to Date £000	Variance £000	Full Year forecast £000	Full Year Budget £000	Full Year Variance £000
CYPF	8,171	9,089	(918)	34,621	43,001	(8,379)
Place	2,840	3,852	(1,012)	51,392	52,066	(675)
Housing	4,654	8,929	(4,275)	49,480	56,900	(7,420)
Highways	4,344	6,202	(1,857)	33,651	25,954	7,697
Communities	456	1,308	(852)	1,934	2,123	(190)
Resources	1,319	1,946	(627)	9,834	10,014	(179)
Corporate	-	-	-	32,883	32,883	-
<b>Grand Total</b>	<b>21,785</b>	<b>31,327</b>	<b>(9,542)</b>	<b>213,794</b>	<b>222,941</b>	<b>(9,146)</b>

## Capital Programme

	2014-15 £m	2015-16 £m	Future £m	Total £m
Month 3 Approved Budget	198.0	155.3	314.5	667.9
Additions	24.8	0.1	0.0	24.9
Variations	0.1	0.0	0.0	0.1
Month 4 Approved Budget	222.9	155.4	314.5	692.9

73. The major addition to the programme since the Month 3 Budget is the New Retail Quarter project to purchase land and buildings in the city centre to facilitate the key strategic project of regenerating the city's retail and office accommodation.

### Children, Young People and Families Programme

74. CYPF capital expenditure is £0.9m (10%) below the profiled budget for the year to date and forecast to be £8.4m (19%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-7,235
Operational delays in projects due to planning, design or changes in specification	-202	0
Revised Budget profile required	-252	0
No forecast entered by project managers		33
Projects submitted for Approval	0	-252
Underspending on project estimates	-303	-754
Other variances	-161	-171
	<u>-918</u>	<u>-8,379</u>
Spend rate per day	97.3	136.8
Required rate to achieve Forecast	156.5	
Rate of change to achieve Forecast:		
- compared to budget profile	63.7%	
- compared to year to date spend	60.9%	

75. The main causes of the year to date variance are delays in the completion of Longley and Stocksbridge schools as a result of contractor performance which means works will be completed later than required, delays in spend on the school meals programme and in the Primary Maintenance Programme which includes some of the projects in the process of being re-profiled and re-programmed.
76. The forecast variance for the year includes a £5.5m re-profiled delivery on the schools expansion programme, which reflects the time that it has taken to identify, and consult on, proposals for additional capacity. It is expected that the necessary places should still be available in time for the relevant academic year's intake.



77. Further delays in expenditure have occurred on Gleadless Primary rebuild (£1.1m) where the client is considering revised design proposals from the contractor to meet the target cost and £575k slippage on the Fire Risk Assessment programme where the work has had to be retendered because the initial submissions did not meet the quality threshold.

### Place Programme

78. The Place portfolio programme (excluding Housing and Highways) is £1.0m (26% - double last month position) below the profiled budget for the year to date and forecast to be £675k (1%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Operational delays in projects due to planning, design or changes in specification	-698	0
No forecast entered by project managers	0	-379
Revised Budget profile required	-190	193
Other variances	-124	-489
	-1,012	-675
Spend rate per day	33.8	203.1
Required rate to achieve Forecast	287.3	
Rate of change to achieve Forecast:		
- compared to budget profile	569.5%	
- compared to year to date spend	749.7%	

79. The Year to date variance arises on £577k of reduced spend on three Asset Enhancement schemes which is as a result of the planned enhancement costs being less than originally anticipated and a delay to the remedial works on the River Porterbrook due to the scale of survey work exceeding the planning permission.

