

Cabinet

Wednesday 16 September 2015 at 2.00 pm

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

The Press and Public are Welcome to Attend

Membership

Councillor Julie Dore	(Leader of the Council)
Councillor Leigh Bramall	(Deputy Leader/Cabinet Member for Business, Skills & Development)
Councillor Isobel Bowler	(Cabinet Member for Neighbourhoods)
Councillor Ben Curran	(Cabinet Member for Finance and Resources)
Councillor Jackie Drayton	(Cabinet Member for Children, Young People & Families)
Councillor Jayne Dunn	(Cabinet Member for Housing)
Councillor Terry Fox	(Cabinet Member for Environment and Transport)
Councillor Mazher Iqbal	(Cabinet Member for Public Health and Equality)
Councillor Mary Lea	(Cabinet Member for Health, Care & Independent Living)

PUBLIC ACCESS TO THE MEETING

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. 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.

FACILITIES

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

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

**CABINET AGENDA
16 SEPTEMBER 2015**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
Note: Appendices to agenda items 12 'Key Bus Route – Chesterfield Road Land Acquisition and Compulsory Purchase Order', 13 'Future Options for SCC Property and Facilities Management Service' and 14 'The J.G Graves Charitable Trust: Proposed Letting of Agricultural Land at Clough Lane and Mark Lane' are not available to the public and press because they contain exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person
- 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 - 20)
To approve the minutes of the meeting of the Cabinet held on 22 July 2015
- 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 21 - 22)
Report of the Interim Executive Director, Resources
- 9. Burbage, Houndkirk and Hathersage Moors Proposed Lease to the National Trust for Places of Historic Interest or Natural Beauty and the Royal Society for the Protection of Birds (RSPB)** (Pages 23 - 34)
Joint report of the Executive Directors, Place and Resources
- 10. London Road Shop Front Improvement Scheme** (Pages 35 - 46)
Joint report of the Executive Directors, Communities and

Place

11. **Revenue Budget and Capital Programme Monitoring Month 3 (as at 30/6/15)** (Pages 47 - 82)
Report of the Interim Executive Director, Resources
12. **Key Bus Route - Chesterfield Road Land Acquisition and Compulsory Purchase Order** (Pages 83 - 100)
Report of the Executive Director, Place
13. **Future Options for SCC Property and Facilities Management Services** (Pages 101 - 126)
Joint report of the Executive Directors, Resources and Place
14. **The J.G.Graves Charitable Trust: Proposed Letting of Agricultural Land at Clough Lane and Mark Lane** (Pages 127 - 142)
Report of the Executive Director, Place (NOTE. The decision is to be made by Cabinet as Trustees of the J.G Graves Charity)

NOTE: The next meeting of Cabinet will be held on Wednesday 14 October 2015 at 2.00 pm

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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

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

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

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

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

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

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Cabinet

Meeting held 22 July 2015

PRESENT: Councillors Leigh Bramall (Deputy Chair), Isobel Bowler, Jackie Drayton, Jayne Dunn, Terry Fox, Mazher Iqbal and Mary Lea

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1. APOLOGIES FOR ABSENCE

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

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 of the Cabinet held on 27 May 2015 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question on Normanton Hill Crossing

Sandra Bradley, Chair of the Core Group for Safety on Normanton Hill, commented that everyone was disappointed that there had been a delay in commencing work on the Normanton Hill crossing. She had been informed that this was because of paperwork issues. Taking this delay into consideration, the Group were seeking reassurances that the Council would give this important issue the upmost priority so that further delays could be minimised. On behalf of the Group she therefore asked could they be given regular updates and kept informed of progress and agree today the frequency of the updates?

In response Councillor Terry Fox, Cabinet Member for Environment and Transport, commented that, without prejudging the decision, he hoped that the capital spend for the crossing would be agreed at today's meeting. The Council were committed to installing the crossing and were giving it the utmost priority.

He added that everyone was frustrated with the delay and this was due to legal technicalities. These would be resolved but he couldn't give a definitive date when this would be. He would continue to meet with the Core Group and was in constant dialogue with local Councillors. There was a meeting arranged for later this month and progress would be fed back to the Group.

5.2 Public Question in respect of School Crossing Patrol at Normanton Hill

Sandra Bradley asked what the position was in regards to the school crossing patrol person for the forthcoming new school term? She commented that due to the delay in the installation of the crossing on Normanton Hill known as 'Jazzy's crossing' and the fact that the works schedule took twelve weeks, the darker evenings will be drawing in.

She further asked what hours will be covered given that the school pupils who attend Outwood Academy have extra school curriculum activities and also there will be an influx of new Year 7 pupils. Before the end of the school term, the school crossing patrol person was based on a ten hour week except for two days when a new recruitment person, who may possibly be taking over this position at the start of the new school term was on reduced weekly hours. What therefore are to be the weekly hours for the new school term?

Councillor Terry Fox replied that, as he did not have the precise details, a written response to this question would be provided to Ms. Bradley.

5.3 Public Question in respect of Normanton Hill Crossing

Marie Gratton asked commented that in the brief project outline programme variations, contained in item 13 on page 181 of the Cabinet agenda, the following were listed together: 'Normanton Hill Crossing 370k, Barnsley Road, Elm Lane Construction'. Were these variations for the three constructions?

Councillor Terry Fox replied that the capital spend was for the three projects and Normanton Hill would get priority.

5.4 Public Question in respect of Schools' Company

Jane Beale asked, with the Reason for Key Decision for the Schools Company report, on the agenda for today's meeting, being savings over £500k, and considering that the Council were proposing to support the Schools Company with £800k per year for three years, what were the anticipated school savings?

Councillor Jackie Drayton, Cabinet Member for Children, Young People and Families, clarified that the report was not referring to £500k of savings, it referred to the fact that the decision involved expenditure of over £500k. She added that this decision reflected the fact that the education landscape had changed in a way that was never expected. The Council used to have an advisory department of over 100 people working on school improvement and support for schools. She stated that this figure was now down to just 3.5 fte.

Councillor Drayton explained the financial consequences of the Academies programme in terms of the reduction in local authority resources to support school improvement every time a school converted.

She noted that the Council had developed the City-wide Learning Body which was

a partnership voluntary organisation and had worked well. The City-wide Learning Body was now changing into a statutory vehicle to help schools work together on improvement and which would also enable any surplus money to be reinvested into the city's school improvement priorities.

She noted that another Schools Company which had been set up elsewhere in England had made a £27m income last year, the surplus of which had been reinvested in children and young people's education and that was the ambition with the establishment of the Schools Company in Sheffield.

5.5 Public Question in respect of Walkley Library

Cath Simmonds asked, given the Scrutiny Committee meeting scheduled for next Wednesday (29 July), concerning the potential sale of the Walkley Library building to Forum Café Bars, she would like to request a report of the negotiations between the City Council and Forum Café Bars even if this needed to be a redacted version.

Councillor Isobel Bowler, Cabinet Member for Neighbourhoods, said that she had not been involved in these negotiations, had not seen any report on them and doubted such a report existed. A Freedom of Information request could be made by the questioner but would not produce results by tomorrow's Scrutiny Committee meeting. Dave Wood, Interim Property Surveying Manager, would be presenting the report at the Scrutiny Committee meeting and she would make him aware of Ms. Simmonds' question.

5.6 Public Question in respect of Public Buildings

Catherine Butcher asked if the Council could explain to Sheffield citizens how they were doing all in their power to keep public buildings in public ownership (community or Council)? She was thinking particularly of the Walkley Carnegie Building.

Councillor Mazher Iqbal, Cabinet Member for Public Health and Equality, commented that the policies in respect of libraries was that, as a result of cuts in Government funding, libraries would either be closed or community owned and the community had answered that call for action. Walkley Library was the only library where there would be a partnership with a private developer but would also work alongside the community.

All the assets that the Council owned would be looked at. There were no longer the resources available that the Council used to have to maintain buildings. Where a community organisation approached the Council with a view to extending the lease on a building, the Council would work in partnership if possible.

The Council had an Asset Realisation Programme and a lot of leases and community buildings had been given up, some of which needed to be disposed of. The Council did try and retain assets where it could and would work with partners to achieve this, but where it made strategic sense, assets were disposed of.

5.7 Public Questions in respect of Tinsley Green

Adil Mohammed stated that, at the last Planning Committee meeting held in July 2015, the planning application to build a mega school on Tinsley Green was granted by six votes for and five against. Adil had presented a petition signed by local young people from Tinsley calling upon Sheffield City Council to expand Tinsley Youth Club to compensate the local community for the loss of over 30% of their public park. Whilst his petition had been well received by the Planning Committee, they did not have any power to deal with this request, hence why he had decided to attend today's Cabinet meeting.

Adil further stated that Tinsley Youth Club was well used by local young people, with over 40 attending each session. As a result the current building was very crowded when the youth club was open, with some young people now using the corridor to the toilets as a Playstation games area. He therefore asked:-

1) Could Councillor Jackie Drayton please commit to working with him and other local young people to expand Tinsley Youth Club by reducing the planned car parking spaces by two?

2) The current plan to relocate the playground next to the five a side football pitch and cricket nets was also likely to cause a problem. Could the Council please work with us to look at putting this at a more suitable place?

3) Many other parks in the City had Friends Groups. Could the Council please look at helping to set up a similar group for Tinsley Green, as Adil would be interested in helping to improve his park?

Councillor Jackie Drayton responded that she was aware that two local Councillors had made representations to the Planning Committee in respect of the number of parking spaces used. The youth facility was open Wednesday and Saturday evening and she was aware that other youth activity took place but she would clarify with officers exactly when.

The Council were not disposing of the pavilion. This was a good asset and well used by the community. The Council no longer had any money to provide youth clubs and money was spent on early intervention and prevention and troubled families. Councillor Drayton added that she was willing to work with Adil on the youth club issue. Planning would investigate the issues raised at that meeting and the viability of expanding the youth club building would be investigated.

Councillor Isobel Bowler added that there was one officer who supported the setting up of Friends Groups and she would ensure that she made contact with Adil in respect of this.

5.8 Public Question in respect of Planning Policy

Nigel Slack commented that, with more and more people, including some Labour Councillors, continuing to express their concern over the weakness of current Council planning policy, particularly with respect to heritage assets, what stage

had the new Local Plan for the City reached and when would it be available for public scrutiny and consultation?

Mr Slack further added that, with Islington Council's proposals to expose developer 'dodgy dealings' over 'viability' claims, something seen regularly in Sheffield's planning debates, will the Council undertake to introduce a similar plan for the City?

Councillor Leigh Bramall, Cabinet Member for Business, Skills and Development commented that he would send details of dates for publication of the Local Plan to Mr Slack. This was a huge piece of work which covered the whole City. He wished that it could be completed more quickly but there had been cuts to the number of officers involved and, as it was based on national planning law, it had to go through a number of tests. Lots of consultation had also been undertaken on the plan.

The Council had a strong record in respect of heritage assets and had brought some back into use and had been commended nationally for this. Devonshire Street shops originally had local protection but English Heritage did not feel that it met the criteria for national protection.

Councillor Bramall was not aware of any credible 'dodgy dealings'. The Council had an independent audit but would look at what came out of Islington and respond accordingly.

5.9 Public Question in respect of Devonshire Street Legal Challenge

Nigel Slack stated that the 'Save Devonshire Street' campaign had raised the £15,000 needed to fund a legal challenge to the Council's planning decision. Will the Council, before unnecessary expense was incurred by either side, talk to campaigners about the legal advice they had received and consider whether the Council's view on defending the potential appeal was still the right one?

Councillor Jayne Dunn, Cabinet Member for Housing, reported that the Council's position had been confirmed by an independent judge. The claimants were aware of this and the Council was in continued dialogue with them.

5.10 Public Question in respect of Devolution

Nigel Slack stated that, following amendments tabled in the House of Lords, it seemed that the new 'Cities and Local Government Devolution Bill' may take some time to progress through the legislative process. The Chancellor, however, was saying he was already in negotiation with the 'Northern Powerhouse' Cities about the new so called devolution powers and the imposition of an elected Mayor. He has again deliberately made the time scale tight in order to pressure authorities into snap decisions. Having resisted the attempt to impose a City Region Mayor last time, will the Council continue to resist this time? Will the Council consult with the Sheffield public about the new deal?

Councillor Leigh Bramall responded that, in principle, the Administration did not

believe the imposition of Elected Mayors should happen. However, this was the policy of the new Government. Councillor Bramall would not rule anything out but any agreement would have to benefit the people of Sheffield unambiguously. It was important that the Council spoke to the Government to establish what was proposed.

5.11 Public Question in respect of Review of Meetings

Nigel Slack asked will the review of Council meeting procedures requested by the Opposition leader happen? And will the public be involved in any review?

In the absence of the Leader, Councillor Leigh Bramall confirmed that the Leader would look at that and any process would involve the public.

5.12 Public Question in respect of Mount Pleasant House

Nigel Slack asked if the Council could confirm whether they were about to sign a lease agreement with a commercial developer with respect to the Grade 2 listed Mount Pleasant House and the empty school behind it?

Mr Slack also asked will the relevant Cabinet Councillors agree to meet him concerning evidence of misleading information being provided to members of the public with respect to this property and its development?

Councillor Jayne Dunn confirmed that terms had been agreed on Mount Pleasant House subject to planning and building Regulations agreements. She would be happy to meet Mr Slack and requested that Mr Slack contact her secretary to arrange this.

5.13 Public Question in respect of Skyride Event

Nigel Slack commented that, although he greatly enjoyed this year's Skyride event, he personally found it distasteful that the event was sponsored by a Rupert Murdoch media company. Mr Slack had also found out this year that the stewards for the event were from G4S. Given the Council's stance on this Company for the Council's own contracts could they assure us that that they will try to avoid this Company being involved in 2016?

Councillor Leigh Bramall commented that he welcomed Mr Slack's enjoyment of the event. It was nationally organised and Sky were contracted to British Cycling, so the Council had no influence over that. Councillor Bramall was aware that Councillor Ben Curran, Cabinet Member for Finance and Resources, was undertaking a piece of work in respect of G4S, so he would ask Councillor Curran to respond directly to Mr Slack.

5.14 Public Questions in respect of 'Double Dipping', TARA Recognition Policy and Abuse of Vulnerable People

Martin Brighton asked a number of questions in respect of 'double dipping', the TARA Recognition Policy and abuse of vulnerable people.

Councillor Leigh Bramall stated that written responses would be provided to all Mr Brighton's questions but if he had any evidence of abuse he should report this to the Police.

6. ITEMS CALLED-IN FOR SCRUTINY

6.1 Report back on Call-In of Decision of Cabinet acting as Charity Trustee of the Graves Park Charity taken on 18 March 2015 in relation to Cobnar Cottage

6.1.1 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 24 June 2015 where a Call-In of the Cabinet's decision of 18 March 2015 on Cobnar Cottage was considered. It was noted that there was an error in Section 1.1 of the report and The Executive Director, Communities should be amended to read The Executive Director, Place.

6.1.2 **RESOLVED:** That Cabinet notes the following decision of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee at its meeting held on 24 June 2015 in respect of a decision taken by Cabinet acting as Trustee of the Graves Park Charity on the Graves Park Charitable Trust: Cobnar Cottage:-

The Scrutiny Committee:-

- (a) notes the contents of the report together with the comments made and the responses provided;
- (b) notes the decision of the Cabinet, taken on 18th March 2015, to delegate authority to the Director of Legal and Governance to make an application to the Charity Commission for a scheme to give the Trustee the power to dispose of the freehold interest in Cobnar Cottage and to invest the capital receipt in improving the facilities in Graves Park; and
- (c) recommends that no action be taken in relation to the called-in decision.

6.2 It was further noted that a Leader's Decision, taken on 30 June 2015, in respect of Walkley Library had been called-in for Scrutiny.

7. RETIREMENT OF STAFF

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

RESOLVED: That this Cabinet :-

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

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

Carolyn Allcroft	Supervising Social Worker	35
John Brabban	Teacher, Bents Green School	37
Barbara Chambers	Play Leader, Rivelin Primary School	23
Peter Delamere	Teacher, St Marie's School	32
Jane Ellaby	Teacher, Carfield Primary School	28
Gillian Fisher	Higher Level Teaching Assistant, Woodseats Primary School	27
Elizabeth Foster	Teacher, Hinde House School	37
Marilyn Hatch	Cleaner in Charge, Rainbow Forge Primary School	26
Rukhsana Jamil	Teacher, Carfield Primary School	28
Susan Jones	Teaching Assistant Level 3, Tinsley Meadows Primary School	23
Sandra Lauder	Curriculum Specialist, Woodthorpe Community Primary School	21
Patricia Mellor	Deputy Headteacher, Hinde House School	22
Patrick Nelis	Headteacher, St Theresa's Catholic Academy	36
Andrea Peckett	Business Support Manager	27
Susan Storey	Teacher, Lydgate Junior School	37
<u>Communities</u>		
Ann Bradbury	Housing Officer	25

David Jacobs Housing Co-Ordinator 25

Place

Colin Barnes Project Officer, Regeneration
and Development Services 37

Resources

Raymond Wright Senior Finance Manager 39

(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. SCHOOL PLACES IN SHEFFIELD

8.1 The Executive Director, Children, Young People and Families submitted a report
describing the need for new primary and secondary school places between now
and the end of the decade and outlined a programme for providing them. This
included two major projects, one in the South West and one in the North East.

8.2 **RESOLVED:** That Cabinet:-

- (a) endorses the outline programme for the provision of primary and secondary
places in the North East and South West of the City as set out in the report;
- (b) agrees that consultation should be undertaken on the proposals set out in
Section 6 of the report; and
- (c) requests a further report in November 2015 detailing the outcomes of that
consultation and setting out the proposals in full detail for a final decision.

8.3 **Reasons for Decision**

8.3.1 The outline school places programme set out in the report is recommended to
Cabinet on the basis that it will deliver a coherent and ambitious vision for
secondary and primary school places in the areas of the city where population
growth requires additional school capacity to be provided. It is a programme which
recognises the aspirations of families to have access to high quality education for
their children within their local area and provides a pattern for investment that will
achieve the best possible outcomes whilst achieving best value for the Council's
resources.

8.3.2 The scale of the extra school capacity needed over forthcoming years in the
secondary sector requires an innovative and forward-thinking response from the
city. The recommendation is to endorse a strategic vision of commissioning two
new outstanding secondary schools backed with investment in the provision of

high quality buildings, which could involve partnership from the sector and other key City-partners.

8.4 Alternatives Considered and Rejected

- 8.4.1 The outline programme described in the report has been subject to considerable amounts of formative discussion with schools, parents and other stakeholders. The criteria set out in section 5.2 of the report have been used as a means of structuring an evaluation as well as an understanding of the technical feasibility and estimated costs. Where new secondary schools have been proposed, the alternative option of expanding existing schools has been fully considered in every aspect and deemed insufficient, unfeasible or educationally unviable to provide the capacity increase needed across the secondary sector in the programme up to 2020.
- 8.4.2 The alternative options to Dobcroft for the delivery of primary places in the South West have been fully scrutinised through a public options appraisal and evaluation process, based once again on the criteria in section 5.2. of the report. This concluded a preference for the increase in places to be delivered in the Ecclesall catchment linked to the provision of junior places for pupils at Clifford Infant. The detailed options for the provision of primary places in the North East area linked to the proposed new secondary school remain to be fully evaluated.
- 8.4.3 The option of doing nothing or delaying delivery of the provision proposed is not feasible. It poses significant risks to the Council in not providing sufficient statutory school places and to parents in not being able to secure a school place within their local area for their child.

9. FRAMEWORK AGREEMENT. DAY OPPORTUNITIES AND SHORT BREAKS SERVICES FOR ADULTS WITH A LEARNING DISABILITY

- 9.1 The Executive Director, Communities submitted a report seeking agreement to establish a Framework Agreement for day opportunities for adults with a learning disability. The volume of business that will be carried out through the Framework will exceed £500,000 in the lifetime of the arrangement, through individualised purchasing including the use of Direct Payments.
- 9.2 **RESOLVED:** That Cabinet:-
- (a) approves the establishment of a Framework contract for day opportunities for adults with eligible needs, by way of a tender process;
 - (b) delegates authority to the Director of Commissioning (Communities), in consultation with the Executive Director (Communities), Director of Adult Services, Director of Commercial Services and the Director of Legal and Governance, or their nominated representatives, to agree the Invitation to Tender documentation including the terms of the Framework contract and any call off contracts; and

- (c) delegates authority to the Director of Commissioning (Communities) to award the Framework contracts to the successful tenderers.

9.3 **Reasons for Decision**

- 9.3.1 The Framework is a key element of the Council's approach to developing the local offer of day opportunities. It will:-
- Increase the diversity, effectiveness and quality of the current offer
 - Support groups of people, as well as individuals, to access day opportunities
 - Improve on the current contractual arrangements
 - Assure best value

9.4 **Alternatives Considered and Rejected**

- 9.4.1 'Do nothing'
- The current arrangements do not meet our need for a diverse and innovative offer of day opportunities.
 - The current arrangements do not support robust quality monitoring and improvement or assure best value.

10. **PROPOSED SHEFFIELD CITY COUNCIL (FOX VALLEY, STOCKSBRIDGE) - COMPULSORY PURCHASE ORDER**

- 10.1 The Executive Director, Place submitted a report seeking authority to make a Compulsory Purchase Order (CPO) to acquire the leasehold interest required in the land at Fox Valley, Stocksbridge to enable the completion of the comprehensive regeneration of the site with a mixed use development scheme.

