

SHEFFIELD CITY COUNCIL

Cabinet

Meeting held 15 July 2020

(NOTE: This meeting was held as a remote meeting in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.)

PRESENT: Councillors Terry Fox (Deputy Chair), Jackie Drayton, Mazher Iqbal, Mark Jones, Mary Lea, George Lindars-Hammond and Paul Wood

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence was received from the Chair (Councillor Julie Dore) and Councillors Abtisam Mohamed and Bob Johnson.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 It was reported that the appendices to the report at item 11 (see minute numbered 10 below) – ‘Update on Delivery of Heart of the City 2 Development’ - were not available to the public and press because they contained 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. Accordingly, if the content of the appendix was to be discussed, the public and press would be excluded from the meeting.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. PUBLIC QUESTIONS AND PETITIONS

4.1 Petition Concerning Save Cobden View Community Gardens

4.1.1 Marion Taylor commented on the petition containing 682 signatures concerning the future of the green space on the corner of Cobden View Road and Northfield Road in Crookes which is threatened with development. She stated that the site had been enjoyed as a community garden and open space for a number of years. The site now had new owners who had erected an eight foot fence around the entire plot, denying community access to the space. A planning application to develop the site had now been submitted by the new owner and the local community would be making representations on the potential loss of the green space. She stated that the petitioners would like to request full public consultation on the future of the site.

4.1.2 Councillor Fox confirmed that this petition and any written representations would

be taken in to account as part of the consideration of the planning application in respect of the site and that a written response to the petition would be given by Councillor Bob Johnson, Cabinet Member for Transport and Development.

4.2 Public Questions Concerning Ongoing Efforts to Regenerate the Heart of the City 2 Area of the City

4.2.1 Nigel Slack commented on the ongoing efforts to regenerate the Heart of the City 2 Area of the City. He stated that overall this is a good project and, if delivered in line with the best interests of the people and businesses of the city rather than pure commercial greed, will be even better. However the matter of transparency again arises. Yet again we see the wholesale redaction of the appendices to the report. This again smacks of convenient censoring rather than excluding those specific items concerned with 'commercial confidentiality' and that term is being applied too widely. Is it really the case that every paragraph, sentence & word of the appendices are commercially sensitive? Will the Council look, as they have been asked to before and agreed to do so, at whether the reports and the 'commercial confidentiality' usage can be applied more strictly to enable the public to have greater confidence in the Council's commitment to transparency and to the probity of these developments?

4.2.2 Mr. Slack commented specifically in respect of Block I – John Lewis & Partners Shop and the deal outlined in the report at Item 11: Para 3.18 – What is the value of the fair price/premium for the proposed surrender of their existing lease? Is this a fair price or a premium price? What is the value of the capital contribution within this deal? Will this deal be an overall positive contribution to the Council's coffers or a cost in order to save jobs and a prestige retail location? How many jobs are being safeguarded by this deal, compared to current levels? Will the online turnover of John Lewis, reported by them as being 60 to 70%, be included in the “rent based on turnover”?

4.2.3 Councillor Iqbal, the Cabinet Member for Business and Investment commented on the commercial success of the Heart of the City project. He stated that the scheme was not about commercial greed and that the Council's approach had addressed issues like the Living Wage, local supply chains, apprenticeships and ethical procurement. He outlined details of the success of the project led by the Council, including details of the exciting new businesses involved in the Scheme. He stated that John Lewis and Partners continued to be a key tenant for the Council and confirmed that it is not possible to discuss the details of the potential deal with them as such commercially sensitive details were still being negotiated and the information was personal to John Lewis and Partners. The Council tries to publish as much information as possible and referred to the recent open discussions on the Scheme at a Scrutiny Committee.

4.2.4 Councillor Iqbal commented that the proposed new lease had been independently valued. He emphasised the importance of safeguarding any jobs in the City and welcomed the announcement of John Lewis and Partners that they were to continue trading in Sheffield and to refurbish their store. Other cities were not so fortunate in these challenging times.

4.3 Public Questions Concerning the Wearing of Face Masks

4.3.1 Nigel Slack commented that he had great sympathy for the Director of Public Health in trying to keep the city safe from Covid19, despite the continuing fast & loose approach of this Government, and that he looked forward to his update. On Sunday's Andrew Marr show, Michael Gove said he will not make face masks for shops mandatory despite clear evidence that they are beneficial in slowing the spread of the virus. He prefers to rely on the 'common sense' of the British public, currently in very short supply. The Prime Minister has since changed that advice but will not introduce mandatory wearing of face masks until 24th July and then went on to advertise a dangerous version of masks with valves. What is the Council's view and recommendation on this issue and are there any options for the Council to make mask wearing mandatory within the city at an earlier date?