80. The Porterbrook slippage is expected to be recovered by year-end.

### Transport & Highways Programme

81. The Transport & Highways programme is £1.9m (30%) below the profiled budget for the year to date and forecast to be £7.7m (30%) above the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Operational delays in projects due to planning, design or changes in specification	-245	0
No forecast entered by project managers	0	0
Revised Budget profile required	-1,086	
Projects submitted for Approval		2,968
Overspending on project estimates	-19	4,707
Other variances	-507	21
	<b>-1,857</b>	<b>7,697</b>
Spend rate per day	51.7	133.0
Required rate to achieve Forecast	173.4	
Rate of change to achieve Forecast:		
- compared to budget profile	79.3%	
- compared to year to date spend	235.3%	

82. The Year to date position shows a substantial underspend. The key reasons for this are:

- £700k lower than profiled spend on Penistone Road Pinch Points which relates to a later timing of the forecast commuted sum and the re-profile has been submitted for approval.
- £520k underspend on Sheffield – Woodhouse Key Bus Route which is the subject of an approval submission to reduce the overall budget by £724k reflecting an initial over estimation of project costs.

83. The forecast Outturn position shows a considerable increase over the approved programme because of a projected overspend on the Bus Rapid Transit North scheme (£4.8m). This is due to significant delays on the scheme arising from the need to divert an unidentified sewer main and significant levels of land that is contaminated by asbestos and requires specialist removal. Management attention is currently focussed on devising solutions to minimise the overall delay which is causing part of the cost increase whilst reviewing opportunities for reducing scheme costs. Simultaneously the Council is examining its contractual positions to see if any of the increased costs can be recovered. However, the service needs to develop an effective mitigation plan to cover the potential overspend.

84. A further £2.9m of projects have been included in the forecast and are submitted for approval as project managers attempt to reflect the physical programme in their budget submissions.

### Housing Programme

85. The Housing capital programme is £4.3m (46%) below the profiled budget for the year to date and forecast to be £7.4m (13%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-239	0
Operational delays in projects due to planning, design or changes in specification	-3,814	-3,633
Revised Budget profile required		
Projects submitted for Approval	-190	-4,050
Underspending on project estimates	-81	0
Other variances	49	262
	-4,275	-7,420
Spend rate per day	55.4	195.6
Required rate to achieve Forecast	265.2	
Rate of change to achieve forecast:		
- compared to budget profile	306.5%	
- compared to year to date spend	378.7%	

86. The Year To Date position shows a £4.3m underspend. The key reasons for this are:
- £953k – Obsolete Heating / Heating Breakdowns – delay in award of contracts.
  - £704k Council Housing Environmental Programme. Contractor has not yet commenced work, expected to start in April.
  - £560k District Heating Metering – delays due to contractor performance.
  - £310k – Adaptations – Project slipped behind original delivery programme for a variety of minor delays.
87. The forecast for the year has been reduced by £1.3m from the previous month. The key reasons for this are reduced forecasts of expenditure on Obsolete Heating, Heating Breakdowns and District Heat Metering.

88. The largest variance is due to schemes submitted for revised approvals. This includes new schemes to be added to the programme such as £1.9m to acquire new Council Homes, offset by reductions in the Flat Roofing contract and Heating Programmes.
89. The Roofing contract has been delayed following a re-appraisal of the proposed scheme. Housing Services believe that an alternative specification using more durable materials could result in future maintenance savings. Progress with the project has been put on hold pending evaluation of this option. It is estimated that £6.56m will slip from 2014/15 into future years as result of this change. The project is progressing on other workstreams including leaseholder consultation.
90. The Heating Programme works are behind schedule due to contractor performance which has necessitated the production of a revised work programme. It is hoped the contractor will provide this in September to allow for an accurate re-profiling of the works.

## Communities

91. The year to date spend on the Communities portfolio capital programme is £0.9m (65%) below the profiled budget and the forecast is £190k (9%) below budget.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Operational delays in projects due to planning, design or changes in specification	-495	0
No forecast entered by project managers	0	-155
Other variances	-357	-34
	-852	-190
Spend rate per day	5.4	7.6
Required rate to achieve Forecast	8.7	
Rate of change to achieve Forecast:		
- compared to budget profile	-29.4%	
- compared to year to date spend	61.2%	

92. The main element of the Communities programme is an IT system to deliver mobile working for care assessment staff. The scope of the project is currently being redefined with the IT contractor and is

expected to be recovered by the end of the year. A re-profiled budget which reflects the new project plan will be submitted in due course.