10.2 **RESOLVED:** That:-

- (a) authority be given for the Council to make a Compulsory Purchase Order (CPO) under the powers conferred by Section 226 (1) (a) of the Town and Country Planning Act 1990 to acquire the land shown on the Order Map displayed at the meeting of Cabinet on 22nd July 2015 and marked "Map referred to in the Sheffield City Council (Fox Valley, Stocksbridge) Compulsory Purchase Order 2015";
- (b) authority be given to the Executive Director, Place, in consultation with the Director of Legal and Governance (Monitoring Officer) and the Interim Executive Director, Resources, to agree and enter into all necessary legal documentation with the Stocksbridge Regeneration Company;
- (c) the Director of Legal and Governance (Monitoring Officer) be authorised to make the CPO, to take all necessary procedural steps prior to and after the making of the CPO, to enable the CPO to be submitted to the Secretary of State for confirmation, including:
- (i) finalising the attached draft Statement of Reasons;

- (ii) finalising the Schedule of Interests;and
- (iii) serving notices of the making of the CPO on all persons entitled to such notice and placing necessary press notices;

and to submit the CPO to the Secretary of State for confirmation;

- (d) the Director of Legal and Governance (Monitoring Officer) be authorised to sign and serve any notices or documents necessary to give effect to these recommendations and to take all other actions necessary to give effect to these recommendations;
- (e) as soon as the Order is confirmed by the Secretary of State, the Director of Legal and Governance be authorised to advertise the confirmation of the CPO and serve all necessary notices of confirmation, and once the CPO becomes operative, the Director of Legal and Governance and Monitoring Officer in consultation with the Interim Executive Director, Resources be authorised to execute General Vesting Declarations under the Compulsory Purchase (Vesting Declarations) Act 1981, at the earliest opportunity; and
- (f) the Executive Director, Place, in consultation with the Director of Legal and Governance (Monitoring Officer) and the Interim Executive Director, Resources, be authorised to manage the compulsory purchase process in accordance with the terms of the CPO Indemnity Agreement.

10.3 Reasons for Decision

- 10.3.1 The use of a CPO to acquire the Order Land required for the Scheme is possible under section 226 (1) (a) of the 1990 Town and Country Planning Act, and would be justified in light of the compelling case in the public interest for the acquisition of the Order Land to enable the completion of the Fox Valley development.
- 10.3.2 Where the Council propose to make a CPO under these statutory provisions, the Council must be satisfied that the development is likely to contribute to the achievement of one or more of the following objects, namely the promotion or improvement of the economic, social or environmental well-being of their area.
- 10.3.3 It is considered that there is a compelling case in the public interest to justify the Council using its compulsory purchase powers to acquire the Order Land because of the important regeneration benefits the Scheme and the wider development of the Fox Valley site will deliver to Stocksbridge and the surrounding area.
- 10.3.4 If the Order Land is left undeveloped it will constrain both the viability and success of the Fox Valley development, as the appeal and trading environment to both shoppers and retailers would be undermined.
- 10.3.5 There would be commensurate harm to the contribution of the overall Fox Valley development to the health of the existing centre, promotion of sustainable shopping patterns, and provision of a wider range of facilities for local people.

10.4 Alternatives Considered and Rejected

10.4.1 There were no alternative options presented in the report.

11. CREATION OF SCHOOLS' COMPANY

11.1 The Executive Director, Children, Young People and Families submitted a report in relation to the creation of a schools' company.

11.2 A revised report including amended recommendations was circulated at the meeting for Members consideration.

11.3 **RESOLVED:** That Cabinet:-

- (a) agrees that the creation of a Schools' Company, to be known as Learn Sheffield, is the preferred option for delivering improvements in standards and performance of schools in the City;
- (b) approves the creation of a Schools Company in the form of a Company Limited by Guarantee;
- (c) approves the Council becoming a member of the Company and providing a guarantee up to the limit of £25.00 in the event that the Company is wound up and is unable to pay its debts;
- (d) approves the disestablishment of the City Wide Learning Body given the creation of the Schools Company;
- (e) delegates authority to the Executive Director, Children, Young People and Families to consent to the governing bodies of all maintained schools in Sheffield which have a delegated budget and which are not in the Ofsted "Special measures" Category to become members of the proposed new company;
- (f) approves the Council acting as the "supervising authority" for the purposes of the Education Act 2002 and the School Company Regulations 2002 and delegates authority to the Executive Director, Children, Young People and Families in consultation with the Director of Finance to determine these arrangements;
- (g) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Director of Legal and Governance, to agree the Articles of Association of the proposed company;
- (h) delegates authority to the Director of Legal and Governance to take all necessary legal steps to incorporate the Company;
- (i) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Director of Finance and the Director of Commercial Services, to approve the business case;

- (j) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Cabinet Member for Children, Young People and Families to agree a named person to represent the Council Membership at general meetings of the Company;
- (k) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Cabinet Member for Children, Young People and Families to agree a named person as an interim non-executive director to the Interim Board;
- (l) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Cabinet Member for Children, Young People and Families, to nominate two persons as non-executive directors to the Board of the Company upon the full Board being elected by the members;
- (m) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Director of Human Resources as necessary, to second the identified staff to the Company subject to formal consultation and agreement and, at the appropriate time, commence formal consultation with Trade Unions regarding the transfer of staff from the Council into the Company; and
- (n) delegates authority to the Executive Director, Children, Young People and Families, in consultation with the Cabinet Member for Children, Young People and Families, the Director of Finance, the Director of Commercial Services and the Director of Legal and Governance, as appropriate, to:
 - Enter into negotiations with the new Company for the commission of the Advocacy and Challenge services from the Company by using elements of the CYPF education budget
 - Approve the procurement strategy of awarding a contract to the new Company
 - Enter into the contract for the proposed services and any other necessary legal agreements that are required in order to give effect to the arrangements
 - Create a client function within the Council that will commission, support and monitor the performance of the Company

11.4 **Reasons for Decision**

11.4.1 Option E has been chosen for the following reasons:

- It maximises the impact of improvement activity on standards and attainment
- To increase and strengthen school partnership working and do more city-wide partnership work. To make a firm commitment that binds schools,

- academies, colleges and SCC together in the interest of all children
- The Council retains and strengthens its role in education, advocating for children and families to improve standards
- It promotes the growth and expansion of improvement services - shifting the focus away for budget challenges
- The school company provides a model that will potentially provide better value for money.

11.5 **Alternatives Considered and Rejected**

- 11.5.1 The option (A) to continue with the current partnership arrangements under the CWLB (maintain the status quo) was considered. It is felt that whilst the current arrangements have delivered improvement, it is unclear how the CWLB, as is, could accelerate improvement in line with the challenges presented. In particular the lack of protection afforded to members in an unincorporated association would temper ambitions and hinder the development of services.
- 11.5.2 There is an option (B) to discontinue current arrangements and leave school improvement arrangements to the market to provide. Whilst some schools would manage to find and procure effective school support and improvement there is a concern that other schools would not look for support and become isolated and vulnerable. This option is also contrary to all of the evidence about school improvement being most effective when delivered in a self-improving system.
- 11.5.3 The third option (C) is to revert to a Local Authority led approach to school improvement. Here existing resources would be used for an expanded school improvement function. A number of disadvantages were identified with this model, these include:
- The proposal does not support the evidence about a school led system of improvement being most effective
 - The diminishing resources that the Local Authority has to put into school improvement as the Education Services Grant allocation falls
 - The impact of the academies programme that means that, aside from safeguarding and SEND, the Local Authority has a limited remit with many schools and this sector would be untouched.
- 11.5.4 A fourth option (Option D) would be to authorise the Council maintained schools to establish the Schools' Company and to not join the Company as a member. In order to be able to commission from this Company, the Council would have to go out to a full EU procurement and there is no certainty that the new Company would be the successful bidder.
- 11.5.5 Option E is the recommended option and is the development of the CWLB into a Schools Company that would be incorporated as a Company Limited by Guarantee. The Local Authority would transfer its school improvement resource into the Company and this would be pooled with contribution from schools to shape the overall improvement offer.

12. CAPITAL PROGRAMME MONITORING MONTH 2 AND TREASURY MANAGEMENT REVIEW

12.1 The Interim Executive Director, Resources submitted a report providing the month 2 monitoring statement on the City Council's Capital Programme for 2015/16 and a review of the City Council's Treasury Management during 2014/15.

12.2 **RESOLVED:** That Cabinet:-

- (a) approves 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;
- (b) approves the proposed variations and slippage as listed in Appendix 1 of the report;
- (c) delegates authority to the Director of Finance and the Director of Legal and Governance to finalise, and if satisfactory, accept the conditions of the grant listed in Appendix 2 of the report;
- (d) notes the latest position on the Capital Programme and emergency approvals of schemes; and
- (e) notes the Annual Treasury Management Review summarised in paragraphs 10-12 and shown in further detail in Appendix 3 of the report.

12.3 Reasons for Decision

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

12.4 Alternatives Considered and Rejected

12.4.1 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 Capital Programme.



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Interim Executive Director, Resources

Date: 16th September 2015

Subject: Staff Retirements

Author of Report: Simon Hughes, Democratic Services

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

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 20 years' service.
-

Background Papers: None

Category of Report: OPEN

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>
<u>Children, Young People and Families</u>		
Anthony Bailey	Buildings Officer, Wharnccliffe Side Primary School	41
Alexandra Crawshaw	Primary Consultant	40
Julie Crookes	Teacher, Bents Green School	31
Alan McIntosh	Exam Officer/Data Manager, Stocksbridge High School	37
Christine Peat	Senior Teaching Assistant Level 3, Lower Meadow Primary School	20
<u>Communities</u>		
Jean Bennett	Care Manager Level 3	30
<u>Resources</u>		
Darryl Johnson	Finance Officer	38
Kim Kelly	Driver/Attendant	31
Lynda Skill	Assistant Finance Officer	37
Peter Shemeld	Operational Delivery Officer	30
Russell Webster	Multi Functional Driver	40

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 20 years' service.



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director PLACE

Date: 16 September 2015

Subject: **Burbage, Houndkirk and Hathersage Moors
Proposed Lease to the National Trust for
Places of Historic Interest or Natural Beauty
and the Royal Society for the Protection of
Birds (RSPB)**

Authors of Report: Dave Wood, Capital and Major Projects, Place
Chris Heeley, Head of Countryside and
Environment, Place

Summary:

Burbage, Houndkirk and Hathersage Moors comprise 937 hectares of public access moorlands containing habitats and supporting wildlife of both national and international importance. The site contains eight Scheduled Monuments and many other archaeological features. The landscape is cherished by the people of Sheffield for its sense of wilderness despite its close proximity to the City and provides an accessible destination for many different types of access and recreation.

The land falls within the area of The Sheffield Moors Partnership formed between the Peak District National Park Authority, the RSPB, Sheffield and Rotherham Wildlife Trusts, Natural England, the National Trust and the City Council, covering circa 21 square miles of upland and moorland sites on the western fringe of Sheffield in the Peak District National Park and held in public sector or charitable ownership. The Sheffield Moors Partnership Masterplan 'Making connections - a landscape scale vision for the Sheffield Moors' is endorsed and supported by the City Council (see <http://www.sheffieldmoors.co.uk/>).

In order to secure delivery of the Masterplan and improved coordinated management of this locally, nationally and internationally important landscape Cabinet, at its meeting of 17th July 2013, authorised the Director of Capital and Major Projects to negotiate a lease with the RSPB and National Trust for Burbage, Houndkirk and Hathersage Moors. Following negotiation of appropriate terms, the proposed leasing arrangements were advertised as a disposal under section 123 (2A) of the Local Government Act 1972 and this report sets out the responses to the statutory Notice and seeks Cabinet approval to grant the proposed lease in accordance with agreed terms.

Reasons for Recommendations:

Through the terms of the proposed lease, the RSPB and National Trust will bring substantial additional expertise and resources to support the long term sustainable management of this valuable landscape, within a robust framework of consultation, stakeholder engagement and accountability to the City Council.

Recommendations:

That Cabinet welcomes the support expressed in response to the advertised disposal of Burbage Houndkirk and Hathersage Moors, notes the concerns expressed by two respondents, the measures proposed to mitigate such concerns and:

1. Approves the granting of a lease of Burbage, Houndkirk and Hathersage Moors to the National Trust for Places of Historic Interest or Natural Beauty and the Royal Society for the Protection of Birds, in accordance with the terms of this report
2. Authorises the Director of Legal and Governance to complete the lease in accordance with the terms of this report and such further detailed provisions as may be approved by the Director of Capital and Major Projects.

Background Papers: Report of the Executive Director, Place to Cabinet dated 17th July 2013.

Category of Report: OPEN

Statutory and Council Policy Checklist

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

**Burbage, Houndkirk and Hathersage Moors
Proposed Lease to the National Trust for Places of Historic Interest or
Natural Beauty and the Royal Society for the Protection of Birds (RSPB)**

1. SUMMARY

- 1.1 Since March 2010 the National Trust have held a short term Farm Business Tenancy of Burbage, Houndkirk and Hathersage Moors assisting the Council to provide effective management of the site by providing additional resources and expertise.
- 1.2 The Executive Director, Place submitted a report to Cabinet on 17th July 2013 seeking support for the Sheffield Moors Partnership (SMP), a unique partnership with the purpose of leading an innovative approach to deliver the vision of the SMP area as the UK's leading model on how the uplands should be managed in the future and securing the long term sustainability of this wild and open landscape. The report also sought formal support from the Council as a key land owner for the recently developed Sheffield Moors Masterplan.

Cabinet resolved to:-

- (a) support the work of the Sheffield Moors Partnership and agree that the City Council should continue its collaborative work within the Partnership;
- (b) endorse the Sheffield Moors Masterplan and as a major land owner and partner in the area agree it as a statement of the City Council's vision for the Sheffield Moors; and
- (c) authorise the Director of Capital and Major Projects, provided the disposal has been advertised and no objections received, to negotiate a lease with the RSPB and National Trust for Burbage, Houndkirk and Hathersage Moors on terms that meet the requirements set out in the report and to instruct the Director of Legal and Governance to complete the necessary legal documentation.
- 1.3 Terms for a proposed lease have been agreed subject to approval and the disposal advertised in the Sheffield Telegraph on the 19th and 26th February 2015, under the provisions for the disposal of open space contained in s123 (2A) of the Local Government Act 1972
- 1.4 Twenty four responses to the advertisement were received, twenty two expressing support, one expressing some concerns and one raising objections
- 1.5 In view of the benefits associated with granting the lease, the level of support for the proposed leasing arrangements and the measures

proposed to mitigate concerns, it is recommended that Cabinet approves the granting of the lease in accordance with the agreed terms.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

The granting of the lease will deliver significant public benefit, in particular:

- By 2018-19, over £350k of expenditure including biodiversity improvements, visitor experience and access upgrade, and conservation work to key archaeological features like Carl Wark
- The recruitment of two new dedicated staff focused on Burbage Moors (a warden - focused on-site maintenance and management and a Community Ranger – focused on community engagement, events and volunteering)
- The preparation and delivery of an integrated management plan that delivers real conservation benefit as well as visitor experience, historic environment management, etc.
- The provision of a co-ordinated approach to visitor management, and engagement through events, activities and volunteering (that has never happened before)
- The provision of a variety of stakeholder forums that actively engage the City Council, statutory bodies, representative interest groups and the local community and other users in the development and delivery of the management plan
- The delivery by the lessees – as a partner of SCC – of the City Council's statutory duties under Section 28G of the Wildlife and Countryside Act 1981 to further the conservation and enhancement of this Site of Special Scientific Interest.

3. OUTCOME AND SUSTAINABILITY

During a period of austerity in public spending, the proposed lease will bring external resources and expertise to secure delivery of the Sheffield Moors Masterplan, support the emerging outdoor economy strategy and ensure sustainable long term management of the Council owned Burbage, Houndkirk and Hathersage Moors.

4. PROPOSED LEASE TERMS

- 4.1 The National Trust and RSPB are currently the Peak District National Park Authority's lessees of the adjoining Eastern Moors. The terms proposed for the Council's Burbage, Houndkirk and Hathersage Moors draw on and develop the success of these arrangements to ensure an effective partnership approach to delivery of the Sheffield Moors Masterplan.

4.2 The agreed terms provide for the following:

Area to be leased: Approximately 937 hectares shown coloured pink and green on the attached plan

Period of the lease: 25 years

Permitted Use: Open moorland, woodland and grazing and particularly:

- To conserve, manage and enhance the natural beauty, wildlife and cultural heritage of the site and the surrounding area
- To promote opportunities for the understanding and enjoyment of the special qualities of the site by the public including holding events or providing facilities in accordance with the Management Plan or with the written consent of Landlord such consent not to be unreasonably withheld or delayed
- To seek to foster the economic and social well-being of the local community

Rent: One peppercorn per annum if demanded

Representation: The proposed lessees will be required to make proposals for a Key Partner's Forum, a Stakeholder Forum and for an Annual Meeting open to all interested parties, for the approval of the Council. The proposals are to cover: frequency of meetings; terms of reference; representation and protocols.

Management Plan: The proposed lessees will be required to produce a Management Plan on a 5 yearly cycle for the approval of the Council's Cabinet Member for Culture Sport and Leisure, with management proposals and a work programme addressing the following issues:

- a. Aims & objectives for the site
- b. Guiding management principles i.e. reference to delivering the objectives of the Sheffield Moors Masterplan
- c. Land & habitat management (including position on grazing, legal predator control for conservation objectives, species objectives, woodland)
- d. Visitor experience plan (volunteering, events & activities, brand & communications)
- e. Infrastructure (paths, fences, car parks etc. – covering both maintenance and any proposals for new provision)
- f. Monitoring programme (how and what will be monitored to determine if the Management Plan is delivering and the data collected in order to make informed decisions relating to future actions)

Review: As well as the monitoring provisions to be incorporated in the Management Plan the terms also provide for an annual review of the nature conservation value of the site, access, and any implications for the future work plan, by the Council's Ecology and Woodland Teams.

Break Provisions: The tenants may terminate the lease on 31.05.2023 and every subsequent five years on giving at least 12 months' notice.

Assignment and Subletting:

- Assignment of the lease will only be permitted where either party wishes to withdraw from the lease and the remaining party wishes to continue.
- Subletting for grazing purposes consistent with the Management Plan will be permitted.
- The granting of licences or concessions for purposes consistent with the permitted use will be permitted if they are approved either as part of the Management Plan or separately.

Option to add additional land: After the first 5 years of the lease there will be the option to add the area shown hatched red on the plan (former Burbage Plantation) to the lease, subject to agreed criteria.

5. RESPONSES TO THE ADVERTISEMENT OF THE PROPOSED DISPOSAL

- 5.1 Twenty four responses from organisations and individuals were received in response to the publication of the Council's intention to grant the proposed lease.
- 5.2 Overwhelmingly the responses endorse and support the proposals, mostly based on the RSPB/National Trust's management of the Peak District National Park's Eastern Moors since they took over management of the site in early 2011. This includes responses from: the Sheffield Local Access Forum; the British Horse Society; the Peak District National Park Authority; Derbyshire Ornithological Society; Ride Sheffield; Sheffield Bird Study Group; the British Mountaineering Council; Hunter Archaeological Society; Arteamus (Practical Archaeology Group); Sorby Invertebrate Group; Kinder and High Peak Advisory Committee and eleven individuals. A significant number of responses make specific reference to excellent stakeholder engagement and delivery of the agreed management plan on the Eastern Moors.
- 5.3 One objection was received on behalf of an individual and Dore Village Society has expressed concerns. The objection is chiefly for the reasons of transparency and accountability:
- No public examination of the full lease terms

- Inadequate public discussion as to the reasons for the proposed lease
- The rights of the public to scrutinise the activities of the RSPB/National Trust are not comparable with the those applicable to the City Council
- Reference is made to similar arrangements at Blacka Moor and the Eastern Moors in support of this objection

5.4 Dore Village Society's concerns also make reference to Blacka Moor and are summarised as a concern that the land will be over managed to conform to 'artificial biodiversity standards' which may conflict with public enjoyment of the wild landscape.

5.5 In response to the objection and concerns it is considered that:

- Whilst the Director of Legal and Governance advises that the detailed lease terms are commercially sensitive and would therefore fall within an exemption under the Freedom of Information Act, the responses given to requests for information and the details contained within this open report provide a comprehensive overview of the main lease terms.
- The proposed leasing arrangements formed part of the wider consultation on the Eastern Moors Partnership in 2010, have been reported and discussed at the former South West Community Assembly and, through the advertisement of the proposed leasing arrangements, further public response has been invited and received.
- The proposals for a Key Partner's Forum, a Stakeholder Forum and for an Annual Meeting open to all interested parties will provide a much greater opportunity for public engagement than is currently provided.
- The requirement for approval of a Management Plan by the Council's Cabinet Member for Culture Sport and Leisure and annual review by the Council's Ecology and Woodland Teams will ensure that management conforms to the Council's statutory duties under Section 28G of the Wildlife and Countryside Act 1981 rather than any 'artificial biodiversity standards'.

6. FINANCIAL CONSIDERATIONS

The public and conservation benefits to be delivered through the proposed leasing arrangements will be at no cost to the City Council. The terms of the lease do not require the Council to make any financial contribution as a result of this arrangement..

7. LEGAL IMPLICATIONS

In accordance with the provisions of s123 (2A) of the Local Government Act 1972 a council may not dispose of any land consisting or forming

part of an open space unless before disposing of the land they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

In addition, s123 of the Local Government Act 1972 states that the Council cannot dispose of property for less than the best price reasonably obtainable, unless it obtains the consent of the Secretary of State. As the lease is proposed to be granted at a nil rent, there is potentially an undervalue, but pursuant to the powers conferred by section 128(1) of the 1972 Act. the Secretary of State has issued the General Disposal Consent (England) 2003. Where the terms of a proposed disposal fall within the scope of this consent there is no requirement to obtain a specific consent for it. This consent permits the disposal of land at an undervalue of up to £2,000,000 where the Council considers that it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area.

It could be argued that the land has a nil value due to the restrictions on usage imposed on it under the terms of the proposed lease, but, in any event, its value is significantly less than the permitted £2,000,000 threshold. Accordingly, there is no requirement to obtain the consent of the Secretary of States specific consent to the grant of the lease.