4.3.2 Councillor Drayton, the Cabinet Member for Children and Families commented that Greg Fell, Director of Public Health would cover the issue of face masks in more detail in his presentation at Item 6. With regards to a local approach she referred to the Sheffield Outbreak Control Board and the Outbreak Control Plan which includes local action to be taken and how we can enhance local support to keep people safe in Sheffield. She confirmed that Government guidelines were being followed and that the Council does not have the power to make the wearing of face masks mandatory. Public Health England guidance on the wearing of such masks for everyday use has been changing, but it is now proposed that they be worn in enclosed environments where social distancing is difficult and where there are more people around. This should not detract from the essential actions of washing hands regularly, keeping a safe distance, getting a test if you feel unwell and, if you test positive, self-isolating. It was important to note that incorrect use of face masks can be negative and that some people, for health reasons, cannot wear a face mask and we must be careful not to discriminate against those people. The Director of Public Health will be issuing an update on the Council's YouTube channel and I would recommend that people watch this to keep up to date.

5. CORONAVIRUS (COVID-19) UPDATE

5.1 Greg Fell, the Director of Public Health, provided a Coronavirus (Covid-19) update focused on the number of local cases, enhanced support and core messaging.

He reported that the number of cases in Sheffield were low and were stable to going down, but were not going down fast enough. We are not in a terrible position but neither are we in a comfortable position. We have moved from a position of widespread transmission across the City to fewer cases of concentrated community transmission in certain parts of the City. He stated that plans are in place to deal with this. He confirmed that there had been a couple of work placed outbreaks but these had been managed successfully.

He explained details of the local lockdown situation in Leicester and the thresholds/metrics involved in the Government's decisions to enforce local lockdown. Sheffield's position was noted and in particular that the advice from Public Health England was to develop an enhanced strategy which includes

increased local testing and enhanced communications to improve reach and impact in particular cohorts and communities.

The core messages, in order of importance, remain: stay at home if you have symptoms or are a contact of someone who has been diagnosed positive; get tested early if you have symptoms, even if mild; hand washing; social distancing; and lastly face coverings, which although beneficial, are less so than the other measures.

Details of the Secretary of State's suggestion that Sheffield needed enhanced support were noted, although it was explained that the numbers tended not to support this. The Council was working with Government to establish what this means in terms of detail. He confirmed that he is satisfied that, whilst we are not in a comfortable position, the numbers/statistics were heading in the right direction and that he was satisfied with our strategy and plans, our understanding of the epidemiology, and our operational and governance arrangements. In particular, the Outbreak Control Board and Plan were in place and working well.

He stated that, with regard to this winter, a Covid-19 vaccine would be unlikely; it was unlikely that the virus will just go away; and that there could be a surge and a spike in cases. He indicated that there will be an enhanced national winter flu campaign that may expand the eligibility criteria and that it was possible that there may be a positive impact on the prevention of the winter flu as a result of the Covid-19 preventative measures being practiced.

6. ITEMS CALLED-IN FOR SCRUTINY

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

7. RETIREMENT OF STAFF

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

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

(a) places on record its appreciation of the valuable 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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People Services

Helen Stokes	Headteacher, Waterthorpe Nursery Infant School	24
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(b) extends to her its best wishes for the future and a long and happy retirement; and

(c) directs that an appropriate extract of this resolution under the Common Seal of the Council be forwarded to her.

8. MONTH 2 CAPITAL APPROVALS 2020/21

8.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme 2020/21, as brought forward in Month 2.

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

8.3 Reasons for Decision

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

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

8.3.3 To obtain the relevant delegations to allow projects to proceed.

8.4 Alternatives Considered and Rejected

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

9. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2020/21 - AS AT 31/05/2020

9.1 The Executive Director, Resources, submitted a report providing the outturn monitoring statement on the City Council's Revenue and Capital Budget for 2020/21, as at 31st March 2020.

9.2 Dave Phillips (Head of Strategic Finance) presented the report, and highlighted that the Council's 2020/21 revenue budget, as at 31st May 2020, is currently forecast to be overspent by £23.4m. He added that the vast majority of the forecasted pressure on revenue budgets for this year is due to the impacts of the coronavirus on Sheffield. The Council has estimated that the overall financial cost of issues relating to the COVID-19 pandemic will be upwards of £78m, though this will change as the longer term effects of the virus become better known.