93. The forecast variance has halved from last month but most of the remaining variance arises from incomplete forecasts input from project managers.

## Resources

94. The year to date spend is £627k (32%) below the programme and forecast to be £179k (2%) below the approved budget for the whole year.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Operational delays in projects due to planning, design or changes in specification	-274	0
No forecast entered by project managers	0	-100
Projects submitted for Approval	-75	0
Other variances	-278	-79
	-627	-179
Spend rate per day	15.7	38.9
Required rate to achieve Forecast	50.4	
Rate of change to achieve forecast:		
- compared to budget profile	141.1%	
- compared to year to date spend	220.7%	

95. Four projects account for over 50% of the shortfall to date. These are: Abbeydale Industrial Hamlet watermill (£98k) where having drained the dam, the extent of the work required to plug the leak is far more extensive than envisaged and alternative solutions have had to be developed which has delayed the completion of the works, £110k delay on the Pathway resurfacing programme where the condition survey has not been completed and is being reprogrammed, £75k on the Wincobank Community centre which is on hold subject to agreement as to how to proceed given that the costs of the retendered reduced scope scheme still exceed the spending authority and £66k slippage on the Fire Risk Assessment project.

## Approvals

96. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
97. Below is a summary of the number and total value of schemes in each approval category:
- 4 additions to the capital programme with a total value of £17.5m.
  - 6 variations to the capital programme creating a net reduction of £7.5m.
  - No slippage requests.
  - 2 contract awards with a total value of £0.04m.
  - No emergency approvals.
  - 2 director variations with a total value of £30k.
98. Further details of the schemes listed above can be found in Appendix 1.

## Implications of this Report

### Financial implications

99. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2014/15 and, as such it does not make any recommendations which have additional financial implications for the City Council.

### Equal opportunities implications

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

### Legal implications

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

### Property implications

102. 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.

## Recommendations

103. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2014/15 Revenue budget position;
- (b) In relation to the Capital Programme, Members are asked to:
  - (i) Approve the proposed variations and slippage in Appendix 1 within its delegated authority;
  - (ii) Submit the report for approval at Cabinet, noting that Cabinet will approve
    - The proposed additions to the capital programme listed in Appendix 1, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
    - The proposed variations and slippage in Appendix 1;
    - The acceptance of the grants in Appendix 2 and to note the conditions and obligations attached to them;

and note;

- The latest position on the Capital Programme including the current level of delivery and forecasting performance; and
- The exercise of delegated authority to vary approved amounts by directors of service.

## Reasons for Recommendations

104. 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.

## Alternative options considered

105. 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.

**Andrew Eckford**  
**Interim Director of Finance**



Scheme Description	Approval Type	Value £000	Procurement Route
<b>GREAT PLACE TO LIVE</b>			
<b>Highways</b>			
<p><b>Streets Ahead Complementary Works</b> The project is to carry out highway works not included in the Streets Ahead projects but which are required to comply with highway legislation especially road safety.</p> <p>Works will be undertaken at various locations across the city and wherever possible link with the Streets Ahead Programme.</p> <p>Example works include signing and lining and the installation of pedestrian guard rails. One area identified is Charter Square with the installation of guard rails at an approximate cost of £10k. The remainder of the funding will be spent in areas identified from advice taken from AMEY / TTAPS during the Streets Ahead pre-work inspections.</p> <p>The project is being funded from LTP allocation which must be spent within 2014/15.</p>	Addition	30	Schedule 7 Streets Ahead
<b>Homes</b>			
<p><b>New Build Council Housing Phase 1</b> This submission is for an addition of £7.475m to the Housing Capital Programme to build 57 new homes funded by the Housing Revenue Account.</p> <p>The project is part of a wider Stock Increase Programme that aims to deliver around</p>	Addition	7,475	Competitive tender submitted this month