8. HUMAN RIGHTS IMPLICATIONS

There are no specific human rights implications arising from the proposed letting.

9. ENVIRONMENTAL AND SUSTAINABILITY IMPLICATIONS

The proposed lease will deliver substantial environmental benefits and help to secure the long term sustainability of the site through delivery of the Sheffield Moors Masterplan.

10. EQUALITY OF OPPORTUNITY IMPLICATIONS

The delivery of the Sheffield Moors Masterplan through the leasing arrangements proposed will make recreational and volunteering opportunities available to a wider cross section of citizens.

11 ALTERNATIVE OPTIONS CONSIDERED

- 11.1 Retain direct management of the site with complete control and flexibility over future use and management. Not considered a viable alternative as existing resources are inadequate to ensure sustainable management, a situation which is unlikely to improve in the foreseeable

future. This alternative is also unlikely to:

- optimise the benefit of environmental grant aid available
- generate comparable levels of investment from third party organisations
- result in the same degree of public engagement in the management of the site

11.2 Undertake a procurement exercise to find an alternative partner organisation to assist the Council in the long term future management of the moors. This option has been considered but discounted due to:

- the track record of the National Trust/RSPB in delivering demonstrable public benefits through exemplary stakeholder engagement and land management on the adjoining Eastern Moors leased from the Peak District National Park Authority
- the beneficial effect of the close proximity of the National Trust's operations at Longshaw and the RSPB/National Trust's base at Barbrook in delivering effective day to day management of the Council's moors
- lessons learned from management of the Eastern Moors, within the context of the established network of stakeholder engagement, can be applied to the benefit of the Council's moors
- the National Trust and RSPB are existing partners in the Sheffield Moors Partnership and are fully committed to delivery of the wider vision for the Sheffield Moors, through delivery of the Masterplan

12. REASONS FOR RECOMMENDATIONS

Through the terms of the proposed lease, the RSPB and National Trust will bring substantial additional expertise and resources to support the long term sustainable management of this valuable and cherished landscape, within a robust framework of consultation, stakeholder engagement and accountability to the City Council.

13. RECOMMENDATIONS

That Cabinet welcomes the support expressed in response to the advertised disposal of Burbage Houndkirk and Hathersage Moors, notes the concerns expressed by two respondents with the measures proposed to mitigate such concerns and:

13.1 Approves the granting of a lease of Burbage, Houndkirk and Hathersage Moors to the National Trust for Places of Historic Interest or Natural Beauty and the Royal Society for the Protection of Birds in accordance with the terms of this report

13.2 Authorises the Director of Legal and Governance to complete the lease in accordance with the terms of this report and such further detailed provisions as may be approved by the Director of Capital and Major Projects.

Dave wood

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Cabinet Report*

Report of: Simon Green/Laraine Manley

Report to: Cabinet

Date: 16 September 2015

Subject: London Road Shop Front Improvement Scheme

Author of Report: Fiona Champion

Key Decision: YES

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

Summary:

In 2011 a citywide strategy was approved by the Council, to help, support and promote our District and Local Centres. The strategy identified nine District Centres as in need of a more focused approach to enable them to achieve their potential, and of these five have already benefited from a range of interventions under the Successful Centres programme. Sharrow/London Road District Centre will be the sixth one to be targeted

The Thriving District and Local Centres (Successful Centres) Strategy highlighted the importance of improving the appearance of the streetscape and public realm within the Sharrow/London Road district centre

The report seeks approval for a proposed London Road Shop Front Improvement Scheme (The Scheme) to be delivered under the Successful Centres Programme.

The Shop Front Scheme will help to address the appearance through the funding and implementation of physical improvements to the front elevations of existing independent businesses to create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.

The Scheme forms an important part of a wider regeneration plan for London Road and will contribute to the overall attraction and confidence of the area by improving the street scene, helping boost the image and reputation of the centre and encouraging private investment in shops and housing. It will consolidate and complement other planned investment for the area including:

- The privately funded New Era Square development. This is a £65 million scheme for land near St Mary's Gate roundabout and includes shops, cafes, a Chinese supermarket, office space and student accommodation. The 20-storey development will also feature a 'business incubator' aimed at enhancing trade between business in the UK and China
- The Gateway project aimed at creating better links from London Road into the City Centre to help boost the footfall to aid economic regeneration in this part of the City. Outline approval has been given for Sheffield City Region Investment Fund (SCRIF) funding for approximately £2m to deliver this project
- The 'Our Place Sharrow' project, led by Sharrow Community Forum The Our Place Sharrow Operational plan aims to secure more integrated, accessible and effective services across the Sharrow area, through building and strengthening resident and service user participation and building resilience to help the local community withstand and thrive in the face of economic and social pressures.
- The developing 'Community Economic Development Plan' for Little Sheffield led by Portland Works, Regather and Sharrow Community Forum

The proposed Scheme is just one element of a number of initiatives to be delivered under the successful centres programme for London Road/Sharrow District Centre , and the following work will be carried out to build relationships and support independent trade in the centre:

- Support the development of a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project
- Work with Portland Works and Regather to help support the development of the Community Economic Development Plan

Reasons for Recommendations:

(Reports should include a statement of the reasons for the decisions proposed)

The Thriving District Local Centre strategy approved by the Central Community Assembly in 2012 identified the importance of improving the appearance and public realm within the Sharrow/London Road district centre.

The proposed scheme will support independent traders, boost the confidence and image of the centre and help increase footfall to improve the local economy.

Recommendation:

- That the proposed London Road Shop Front Improvement Scheme detailed in this report and set out in the Appendix 1 to this report be approved
-

Background Papers:

- TDLC Strategy for Central Community Assembly approved 9 June 2011
 - Policy Document
 - Boundary Plan
-

Category of Report: OPEN

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).'

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: Brendon Twomey
Equality of Opportunity Implications
YES Cleared by: Anne Marie Johnston
Tackling Health Inequalities Implications
NO Cleared by:
Human Rights Implications
NO Cleared by:
Environmental and Sustainability implications
NO Cleared by:
Economic Impact
YES Cleared by: Edward Highfield
Community Safety Implications
NO Cleared by:
Human Resources Implications
NO Cleared by:
Property Implications
No Cleared by:
Area(s) Affected
Central
Relevant Cabinet Portfolio Lead
Jayne Dunn
Relevant Scrutiny Committee
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
/NO
Press Release
YES

REPORT TO THE CABINET

INSERT REPORT TITLE

1.0 SUMMARY

- 1.1 In 2011 a citywide strategy was approved by the Council, to help, support and promote our District and Local Centres. The strategy identified nine District Centres as in need of a more focused approach to enable them to achieve their potential, and of these five have already benefited from the Successful Centres programme. Sharrow/London Road District Centre will be the sixth one to be targeted

The Thriving District and Local Centres (Successful Centres) Strategy highlighted the importance of improving the appearance of the streetscape and public realm within the Sharrow/London Road district centre

The report seeks approval for a proposed London Road Shop Front Improvement Scheme (The Scheme) to be delivered under the Successful Centres Programme.

- 1.2 The Shop Front Scheme will help to address the appearance through the funding and implementation of physical improvements to the front elevations of existing independent businesses to create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.

The Scheme forms an important part of a wider regeneration plan for London Road and will contribute to the overall attraction and confidence of the area by improving the street scene, helping boost the image and reputation of the centre and encouraging private investment in shops and housing. It will consolidate and complement other planned investment for the area including:

- The privately funded New Era Square development. This is a £65 million scheme for land near St Mary's Gate roundabout and includes shops, cafes, a Chinese supermarket, office space and student accommodation. The 20-storey development will also feature a 'business incubator' aimed at enhancing trade between business in the UK and China. The Gateway project aimed at creating better links from London Road into the City Centre to help boost the footfall to aid economic regeneration in this part of the City. Outline approval has been given for Sheffield City Region Investment Fund (SCRIF) funding for approximately £2m to deliver this project
- The 'Our Place Sharrow' project, led by Sharrow Community Forum. The Our Place Sharrow Operational plan aims to secure more integrated, accessible and effective services across the Sharrow area, through building and strengthening resident and service user participation and building resilience to help the local community withstand and thrive in the face of economic and social pressures.

- The developing 'Community Economic Development Plan' for Little Sheffield led by Portland Works, Regather and Sharrow Community Forum

1.3 The proposed Scheme is just one element of a number of initiatives to be delivered under the successful centres programme for the London Road/Sharrow District Centre , and the following work will be carried out to build relationships and support independent trade in the centre:

- Support the development of a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project
- Work with Portland Works and Regather to help support the development of the Community Economic Development Plan

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

2.1 District and local centres are vital to the attractiveness and success of housing areas and are a key component in why people choose to live or work in an area. They are important hubs for the neighbourhoods they serve, providing facilities and services for everyday needs as well as opportunities for employment

2.2 The Scheme is an important element of the Successful Centres Programme that will help to achieve the Council's vision that all centres will be a source of pride for local people and contribute to their sense of belonging in an area. Local people and businesses will be able to get involved in improving and looking after their centres.

2.3 The Scheme contributes directly to delivering the following Corporate Plan Priorities:

- **Strong Economy:** The improvements proposed by this Scheme will help the Sharrow/ London Road District Centre to be seen as a good place to do business with an attractive shopping area where investors choose to invest in land and premises.
- **Thriving Neighbourhoods and Communities:** Investment and support to improve the Centre will help increase confidence in the area will also help encourage new housing development on adjacent vacant sites. And help ensure that new homes are built more quickly to meet local housing needs and aspirations, and that empty properties are brought back into use. Support for the local businesses and local Forum will help build resilience to help the local community withstand and thrive in the face of economic and social pressures.
- **Tackling Inequalities:** Successful centres across the city are key to developing Great Places to Live, helping to sustain communities, enhancing the competitiveness of the city's economy and supporting local jobs/businesses. Improving the Centre and attracting investment will enable greater opportunity for local employment and boosting the local economy.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The scheme will deliver improvements to the front elevations of existing independent businesses which will create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.
- 3.2 Assisting with improving the appearance and environment within the centre will also help attract new and expanding businesses. More businesses will attract more money to the local economy, fill up the empty vacant units, increase local satisfaction with the range and variety of shopping on offer and ultimately attract more investment.
- 3.3 There is a clear link between the attractiveness of Centres and the value and desirability of new homes- the vitality of the centre is often a reflection of the vitality of the adjacent housing market. There are a number of vacant opportunity sites in the locality adjacent to London Road which together with the potential to encourage additional residential accommodation over retail units will offer a more attractive investment to residential developers
- 3.4 This scheme forms part of a larger framework of regeneration being carried out in the area by both the Council and Private Investors, notably the proposed Gateway Project and New Era Square development.

4.0 MAIN BODY OF THE REPORT

4.1 Back ground

- 4.1.1 The Thriving District Local Centres Strategy was approved in 2011 and identified key themes and priorities to support and develop a network of successful District and Local Centres across the city, based on extensive city wide consultation with local residents and business about what needed to change in their area.
- 4.1.2 Through this strategy the Council is showing strong city leadership, using modest funds as a catalyst to stimulate private sector investment in Centres, and bringing together untapped resources in local partners such as traders and voluntary organisations to improve the areas in which they live and work.
- 4.1.3 In March 2015 Outline approval was given to fund a further programme of work to continue delivery of the Successful Centres Strategy using New Homes Bonus. Sharrow/ London Road is one of 2 additional centres identified in the programme for intervention.
- 4.1.4 London Road is a major route into the city. There are many buildings that are in poor condition, and several vacant units. The overall image is poor, it exudes a lack of pride, and suffers from fly posting on the vacant buildings. If nothing is done to help improve the image, the existing vacant shops will not attract investors, and the risk is that the continued decline may see a further increase in vacant units reducing the offer for the local community.

- 4.1.5 The current retail offer within the centre is largely made up of small independent shops and a large number of restaurants, cafés and takeaways specialising in products that cater for a very diverse community. The Centre has an existing reputation for the diversity of the food offer and boosting the image of the centre by improving the environment through a shop front improvement scheme provides an opportunity to build on the reputation and aim for recognition as a destination
- 4.1.6 The funding secured is to deliver a Shop Front Improvement Scheme as part of a range of initiatives to help revitalise the centre. Two such schemes have recently been completed in Spital Hill and Darnall District Centres, and the scale of the projects have had a dramatic impact upon the overall appearance of the centre, significantly improving the image of the centres and boosting confidence in the centres generally. The impact of the improved confidence has been to see increased investment in the area and reductions in the vacant units.
- 4.1.7 Evidence from the previous two schemes has been the reduction in vacant units in both Darnall and Spital Hill since the Shop Front Schemes have been completed:
- In Darnall in 2010 there were 14 vacant units (9.5%). On completion of the scheme 7 had been filled leaving 7 vacant (4.69%). There were also 3 new apartments for residential created
 - In Spital Hill in 2012 there were 8 vacant units (12%). On completion of the scheme only 2 remain vacant (1.64%). There were also 6 new units of accommodation provided
 - There are currently 14 vacant units out of 134 units on London Road (11% - which compares with the national average of 11%)
- 4.1.8 Consultation on the proposed scheme for London Road took place through individual face to face visits with local businesses and independent traders in the form of information letters and drop in sessions. Meetings were also held with Sharrow Community Forum and members of Portland Works and Regather. The scheme proved to be very popular with the majority of shop owners expressing an interest.

4.2 London Road/Sharrow Shop Front Improvement Scheme

- 4.2.1 The aim of the Scheme is to improve the image of the area, creating conditions that will attract future investment and boost trader confidence. There are 134 properties within the boundary of the district centre, however it is not expected that all of them will require works. For those eligible, the proposed Scheme will :-
- Improve the front elevations of the shops,
 - Improve the street scene,
 - Complement the other public and private sector investment in the area:
 - Increase confidence in the area and encourage other private investment increasing potential job opportunities

- Contribute to the development and delivery of the Community Economic Development Plan which is a community led plan (Portland Works and Regather) to boost the local economy in the area of Little Sheffield over the next 10 years

4.2.2 To be eligible for inclusion in the Scheme, and in line with the policy previously approved for the Spital Hill Shop Front Improvement Scheme, the properties must be either occupied by an independent Trader operating from that property, or be vacant, the appearance of which is detrimental to the Street Scene and located within the Scheme designated area. It is therefore proposed that a check is done to identify any businesses that may owe the Council money- however this may be limited because of the Data Protection legislation. The details of the Scheme criteria and eligibility, including the designated area, are detailed in the policy set out in Appendix 1 to the report.

4.2.3 In order for the scheme to be successful, the majority of Independent owners (90%) of eligible properties need to participate so that a sufficient impact can be made on the street scene. In the current economic climate owners will find it difficult to make substantial payments to fund the whole costs of shop front improvements. It is proposed that 100% assistance be granted (to a maximum of £4,500) to meet the costs up to the basic level of improvements as in the case in both Darnall and Spital Hill Shop Front Schemes.

4.2.4 The improvement works are to be limited to the front elevations and gables only. Whilst they will be tailored to the needs of each particular property and agreed with the shop owner, the scope of work will be limited to external improvements, which will include:

- Repointing
- Repair of architectural features
- Brick cleaning
- Other Elevation Treatment
- New signage
- Painting existing timber
- Painting of wastepipes

4.2.5 The Council's Capital Delivery Service have been commissioned to manage the contract and the properties in the scheme will be grouped into phases which will ensure that works are carried out as efficiently as possible and enable the greatest impact

4.2.6 In addition to the capital works being delivered, an engagement package with independent traders will be developed based on successful models from other District Centre projects across the city. This package of support will include:

- Establishing a self- sustaining Local Business Forum
- An offer of support, training and mentoring for existing and new independent businesses.
- Working with Sharrow Community Forum to help deliver the Our Place Sharrow Project

4.3 Financial Implications

4.3.1 Funding for the Scheme from the New Homes Bonus has been secured as part of the Successful Centres Programme. The total funding available is £600,000. This is to cover delivery of the project and also any professional and project management fees. The feasibility study prepared by the Council's Capital Delivery Service shows that the total project costs including construction costs, contingencies, inflation, fees and disbursements are projected to be slightly over this sum but standard value engineering and cost management will keep expenditure within the approved amount.

4.3.2 It is proposed that 100% assistance be granted to meet the costs up to a maximum of £4,500 per property for the basic level of improvements and to encourage full participation into the scheme to achieve maximum impact. The feasibility work has indicated that works are achievable within this limit.

4.3.3 The scheme will be developed, procured and managed by Sheffield Council as one contract in order to ensure quality, consistency and take advantage of any economies of scale. Where possible, and in consultation with the Principle Quantity Surveyor, Director of Commercial Services, Director of Legal and Governance and the Director for Finance, a local contractor will be procured to carry out the works.

4.3.4 On completion of works to each property, the Successful Centres Team, Capital Delivery Service and the Clerk of Works will sign off the works. Further information is set out within the Procurement Strategy approved as part of the Council's capital approval process.

4.3.5 The scheme aims to reduce the number of vacant units in the centre, however it should be noted that this does not mean an automatic increase in the revenue from business rates as there are several factors to consider when looking at potential business rates income. These include:

- Liability – current and future
- Potential relief entitlement
- Type of occupant

The council receives rates on properties vacant for more than 3 months so that where the council is receiving full business rates on empty property, any future occupation by a business could in some cases reduce the council's income not increase the council's income depending on the factors involved as above. The difference is likely to be no more than £10,000.

A financial assessment was made on the impact on business rates for the previous two schemes which showed a negative impact of £7336 for Darnal, and a zero impact for Spital Hill.

4.3.6 Set against this is the substantial potential new investment into the area like New Era Square which could generate far more rates income directly for the Council as well as boosting the local economy from increased employment opportunities, improved growth in the retail environment, and incentives for further private sector investment in the centre all of which underpin the economic rationale for this scheme

4.4 Legal Implications

4.4.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited.

4.4.2 A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

4.4.3 The proposed Scheme falls within the general power of competence. In addition, there is no specific statutory prohibition, preventing the Council from implementing the proposed Scheme. The Council therefore is empowered to produce, implement and administer the Scheme as detailed in this report and set out in the Policy in Appendix 1 .

4.5 Equality Implications

4.5.1 Fundamentally this proposal is equality neutral affecting all local people equally regardless of age, sex, race, faith, disability, sexuality, etc. However, it should prove particularly positive for the Voluntary, Community and Faith sector, for financial inclusion and community cohesion. Successful centres across the city are key to developing Thriving Neighbourhoods and Communities, helping to sustain communities, enhancing the competitiveness of the city’s economy and supporting local jobs/businesses. No negative equality impacts have been identified

4.6 Risks

4.6.1 There is a risk that some of the existing businesses owned by the Chinese community on London Road may decide to move to the New Era development add creating more vacant units on London Road. The Shop Front Improvement Scheme will help mitigate against this by making London Road a more attractive place for new businesses to invest in which will also provide the opportunity to change the overall retail offer of London Road

4.6.2 When carrying out works to private commercial properties there may be a possibility of claims being submitted arising from damage caused by contractors. The contractor will be expected to keep detailed photographic records of the condition of the properties before works commence, reducing the risk of successful claims. Damage due to contractor negligence will be met by the Contractor

- 4.6.3 Consideration will also need to be given to the length of the defect period, given the superficial (facelift) nature of the works. The Council's Capital Delivery Service who will manage the contract will implement a 6 month defect period which is relevant to the works being carried out.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Do nothing – This would mean leaving any improvement to the Market. However, the current economic climate is not conducive to this, as there is already widespread market failure and there is strong risk of London Road District Centre falling into further decline, and unable to make the most from the other proposed investment opportunities.
- 5.2 To deliver the Scheme by providing loans to owners to carry out the shop front improvements. In order for the scheme to be successful, the majority of independent traders need to participate so that a sufficient impact can be made on the street scene. In the current economic climate, owners will find it difficult to make substantial payments to fund the whole costs of shop front improvements and the scheme is likely to fail.
- 5.3 As proposed. The Scheme aims to deliver a project that will deliver the agreed objectives for London Road/Sharrow District Centre outlined in the Successful Centres Strategy to improve the viability, use and appearance of the centre, and complement and consolidate the other proposed public and private sector investments.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 The Thriving District Local Centre strategy approved by the Central Community Assembly in 2012 identified the importance of improving the appearance and public realm within the Sharrow/London Road district centre.
- 6.2 The proposed scheme will support independent traders, boost the confidence and image of the centre and help increase footfall to improve the local economy.

7.0 REASONS FOR EXEMPTION (if a Closed report)

- 7.1 N/A

8.0 RECOMMENDATION

- That the proposed London Road Shop Front Improvement Scheme detailed in this report and set out in Appendix 1 to this report be approved

Author: Fiona Champion
Job Title: Regeneration Manager
Date 31/7/2015



Cabinet Report

Report of: Eugene Walker

Report to: Cabinet

Date: 16 September 2015

Subject: Revenue and Capital Budget Monitoring 2015/16 – As at 30th June 2015

Author of Report: Dave Phillips

Key Decision: YES

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

Summary:

This report provides the month 3 monitoring statement on the City Council's Revenue and Capital Budget for 2015/16.

Reasons for Recommendations:

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

Recommendations: Please refer to paragraph 22 of the main report for the recommendations.

Background Papers:

Category of Report: OPEN

Statutory and Council Policy Checklist

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

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30th JUNE 2015

Purpose of the Report

1. This report provides the Month 3 monitoring statement on the City Council's Revenue Budget and Capital Programme for June 2015. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 15.

REVENUE BUDGET MONITORING

Summary

2. At month 2 the overall Council position was a forecast overspend of £16.6m. The position at month 3 shows an improvement of £3.2m on the previous month, with a forecast potential overspend of £13.4m to the year end. It should be stressed that this is the forecast position before the delivery of various agreed savings for the year and other mitigating actions are taken. The position is summarised in the table below.
3. Although the latest position shows what is currently believed to be the worst case scenario, a significant amount of work will be required to bring forecast expenditure into line with budget. It should be noted that the latest forecast position exceeds the General Fund reserve of £11.3m.