9.3 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by this report and the attached appendix on the 2020/21 Revenue Budget Outturn; and
- (b) In relation to the Capital Programme, note the forecast Outturn position described in Appendix 2

9.4 **Reasons for Decision**

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

9.5 **Alternatives Considered and Rejected**

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

10. UPDATE ON DELIVERY OF HEART OF THE CITY 2 DEVELOPMENT*

10.1 The Executive Director, Place and Executive Director, Resources, submitted a joint report:

- 1) Providing an update to the Heart of the City II development two years following the major decision that this Council took to invest in and progress the major re-shaping of Sheffield City Centre following past difficulties and seeking approval/endorsement for the Councils updated delivery strategy;
- 2) Seeking to delegate authority for the delivery of the remaining phases of the Heart of the City II as set out in the report, including proposals for introducing the Real Living Wage, measures to deal with Climate Change and specifically providing authority to enter into new lease arrangements with John Lewis & Partners for their existing shop in Barker's Pool; all subject to compliance with the Council's budget processes, financial regulations and capital approval processes; and
- 3) Seeking approval to the reallocation of the previously approved financial envelope to reprioritise the delivery of the remaining Heart of the City II blocks in line with the proposals set out in the report taking into account current economic challenges, risks and the Covid-19 pandemic.

10.2 **RESOLVED:** That Cabinet:

- (a) notes the progress made to date on delivery of the Heart of the City II

development;

- (b) endorses the updated strategy outlined in the report for the phased delivery of the Heart of the City II development together with the updated delivery programme, the proposed new lease arrangements with John Lewis & Partners and the updated estimated financial envelope;
- (c) endorses the plan to encourage occupiers within the scheme to be good employers through, for example, paying employees the Foundation Living Wage as a minimum, or alternative mechanisms such as employee owned businesses;
- (d) endorses the aim for all further development to exceed minimum environmental standards as set out by the international standards through the UK's Building Research Establishment Environmental Assessment Method (BREEAM) or the US Green Building Council's Leadership in Energy and Environmental Design (LEED);
- (e) delegates authority to the Executive Director, Place and the Executive Director, Resources, in consultation with the Cabinet Member for Business and Investment, the Cabinet Member for Finance, Resources and Governance, the Director of Legal & Governance and the Chief Property Officer, to:
 - 1. approve the detailed delivery plan for the development of the remaining development blocks as set out in the report; and
 - 2. instruct the Director of Legal & Governance in consultation with the Chief Property Officer to complete all necessary legal documentation required to document the terms of any transactions agreed in accordance with the approvals delegated pursuant to the report; and
- (f) approves:-
 - 1. the re-allocation of the previously approved financial envelope to reprioritise the delivery of the remaining Heart of the City II blocks in line with the proposals set out in the report;
 - 2. that all relevant budgets if necessary be able to be fully funded through Prudential Borrowing and be subject to the phasing of the spend going through the Council Capital Approval process;
 - 3. the use of any increase in business rates income directly attributed to the scheme to repay any balance of the related Prudential Borrowing; and
 - 4. the use of any receipts from the disposal of any properties

within the Heart of the City II site to repay any balance of the related Prudential Borrowing.

10.3 **Reasons for Decision**

10.3.1 As outlined in the report, there is a still a very clear strategic and economic case to justify the Heart of the City II development, and to maintain project momentum.

10.3.2 The Executive Director Place and the Executive Director, Resources still believe that the Heart of the City II development is vitally important for the regeneration of the city centre.

10.3.3 The reasons for the recommendations are to provide a way forward for the Council to deliver the remainder of the Heart of the City II development.

10.4 **Alternatives Considered and Rejected**

10.4.1 The do-nothing option i.e. complete the current phases the Council has committed to deliver (blocks B, C and stabilisation works only on E and H1) and then cease work on the wider Heart of the City II scheme has been considered. Not only does this course of action have a potentially worse financial impact but also has many negative outcomes for the Council.

10.4.2 The status of city centre will diminish, the Councils long term economic aspirations for the city and the city centre will become less feasible, there will be a lack of confidence for other projects and the reputation of both the city and Council will also suffer.

10.4.3 Whilst it would reduce the level of capital expenditure it would mean that the Council will have to crystalize the loss if the Heart of the City II development is not delivered, as much of its investment to date in working up the scheme will be lost and this will cause a more immediate pressure on revenue budgets.