		<p>600 additional council homes by 2020. The other projects in the programme are covered by separate business cases:</p> <ul style="list-style-type: none"> <li>• Sheffield Housing Company Acquisitions (BU 975550)</li> <li>• LTEs Purchase and Repair (BU 97429)</li> <li>• Council Housing Acquisitions Project (BU 975551)</li> </ul> <p>The programme was approved by Cabinet on 19 February 2014 and governance will be through the HRA Homes Board. The HRA Business Plan Board has approved the outline business case.</p> <p>In line with the HRA Business Plan, the New Build project aims to deliver 90 new homes, with at least 45 of those to be completed by March 2016. Phase 1 of three HRA sites has been proposed to meet this deadline.</p> <p>Phase 1 is currently projected to deliver 57 homes by March 2016, subject to further detailed design work to finally establish site capacity.</p> <p>Phase 1 of the Project includes the following sites:</p> <ul style="list-style-type: none"> <li>• Ouse Road, Darnall (36 homes, site valuation £300k)</li> <li>• Scotia Drive, Manor (18 homes, site valuation £160k)</li> <li>• Westfield Crescent, Mosborough (3 homes, site valuation £120k)</li> </ul> <p>The New Build Project received Gateway 2 approval at SPCIG (Strategic Property &amp; Capital investment Group) on 20 May 2014, Gateway 3 approval was given at the HRA Homes Board on 18 August. A funding mix of HRA borrowing and up to 30% ring-fenced RTB 1-4-1 Receipts is proposed.</p> <p>The project is requesting approval of a budget of £7.475m to be funded from £2.242m of 1-4-1 Right to Buy receipts( government funding given based on a calculation of the</p>
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<p>types and numbers of council homes sold by the authority, to use at a maximum rate of 30% of a projects funding on new build or replacement council homes that can only be spent for this purpose) to the value of and £5.232m from Housing Revenue Account Depreciation.</p> <p>The guiding financial principle for the Stock Increase Programme is that any individual Acquisitions or schemes should be self-financing. That is, they should have the capacity, through the rental income they generate, to break even within the 30 year Planning horizon of the HRA Business Plan. The average build cost of each home is £131k and will</p> <p>Provide predominately larger sized houses (e.g. 4+ bedrooms).</p>			
<p><b>Block Allocation – Housing Retained Budgets</b> To fund the project above</p>	Variation	-7,475	N/A
<p><b>Spital Hill</b> This variation is to include £30k of funding from a future New Homes Bonus allocation for Manor Top, increasing the overall budget for Spital Hill to £330k. This scheme is to deliver a facelift to the front elevation on 82 independent businesses, complementing the public realm works currently being carried out by SCC to the street scene and local green spaces. The extra £30k will not produce more outputs but is required to meet the increased cost due to the exceptionally poor state of the buildings, and additional storeys which have required more scaffolding.</p>	EMT Variation	30	Competitive tender
<p><b>COMPETITIVE CITY:-</b></p>			
<p><b>Don Valley Stadium Site Remediation</b> The Council resolved to close the Don Valley Stadium (DVS) as part of the 2012-13 Budget saving £700k per year and has already funded the demolition of the stadium</p>	Addition	6,194	Consultants: YORconsult; professional