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
CYPF	71,030	69,062	1,968	↔
COMMUNITIES	159,671	155,731	3,940	↓
PLACE	161,914	155,727	6,187	↓
POLICY, PERFORMANCE & COMMUNICATION	3,404	2,494	910	↔
RESOURCES	56,103	55,687	416	↓
CORPORATE	(438,760)	(438,701)	(59)	↔
GRAND TOTAL	13,362	(0)	13,362	↓

4. Portfolios have worked up proposals to mitigate the pressures that emerge during the year and to reduce the level of forecast overspend. Where plans for these mitigations are in place, the forecast overspend above reflects their anticipated impact. However in addition £3.0m of proposals have been declared, where outline have been developed. Assuming these proposals are successfully implemented, then the forecast overspend would reduce to £10.3m. There is also considerable focus on the large contracts for highways (Streets Ahead) and waste

collection, where the Council still expects to negotiate further savings through contractor efficiencies.

5. It should be noted that this level of forecast overspend is not unusual at this stage of the process. For example last year the forecast overspend was £11.4m at month three, whilst the final out-turn was broadly balanced. This is because, as the austerity programme continues, the process of finding savings becomes more difficult, and some anticipated savings prove to be undeliverable. In response mitigating savings proposals have to be worked up during the year, leading to a forecast over-spend until these savings are delivered. Consequently the Council remains confident that by the 2015-16 year-end an approximately balanced overall position will be achieved.
6. The full key reasons for the month 3 overall forecast position of £13.4m overspent are as follows:
 - Children, Young People and Families (CYPF) are showing a forecast overspend of £2.0m due to various factors including: recruitment of additional social workers of £1.0m, increased demand pressures on Direct Payments and Short Breaks of £600k, unachievable planned savings of £753k (in Multisystemic Therapy, Provider Services and Youth Justice), reduction in grant funding of £250k and slippage in the delivery of planned staffing reductions of £298k. These forecast overspends are partially offset by forecast reductions in spend as a result of an anticipated fall in Placement numbers and unit costs of £546k and Contact Contracts of £400k.
 - Communities are showing a forecast overspend of £3.9m, due predominately to a £3.5m overspend in Care and Support relating to Learning Disability Services, Provider Services and a reduction in the projected level of Client Contributions receivable, as well as demand pressures in Mental Health services of £684k.
 - Place are showing a forecast overspend of £6.2m predominantly due to combination of factors including delays in delivering waste cost reductions of £2.5m, delays in implementing cost savings in the Streets Ahead programme of £3m, reduction in income of £700k from the sale of recyclable materials and increased household waste volumes costing £500k.
 - Policy Performance & Communications (PPC) are showing a forecast overspend of £910k, due mainly to a reduction in the Public Health

Grant of £454k and under recovery of income in Communications of £457k.

- Resources are showing a forecast overspend of £416k, primarily resulting from a projected shortfall in income from cashable procurement savings of £652k, under recovery of other income in Commercial Services of £224k and underfunding of the Howden House PFI unitary charge and rates of £303k. These overspends are partly offset by £803k of additional income within the Housing Benefit area which is predominantly as a result of a DWP data-matching initiative.

7. The main variations since Month 2 are:

- Communities are forecasting an improvement of £455k, which is mainly due to service restructure savings within the LD provider service of £104k and staff savings within the Reablement Services and Care4You Business of £158k and £122k respectively.
- Place are forecasting an improvement of £2.3m, which is due predominantly to a £707k improvement as a result of a decision to defer a number of proposed changes in the waste management service, which is pending further review, the identification of £410k of additional funding within Marketing Sheffield as highlighted in the 3 year City Branding business plan and £1.1m of savings within Regeneration and Development Services mainly as a result of the continuation of sustained improvements in Highways and Highway Network Management activities.
- Resources are forecasting an improvement of £672k, which is mainly due to increased income forecasts across a number of areas in the portfolio. This income includes £291k from the DWP data-matching initiative, £102k of traded income within BIS and £90k additional income received in Commercial Services (savings).

Approval Requests

8. No request to be considered this month.

Public Health

9. The Public Health ring-fenced grant is currently forecasting a potential £579k underspend. The main reasons for the reduction in spending is a direct response to government consultations on in-year cuts to the Public Health grant and therefore the likely need to cope with grant reductions in

2015/16. Further details of the forecast outturn position on Public Health is reported in **Appendix 2**.

Housing Revenue Account

10. The 2015/16 budget assumes an in year surplus of £10.9m will be generated which will 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.
11. As at month 2 the full year outturn position is a forecast overspend of £426k. Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

New Homes Bonus Fund

		£m
Income	Reserves as at 1/04/15	-6.0
	Total Income	<u>-6.0</u>
Expenditure	2015/16 Spend to date at Month 2	0.7
	Forecast to Year End	3.7
	Future Years' Commitments	<u>2.0</u>
	Total Expenditure	<u>6.4</u>
	Funds Required for Investment	<u><u>0.4</u></u>

12. The current forecast expenditure for the year is up £0.3m on the previous month because of a re-profiling of spend on the Norton Aerodrome project. Although the fund appears in deficit, this will be cleared once the 15/16 payment is applied.

Collection Fund

13. The Collection fund will be reported in month 4 to give time for a full appraisal of the current position to be carried out. Appendix 4 has been retained for the collection fund as blank for continuity for future months.

Corporate Risk Register

14. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in **Appendix 5** along with any actions being undertaken to manage each of the risks.

Capital Summary

15. At the end of June 2015, the end of year position forecasts a variance of £10.4m (4%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £291.1m, the highest for five years.
16. The bulk of the variance in the forecast is in the Housing (£7.2m below budget), Highways (£3.9m above pending approval of new projects) and the Lower Don Valley Flood Defence project (£5.5m below) budget. These variances are discussed in greater detail below.
17. The Year to date position shows spending to be £8.0m (17%) below the approved programme profile. The programme has slipped £7m behind budget in the period with approximately £2m slippage in each of the Housing, Highways and Place programmes, £0.7m in Schools and £400k in Resources.

Financials 2015/16

<u>Portfolio</u>	<u>Spend to date</u>	<u>Budget to Date</u>	<u>Variance to date</u>	<u>Full Year forecast</u>	<u>Full Year Budget</u>	<u>Full Year Variance</u>	<u>Change on last Mth Bud</u>
	£000	£000	£000	£000	£000	£000	£000
CYPF	10,345	11,790	(1,445)	39,098	39,509	(411)	89
Place	7,523	10,931	(3,408)	96,282	101,805	(5,523)	(3,103)
Housing	12,338	13,839	(1,502)	89,700	96,860	(7,159)	875
Highways	1,820	2,510	(690)	17,492	13,566	3,927	(1,957)
Communities	74	301	(227)	332	352	(20)	(0)
Resources	299	1,040	(741)	7,212	8,419	(1,208)	(1,086)
Corporate	7,644	7,644	-	30,574	30,574	-	-
Grand Total	40,043	48,055	(8,013)	280,691	291,086	(10,395)	(5,182)

Implications of this Report

Financial implications

18. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2015/16, and as such it does not make any recommendations which have additional financial implications for the City Council.

Equal opportunities implications

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

Legal implications

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

Property implications

21. 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

22. Cabinet are asked to:
 - (a) Note the updated information and management actions provided by this report on the 2015/16 Revenue Budget position.
 - (b) Note the latest position on the Capital Programme.

Reasons for Recommendations

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

Alternative options considered

24. A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what

Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

Dave Phillips
Interim Director of Finance

Portfolio Revenue Budget Monitoring Reports 2015/16 – As at 30th June 2015

Children Young People and Families (CYPF) Portfolio Summary

1. As at month 3 the Portfolio is forecasting a full year outturn of an overspend of £2 million, which is consistent with the month 2 position. The key reasons for the forecast outturn position are:

- **Business Strategy & Children's Commissioning Unit** - £39k forecast over spend, this is due to £61k overspend in Transport Services, mainly due to price increases for travel passes. This has been partially offset by small reduction in spends in other parts of the service.
- **Children and Families** – £1.5m forecast overspend.

Over spending areas are:

- Fieldwork Services - Management and Business Support £298k due to delay in the services' MER, Fieldwork Service Areas and Permanence and Throughcare £995k net overspend mainly due to the recruitment of additional social workers, Multi-systemic Therapy £181k due to the full business planning saving not being achieved this year. These have been partially offset by a £501k ongoing saving on Contact Contracts as a result of specific action being taken to reduce costs.
- Direct Payments and short breaks - £600k due to increased demand pressures.
- Provider Services – £322k due to the business planning saving not being achievable on the integrated approach to service delivery between Health and Social Care and Youth Justice £129k because the business planning saving of £250k from the regionalisation of Youth Justice will not be realised this year, this is being partially mitigated by £111k savings in the service.
- Early Intervention & Prevention - £211k because of a reduced expected contribution of £250k from the CCG towards Early Intervention and Prevention.

Areas of forecast reduction in spending are:

- Placements - £946k due to the assumption that funds set aside to fund a potential increase in Special Guardianship Orders (£400k) may not be required in 2015/16 and that the longer term positive trend in Placement numbers and unit costs will drive spend down by year end.
- **Inclusion and Learning Services** – £120k forecast overspend due to £71k in SEN budgets as a result of additional places, £30k overspend in Vulnerable Groups as a result of a shortfall of £64k against the additional income built into business planning, which is partially offset by staff savings and £23k overspend in Outdoor Education due to additional repairs and maintenance costs.
- **Lifelong Learning, Skills and Communities** – £345k forecast overspend, £402k relating to the Training Units, due to an unexpected reduction in government grant funding, which is being partially offset by savings from the MER which is in progress. This is being offset by £69k net under spend on Youth services, as a result of £38k staff vacancies, additional rental income of £26k and underspend in supplies and services budget of £39k in the Internal Community Youth Teams.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY	688	649	39	↔
CHILDREN & FAMILIES	59,175	57,712	1,463	↔
INCLUSION & LEARNING SERVICES	1,803	1,683	120	↔
LIFELONG LEARN, SKILL & COMMUN	9,364	9,018	346	↔
GRAND TOTAL	71,030	69,062	1,968	↔

DSG

The following is a summary of the variance position on DSG budgets at month 3:

	Month 2 £000	Month 3 £000
Business Strategy	(24)	(49)
Children and Families	(24)	(121)
Inclusion and Learning Services	(21)	(5)
Lifelong Learning, skills and Communities	0	0
	(69)	(175)

Commentary

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

Business Strategy

3. As at month 3, Business Strategy is currently forecasting an over spend of £39k (shown in the table above) relating to cash limit and a reduction in spending of £49k on DSG. This is consistent with the position reported at month 2.

Children and Families

4. As at month 3, Children and Families is currently forecasting a £1.5m overspend (shown in the table above) relating to cash limit and a £121k underspend on DSG. This is an increase in spend of £100k on cash limit and an improvement of £100k on DSG.
5. The overall forecast position on cash limit is mainly consistent with the month 2 position, however there a couple of movements that need highlighting. The key reasons for the movement from month 2 are:
 - Provider Services - £129k forecast overspend relating to Youth Justice, this position reflects that the £250k Business Planning saving for regionalisation of Youth Justice will not be realised this year, but is being mitigated by savings of £111k in the service and also a saving of £139k within Secure Placements.
 - Placements - - £346k improved position from month 2. This reflects an improving position in the number and unit cost of placements.
 - Early Intervention and Prevention - £223k increase in the overspend from the month 2 position. This position reflects that £250k of the £500k anticipated contribution from the CCG is not expected to be received, resulting in a £210k forecast overspend in this area.
 - The £100k improved position on DSG is due mainly to £58k underspend in LDD Strategy Staffing because of a staff vacancy which is not planned to be filled. The balance is made up of small movements across a number of heads including Health Strategy, Placements and Early Intervention and Prevention.

Inclusion and Learning Service

6. As at month 3, Inclusion and Learning Service is currently forecasting £120k overspend (shown in the table above) relating to cash limit and a £5k reduction in spend on DSG. This is consistent with the month 2 position.

Lifelong Learning Skills and Communities

7. As at month 3, Lifelong Learning Skills and Communities is currently forecasting a £345k overspend (shown in the table above) relating to cash limit and a balanced DSG position. This is consistent with the month 2 position.

Place Portfolio

Summary

8. As at month 3 the Place Portfolio is forecasting a full year outturn of an £6.2m overspend, an improvement of £2.3m from the month 2 position. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation:** £3.8m over budget largely due to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider (£2.5m) and emerging cost pressures from increased household waste volumes (£0.6m) and reductions in income from the sale of materials due to falling market prices (£0.7m) caused by movements in the global economy.
 - **Regen & Development Services:** £2.4m over budget largely due to delays in delivering the planned cost reductions in the Streets Ahead programme (net £3m), less a continuation of sustained improvement in Highways and Highway Network Management (£0.9m), plus additional staffing and income pressures forecast largely within the Transport and Parking Services activity (£0.3m).
9. At the Place Leadership Team meeting on 18 June 2015 Directors approved a Recovery Plan to significantly improve upon and mitigate the £8.5m forecast overspend reported at Month 2, with the outcome to be incorporated into the month 3 forecast. This included implementing an estimated £2.8m of immediate actions and Directors identifying key areas of employee and discretionary spend to raise further savings in 15-16 which will carry through to future years.
10. The key reasons for the improvement of £2.3m this period are :-
- Implementing £2.1m of the £2.8m 'immediate actions' agreed in the Directors' Recovery Plan.
 - A further £0.2m of relatively small cost reductions over a number of service areas.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY & REGULATION	32,798	29,037	3,761	↓
CAPITAL & MAJOR PROJECTS	923	506	417	↔
CREATIVE SHEFFIELD	2,426	2,426	-	↔
CULTURE & ENVIRONMENT	42,260	42,667	(407)	↔
MARKETING SHEFFIELD	612	612	-	↓
PLACE PUBLIC HEALTH	-	0	0	↔
REGENERATION & DEVELOPMENT SER	82,895	80,479	2,416	↓
GRAND TOTAL	161,914	155,727	6,187	↓

Commentary

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

Business Strategy & Regulation

12. The forecast for this activity is £3.8m over budget, an improvement of £0.7m on the previous period.

13. As identified in para 3 above, the position is largely due to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider (£2.5m). There are also emerging pressures from increased household waste volumes (£0.6m) and reductions in income from the sale of materials due to falling market prices (£0.7m). It should be noted that should the current trend in market price not begin to stabilise, the current forecast may still be at risk.

14. The £0.7m improvement this period is largely attributable to cost reductions following the decision to defer at this stage a number of proposed changes in the waste management service, pending further review. The forecast had previously included the one-off costs associated with these changes.

Capital & Major Projects

15. The forecast for this activity is £417k over budget, an improvement of £68k this period.

16. The forecast position largely reflects income pressures within the markets service (£0.5m). This arises from the market being only 70% let as Traders have surrendered tenancies due to difficult trading conditions. The low viability of the market businesses has led to a high level of bad debt. There may be further risk here if stall lettings cannot be held at current levels, or rent collection levels don't improve. The business model for the market is currently under review balancing lower rents against the need for more

flexibility in location to ensure let space is maximised. External agents have been engaged to promote the letting of vacant stalls and recover monies due to the Council.

Culture & Environment

17. The forecast for this activity is £407k under budget, broadly in line with the previous period.

18. The position largely reflects a continuation of prior year improvements that are forecast to continue within the Bereavement Services, Parks and City Centre Management activities (£300k). A further cost reduction has arisen within the Sports Trusts due to recent rating revaluation on a number of premises (£94k) although half of this saving will be offset by lower Non Domestic Rate income to the Council.

Marketing Sheffield

19. The forecast for this activity is now balanced, an improvement of £410k this period.

20. It should be noted that the budget plan for this activity included a proposal to move to an alternative business model with no general fund allocation. Work is progressing in order to secure the various funding streams identified in the 3 year City Branding business plan and based on latest information the forecast now assumes a balanced position can be achieved.

Regeneration & Development Services

21. The forecast for this activity is £2.4m over budget, an improvement of £1.1m on the previous period.

22. As identified in para 3 above, the forecast position is largely due to delays in delivering the planned cost reductions in the Streets Ahead programme (£4.7m), less estimated (largely one-off) cost reductions (£1.7m), giving a net pressure of £3m. Whilst work has continued to develop options, a number of these have not progressed as originally planned due to Treasury concerns about the proposals being incompatible with the principles of the PFI contract or an unacceptable level of risk transfer to the council.

23. The cost pressure above is being offset to some extent by a continuation of sustained improvements in the Highways and Highway Network Management activities (£0.9m), less additional staffing and income pressures within the Transport and Parking Services activity (£0.3m).

24. The improvement this period largely reflects £0.9m of the £1.5m agreed actions are now reflected in the forecast positions for Transport and Parking

Services (£0.8m) and Highways (£0.1m). Work continues within the service to secure further improvements.

Communities Portfolio

Summary

25. As at month 3, the Portfolio is forecasting a full year outturn of an over spend of £3.94m. The key reasons for the forecast outturn position are:

Business Strategy (forecasting an over spend of £8k):

- The major contributory factors relating to this small over-spend are: an element of prior year and current year staff savings targets, now forecast as not being wholly deliverable, offset by reduction in Communities staffing budgets when compared to the pay uplift budgeted at the start of the year, together with reductions in the contract expenditure with two providers relating to the Communities Quality Team.

Care & Support (forecasting an over spend of £3.5m):

- Care and Support expenditure is forecasting an over spend of £3.5m. This primarily relates to over-spends in Learning Disabilities, Provider Services and a reduction in the level of Client Contributions receivable in the year.
- Learning Disabilities is forecasting an over spend of £1.67m. This is primarily based on the non-delivery of 2015/16 savings, particularly around the work being done with the providers of Supported Living and Respite Care to bring prices in line with the LD Provider Framework. The work on reducing LD expenditure is being overseen by the LD Commissioning Board and remains a key financial risk facing Communities for the new financial year.
- Provider Services are showing an over spend against budget of £1.1m, which has primarily arisen as a result of the service incurring additional staff costs relating to planned efficiencies not yet realised.
- Contributions to Care is showing an over spend of £0.61m against budget, which includes a shortfall of £1.27m on fairer contributions due to the numbers of service users being less than the original budget assumptions because of business demand management and the application of eligibility criteria offset by increases in Property Income £0.56m and Continuing Health Care Income £0.29m.

- Long Term Support is showing an over spend of £0.2m. This is the net result of an increased demand pressure on the adults purchasing budget of £0.7m and the under spend on employees across the service, predominantly a saving of £0.4m achieved in a 14/15 MER and brought forward into 15/16.
- Access Prevention & Reablement is showing an under spend of £0.1m, primarily due to external funding awarded in respect of increased activity in short term intervention assessments. This is partially offset by a small over spend on Occupational Therapists in Adaptations, Housing and Health.

Commissioning (forecasting an over spend of £383k):

- The over spend in Commissioning is primarily as a result of demand pressures in Mental Health services of £684k, as well as the delay of some 2015/16 savings relating to the re-commissioning of the OP Dementia Unit into 2016/17 of £261k. Additionally, an additional provider payment relating to pay inflation of £25k has also been forecast. The Public Health area is showing small over spends relating to the non-achievement of savings from the delivery of the Mental Health Programme and the Community Pharmacy contract (£48k in total). There are staff overspends forecast of £40k mainly within the Housing Related Support Team, relating to additional costs not budgeted for.
- These increases are offset by reductions in expenditure arising from contract negotiations on Housing Related Support Contracts £574k and surplus income from Water Rates collection services £90k.

Community Services (forecasting an over spend of £197k):

- There is a forecast overspend of £205k in Locality Management, primarily relating to the anticipated non-achievement of 2015/16 savings targets related to reductions in the level of Grants paid to Voluntary Bodies and in regard to Ward Pots.

Housing General Fund (forecasting an under spend of £152k):

26. The Housing General Fund is a new Division, established this year to have all of the Housing General Fund revenue expenditure in one place within the General Ledger. The net budget for 2015/16 is £3.1m.

- As at month 3, the Housing General fund is forecasting an under-spend of £152k, comprising: a reduction in demand for the Local Assistance Scheme, reduction in spend Homelessness Prevention Fund, reduced employee related costs across the team. These are offset by increased staffing budgets within the Safer Communities Partnership.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY	6,187	6,179	8	↔
CARE AND SUPPORT	114,282	110,778	3,504	↓
COMMISSIONING	30,374	29,990	384	↔
COMMUNITY SERVICES	5,846	5,650	196	↔
HOUSING GENERAL FUND	2,982	3,134	(152)	↔
GRAND TOTAL	159,671	155,731	3,940	↓

Commentary

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

- Access, Prevention and Reablement and Review and Reassessment have improvements of £153k and £143k, Case Management and Service Management have adverse movements of £104k and £148k. These service areas are currently subject to some realignment of staffing budgets following MER's. There were also some budget adjustments implemented in 2014/15 which should have been on a temporary basis and are now in the process of being reversed.
- LD Provider has an adverse movement of £238k and Locality 2 Core Business is showing an improvement of £342k due to realignment of services within LD which is work ongoing. The service is continuing to work towards reducing the overall over spend.
- Adult Social Care Purchasing £187k emerging budget pressure which has created a further over spend.
- Care4You Business £122k improvement as a result of staffing savings

- Reablement Services £158k reduction in staffing costs due to a vacant post and budgeted staff paid for from other service areas has resulted in a reduced forecast over spend.

Resources Portfolio

Summary

28. As at month 3 the Portfolio is forecasting a full year outturn of an in spending of £416k, an improvement of £672k from the month 2 position.

The key reasons for the forecast outturn position are:

- £224k over spend in Commercial Services due to under recovery of income;
- £652k over spend in Commercial Services (Savings) due to a shortfall in income from cashable procurement savings;
- £303k over spend in Transport and FM due mainly to underfunding of the Howden House PFI unitary charge and rates;
- £242k over spend in Central Costs due mainly to an overspend of £346k on Council Tax and Business Rates Collection;

Offset by:

- £155k under spend in Finance due mainly to savings on Employees from unfilled vacancies;
- £803k under spend in Housing Benefit due to the recovery of high value over payments as a result of a DWP data-matching initiative.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS CHANGE & INFORMATION SOLUTIONS	761	792	(31)	↓
COMMERCIAL SERVICES	809	585	224	↔
COMMERCIAL SERVICES (SAVINGS)	(976)	(1,628)	652	↓
CUSTOMER SERVICES	1,760	1,802	(42)	↔
FINANCE	4,565	4,720	(155)	↔
HUMAN RESOURCES	3,405	3,415	(10)	↔
LEGAL SERVICES	3,455	3,408	47	↔
RESOURCES MANAGEMENT & PLANNING	295	308	(13)	↔
TRANSPORT AND FACILITIES MGT	15,825	15,522	303	↔
TOTAL	29,898	28,924	974	↓
CENTRAL COSTS	26,281	26,036	245	↔
HOUSING BENEFIT	(76)	727	(803)	↓
GRAND TOTAL	56,103	55,687	416	↓

Commentary

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

Business Change and Information Solutions

30. A forecast £31k reduction in spending, due to a planned over spend on subscriptions offset by an over reallocation of invoiced expenditure in relation to MFDs. This is an improvement of £113k from the previous month.

31. The improvement this month is due to:

- £102k improvement in BCPD – Traded as result of over recovery of traded income.
- £11k improvement in BCPD- non-Traded as a result of an under spend on Employees as a result of salary sacrifice.

Commercial Services (Savings)

32. A forecast £652k overspend, due to a shortfall in income from cashable procurement savings. This is an improvement of £145k from the previous month.

33. The improvement this month is largely due to an additional £90k of income not included last month for a prior year asset. The forecast income has

been prepared conservatively and only includes reasonably certain income streams.

Housing Benefit

34. A forecast £803k reduction in spending. The underspend position on both Rebates and Allowances is largely due to a DWP led data-matching initiative which has generated high value overpayments to be recovered. The trend during 2014/15 was for an improving position month on month. As this was a new initiative last year the forecast value was difficult to judge so the position was closely monitored. This is an improvement of £291k from the previous month.

35. The forecast outturn position in May was amended to the 2014/15 outturn position to determine if last year's trend is set to continue. The improvement this month is the result of verification work carried out during June that strongly indicates that this trend is set to continue and is borne out by similar experiences in other local authorities.

Policy, Performance and Communications

Summary

36. As at month 3 the Portfolio is forecasting a full year outturn of an overspend of £910k, an adverse movement of £68k from the month 2 position. The key reasons for the forecast outturn position are:

- £457k over spend in Communications due to under recovery of income as a result of a delay in the implementation of the new advertising contract.
- £107k over spend in Electoral Registration due to an increase in supplies and services costs and employee costs offset by an under spend of £68k in Local Elections.
- £454k over spend in Public Health – DPH due mainly to a reduction in the Public Health RF Grant.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	3,085	2,629	456	↔
PUBLIC HEALTH	319	(135)	454	↔
GRAND TOTAL	3,404	2,494	910	↔

Commentary

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

Policy, Performance and Communication

38. A forecast £456k overspend, due to the Advertising contract within Communications being delayed until January 2016 resulting in income being underachieved. This is an adverse movement of £77k from the previous month.

39. The adverse movement this month is due in the main to the delayed Advertising contract (£114k) offset by small underspends in the other service areas (£38k).

PUBLIC HEALTH BUDGET MONITORING AS AT AS AT 30th JUNE 2015

Purpose of the Report

1. To report on the 2015/16 Public Health grant spend across the Council for the month ending 30 June 2015.
2. This report provides details of the forecast full year spend of Public Health grant compared to budget and key variances are explained.
3. The net reported position for each portfolio/service area would normally be zero as public health spend is matched by a draw down of public health grant. For the purposes of this report, and in order to identify where corrective action may be necessary, we have shown actual expenditure compared to budget where there is an underspend position.

Summary

4. At month 3 the overall position was a forecast underspend of £579k which is summarised in the table below.

All figures £000s					
Portfolio	Forecast full year expenditure	Full year expenditure budget	Full year variance	FY Variance Forecast at M2	Movement from Prior Month
CYPF*	10,688	10,688	0	(37)	37
COMMUNITIES	13,727	13,929	(202)	(22)	(180)
PLACE*	2,971	3,348	(377)	0	(377)
DIRECTOR OF PUBLIC HEALTH (inc PH Intelligence)	1,917	1,917	0	(612)	612
TOTAL EXPENDITURE	29,303	29,882	(579)	(671)	92

Key reasons for the forecast under spend are:

- £202k underspend in Communities of which £100k is uncommitted funds that will be clawed back as part of in-year savings.
- £377k underspend in Place as a result of projects which have been put on hold.

HRA Revenue Budget Monitoring 2015/16 as at June 2015

Purpose of this Report

1. To provide a summary report on the HRA 2015/2016 revenue budget for the month ending 30th June 2015, and agree any actions necessary.
2. The content of this report will be used as the basis of the content of the budget monitoring report to the Executive Management Team and to Members.

Summary

3. 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.
4. The 2015-16 budget is based on an assumed in year budgeted surplus of £10.9m which is to be used to fund the ongoing HRA Capital Investment Programme.
5. As at month 3 the full year outturn position is a projected £0.4m overspend compared to budget. However, this is based on early assumptions and the position is expected to recover over the next few months.
6. Main areas contributing to the outturn include reduced rental income of £222k mainly due to a higher turnover of vacant properties in the first quarter of the year, partly offset by a forecast reduction in the provision for bad debts. A reduction in other service charge income of £113k and a £270k potential increase in vacant repairs costs due to an unexpected increase in volume is forecast along with an anticipated saving of (£179K on overall running costs.

Financial Results

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 2
1.NET INCOME DWELLINGS	(149,205)	(149,427)	222	↓
2.OTHER INCOME	(6,710)	(6,824)	113	↓
3.HOMES-REPAIRS & MAINTENANCE	32,141	31,871	270	↑
4.HOMES-FUNDING CAPITAL PROG	38,973	38,973	-	↔
5.TENANT SERVICES INCL MANAGEMENT	59,743	59,922	(179)	↓
6.INTEREST ON BORROWING	14,579	14,579	-	↔
Total	(10,479)	(10,905)	426	
8.CONT TO CAPITAL PROG	10,479	10,905	-426	↓

Community Heating

7. The budgeted position for Community Heating is a draw down from Community Heating reserves of £338k. As at month 3 the position is a draw down from reserves of £203k resulting in a decrease in expenditure of (£135k) primarily as a result of the warmer weather and the introduction of heat metering.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 10
INCOME	(2,790)	(2,760)	(30)	↓
EXPENDITURE	2,993	3,098	(105)	↑
Total	203	338	(135)	↑

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CORPORATE RISK REGISTER

AS AT 30th JUNE 2015

1. This Appendix provides a brief overview of the main financial risks facing the Council in 2015/16. A more detailed schedule of these risks will be monitored by the Executive Management Team to ensure that the risks are mitigated.

Corporate Risks

2015/16 Budget Savings & Emerging Pressures

2. There will need to be robust monitoring in order to ensure that the level of savings required for a balanced budget in 2015/16 are achieved, especially given the cumulative impact of £300m of savings over the last five years (2011-16), and furthermore the backdrop of continuing reductions in Government grant from 2016/17 onwards.
3. Whilst preparing the budget 2015/16, officers identified numerous pressures which, if left unchecked, could lead to significant overspends in 2015/16 and beyond. The following pressures have been highlighted because they present the highest degree of uncertainty.

Capital financing costs

4. Corporate savings of £3.4m from capital financing costs have been offered up to help balance the 2015/16 budget, on the assumption that market conditions will not be materially different to those assumed in the approved Treasury Management Strategy.
5. The Council currently maintains a substantial but prudent under borrowed position to help support the revenue budget and mitigate residual counterparty default risk on cash investments. In operating with an under borrowed position the Council exposes itself to interest-rate risk. Recognising this, Treasury maintain a regular dialogue with the Director of Finance and the Executive Director of Resources to monitoring the risk and review mitigation opportunities.

Business Rates

6. Following the advent of the Government's Business Rates Retention Scheme in April 2013, a substantial proportion of risk has been transferred to local government, particularly in relation to appeals, charitable relief, tax

avoidance, hardship relief and negative growth. The issue of appeals dating as far back as the 2005 rating list is the greatest risk causing concern across all authorities.

7. As at 30th June 2015, there were properties with a rateable value of approximately £356m under appeal in Sheffield. On the 1st April 2015 new government legislation was introduced to cut off any further backdated appeals prior to the 31st March 2015. The impact of this announcement resulted in 1140 new claims being made in March 2015. In addition, a significant national appeal is under investigation for Virgin Media which would have a significant impact for Sheffield.
8. Due to the uncertainty around these factors a prudent provision was taken during 2014/15 to mitigate the loss of income as a result of successful appeals. Actual trends on appeals will be monitored in year, with any revised estimates of the impact of appeals forming part of the 2016/17 budget process. The risk from appeals will be significantly lower in future years once the backdated element has been finalised.

Implementation of savings proposals

9. The risk of delivering savings in 2015/16 in specific areas such as adult social care and waste management is considerable, given that the Communities and Place portfolios overspent by £2.0m and £967k respectively in 2014/15. To mitigate this, officers are working on the safe and legal implementation of budget proposals by:
 - Ensuring that there is a thorough understanding of the impact of proposals on different groups and communities, including undertaking Equality Impact Assessments for budget proposals and discussed with Cabinet Members
 - Carrying out appropriate, meaningful consultation activity with affected communities and stakeholders, and ensuring that where the proposal affects a supplier or provider, that they undertake appropriate consultation and equalities work with service users.
 - Discussing budget proposals with affected members of staff in advance of them being made public, and putting in place MER processes where required, in consultation with HR.

One-off funding

10. There is a significant risk about the high level of one-off funding and reserves to balance the budget, particularly with regard to the Better Care Fund. At £9.3m, this is the highest level of one-off funding that the Council has had to use in recent years. However, officers will continue to work with colleagues at the CCG to find more sustainable ways to generate the required level of savings or income, by the end of this financial year and throughout next year so that real savings are identified to replace the one-off use of resources.

Medium Term Financial Position

11. The Finance Settlement for local authorities for 2016/17 and beyond will be affected by the outcome of the Spending Review in November 2015. To enable the Council to publish a revised Medium Term Financial Strategy 2016-21 in October 2015, officers are in the process of reviewing all available local government finance information as well as formulating saving proposals. The indicative savings target for 2016/17 is currently £16.8m, but is subject to review. Within this target is an assumption of an RSG reduction in the order of 20% per annum.

12. The Council's financial position is significantly determined by the level of Business Rates and Council Tax income. Each of these may be subject to considerable volatility and will require close monitoring and a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners.

Pension Fund

13. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic context. If they become insolvent the resulting liability may involve significant cost to the Council.

14. As at March 2013 the triennial review for pensions highlighted the total liability underwritten by the Council for external bodies was £9.3m. However more up to date information from the pension fund seems to suggest that these liabilities may have increased as a result of universally low bond yields in the fund. The full liability will not be known until March 2016 when the next triennial review is complete.

Economic Climate

15. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
16. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

External Funding

17. The Council utilises many different grant regimes, for example central government and EU. Delivering projects that are grant funded involves an element of risk of grant claw back where agreed terms and conditions are not stringently adhered to and evidenced by portfolios. In order to minimise risk strong project management skills and sound financial controls are required by Project Managers along with adherence to the Leader's Scheme of Delegation to approve external funding bids.
18. As SCC funding reduces, portfolios are increasingly seeking out new sources of external funding, both capital and revenue. EU funding contracts have more complex conditions, require greater evidence to substantiate expenditure claims and are less flexible on timescales and output delivery targets. This increases the inherent risk in projects which are EU funded. Furthermore as the Council reduces its staff resources a combination of fewer staff and less experienced staff increases the risk of non-compliance with the funding contract conditions and exposes the authority to potential financial claw back.
19. Moreover, the pressure on the General Fund means that Service Managers are forced to seek more external funding such that the general level of risk associated with grants is increasing because of the additional workload this creates amongst reduced and potentially inexperienced staff.

Treasury Management

20. The Council has been proactively managing counter-party risk since the credit crunch of 2008. Counterparty risk arises where we have cash exposure to bank and financial institutions who may default on their obligations to repay to us sums invested. Counterparty risk has somewhat diminished over the last financial year as banks have been obliged to improve their capital funding positions to mitigate against future financial shocks. The Council is continuing to mitigate counterparty risk through a

prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds.

21. As part of the 2015/16 budget process, we have developed the Treasury Management and Investment Strategies; which was based on discussions with members and senior officers about our risk appetite. This will include a review of our counter-party risk to ensure it is reflective of the relative risks present in the economy without being unduly conservative for the improving UK economic position.
22. The Council is also actively managing its longer term need for cash. Cash flow requirements show that the Council will require new borrowing in the coming years to finance capital investment. With interest-rates expected to rise from their current historic lows the Council is remaining vigilant to interest-rate risk, and will draw down loans in a timely manner to mitigate against borrowing costs rising above our target rates.
23. Over the final quarter of 2014/15 we successfully move to Barclays Bank following the withdrawal of Co-op Bank from the Local Authority banking market. Our relationship with the Co-op effectively ended at the end of March 2015, except for a specific contract to take payments over counters at Post Offices and Pay Point outlets.
24. PCI DSS Compliance is a mandatory requirement of all organisations taking payments via Debit & Credit cards and is aimed at ensuring security of customer card data. We are currently non-compliant and as well as incurring circa £3-4k in additional transaction charges we potentially face unlimited fines in the event of a security breach. Officers are urgently pursuing actions to improve compliance.

Welfare Reforms

25. In April 2013, the government began to introduce changes to the Welfare system, which have had and will continue to have a profound effect on Sheffield residents including council taxpayers and council house tenants. The cumulative impact of these changes is significant. They include:
 - **The Abolition of Council Tax Benefit:** replaced with a local scheme of local Council Tax Support from April 2013. The Council approved the replacement scheme, based on the reduced funding available from Government, and set up a hardship fund in January 2013, but

there are risks to council tax collection levels and pressures on the hardship fund which are being closely monitored.

- **Housing Benefit Changes:** The Government has introduced various changes to the Housing Benefit System since 2013. These changes aim to reduce the level of benefit paid and hence potentially impact on recipient's ability to pay rent and council tax. Consequently there may be an adverse impact in the level of arrears.
- **Introduction of Universal Credit:** The planned roll out for new single claimants in Sheffield is to take place in early 2016. The timeline for existing claimants move to UC is still uncertain. The biggest potential impact is on HRA and collection of rent. Support towards housing costs is currently paid through housing benefit direct to the HRA; in future this will be paid through UC direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams. Recent reports also suggest the UC IT system has stability issues which may add to the risks already identified.

Children, Young People and Families Risks

Education Funding

26. In 2015/16 it is currently anticipated that 9 of the Council's maintained schools could become independent academies (9 primary). However, the Government has recently announced new legislation on academy conversion and this could increase this number. Schools are entitled to receive a proportion of the Council's DSG which schools forum have decided can be de-delegated back to CYPF to fund central services. Academies can on conversion choose whether to buy into those services thus creating a potential funding gap. Based on academy conversions to date:

- up to £5m has now been deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies. Currently around £3.3m is still at risk if all schools choose to convert with the council retaining only £1.1m for retained duties only.
- Up to £500k could be at risk to centrally funded services should Academies choose not to buy back those services funded from de-delegated DSG from the local authority.

27. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's accounts. In 2015/16 this cost to the Council is estimated at around £300k and remains a risk for any future conversions.

Communities Risks

NHS Funding Issues 2015/16

28. The Better Care Fund became fully operational on 1 April 2015, bringing together health and social care expenditure across Sheffield. The programme aims to shift pressures and resources from hospital and social care nursing and residential homes to community settings over the medium to longer term. This is supported by a couple of joint initiatives that will help keep people well within the community, first of all the additional £1.0m funding made available through the Transformation Challenge Award. Secondly the re-tendering for the Integrated Community Equipment Service resulted in a contract being awarded to the British Red Cross, which commenced on 1 July 2015. This contract pools around £2.5m of budgets for community equipment.

29. In 2014/15 monitoring of a shadow budget took place to determine the amounts expended both within the Sheffield Clinical Commissioning Group (CCG) and the Council. The 2015/16 Better Care Fund for Sheffield has an agreed baseline of £270.5m, of which the contribution by the Council is £105.0m, after pressures and savings. This takes into account of CCG funding of £12.4m, provided to support integration. Additionally there is a further £3.5m of capital expenditure available within the Better Care Fund.

30. The Fund is underpinned by a Section 75 agreement signed by both parties, which sets out how the agreement will operate. This agreement sets out the level of funding to be provided in the first year by each party. It also sets out how any under or over spends are to be handled for each section within the overall Fund.

31. As part of the overall requirement to balance the Council's budget for 2015/16, we assumed that £9.3m would be made available through a combination of additional BCF savings and/or funding transfers from the NHS, to be used to reduce the Council's overall budget gap. There is however a significant risk in relation to this and discussions with CCG continue to be ongoing. It is assumed at this stage that the Council will secure £5m of funding from the NHS. A key recommendation of the EMT

Report was to match this assumed £5m contribution from the NHS with £4.3m of one-off funding principally from the Council's reserves. This would, on a one off basis, mean that Adult Social care is held at cash standstill in 2015-16 after savings and pressures have been taking into account.

32. A 2-year plan is required, however, to ensure that these one-off funds can be replaced by more sustainable proposals from the Better Care Fund or Health: this £9.3m is not sustainable within the SCC budget. There will have to be a re-assessment of options once the 2016-17 funding cuts from Government are known.

Place

2015/16 Revenue Budget savings

33. The Portfolio intends to achieve its target savings in 2015/16 and 2016/17 by reducing the cost of the Streets Ahead Programme and waste management contracts as well as seeking savings in the South Yorkshire Passenger Transport Levy. The portfolio faces a significant challenge in re-negotiating the contract payments which if not achieved will require compensating savings in other services.

Electric Works

34. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation which has now been fully utilised. From 2015/16 onwards, responsibility for Electric Works is being transferred to the Place portfolio. The risk of covering any potential deficit for 2015/16 has been addressed as part of Place's business planning process to the value of 200k. The forecasted deficit is lower than the budgeted deficit.

Housing Revenue Account Risks

Housing Revenue Account (HRA)

35. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined elsewhere in the report the Government has recently announced an number of further changes in the July 2015 Summer Budget Statement and Welfare Reform and Work bill. These include a revision to social housing rent policy, which will reduce rents for the next four years.

This will have a considerable impact on the resources available to the HRA Business Plan. In addition, the Governments “Pay to Stay” policy announcement and other changes to Housing benefits will impact on both tenants and the HRA business plan. Work is currently underway to assess the financial impact of these. Other identified risks to the HRA are:

- **Interest rates:** fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA.
- **Repairs and Maintenance:** existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

Capital Programme Risks

Capital Receipts and Capital Programme

36. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the depressed market and the impact of the Affordable Housing policy. This could result in over-programming / delay / cancellation of capital schemes.

Housing Regeneration

37. There is a risk to delivering the full scope of major schemes such as Parkhill because of the severe downturn in the housing market. This could result in schemes ‘stalling’, leading to increased costs of holding the sites involved.

Olympic Legacy Park

38. The Council supports the development of the Olympic Legacy Park to regenerate the Lower Don valley. Some parts of the infrastructure need private party or external funding to realise the vision. There is a very tight timescale to meet in order that the educational facilities can be operational in time for the academic year. If the funding cannot be put in place in time, the Council may have to step in with funding which will place additional strain on the funding of the programme.

Bus Rapid Transit (BRT) North

39. The project is significantly over budget and a year behind schedule due to the discovery of asbestos on land which was previously thought to have been decontaminated, and, an unchartered sewer which has had to be relocated. The latest estimate of the unfunded spend is £6.5m. A number

of options are being pursued, including applying for additional grant funding, litigation against those at fault and allocation of anticipated future planning related development fees.

**Cabinet Report**

Report of: Simon Green, Executive Director Place

Report to: Cabinet

Date: 16th September 2015

Subject: Chesterfield Road Key Bus Route
Land Acquisition and
Compulsory Purchase Order 2015

Author of Report: Ian Taylor (0114 273 6065)

Key Decision: YES

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

Summary:

The people of Sheffield have told South Yorkshire Passenger Transport Executive (SYPTe) that lack of bus reliability is one of the main reasons why they don't use public transport. Interventions continue to be introduced on several Key Bus Routes (KBR's) throughout the city, including the Chesterfield, North Sheffield and Gleadless corridors. Together the schemes along these corridors make public transport to, from and across the city more attractive leading to increased bus patronage. There are other benefits such as better measures for pedestrians, cyclists and other traffic as well as air quality and employment improvements.

The improvements are supported by the Sheffield Bus Partnership, comprising First Group, Stagecoach, Sheffield Community Transport, SYPTe and Sheffield City Council. The Chesterfield Road KBR is just one of the corridors being progressed to improve Sheffield's public transport facilities. Improvements to the bus routes in this part of the city already include Meadowhead, where significant

benefits have been seen, and will further reduce delays in bus travel, improve reliability and contribute to making the City a 'Great Place to Live'. Chesterfield Road carries, on average, one inbound bus every two minutes and with predicted savings of over 1.5 minutes per bus this offers substantial benefits for bus users and other road users.