<p>and site feasibility works. The cleared site is contaminated from the time it was used for heavy manufacturing which has left a toxic legacy along with mine workings, historic watercourse and sewers.</p> <p>This project will reclaim 7.6 hectares of land including approximately 4 to 4.8 hectares (10-12 acres) available for immediate development. This will improve the attractiveness of a key access route into the City of Sheffield and create a high quality and safe environment. It will increase the value of the land and is seen as a key component in the strategy to create the appropriate environment for Attercliffe to be redeveloped.</p> <p>The main project works include:-</p> <ul style="list-style-type: none"> <li>• Remove of ground contamination</li> <li>• Removal of ground obstructions</li> <li>• Land re-profiling</li> <li>• Installation of stone capping layer, topsoil and seeding</li> <li>• Purchase of an adjacent property to create a contiguous site</li> </ul> <p>The project costs are being funded as follows:-</p> <table style="margin-left: 20px;"> <tr> <td>ERDF</td> <td style="text-align: right;">000's</td> </tr> <tr> <td>Corporate Resource Pool</td> <td style="text-align: right;">2,322</td> </tr> <tr> <td>New Homes Bonus</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,872</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 3px double black;">6,194</td> </tr> </table>	ERDF	000's	Corporate Resource Pool	2,322	New Homes Bonus	2,000		1,872		6,194			<p>consultants appointed via CDS Delivery Partner Framework</p> <p>Construction: YORcivils</p>
ERDF	000's												
Corporate Resource Pool	2,322												
New Homes Bonus	2,000												
	1,872												
	6,194												
<p><b>Grey to Green</b> The Grey to Green scheme proposes to transform the public realm area of the Castlegate / Riverside Business District area of the City and improve links from the City Centre.</p> <p>The proposal is to transform 0.512km of redundant road surface and infrastructure into</p>	<p>Addition</p>	<p>3,790</p>	<p>YORCivils</p>										

<p>a new linear public space incorporating sustainable drainage, rain gardens, walking and cycling routes. The project is expected to provide an improved level of connectivity and facilities for those living and working in the area as well as attracting new inward investment to the City.</p> <p>The proposed landscape solutions will provide a sustainable solution for drainage helping to mitigate flood risk from surface water.</p> <p>The total project cost is £3.8m and the proposed funding is as follows:-</p> <table border="0" style="margin-left: 40px;"> <tr> <td>ERDF</td> <td style="text-align: right;">1,426</td> </tr> <tr> <td>SCRIF</td> <td style="text-align: right;">1,639</td> </tr> <tr> <td>LSTF</td> <td style="text-align: right;">500</td> </tr> <tr> <td>NHB</td> <td style="text-align: right;">225</td> </tr> <tr> <td></td> <td style="text-align: right;">(design for the next stage of the project)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>3,790</u></td> </tr> </table> <p>The SCRIF and LSTF contributions are subject to approval by the Sheffield City Region Combined Authority. The decision is expected in October. In the event that the SCRIF bid is not approved, the council will utilise its New Homes Bonus to make good shortfall. A further approval to accept the SCRIF funding may be required once the detailed conditions of the grant are known.</p>	ERDF	1,426	SCRIF	1,639	LSTF	500	NHB	225		(design for the next stage of the project)		<u>3,790</u>		
ERDF	1,426													
SCRIF	1,639													
LSTF	500													
NHB	225													
	(design for the next stage of the project)													
	<u>3,790</u>													
<p><b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE :-</b></p>														
<p><b>Schools Access Initiative</b></p>	<p>This project is an ongoing one, having an annual review and budget provision agreed by the CYPF Capital Commissioning Group, which supports the continuing provision of specialist equipment to assist in improving pupil access within schools. The</p>	<p>Variation</p>	<p>94</p>											
			<p>N/A</p>											