In order to deliver the Chesterfield Road Key Bus Route Improvement Scheme to the programme agreed, through the Sheffield Bus Partnership Agreement, with South Yorkshire Passenger Transport Executive who secured funding from Central Government via the Better Bus Area Fund, the required Order Land must be acquired and all rights negotiated by the end of 2017. In total 3 plots of land need to be acquired. The intention is to acquire by negotiation, however a Compulsory Purchase Order (CPO) is being developed in parallel to give certainty of scheme delivery. The land required will be purchased at market value and its acquisition will represent an increase in the Council's asset portfolio.

Reasons for Recommendations:

The use of a CPO to acquire the Order Land required for the Scheme is possible under the Highways Act 1980, and would be justified in the light of a compelling case in the public interest for the acquisition of the Order Land to enable the delivery of the Chesterfield Road Key Bus Route.

Where the Council propose to make a CPO under these statutory provisions, the Council must be satisfied that the development is likely to contribute to the achievement of one or more of the following objectives, namely the promotion or improvement of the economic, social or environmental well-being of their area.

It is considered that there is a compelling case in the public interest to justify the Council using its CPO powers to acquire the Order Land because the implementation of this scheme will reduce congestion and delays around this busy section of the network, improving service reliability for buses, conditions for economic inward investment and contributing to reduced vehicle emissions.

Recommendations:

- Authority be given for the Council to make a CPO under the powers conferred by the Highways Act 1980 to acquire the land coloured pink and occupy temporarily during the period of the works the land coloured blue on the Map displayed at the meeting of Cabinet on the 16th September 2015 and marked 'Map referred to in The City of Sheffield (Chesterfield Road) (Chesterfield Road Key Bus Route) (Classified Road, A61) Compulsory Purchase Order 2015'.
- Authority be given for the Director of Legal and Governance to authorise the making of the CPO, to take all necessary procedural steps prior to and after the making of the CPO, to enable the CPO to be submitted to the Secretary of State for confirmation including :

(a) finalising the attached draft Statement of Reasons;

- (b) finalising the Schedule of Interests;
 - (c) serving notices of the making of the CPO on all persons entitled to such notice and placing necessary press notices; and
 - (d) taking all necessary steps to confirm the Order if authorised by the Secretary of State
- Authority be given for the Director of Finance and the Director of Capital and Major Projects, in conjunction with the Director of Legal and Governance to acquire and/or secure affected land and rights by agreement in parallel with the CPO, so that the scheme can be implemented.
 - That the Director of Legal and Governance be authorised to sign and serve any Notices and documents and together with the Executive Director of Place be authorised to take all other necessary action to give effect to these recommendations.
 - As soon as the Order is confirmed by the Secretary of State to advertise the confirmation of the CPO and serve all necessary notices of confirmation and once the CPO becomes operative, the Director of Legal and Governance be authorised to serve Notices to Treat under Section 5 of the Compulsory Purchase Act 1965, and where necessary, to serve Notices of Entry under Section 11 of the same Act in respect of the land included in the Order, or to execute general vesting declarations under the Compulsory Purchase (Vesting Declarations) Act 1981
 - To note that a Note that a Capital Approval submission will brought forward for the acquisition of the land.

Background Papers:

Category of Report: OPEN (Closed Part 2)

Part 2 of the report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: David Sellars
Equality of Opportunity Implications
YES Cleared by: Annemarie Johnston
Tackling Health Inequalities Implications
NO Cleared by:
Human Rights Implications
NO Cleared by:
Environmental and Sustainability implications
YES: See Sections 3.0 and 10.0
Economic Impact
YES: See Section 5.0
Community Safety Implications
NO Cleared by:
Human Resources Implications
NO Cleared by:
Property Implications
YES Cleared by: Dave Wood
Area(s) Affected
Gleadless Valley Ward
Relevant Cabinet Portfolio Lead
Terry Fox, Cabinet Member for Environment and Transport
Relevant Scrutiny Committee
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
YES
Press Release
YES

REPORT TO CABINET

CHESTERFIELD ROAD KEY BUS ROUTE IMPROVEMENT SCHEME LAND ACQUISITION AND COMPULSORY PURCHASE ORDER

1.0 SUMMARY

- 1.1 The Chesterfield Road bus corridor is a designated Key Bus Route and funding has been secured from Central Government, through the Sheffield Bus Partnership Agreement and Better Bus Area Fund, so that Sheffield City Council can undertake improvements to the highway to help reduce traffic delays and improve service reliability for buses by linking up two existing sections of bus lane along the route.
- 1.2 At present, the inbound peak hour bus lane on Chesterfield Road ends at the entrance to Heeley Retail Park. Cars, buses and other vehicles are delayed as traffic merges into a single inbound lane before the bus lane resumes just north of the junction with Saxon Road. Further delays are caused by the movement of traffic into and out of the side roads, particularly at Saxon Road.
- 1.3 In partnership with South Yorkshire Passenger Transport Executive Sheffield City Council proposes to widen Chesterfield Road. Following consultation with local residents and businesses it is planned that two continuous inbound lanes (a peak hour bus lane and a lane for general traffic) will be created by widening Chesterfield Road into land fronting Porcelanosa, B&M Store and Lidl. Outside weekday peak hours all traffic will be allowed to use both lanes.
- 1.4 In advance of detailed scheme design, acquisition of the land needed to construct the scheme is the next stage in the current programme.
- 1.5 The intention is to acquire, by agreement, all affected land and rights necessary to deliver the scheme, however in order to strengthen the case for deliverability, it is intended to run these negotiations in parallel with the CPO process.
- 1.6 The report describes the case for obtaining the necessary authority to make, publish and submit to the Secretary of State for Transport for confirmation, the CPO required to implement the planned scheme which shall link two existing sections of bus lane along Chesterfield Road.
- 1.7 The report also seeks authority to acquire, by agreement, affected land and rights in parallel with the CPO and, subject to confirmation of the Order, compulsorily acquire the outstanding land interests and rights included in the Order.
- 1.8 The proposed land acquisition has financial implications and the report seeks to advise Cabinet on this and more broadly on the continued development of the Key Bus Route and the current funding plan.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The scheme will provide a faster, more reliable and sustainable bus service which is accessible to everyone be they residents, or visitors to Sheffield. It will provide high-quality access to the City Centre being a key employment location.
- 2.2 The scheme will provide additional capacity in terms of both public transport and the local highway network thus enabling the delivery of key employment-generating developments within the City. It will also provide a competitive public transport option, which twinned with the provision of additional highway capacity through this busy section of the network, will reduce congestion and delays, improving conditions for inward investment and contributing to reduced vehicle emissions.
- 2.3 Existing businesses on and around Chesterfield Road itself often suffer because of local traffic congestion. In addition to improving journey times along this bus corridor the scheme will help to improve access to local businesses and facilities, thereby encouraging economic growth.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The key outcome of the report will be approval to proceed with the acquisition of land by negotiation and the advertisement and making of a CPO in support of the scheme. Acquiring all necessary land is essential to the delivery of the scheme and will enable government funding, already secured, to be drawn down as part of the Sheffield Bus Partnership Agreement which was formally signed by Bus Operators, South Yorkshire Passenger Transport Executive and Sheffield City Council in November 2012, allowing the Department for Transport to announce in February 2013 that Sheffield would become the first Better Bus Area in the country and would receive £18.3 million to invest in the partnership area.

4.0 REPORT BACKGROUND

- 4.1 The scheme has been developed as a partnership between Sheffield City Council and the South Yorkshire Passenger Transport Executive. This partnership is bound by a written agreement which sets out the roles and responsibilities of each member so as to best ensure the delivery of the project on programme and to budget.
- 4.2 Supporting economic growth is a key objective of the Sheffield City Region Transport Strategy 2011-2026. Furthermore the promotion of a strong and competitive economy is a priority area for Sheffield City Council's Corporate Plan 2015-18. This priority sets out the need for economic growth, the creation of more and better jobs, and the establishment of a highly skilled workforce. This scheme provides enabling infrastructure which will contribute to the realisation of these economic objectives.
- 4.3 This creates a very strong strategic fit for the delivery of the scheme which

is fundamental to the growth aspirations of the economy of Sheffield, which is dependent on effective connectivity.

- 4.4 The scheme was submitted as a business case to the Department for Transport's Major Schemes fund, and in February 2013 was granted programme entry status which confirms a conditional offer of funding. The Government's current spending review period dictates that all funds for the scheme need to be spent by December 2017, and consequently all necessary statutory approvals have to be in place to ensure that if negotiations to acquire the affected land by agreement fail, then it and any rights necessary to deliver the scheme can be acquired before the funding ends.

5.0 SCHEME OBJECTIVES, DESCRIPTION AND TIMESCALE

- 5.1 In addition to providing more efficient and more sustainable public transport by linking two existing sections of bus lane and eliminating the current 'pinch point' for buses and other vehicles, the main objectives of the scheme are:

- Development and economic regeneration: to support existing developments and enable future economic growth in the City Centre and the urban centres along the route by providing the required additional capacity in the public transport and local highway networks. The scheme will directly benefit areas which are currently constrained by the limitations of the transport network.
- Connecting people to jobs: to improve the quality, capacity and reliability of public transport along the Chesterfield Road Key Bus Route, representing a step-change. Providing residents of the region with sustainable access to jobs and services along the route. The scheme will also improve links with other bus corridor schemes such as the Gleadless Key Bus Route and the North Sheffield Better Buses Project.
- Strategic connectivity: to address congestion and connectivity issues in this important bus corridor that forms a key arterial route to the City Centre.
- Environmental improvements: to contribute to improved local air quality and lower carbon emissions from transport, through the provision of a competitive alternative to car access.

- 5.2 At various stages in the development of the scheme public consultation has been carried out, most notably during the formal advertising period for the Traffic Regulation Orders associated with this scheme. This consultation included writing to all fronting properties to explain the proposals, articles in local newsletters, site notices, the production of a digi-brief, and a dedicated webpage.

- 5.3 Subject to successful acquisition of the necessary land and rights by agreement the timescale for construction is to start on-site no later than March 2016 with practical completion by March 2017. Should negotiations fail and the CPO be imposed at a later stage then this would

be likely to result in a delay to the programme of 8-12 months, taking the timescale beyond the funding deadline.

6.0 EXTENT OF COMPULSORY PURCHASE ORDER AREA AND POWERS

- 6.1 The areas shaded pink on the CPO Land Plan on display at Cabinet and the Members' Library marked 'Map referred to in The City of Sheffield (Chesterfield Road) (Chesterfield Road Key Bus Route) (Classified Road, A61) Compulsory Purchase Order 2015' and enclosed in Appendix A indicate the extent of the acquisitions in the proposed CPO. At an early stage in the process all known land-owners and tenants were contacted to explain the scheme in detail and to provide the opportunity for any concerns to be discussed and if possible resolved. This enabled the establishment of a good working relationship with all of the affected parties.
- 6.2 The intention is to acquire by agreement the necessary land and rights and to agree accommodation works to the satisfaction of the relevant parties. Informal, early discussions have informed this process and negotiations are now under-way. In a number of instances much of the land shaded blue will remain in its current use following completion of the scheme, but is included in the Order so that access can be secured to undertake essential elements of the works.
- 6.3 Referring to the CPO Land Plan Plots 1, 2 and 3 form part of the forecourts and frontage landscaping of premises fronting Chesterfield Road. Following the highway improvements to these plots, the land not required for highway purposes will revert to the occupants to use in pursuance of their businesses, and any necessary reinstatement of landscaping or surfacing carried out.
- 6.4 Compulsory purchase powers may be used by a highway authority for:
- a) The improvement of an existing highway and associated works, including side roads and accesses;
 - b) The construction of a new highway and associated works, including side roads and accesses; amongst others.
- 6.5 The CPO may be made pursuant to Part XII of the Highways Act 1980 which enables a highway authority to acquire land for highway schemes, where it judges it necessary to achieve its policies and objectives, or to facilitate development by the private sector or other agencies. The specific sections of the Highway Act 1980 are:
- (i) Section 239, for the construction of new highway and the improvement of existing highway;
 - (ii) Section 240 for the use of land in connection with the construction or improvement of a highway; and
 - (iii) Section 260, for the inclusion of land in which the Council has an interest.

7.0 LEGAL IMPLICATIONS

- 7.1 It is the view of the Director of Legal and Governance that the CPO of the Order Land is required in order to enable the delivery of the Chesterfield Road Key Bus Route which is likely to achieve the promotion or improvement of the economic and environmental well-being of the area and its inhabitants, and consequently their social well-being as well.
- 7.2 For the reasons set out in paragraph 7.1 above the Director of Legal and Governance confirms that under the Highways Act 1980 the Council can make a CPO to acquire the land required for the Scheme or the Council may acquire the land by agreement.
- 7.3 The Office of the Deputy Prime Minister ('ODPM') (now the Department of Communities and Local Government) Circular 06/04 notes that, "compulsory purchase proposals will inevitably lead to a period of uncertainty and anxiety for the owners and occupiers of the affected land", and states that, "it is essential that the acquiring authority keeps any delays to a minimum by completing the statutory process as quickly as possible".
- 7.4 In recognition of this advice the Council should seek confirmation of the CPO from the Secretary of State as soon as possible.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Cabinet has already approved £514k for the development of this bus lane. The proposed works will take the spend to £582k which will facilitate full design and feasibility works to determine the likely cost of completing this bus corridor. The funding for the scheme comes entirely from the capital element of the funding awarded by the Department of Transport as part of the Sheffield Bus Partnership Agreement and Better Bus Area Fund.
- 8.2

- The estimated cost for delivering the the final part of the scheme ranges from between £2.5m and £4m. The Better Bus Area Fund is intended to fund a number of projects across the city. In the event that the upper range of costs was reached, some other schemes would have to be curtailed unless alternative funding streams could be found.
- 8.3

- The portion of the costs allocated for land acquisition is highlighted in Part 2 of the report. This figure takes into account compensation for land take, disturbance, loss payments and fees. It also includes a risk allowance taking into account additional costs that may arise during the process. The costs of any identified accommodation works are picked up separately within the cost plan and feature as part of the civil works estimates. In order to achieve the current programme, and to meet the timescales for the Department for Transport's, the expenditure is to be incurred in 2015/16 and 2016/17. The legal costs associated with the production and advertisement of the Orders will be met by the scheme.
- 9.0

- 9.1

EQUAL OPPORTUNITY IMPLICATIONS

- 10.0 Equal opportunity implications arise from the scheme and these have been addressed as part of the initial design process, for example in the
- 10.1 provision of accessible pedestrian crossings using tactile paving.

ENVIRONMENTAL IMPLICATIONS

- Environmental implications which arise from the scheme will be addressed as part of the scheme planning and detailed design stage. A detailed Environmental Statement will be prepared as part of any future planning application which will consider issues such as air quality, ecology, noise and vibration. Those measures identified which would mitigate the impact of the scheme will be conditioned as part of this process. The scheme will reduce congestion, provide high quality, sustainable public transport, and through the redistribution of traffic,
- 11.0
 - 11.1 reduce emissions for sensitive residential areas.

COMMUNITY SAFETY IMPLICATIONS

- 12.0 Community Safety implications arise from the scheme and these have been addressed as part of the scheme planning and design process, for
- 12.1 example improved street lighting, pedestrian and cycle facilities.

HUMAN RIGHTS IMPLICATIONS

The rights of any affected parties under the Human Rights Act 1998, particularly Article 1 of the First Protocol, have been taken into account. Having regard to the public interest and the improvements the scheme will bring to the transport network, the proposed alterations to the highway network and to private means of access do not constitute an unlawful interference with any of these rights, nor do the acquisitions constitute an unlawful interference with any of these rights.

13.0 ALTERNATIVE OPTIONS CONSIDERED

- 13.1 Where it is known that the City Council requires land for the delivery of a scheme, an owner or occupier may be prepared to sell their interest, and consequently the Council can, in some cases, pursue an acquisition by agreement, without the requirement for a CPO.
- 13.2 An attempt to acquire, by agreement, the land and rights affected by the proposed scheme, prior to making a CPO has been considered as an alternative option. Negotiations continue and are encouraging but given that the Government's current spending review period dictates that all funds for the scheme need to be spent by December 2017, it is imperative for the Council to ensure that if negotiations to acquire the affected land by agreement fail, then it and any rights necessary to deliver the scheme can be acquired before the funding ends. Running these negotiations in parallel with the CPO process is therefore considered the most appropriate option.

14.0 REASONS FOR RECOMMENDATIONS

- 14.1 The use of a CPO to acquire the Order Land required for the Scheme is possible under the Highways Act 1980, and would be justified in the light of a compelling case in the public interest for the acquisition of the Order Land to enable the delivery of the Chesterfield Road Key Bus Route Improvement Scheme.
- 14.2 Where the Council propose to make a CPO under these statutory provisions, the Council must be satisfied that the development is likely to contribute to the achievement of one or more of the following objectives, namely the promotion or improvement of the economic, social or environmental well-being of their area.
- 14.3 It is considered that there is a compelling case in the public interest to justify the Council using its CPO powers to acquire the Order Land because the implementation of this scheme will reduce congestion and delays around this busy section of the network, improving service reliability for buses, conditions for economic inward investment and contributing to reduced vehicle emissions.

15.0 REASONS FOR EXEMPTION

- 15.1 The report is presented as a partially closed item because Part 2 of the report contains exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The reason for this exemption is because this section contains information relating to the financial or business affairs of a particular person (including the authority holding the information).
- 15.2 It is considered that this information is commercially sensitive and by revealing market sensitive information or information of potential usefulness to competitors, it would significantly weaken the Council's position in a competitive environment.

16.0 RECOMMENDATIONS

- 16.1 Authority be given for the Council to make a CPO under the powers conferred by the Highways Act 1980 to acquire the land coloured pink and occupy temporarily during the period of the works the land coloured blue on the Map displayed at the meeting of Cabinet on the 16th September 2015 and marked 'Map referred to in The City of Sheffield (Chesterfield Road) (Chesterfield Road Key Bus Route) (Classified Road, A61) Compulsory Purchase Order 2015'.
- 16.2 Authority be given for the Director of Legal and Governance to authorise the making of the CPO, to take all necessary procedural steps prior to and after the making of the CPO, to enable the CPO to be submitted to the Secretary of State for confirmation including :

- (a) finalising the attached draft Statement of Reasons;
- (b) finalising the Schedule of Interests;
- (c) serving notices of the making of the CPO on all persons entitled to such notice and placing necessary press notices; and
- (d) taking all necessary steps to confirm the Order if authorised by the Secretary of State

- 16.3 Authority be given for the Director of Finance and the Director of Capital and Major Projects, in conjunction with the Director of Legal and Governance to acquire and/or secure affected land and rights by agreement in parallel with the CPO, so that the scheme can be implemented.
- 16.4 That the Director of Legal and Governance be authorised to sign and serve any Notices and documents and together with the Executive Director of Place be authorised to take all other necessary action to give effect to these recommendations.
- 16.5 As soon as the Order is confirmed by the Secretary of State to advertise the confirmation of the CPO and serve all necessary notices of confirmation and once the CPO becomes operative, the Director of Legal and Governance be authorised to serve Notices to Treat under Section 5 of the Compulsory Purchase Act 1965, and where necessary, to serve Notices of Entry under Section 11 of the same Act in respect of the land included in the Order, or to execute general vesting declarations under the Compulsory Purchase (Vesting Declarations) Act 1981.
- 16.6 To note that a Capital Approval submission will be brought forward for the acquisition of the land.

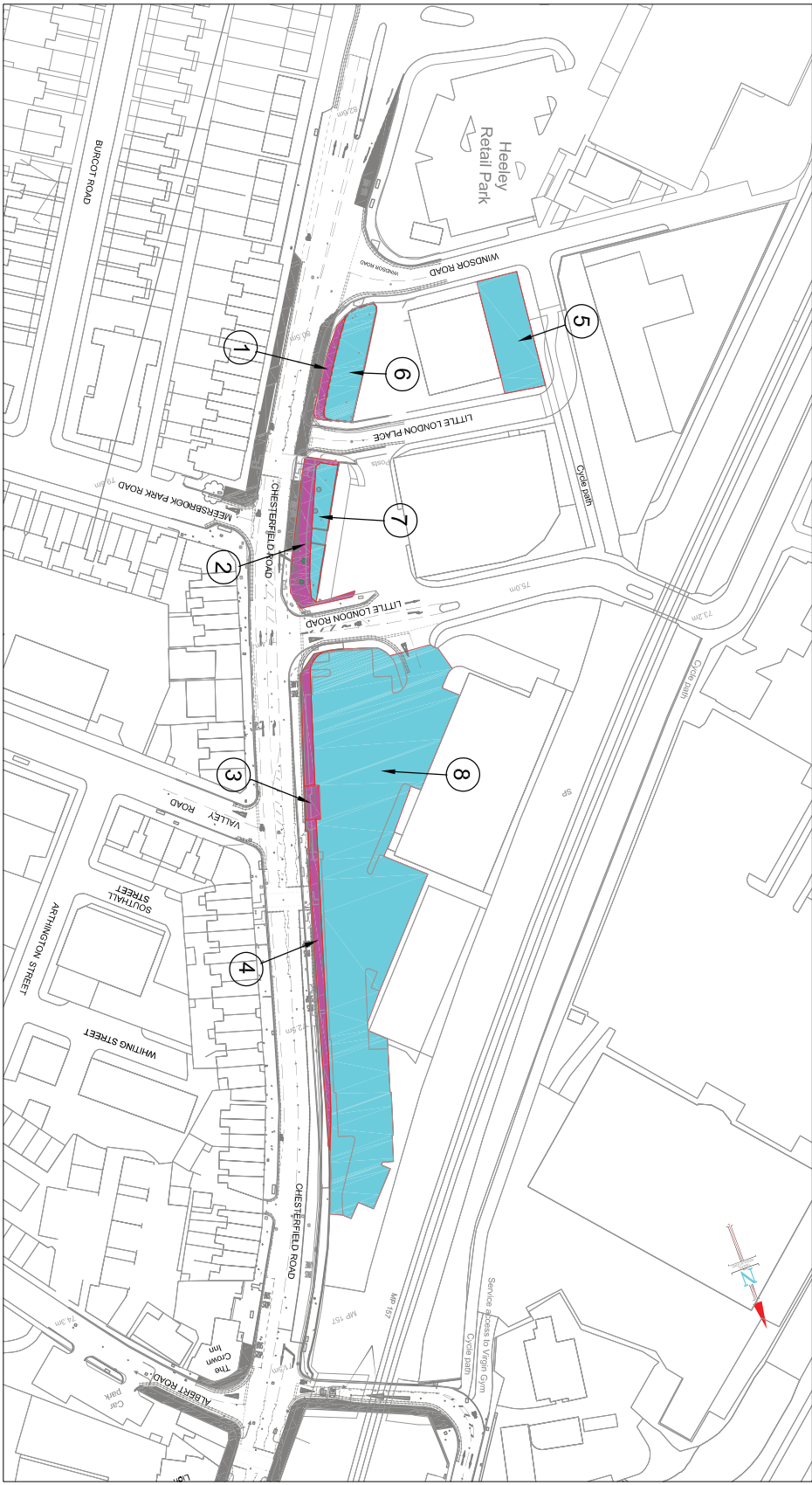
Ian Taylor
Transport Planner
16th September 2015

APPENDIX A

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

Document is Restricted

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KEY

- LAND TO BE ACQUIRED
- NEW RIGHTS TO BE ACQUIRED

TRANSPORT, TRAFFIC & PARKING SERVICES DIVISION
SCHEME DESIGN
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 Director: David Caulfield, RTPI

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Client: **SHEFFIELD CITY COUNCIL**
 Scheme: **CHESTERFIELD ROAD INBOUND BUS LANE**

Drawing No. **TM-1446-LT107-P02**
 Scale: **1:1250**
A3



A Service Area of Place
 Sheffield City Council

AUTHOR: **ATM**
Jul 2015

CHECKED
COMPULSORY PURCHASE ORDER PLAN

Date: **SEP 2015**

SCHEME DESIGN

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**SHEFFIELD CITY COUNCIL****Cabinet Report**

Report of: Simon Green, Eugene Walker

Report to: Cabinet

Date: 16 September 2015

Subject: Future Options for SCC Property & Facilities
Management Services

Author of Report: Martin Wood, 273 4575

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000
Affects 2 or more wards

Summary:

Property Management and Facilities Management services were outsourced to Kier Ltd in July 2009 as part of a wider exercise of market testing the delivery of former in-house services. They have been delivered by Kier Asset Partnership Services Ltd (KAPS) with a small ancillary cleaning contract for schools delivered by Norse. Whilst the current contract has delivered the expected savings the changing nature of the environment in which core Council services are delivered has prompted a review of future delivery options. The current KAPS contract expires in June 2016, as does the Norse contract.

A task and finish group has considered which future option for property and facilities management would deliver a first class service for internal service users and our customers whilst giving the Council much greater flexibility in terms of accountability and delivery of services in line with our corporate priorities.

Property and facilities management services can be split into five separate service blocks:

- Property Services
- Cleaning
- Security and Events
- Catering and
- FM Service Delivery

The future service delivery requirements for these services have been considered both individually and collectively and a decision now needs to be made on how service will be delivered following the ending of the contracts.

The options for future delivery of the above services are identified as:

- To extend the full contract with Kier Ltd based on the service improvements and savings offered within the contract renewal dialogue
- To offer to extend elements of the contract with Kier Ltd based on the service improvements and savings offered within the contract renewal dialogue
- To extend elements of the contract of sufficient duration to enable a specification for retender to be produced and evaluated
- To bring all or elements of the contract back in house
- To explore the opportunities for a joint venture delivery option
- To retender the services to the market

The decisions made on the two largest service blocks; property services and cleaning may limit the options available to the smaller service blocks if the decision made makes the existing contract not viable for extension.

A further option to do nothing at the end of the contact has been dismissed as the Council would be in breach of a number of statutory property duties and health and safety management requirements if the above services were no longer provided.

Service provision decisions are taken after a comprehensive evaluation of a strategic business case prepared for each service block. It is acknowledged that there are a range of potential benefits and dis-benefits to different types of arrangement and these have been considered carefully in coming to a view about the best model for future service delivery, particularly in the current context of requiring increasing service quality, flexibility to react to the long term requirements of increasing austerity and the Council's stance on fairness and tackling inequality.

It is recommended to follow an insourced option for:

- Property services
- FM Service Delivery and
- Security and Events

And to explore the options for a joint venture or retender of the contracts for:

- Cleaning and
- Catering

to provide the Council with the most flexible and beneficial option for future service delivery given the risks identified.

There will be initial one-off implementation costs involved in insourcing and retendering these services that will offset some initial savings identified. However, in the long-term this proposal demonstrates the most cost-effective option capable of achieving year-on-year sustainable savings and in some cases additional income generation.

There may be a small number of specialist elements of property management and events catering which may continue to be more effectively delivered by an external contractor, and more work will be done to define these. At the moment these services are generally subcontracted by KAPS to other organisations. These will be tendered under the Council's normal policies and procedures.

As with any major change, there are risks associated with insourcing and retendering services. Strong management of the transfer and contract evaluation processes and robust implementation plans will ensure that these risks are effectively mitigated.

A wide range of Council Officers have been involved in developing the proposals in this report, along with Members, and information has also been sought from other organisations to help inform the work.

Following approval of the proposals a detailed implementation plan will be designed to prepare for the transfer of services. This work will include working with employees and Trade Unions to ensure that the quality of service delivery is maintained during transition.

Alongside the work undertaken to assess the best options for service delivery, serious consideration has been given by Council Officers and Members on the design of services for the future, particularly where they are delivered directly to the people of Sheffield. This design work will lead to the development of a new 'Target Operating Model' (TOM) for customers and Members and service users will be closely involved in this work.

Reasons for Recommendations:

Each element of the proposed package has been considered on its merits. The proposals are being recommended as providing an appropriate balance between:

- Providing quality services, which meet the expectations of customers (both internal customers and the public)
- Making a considerable, and ongoing, contribution to the Council's savings target, over and above what was envisaged as part of the 2009 contract

- Maintaining risk (financial, legal, reputational and delivery) within acceptable limits
 - Being affordable and representing best value to the organisation within the short and long term
 - Supporting the organisation to transform its services and deliver flexibly and differently
-

Recommendations:

Cabinet are recommended:

- a) To note the contents of this report including the principles and assumptions described and have regard to the risks and mitigations as set out in the report and Appendix A
- b) To give approval for the budget required to cover the one-off implementation and set-up costs, as described in Appendix A of this report
- c) To give approval for the identified insourcing of Property Services, FM Service Delivery and Security & Events
- d) To note the potential contracting-out of a small proportion of specialist property and catering services
- e) To give approval for the identified service retendering of Cleaning and Catering services
- f) To grant delegated authority to the Executive Director of Resources in consultation with the Cabinet Member for Finance & Resources
 - To carry out the appropriate contractual mechanisms to give notice to Kier Ltd to notify that the contract will not be extended and to carry out all necessary steps to identify and carry out the exit obligations
 - To undertake formal consultation with Trade Unions regarding the transfer of staff engaged on the Kier Ltd contract into the Council and other transfer and transition arrangements (in consultation with the Director of Human Resources as necessary)
 - In consultation with the Director of Human Resources to develop the future structures of insourced services within his portfolio
 - In consultation with the Director of Commercial Services, Director of Finance and the Director of Legal and Governance to approve a business case for the creation of joint venture arrangements for the Cleaning and Catering services
 - In consultation with the Director of Commercial Services, Director of Finance and the Director of Legal and Governance to approve the procurement strategy and subsequent, contract awards for the outsourced Cleaning and Catering services including where a business case has been approved a joint-venture

arrangement

- To make arrangements to monitor the performance and delivery of the new service arrangements
 - Any other actions he sees appropriate for the effective preparation for and implementation of the insourcing and future delivery of the identified service elements within his portfolio
- g) To grant delegated authority to the Executive Director of Place in consultation with the Cabinet Member for Finance & Resources
- In consultation with the Director of Human Resources to develop the future structures of insourced services within his portfolio
 - Approving the final procurement strategy, contract awards, joint-venture arrangements and agreeing contract terms and entering into the contracts for all necessary associated goods and services (in consultation with the Director of Commercial Services and the Director of Legal and Governance as necessary)
 - Any other actions he sees appropriate for the effective preparation for and implementation of the insourcing and future delivery of the identified service elements within his portfolio
 - Ensuring compliance with all relevant legislation to minimise the risk of disruption to the organisation or public
 - To make arrangements to monitor the performance and delivery of the new service arrangements

Background Papers:

Category of Report: OPEN with CLOSED appendix

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

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Jayne Clarke
Legal Implications
YES/NO Cleared by: David Hollis
Equality of Opportunity Implications
YES/NO Cleared by: Michelle Hawley / Adele Robinson
Tackling Health Inequalities Implications
YES/NO Cleared by:
Human Rights Implications
YES/NO Cleared by:
Environmental and Sustainability implications
YES/NO Cleared by:
Economic Impact
YES/NO Cleared by:
Community Safety Implications
YES/NO Cleared by:
Human Resources Implications
YES/NO Cleared by: Julie Toner
Property Implications
YES/NO Cleared by: David Wood
Area(s) Affected
All Wards
Relevant Cabinet Portfolio Lead
Cllr Ben Curran
Relevant Scrutiny Committee
Overview & Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press Release
YES/NO

REPORT TO CABINET

Future Options for SCC Property & Facilities Management Services

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Martin Wood
Assets Service Manager
July 2015

1.0 Summary

- 1.1** In 2008, Cabinet approved an ambitious programme to test a range of formerly in house provision of services to the external market through a comprehensive service tendering programme. The programme was arranged in two packages, one for Revenues and Benefits, Information and Communication Technology (ICT), transactional HR and Finance services with a second smaller package for Property & Facilities Management Services. The Property & FM services contract was awarded to Kier Ltd and the delivery undertaken by Kier Asset Partnership Services (KAPS). A small ancillary cleaning contract for 10 schools is delivered by Norse.
- 1.2** Whilst the Property & FM contract has delivered the required savings and efficiencies in some areas, the changing nature of the external property environment and the requirement to adapt to a period of prolonged austerity, have indicated the requirement for a focused rethink of what kind of a service Property and Facilities Management should present for the future.
- 1.3** The initial term of the agreement with Kier Ltd and Norse is due to come to an end on June 30th 2016 and the Council is required to make a decision about the future delivery of those services. Under the terms of the original agreement, there is an opportunity to extend and vary the current arrangements, should the Council so choose.
- 1.4** This report sets out a number of recommendations to Cabinet on the future provision of these services.

2.0 What does this mean for Sheffield people?

- 2.1** In order to provide high quality, value for money public services, it is important that the Council has robust, efficient and effective property and facilities management ensuring that its stock of buildings are safe, clean and well maintained for both occupiers and service users. The Council's property portfolio also provides the social infrastructure for the people of Sheffield through schools, homes and parks and contributes directly to the wider social and economic regeneration of the City.
- 2.2** This report makes recommendations about the delivery of property functions and seeks to achieve significant service improvement together with ongoing savings in these areas for reinvestment in direct service delivery.

3.0 Outcome and Sustainability

- 3.1** Supporting the Council's Strategic Outcomes:

Property and Facilities Management has a cross cutting support and regeneration function that provides the physical infrastructure for the Council's required outcomes, particularly;

An In-Touch Organisation

- Make the best use of public money to have the greatest impact for Sheffield

Focussing on Jobs

- Create local employment opportunities
- As part of our fairness agenda paying a Living Wage, wherever viable becomes a criteria for steering future service delivery

Business Friendly

- Moving to the provision of a single uniformed presence across the City Centre to improve place management, user security and contribute to a vibrant City Centre
- Creating the conditions for local businesses to grow and making Sheffield an attractive location to start a business
- Using our asset base and covenant strength to lever economic growth and investment. Creating a physical environment and supporting infrastructure that attracts new employers and assists existing employers to grow
- Being connected and being responsive to a range of people and organisations. Finding opportunities to develop mutually beneficial long term relationships with the community, property developers and community entrepreneur organisations

3.2 The proposals contained in this report provide a scalable, flexible and sustainable model for providing the property and facilities management functions required for the Council, both now and in a future where the ability to react quickly and flexibility to further austerity requirements will be a prime consideration.

3.3 As important as our flexibility will be, our ability to innovate to use our asset base to lever additional economic growth and to use the powers granted under the Localism agenda to seek new opportunities to trade our services and to make better use of resources with our other public sector partners.

4.0 Introduction and Background

4.1 As part of the 'Outstanding Sheffield' programme, and following a competitive dialogue process in 2007 and 2008, Kier Ltd were appointed by the Council to become the organisation's strategic partner from July 2009. The contract was for the delivery of a range of property and facilities management services, including property and commercial estate management, together with a range of hard and soft facilities management services including cleaning, catering, security, Town Hall events and FM Service Delivery.

4.2 Underpinning the Outstanding Sheffield programme was a belief that efficiencies and savings could be identified and delivered through the combination of service streams and that by bundling property functions together service redesign savings could be achieved. In reality, under the umbrella term of property sit a series of distinct functions where land and property surveying functions are more closely aligned with Planning & Regeneration and Facilities Management, with building construction and maintenance.

4.3 Additionally, whilst the Kier contract has delivered both savings and efficiencies, a combination of changing external conditions in the local and global property markets and the format of the original contract have compromised a number of transformation and service redesign requirements envisaged under the original programme, with parts of the contract already returned to Council management.

4.4 It is now appropriate to reconsider how the Council can best be supported to deliver the changing requirements of the next few years, given the indication that there will be no net increase in public sector spending for the next four to five years and that the future shape of the organisation could alter quite radically within a very short timescale.

5.0 Process

5.1 The contract with Kier Ltd was structured to provide a break point after 7 years (i.e. at July 2016). By mutual agreement but subject to procurement law, the contract can be renegotiated and extended past this point for further years.

5.2 Since February 2015 Officers have been in dialogue with KAPS to explore the various elements of the contract and to consider KAPS outline and refined proposals for extending the current contract based on additional scope, savings, efficiencies and improvements.

5.3 In parallel with this process Members have initiated a Member and Officer Task and Finish Group to identify the perceived weaknesses of the current Property and FM Contract and to evaluate if an alternative approach to extension of the contract provides a better solution to address future Council requirements. Officers have been requested to produce and have submitted strategic business cases for each of the contract service blocks:

- Property Services
- Cleaning
- Catering
- Security and Events
- FM Service Delivery e.g. Post

5.4 A number of future options are available:

- To extend the full contract with Kier Ltd based on the service improvements and savings offered within the contract renewal dialogue
- To offer to extend elements of the contract with Kier Ltd based on the service improvements and savings offered within the contract renewal dialogue
- To extend elements of the contract of sufficient duration to enable a specification for retender to be produced and evaluated
- To bring all or elements of the contract back in house

- To explore the opportunities for a joint venture delivery option
- To retender the services to the market

5.5 In evaluating these options Members have asked Officers to consider the following criteria:

- Whether the option is capable of providing a Living Wage to low paid workers
- How identified improvements to service delivery can be quantified
- Savings identified
- Future management arrangements
- Risks to the Council

5.6 These options and issues have been extracted from the individual strategic business cases and are reproduced below.

5.7 Following the dialogue with KAPS, on its future proposals for the contract, Officers were unable to determine a compelling commercial or operational reason to justify contract extension or renewal.

6.0 Property Services

6.1 Property Services are both a business critical function for the Council and a driver for the City's economic regeneration, ensuring that the Council's demand and supply of operational premises required for service delivery are balanced and that the City's growing demand for housing, schools, leisure facilities and other physical infrastructure can be met. The service also contributes directly to the economic regeneration of the City, assembling sites and making land available to encourage business relocation to the City, to support existing business growth and to aid new business start-ups.

6.2 In this area the KAPS contract has delivered both savings and efficiencies on mainstream transactional property functions. However the expected innovation and ability to draw in specialist property expertise from within the umbrella of a larger property management organisation have not been strongly presented and the restrictive nature of the existing property contract has impacted on the flexibility required to function effectively in current operating conditions. Within the property services establishment all employees are paid above Living Wage levels.

6.3 Evaluation of the strategic business case and commercial intelligence suggests that any standard contractual arrangement requiring the current and future flexibility requirements of the Council for property will be unaffordable as contractor's price in the uncertainty around future volumes of work and their associated rates.

- 6.4** Given these considerations extension of the existing contract would not present the best solution available to the Council.
- 6.5** The financial benefits of this approach are contained in Appendix A and arise primarily from the profit element of the core property contract, accommodation costs and other overheads, contractor mark up on externally procured specialist property services, removal of contract administration and some client functions costs, and removal of the bonus incentivising capital disposal of surplus assets.
- 6.6** Two major risks are identified. Firstly that unknown cross subsidies may exist between the Property and FM Service Delivery service blocks, however given that the main costs of the property element relate to wage costs there is confidence that the financial assumptions made on the cost of a straight lift and shift of service are robust. Secondary risks arise from the loss of local property knowledge should KAPS employees choose not to transfer and seek employment externally. It is believed that any issues arising as a result of this scenario can be addressed both in the short term and in the longer term through a dedicated retention and career development plan.
- 6.7** The organisational benefits of insourcing are identified within the strategic business case as improved performance and governance, greater cost efficiency, improved user satisfaction, stronger local economy supply chains, greater flexibility, agility & added value, improved service integration & quality, greater commitment to local sustainability requirements and improved innovation.
- 6.8** The changing role of property services requires a more active stake in property and economic development transactions than has been the case historically, as evidenced by Sheffield's active role in bringing forward the Sheffield Retail Quarter and promoting the Sheffield Investment Fund. The skill sets to bring forward similar and unique innovation are not naturally found within the Council, are expensive and are not always required to be on stream. It should therefore be noted that the procurement of specialist property services that fall outside the scope of the mainstream contract may still need to be undertaken under the Council's normal policies and procedures. It is therefore recommended that the property services element of the contract is insourced as this represents the most flexible and lowest risk option available to the Council.

7.0 Cleaning Services

- 7.1** Cleaning constitutes one of the most significant parts of the existing KAPS contract and the quality of the service has a direct impact on both building and service users. Within SCC contract cleaning has two main elements, a mainstream cleaning function delivered by KAPS to Council buildings by 240 staff to around 170 sites and a smaller cleaning contract to 10 schools delivered by 33 staff awarded to Norse.

- 7.2** Due to successive cost reductions on the cleaning element of the KAPS contract the performance measures have been relaxed against the original contract specification. This has resulted in a significant increase in the resources required by the Council to monitor the contract and a mismatch in standards and performance management. The Norse element of cleaning is evaluated as being more successful both in terms of quality and value in that unlike KAPS it pays all operatives a Living Wage, yet delivers to the same output quality of cleaning specification.
- 7.3** The Council's ability to adapt to future service delivery requirements will need an adaptable and flexible future cleaning service, an improved performance management framework to ensure continuous improvement, and an ability to bring innovation into a core support service. Cleaning services are also an employment sector characterised by poor levels of pay where the Council's fairness agenda supports the promotion of a Living Wage for employees. The requirements of balancing quality and pay are not incompatible as the Norse element of the contract has demonstrated. The current situation of running two cleaning contracts is also an inefficient use of resources, best addressed by the future delivery of a single contract providing schools with the option to opt in.
- 7.4** Again, given these considerations extension of the existing KAPS contract would not represent the best solution available to the Council.
- 7.5** The feasibility of entering into a joint venture, under a Norse type arrangement, as a number of other public sector organisations have done or procuring a bespoke joint venture with the private sector, is actively being explored and will be subject of a business case.
- 7.6** The strategic business case for cleaning identifies different benefits for different delivery options, the key benefits of the recommended option being delivery of a more effective cleaning service, which should produce estimated savings detailed in Appendix A of the report. Additional benefits include delivery of Living Wage subject to affordability criteria, delivery of a more robust specification and performance management framework and client savings associated with the streamlining arising from the management of a single contract. Should entering into a joint venture be possible within the existing Teckal exemptions then an additional saving on procurement costs should be deliverable.
- 7.7** The risks associated with entering into a public sector joint venture and seeking a Teckal exemption together with the relative benefits of this option, against going to full external procurement either for a public/private joint vehicle or more straightforward contracting arrangement, need to be examined in depth in a further business case. It is therefore recommended that this further business case be developed and a delegation made for its approval.
- 7.8** Should the Council be required to go into procurement then there are risks arising from the market not being able to meet the pay and output specifications required by the Council at a competitive price. Additionally the cashable savings identified in Appendix A may be lost.

8.0 Security Services and Events

- 8.1** The Council's security services play an increasingly important role in safeguarding services and service users. Whilst the primary function of security officers is to gather information, control access to, guide and maintain order on the property where they work, they are often present as the first point of contact to the Council and provide first impressions of how the Council engages with its customers, together with the role of protecting people and property against hazards that may affect the facilities they attend.
- 8.2** There are a number of issues arising from the security component of the current KAPS contract and its operation. Primarily there is currently little or no connectivity between the security function and other front of house services and little provision within the contract for flexibility of deployment.
- 8.3** Once again the Council's need to be able to benefit from a more agile and flexible service is a primary requirement for future service delivery. The Council has an aspiration in this service area to be able to move towards an integrated front of house/first point of contact service across the City over time, to improve the public experience for the still significant numbers of customers who prefer to engage face to face to access their Council services.
- 8.4** Analysis of the strategic business case for security services suggests that the greatest combined benefit of savings, flexibility and future income generation capacity, together with the ability to pay employees a Living Wage in this sector will arise from insourcing the service rather than extending the existing service or by an external procurement.
- 8.5** Risks arising from this approach arise from the level of detail currently held around employment issues within the existing contract that could transfer additional burdens on the Council. Whilst there is certainty that the financial model supporting the insourcing option is robust, other risks arising from the possibility of cross subsidy and the importing of multiple terms and conditions (as detailed in the HR Implications section of this report) could affect current assumptions on savings deliverable.
- 8.6** Events in the Town Hall are marketed and managed by KAPS. The Council receives income from each event to cover facilities running costs. KAPS retain a profit element on each booking.
- 8.7** Currently the use of bookable Council resources to raise revenue is underused. Insourcing of the Events Service would generate additional income as well as making better public use of Council assets.
- 8.8** Risks associated with insourcing the Events Service are related to the catering element of the service. Given the high public profile of external events the Council is exposed to highly visible reputational risk when things go wrong.
- 8.9** The benefits deliverable through insourcing are evaluated as outweighing risks identified making insourcing the preferred option for this service block.