<p>expenditure is controlled by challenge from a dedicated officer who assesses and reviews the specific needs across all Sheffield schools.</p> <p>This variation seeks to add £94k of funding from the 2014/15 Department of Education Capital Maintenance Grant, to bring the total funded expenditure level for the year 2014/15 to £100k.</p>			
<p><b>Capital Maintenance Block Allocation:</b> decrease to fund the 2014/15 allocation described above.</p>	Variation	-94	N/A
<p><b>Owler Brook Primary School</b>  This project will extend and transform the Owler Brook Primary School site by raising standards through creating outstanding purpose-built, eco-friendly classrooms and facilities.</p> <p>The project was originally funded from a DfE (Department for Education) Standards Fund for £3.673k. The £72k (2%) variation is to be funded from the DfE Basic Need block allocation and will pay for additional sensory classroom costs associated with the expansion. The additional work is being done as a PFI (Private Finance Initiative) additional request/service which follows the original procurement route.</p>	Variation (EMT)	72	N/A
<p><b>Basic Need Block Allocation:</b> decrease to fund additional works as above.</p>	Variation (EMT)	-72	N/A

<p><b>PROCUREMENT STRATEGIES</b></p> <p><b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE</b></p> <p><b>Fire Risk Assessment Programme 14/15</b></p> <p>This project provides for the required fire prevention works, including automatic fire alarm detection, emergency lighting, fire doors and fire barrier upgrades to 4 Primary schools (Shooters Grove, Malin Bridge, Woodseats and Acres Hill), following recommendations received from Fire Risk Assessments. The works will ensure that the schools are compliant with the Fire Safety Regulations and can continue in full operation.</p> <p>This approval submission seeks authority for a <u>change in the Procurement Strategy</u> to one of competitive tender, following an unsuccessful YORBuild process of tendering using general building contractors, as all the potential contractors returned valid tender submissions, but failed to meet the required quality criteria.</p>		<p>Change of Procurement Strategy</p>	<p>-</p>	<p>Change of Procurement Strategy only: from YORBuild to Competitive Tender to match revised Procurement Strategy.</p>
<p><b>Adaptations – Provision of Stair Lifts</b></p> <p>This project is for the design, manufacture and installation of straight or curved Stair lifts to a variety of properties, including taking measurements, surveying, design in accordance with the performance specification, manufacture of bespoke units and installation together with all necessary builder's work, making good, maintenance, removing and restocking units. The provision of stair lifts will greatly enhance accessibility for vulnerable tenants and residents, increasing their mobility and general quality of life</p> <p>The total approved budget for Adaptations over the period 2015/16 to 2018/19 is £8.3m The estimated proportion of this budget that will be spent through the stair-lift contract is £1.2m. This project is funded from the Housing Revenue Depreciation fund. There are a wide range of contractors that would be able to manage and deliver this</p>		<p>Change of Procurement Strategy</p>	<p>1,200</p>	<p>Competitive Tender</p>

<p>project. A competitive tender process is expected to achieve the greatest value for money. Contractors who are registered on Constructionline are to be invited to express an interest with up to 6 being shortlisted through a PQQ (pre qualification questionnaire) process.</p> <p>A competitive tender process would then be undertaken combining Price and Quality to ensure value for money. The Quality criteria will be agreed between members of the Client / Design Team. It is anticipated that the evaluation criteria will be split 80% Price, 20% Quality.</p>			
<p><b>EMERGENCY APPROVALS:- (Note only)</b></p>			
<p>None to report this period</p>			
<p><b>DIRECTOR VARIATIONS:- (Note only)</b></p>			
<p><b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE</b></p>			
<p><b>Primary Maintenance – WCs</b></p>	<p>This project provides replacement toilets to various sites across the Sheffield schools' estate.</p>	<p>A Director Variation was authorised to allow for the additional costs of Firs Hill Primary School toilets to be incorporated within this general scheme. The works cost £24k and will be funded from the DfE Department for Education Basic Need Grant block allocation. An underspend of £10k on the original project will be returned to the CYPF Maintenance budget.</p>	<p>Director Variation</p>
	<p>14</p>		<p>N/A</p>