9.0 FM Service Delivery

- 9.1** FM Service Delivery contains several small but discreet elements of the Kier contract including internal mail, confidential waste disposal and Civic Attendants that ensure the smooth running and functionality of Council Buildings.
- 9.2** Whilst it would be feasible to consider the elements as separate functions, in practice it would prove difficult or impractical to separate these small delivery areas of work and procure them individually, particularly as some services currently provide pathways to work and training opportunities making their operation as a stand-alone service unprofitable.
- 9.3** As related in 7.2 the performance standards across a range of services have been diluted as a direct consequence of contract fee reduction. The contract has therefore not performed as originally envisaged and the strategic business case has identified significant areas of duplication of work and other areas where resources have not been appropriately deployed. An alternative form of provision is therefore evaluated as delivering improving performance and productivity.
- 9.4** It is desirable that the pathways to work and training elements of these services are maintained, as the requirement still allows significant improvements to flexibility of service delivery and better use of existing resources to be realised.
- 9.5** Again analysis of the strategic business case for this bundle of services suggests that the greatest combined benefit of savings, flexibility and future income generation capacity, together with the ability to maintain training & employment opportunities and pay eligible employees a Living Wage can best be delivered by insourcing the service. Whilst there are identified risks arising with regard to future equal pay claims as outlined in the HR section of this report insourcing of FM Service Delivery remains the recommended option.

10.0 Catering Services

- 10.1** Catering services are currently split between FM Service Delivery providing catering for SCC building occupiers at Moorfoot and the Town Hall and event catering providing bespoke catering arrangement for Council and external functions hosted by the Council such as wedding catering.
- 10.2** Over the life of the contract, performance has been evaluated as variable and as with other elements of the overall contract has been unresponsive to the increasing requirements for flexibility. The inflexible nature of the contract also impacts on the ability to join up SCC service delivery which in turn limits the Council's ability to generate additional income in areas like Wedding Planning.
- 10.3** Catering is also an employment area where much of the workforce is paid below Living Wage levels. The strategic business case has considered a number of options on how to resolve the issues identified including partnering with an external partner to further develop both the training and commercial possibilities of this service area.

- 10.4** Evaluation of the strategic business case suggests that whilst a case for insourcing this service can be made, the Council lacks the entrepreneurial and technical skills required to fully exploit this service area without bringing in additional expertise and would benefit from partnering with an organisation with the required skill set. Additionally, the Council's requirement for payment of a Living Wage and to maintain training and work experience posts, places pressure on the ability to deliver a flexible and responsive core service.
- 10.5** It is therefore recommended that the feasibility of entering into a joint venture arrangement on catering in conjunction the cleaning services contract be explored as part of the business case analysis outlined in paragraph 7.6.

11.0 HR Implications

- 11.1** There are human resources implications arising from this report, notably in the proposal to transfer management of the Property Services, Security and Events, and FM Service Delivery service blocks back to the Council together with a desire to transfer the Cleaning and Catering service blocks into a Council joint venture undertaking.
- 11.2** At this stage it is not possible to provide a complete assessment on all HR implications that could result from the proposals in this paper. However, the immediate implications include:
- TUPE transfer: the requirement to engage in the TUPE transfer process, transferring into SCC relevant employees and any existing employee liabilities, i.e. outstanding claims, actions of KAPS prior to transfer,
 - Risks arising through breach of Immigration and Asylum regulations and TUPE legislation
 - Potential equal pay risks outlined at 11.3, and
 - Living Wage implementation

A number of less immediate, though relevant risks are contained in Appendix A

- 11.3** KAPS employees and employees of subcontractors that may also be eligible to TUPE transfer into SCC, will currently be employed on a variety of terms and conditions and subject to different collective agreements depending on where they were initially employed.

Some staff that initially TUPE transferred to KAPS from SCC will have transferred on historic SCC terms and conditions however it is not known whether these still apply. There will also be KAPS employees employed on KAPS terms and conditions which are as yet unknown.

As TUPE protects whatever terms and conditions and collective agreements apply at the point of transfer, insourcing these staff will increase the number of different arrangements within SCC. SCC will be required to maintain multiple pay structures and apply different HR policies which could reintroduce equal pay risks. This will add complexity to, and increase the risks arising from the TUPE transfer process.

Detailed comparisons of the relevant terms and conditions and collective agreements is required to establish areas of potential risk to SCC; however, this information will not be available until formal consultation and due diligence is able to commence following the Cabinet decision. There is however a formal exit strategy in place within the contract which should prove supportive to this process and therefore any information requested following a decision is made available to the Council in a timely manner. The TUPE regulations will provide SCC with some protection from equal pay challenge in the shorter term; however, this may not be defensible over time. Early engagement with the trade unions will be key to explore whether agreement can be obtained in relation to any measures that may mitigate this risk. Further discussion with KAPS would also be required to explore potential indemnities for SCC for actions occurring prior to transfer.

- 11.4** The Council will need to have reasonable and sufficient time in the implementation period to establish where TUPE should apply, undertake a full assessment of due diligence and employee liability information and mitigate against any risks. Where TUPE does apply, the Council will need to undertake meaningful consultation on the TUPE transfer with affected staff and their representatives in line with all relevant legislation and the Council's agreed policies in this area. Failure to do so would leave SCC open to challenge at employment tribunal.
- 11.5** Some aspects of the KAPS workforce include areas of predominantly low paid, direct labour roles which may present an increased risk in relation to transferring in employees that may not have the right to work in the UK. Liability for any breaches of Asylum and Immigration employment legislation and associated penalties would transfer to SCC therefore, full due diligence and analysis on employee liability information is necessary.
- 11.6** Where TUPE does apply, implementation of a Living Wage, where required, can only take place during the second year of transfer and would require additional staff consultation with those affected by the proposal. This requires a decision to be taken regarding whether payment of the Living Wage supplement should be backdated to the point of transfer; however, the cost of this will not be known until we have access to employee information. Information currently available suggests the Living Wage will only be an issue in subcontracted security elements, Cleaning and Catering.

12.0 Legal Implications

- 12.1** The Council has an overarching duty to secure Best Value which is to *"make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."* This applies to all services whether out sourced or delivered in-house.
- 12.2** Any procurement for a service must comply with the Public Contract Regulations 2015 and the EU principle of transparency. For the Cleaning and Catering services outlined in this report that would require a procurement exercise advertised in OJEU.

- 12.3** There is an exception where a contract is awarded to an organisation that is owned and controlled by the public bodies to which it provides services. This is known as the Teckal exemption. The circumstances in which the Teckal exemption applies are limited and any proposed arrangements seeking to rely on it will need to be examined to avoid the risk of legal challenge.
- 12.4** The Council has various powers under which it can set up a joint venture company, either with other public bodies or with the private sector. Any contract awarded to a public/private joint venture company would have to be subject to a Public Contract Regulations 2015 compliant procurement.
- 12.5** Where it is intended a joint venture company will provide services in the market it is likely to be a local authority trading company and the legal requirements for setting up such an entity will need to be followed, including approval of a business case prior to formation.
- 12.6** TUPE is likely to apply where services are insourced and reference should be had to the HR implications section above.

13.0 Financial & Commercial Implications

- 13.1** A project team has been created to evaluate and deliver this project. An estimate of the required resource is set out in Appendix A to this report. It is proposed that these costs be funded on an invest to save basis and that they will be repaid to reserves within a five year period, with the actual repayment being dependant on the level of saving achieved.
- 13.2** The price of the Property and FM contract was £8.5m for 2014/15.
- 13.3** The financial implications of future arrangements for the delivery of the relevant services have been compared against this baseline price after taking into account the following factors:
- The assumed cost of the current contract
 - The cost of the alternatively provided service arrangements
 - The cost of service transfer and transformation
 - Savings arising from the service transfer, both one off and continuing
 - Repayment of Project Costs to Invest to Save reserve
 - Future work to quantify potential additional income generation opportunities
- 13.4** At this stage of the project the figures are based on reasonable estimates of the resource currently employed to deliver the services. However, these figures will be refined and assumptions and proposals re-tested as the data is firmed up with access to detailed TUPE and assets information.
- 13.5** The detail of the future cost assumptions for each service, are contained in Appendix A to this report.

14.0 Equalities Implications

- 14.1** There are no identified negative equalities implications arising as a result of the TUPE transfer of Kier Services Ltd staff into the Council or Council joint-venture.
- 14.2** The Council has a wide range of policies and procedures already in place to support employees and reduce potential inequalities in the workplace. Access to these policies and procedures will be available to all transferred staff to support their integration into the Council. A full Equalities Impact Assessment has been prepared in conjunction with this report and as a live document will be updated as required.
- 14.3** There is a small risk that some transferring staff may not be fully included in the consultation process due to their characteristics - in particular those staff on pregnancy/maternity/paternity leave or those absent from work due to illness or disability. This risk is covered in the post approval action plan and managers will be expected to ensure that these staff are involved wherever possible in consultation arrangements in a manner appropriate to their needs.
- 14.4** It is important to ensure that staff transferring into the Council are given an appropriate induction to the Council so that they are aware of the support offered to all staff with protected characteristics.
- 14.5** The known workforce profile, currently within KAPS, presents a balanced workforce. Should further due diligence identify an under-representation of staff then the Council will seek to address, through involvement of existing staff groups, in identifying barriers to potential new entrants to the service and promoting positive employment policies to encourage interest in any vacancies from all staff and sections of the community.
- 14.6** There is not expected to be any negative impact on customers as a result of these proposals and the intention is that the service will deliver positive service changes over the longer-term. Any proposals to change services will be developed in partnership with customers and will take account of the diverse needs of customers.

15.0 Property Implications

- 15.1** The property implications contained within this report arise from the current accommodation requirements of the Kier contract. KAPS currently lease a floor of Cathedral Court and pass the charge for occupation on to SCC as a service delivery overhead.
- 15.2** Following contract expiry, accommodation requirements for TUPE'd staff become the responsibility of SCC and if appropriate its joint venture partner.
- 15.3** SCC has identified sufficient surplus accommodation within its freehold estate to remove the requirement to require to source additional accommodation as a result of this report. Savings associated with the accommodation changes have been incorporated into the overall savings assumptions of the corporate accommodation strategy and are not factored into this report.

16.0 Reasons for the Recommendations

16.1 Each element of the proposed package has been considered on its merits. The proposals are being recommended as providing an appropriate balance between:

- Providing quality services, which meet the expectations of customers (both internal customers and the public)
- Making a considerable, and ongoing contribution to the Council's savings target, over and above what was envisaged as part of the 2008 contract
- Maintaining risk (financial, legal, reputational and delivery) within acceptable limits
- Being affordable and representing best value to the organisation within the short and long term
- Supporting the organisation to transform its services and deliver differently

17.0 Recommendations

Cabinet are recommended:

- a) To note the contents of this report including the principles and assumptions described and have regard to the risks and mitigations as set out in the report and Appendix A
- b) To give approval for the budget required to cover the one-off implementation and set-up costs, as described in Appendix A of this report
- c) To give approval for the identified insourcing of Property Management, FM Service Delivery and Security & Events
- d) To note the potential contracting-out of a small proportion of specialist property and catering services
- e) To give approval for the identified service retendering of Cleaning and Catering services
- f) To grant delegated authority to the Executive Director of Resources in consultation with the Cabinet Member for Finance & Resources
 - To carry out the appropriate contractual mechanisms to give notice to Kier Ltd to notify that the contract will not be extended and to carry out all necessary steps to identify and carry out the exit obligations
 - To undertake formal consultation with Trade Unions regarding the transfer of staff engaged on the Kier Ltd contract into the Council and other transfer and transition arrangements (in consultation with the Director of Human Resources as necessary)

- In consultation with the Director of Human Resources to develop the future structures of in sourced services within his portfolio
 - In consultation with the Director of Commercial Services, Director of Finance and the Director of Legal and Governance to approve a business case for the creation of joint venture arrangements for the Cleaning and Catering services
 - In consultation with the Director of Commercial Services, Director of Finance and the Director of Legal and Governance to approve the procurement strategy and subsequent, contract awards for the outsourced Cleaning and Catering services including where a business case has been approved a joint-venture arrangement
 - To make arrangements to monitor the performance and delivery of the new service arrangements.
 - Any other actions he sees appropriate for the effective preparation for and implementation of the insourcing and future delivery of the identified service elements within his portfolio
- g) To grant delegated authority to the Executive Director of Place in consultation with the Cabinet Member for Finance & Resources
- In consultation with the Director of Human Resources to develop the future structures of in sourced services within his portfolio
 - Approving the final procurement strategy, contract awards, joint-venture arrangements and agreeing contract terms and entering into the contracts for all necessary associated goods and services (in consultation with the Director of Commercial Services and the Director of Legal and Governance as necessary)
 - Any other actions he sees appropriate for the effective preparation for and implementation of the insourcing and future delivery of the identified service elements within his portfolio
 - Ensuring compliance with all relevant legislation to minimise the risk of disruption to the organisation or public
 - To make arrangements to monitor the performance and delivery of the new service arrangements

Martin Wood
July 2015

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of the Local Government Act 1972.

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SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director PLACE

Date: 25th August 2015

Subject: The J.G.Graves Charitable Trust
Proposed Letting of Agricultural Land at
Clough Lane and Mark Lane, Sheffield 10.

Author of Report: Dave Wood, Capital and Major Projects, Place

Summary:

A number of properties, including land at Clough Lane and Mark Lane, were acquired in the 1930's with money provided by the J.G. Graves Trustees, to be held on Trust by Sheffield City Council for charitable purposes to be let and managed as an 'agricultural estate'. After the costs of repair, maintenance, renewal and other expenses, the net income from the lettings is applied to the maintenance of the Barkers Pool Gardens and other charitable purposes (Charity Registration Number 260357).

The agricultural tenant of land at Clough Lane and Mark Lane has served notice to quit and the tenancy will terminate on 29th September 2015. This report seeks approval to recommendations for the re-letting of the land in accordance with the requirements of the Trust. Consent from Cabinet members acting on behalf of the Council in its capacity as corporate trustee of the charity is required to the proposed new letting.

Reasons for Recommendations:

The proposed new letting will ensure the land is managed in accordance with the terms of the gift and optimise the rental income available for distribution to the beneficiaries.

Recommendations:

That Cabinet acting for the Council as Charity Trustee in accordance with powers given to the Council as Trustee under the terms of the Conveyance to the Council resolve to:

1. Approve the granting of a ten year Farm Business Tenancy of land at Clough Lane and Mark Lane in accordance with the terms detailed in this report and the attached Appendix.
2. Authorise the Director of Capital & Major Projects to instruct the Director of Legal & Governance to complete the tenancy agreement in accordance with the approved terms and such other detailed provisions as he may consider appropriate to the letting.

Background Papers: None

Category of Report: OPEN/PART CLOSED

The Surveyor's Report and Appendix under Part 2 are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

Statutory and Council Policy Checklist

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

The J.G.Graves Charitable Trust: Proposed Letting of Agricultural Land at Clough Lane and Mark Lane, Sheffield 10.

1. SUMMARY

- 1.1 The above land, along with other properties, was acquired in the 1930s with money provided by the J.G. Graves Trustees to be held by Sheffield City Council on trust for charitable purposes and let as an 'agricultural estate'. After the costs of repair, maintenance, renewal and other expenses, the net income from the lettings is to be applied in equal portions to the maintenance of the Barkers Pool Gardens and to the Spirit of Sheffield Children's Charity.
- 1.2 The tenant of the land has served notice to quit and the tenancy will expire on 29th September 2015. This report seeks approval to re-let the land following a tendering exercise.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed new letting will be on terms which both protect the exceptional landscape value of this area within the Mayfield Valley, in accordance with the spirit of Alderman Graves' gift, and optimise the net receipts available for charitable distribution.

3. OUTCOME AND SUSTAINABILITY

- 3.1 The proposed letting at an enhanced rent will help to ensure the long term sustainability of the Trust.

4. PROPOSED NEW LETTING

4.1 Background

The subject land is situated in the Mayfield Valley and consists of approximately 47 acres of grade 4 grassland in two blocks, within an area of exceptional landscape value. The land is held by the City Council by virtue of 3 separate acquisitions from the 1930's funded by Alderman JG Graves, all of which contain a covenant to use the land and buildings for 'agricultural purposes and to continue to be used for such purposes with power from time to time to let to such persons and at such costs as they (the Council) may think fit and generally to manage the same as an agricultural estate'.

Together with other properties acquired under similar terms, the 'estate' is held in the Fulwood, Whirlow and Birley Edge Suspense Account with surplus income over expenditure being distributed in equal portions between the Barkers Pool Gardens and the Spirit of Sheffield Children's Charity.

In past years the income of the Trust failed to generate sufficient net surplus to distribute funds to the named beneficiaries, but as backlog maintenance has been addressed and properties re-let on terms requiring tenants to carry out future repairs, surpluses have been generated and distributions made.

The subject land was previously let on an Agricultural Holdings Act tenancy from 1958 under the terms of which the rent was restricted to 'the productive capacity of the land and its related earning capacity'. The passing rent was £2,350 per annum.

4.2 **Letting process**

The letting has been advertised in the local press and offers of rent invited for a ten year Farm Business Tenancy.

4.3 **Proposed Terms**

- Period of the Tenancy:
Ten years from a date to be agreed.
- Repairs:
The tenant will be responsible for all repairs
- Rent reviews:
There will be a rent review after 5 years
- Use of the holding
- The land is to be used for agricultural grazing and mowing purposes only
- Subletting
Subletting is expressly prohibited.

Offers were received as detailed in the attached 'closed' Appendix.

5. **FINANCIAL CONSIDERATIONS**

- 5.1 The additional net rental income generated as a result of the proposed new letting will be applied in accordance with the charitable objects detailed in Paragraph 1 of this report.

6. **LEGAL IMPLICATIONS**

- 6.1 As stated in the body of the report, the Conveyance to the Council states that the land is held on a charitable trust by the Council for agricultural purposes and to continue to be used for such purposes with power from time to time to let to such persons and at such costs as the Council may think fit and generally to manage the same as an agricultural estate. This provides the Council with the power to grant lettings of the land for agricultural purposes, without the need to obtain the consent of the Charity Commission or make any application for a scheme to provide it with any additional powers.

- 6.2 Although the Council has the power, in its capacity as trustee of the charity, to grant the new letting, it must still comply with the provisions of the Charities Act 2011 in relation to the letting. Under Section 117 the trustee of a charity is under a duty to obtain the best price that can reasonably be obtained, upon a disposal of land held by the charity. A lease on the terms proposed in this report is classed as a disposal for the purposes of the Charities Act.
- 6.3 In relation to that general duty Section 119(1) of the 2011 Act provides that the trustee must, before entering into a disposal obtain and consider the recommendations of a report prepared by a qualified surveyor, instructed by and acting exclusively for the charity. The report in the Appendix to this report has been prepared in accordance with this statutory obligation and is attached for Cabinet's consideration.
- 6.4 The grant of a lease upon the terms set out in this report would be in compliance with the requirements contained in the Charities Act and would accord with the recommendations contained in the Surveyor's Report..

7. HUMAN RIGHTS IMPLICATIONS

- 7.1 There are no specific human rights implications arising from the proposed letting.

8 ENVIRONMENTAL AND SUSTAINABILITY IMPLICATIONS

- 8.1 The proposed new tenancy will include provisions to protect environmental features such as dry stone walls, hedgerows, trees, permanent grassland and wildlife habitats. Inappropriate uses such as blood sports and commercial shooting will be prohibited.

9 EQUALITY OF OPPORTUNITY IMPLICATIONS

- 9.1 There are no specific equal opportunities implications associated with this report.

10 ALTERNATIVE OPTIONS CONSIDERED

- 10.1 Freehold disposal of the land has been considered. Whilst it is understood that the specific consent of the Charity Commission would not be required for sale of the land and for the proceeds to be invested and the income applied to achieve the objects of the Charity, it is considered that sale would be contrary to the express intentions of the gift by Alderman Graves.

11. REASONS FOR RECOMMENDATIONS

- 11.1 The proposed new letting will benefit the Charity by securing an enhanced rent, increasing the net income available for distribution to the beneficiaries of the Trust.

12. REASONS FOR EXEMPTION

- 12.1 This report is presented as a partially closed item because the Surveyor's Report and Appendix under Part 2 contain exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The reason for these exemptions is because these attachments contain information relating to the financial or business affairs of a particular person.

13. RECOMMENDATIONS

That Cabinet Acting as Charity Trustees in accordance with the powers given to the Council as Trustee in the Conveyance of the land to the Council resolve to:

- 13.1 Approve the granting of a ten year Farm Business Tenancy of land at Clough Lane and Mark Lane in accordance with the terms detailed in this report and the attached Appendix.
- 13.2 Authorise the Director of Capital & Major Projects to instruct the Director of Legal & Governance to complete the tenancy agreement in accordance with the approved terms and such other detailed provisions as he may consider appropriate to the letting.

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