<p><b>Capital Maintenance Block Allocation:</b> increase for funds added back as above.</p> <p><b>Basic Need Block Allocation:</b> decrease to fund additional works as above.</p>	<p>Director Variation</p> <p>Director Variation</p>	<p>10</p> <p>-24</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
<p><b>Fire Strategy Works</b></p> <p>This project covers mandatory fire regulation work required at the Fir Vale Centre and Park Library, to carry out works identified by the latest fire risk assessment. These works have been identified as a priority by the fire risk assessment. The works include the design and build of a new fire alert, detection and illumination system, renewal of fire doors; and installation of adequate compartmentalisation.</p> <p>A Director Variation was authorised to meet the budget increase of £17k required to cover additional contractor final certificate costs of £32k, after having used up £15k of remaining budget. The original project, totalling £350k, was funded from the Corporate Resource Pool and the £17k additional cost is fully funded by a revenue contribution to capital.</p>	<p>Director Variation</p>	<p>17</p>	<p>N/A</p>



Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
DCLG (ERDF)	European Regional Development Fund	Grey to Green	<p>Subject to receiving the finalised funding agreement from the DCLG.</p> <p><b><u>Main Conditions to fulfil :</u></b></p> <ul style="list-style-type: none"> <li>- The project must achieve the key milestones by dates identified. This is a high risk given the tight DCLG deadlines for the project's completion (November 2015).</li> <li>- Match funding must be committed and evidenced.</li> <li>- Expenditure must be in line with agreed profiles so delivering to the project plan is essential.</li> <li>- SCC will act as the lead beneficiary for a consortium with the University of Sheffield and is required to enter into a legally binding agreement on materially similar terms to the DCLG funding agreement.</li> <li>- ERDF compliant procurement and record keeping</li> </ul> <p><b><u>Risks</u></b></p> <p>In any of the events below, the Council will become liable to increase its own contribution to the project. This may also be true for the SCRIF and LSTF funding but will not be known until that grant offer is made:</p> <ul style="list-style-type: none"> <li>• The project is not complete by the ERDF deadlines, any unspent project cost thereafter would fall 100% on the Council;</li> </ul>	1,426

<p><b>DCLG (ERDF)</b></p>	<p><b>European Regional Development Fund</b></p>	<p><b>Don Valley Site Remediation</b></p>	<ul style="list-style-type: none"> <li>If the Council incurs ineligible expenditure, acts in a non-compliant way, overspends on the construction budget (beyond the allowed contingency), the resulting claw back and penalties will be payable by the Council</li> <li>The Council fails to deliver the projected outputs of 512m of improved public realm.</li> </ul> <p>The Council has no reserves to mitigate this event and would need to prioritise this project over projects in order to cover the loss.</p> <p><b><u>Clawback</u></b></p> <ul style="list-style-type: none"> <li>There is a high risk to up to £1.426 million of ERDF grant being clawed back if the strict terms and conditions of the grant (as above) are not complied with.</li> </ul>	<p><b>2,322</b></p>
<p>No contract has yet been received the detail will be covered in correspondence prior to the submission to CMT.</p> <p><b><u>Expected Main Conditions to fulfil based on previous ERDF agreements :</u></b></p> <ul style="list-style-type: none"> <li>The project must achieve the key milestones by dates identified. This is a high risk given the tight DCLG deadlines for the project's completion.</li> <li>Match funding must be committed and evidenced.</li> <li>Expenditure must be in line with agreed profiles.</li> </ul>				

			<p>- ERDF compliant procurement and record keeping</p> <p><b><u>Risks</u></b></p> <ul style="list-style-type: none"> <li>- Failure to comply with grant terms and conditions as identified above.</li> <li>- The proposed end use of the site has not yet been confirmed as eligible by DCLG which may yet lead to funding being withdrawn</li> </ul> <p><b><u>Clawback</u></b></p> <ul style="list-style-type: none"> <li>- There is a high risk to up to £2,322 million of ERDF grant being clawed back if the strict terms and conditions of the grant (as above) are not complied with.</li> <li>- If eligibility of expenditure is allowed by DCLG there will remain a risk that EU auditors may disagree.</li> </ul>	
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