

# Co-operative Executive

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**Wednesday 15 December 2021 at 2.00 pm**

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

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

## **Membership**

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Councillor Terry Fox	(Leader of the Council)
Councillor Julie Grocutt	(Deputy Leader and Executive Member for Community Engagement and Governance)
Councillor Mazher Iqbal	(Executive Member for City Futures: Development, Culture and Regeneration)
Councillor Jayne Dunn	(Executive Member for Education, Children and Families)
Councillor Cate McDonald	(Executive Member for Finance and Resources)
Councillor George Lindars-Hammond	(Executive Member for Health and Social Care)
Councillor Paul Wood	(Executive Member for Housing, Roads and Waste Management)
Councillor Douglas Johnson	(Executive Member for Climate Change, Environment and Transport)
Councillor Paul Turpin	(Executive Member for Inclusive Economy, Jobs and Skills)
Councillor Alison Teal	(Executive Member for Sustainable Neighbourhoods, Wellbeing, Parks and Leisure)

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## PUBLIC ACCESS TO THE MEETING

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The Co-operative Executive 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 Terry Fox.

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://www.sheffield.gov.uk). You 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 Co-operative Executive 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.

Co-operative Executive meetings are normally open to the public but sometimes the Co-operative Executive 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. Please see the Council's website for details of how to access the remote meeting.

Co-operative Executive 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.

PLEASE NOTE: Meetings of the Co-operative Executive have to be held as physical meetings. If you would like to attend the meeting, you must register to attend by emailing [committee@sheffield.gov.uk](mailto:committee@sheffield.gov.uk) at least 2 clear days in advance of the date of the meeting. This is necessary to facilitate the management of attendance at the meeting to maintain social distancing. In order to ensure safe access and to protect all attendees, you will be required to wear a face covering (unless you have an exemption) at all times when moving about within the venue.

It is also recommended that you undertake a Covid-19 Rapid Lateral Flow Test within two days of the meeting. You can order tests online to be delivered to your home address, or you can collect tests from a local pharmacy. Further details of these tests and how to obtain them can be accessed here - Order coronavirus (COVID-19) rapid lateral flow tests - GOV.UK ([www.gov.uk](http://www.gov.uk)). We are unable to guarantee entrance to observers, as priority will be given to registered speakers. Alternatively, you can observe the meeting remotely by clicking on the 'view the webcast' link provided on the meeting page of the website.

If you require any further information please contact Abby Brownsword on 0114 273 5033 or email [abby.brownsword@sheffield.gov.uk](mailto:abby.brownsword@sheffield.gov.uk).

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**CO-OPERATIVE EXECUTIVE AGENDA  
15 DECEMBER 2021**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 5 - 8)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting** (Pages 9 - 22)  
To approve the minutes of the meeting of the Cabinet held on
- 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 23 - 26)  
Report of the Executive Director, Resources.
- 9. Agency Staffing Provision** (Pages 27 - 54)  
Report of the Executive Director, Resources
- 10. Procurement of the Technology Enabled Care (TEC) Monitoring Service Contract** (Pages 55 - 64)  
Executive Director, People Services.
- 11. Parkwood Options Appraisal** (Pages 65 - 78)  
Report of the Executive Director, Place.
- 12. Revenue Budget and Capital Programme Monitoring 2021-22** To follow  
Report of the Executive Director, Resources.
- 13. Month 7 Capital Approvals 2021/22** (Pages 79 - 100)  
Report of the Executive Director, Resources.

**14. Streets Ahead PFI Contract- Refinance** (Pages 101 - 108)  
Report of the Executive Director, Place.

**15. Heart of the City Project Update** (Pages 109 - 214)  
Report of the Executive Director, Place and the Executive Director, Resources.

**NOTE: The next meeting of Co-operative Executive will be held on Wednesday 19 January 2022 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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

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

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

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

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

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

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### Co-operative Executive

#### Meeting held 17 November 2021

**PRESENT:** Councillors Terry Fox (Chair), Julie Grocutt (Deputy Chair), Jayne Dunn, Cate McDonald, George Lindars-Hammond, Paul Wood, Douglas Johnson and Paul Turpin

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#### **1. APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillors Mazher Iqbal and Alison Teal.

#### **2. EXCLUSION OF PUBLIC AND PRESS**

2.1 It was reported that the appendix to the following report was not available to the public and press because it 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:-

<u>Item No.</u>	<u>Title</u>	<u>Excluded Appendix</u>
12	Leisure and Entertainment Facility and Services Review	Appendix 1

#### **3. DECLARATIONS OF INTEREST**

3.1 Councillor Paul Wood declared a personal interest in Agenda Item No. 11 – Gambling Act 2005 – Statement of Principles (Policy) Approval Report as he had business involvement with the casinos in the city. Councillor Wood took no part in the discussion or voting thereon.

#### **4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of meetings of the Co-Operative Executive held on 20<sup>th</sup> October and 26<sup>th</sup> October 2021 were approved as a correct record.

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

5.1 Nigel Slack was in attendance and asked the following questions:

‘Question One: ‘The briefing attached to this question outlines my comments and concerns about the recent Land and Property Plan passed by the Labour Party

members at the last Co-operative Executive Committee Meeting on the 20<sup>th</sup> of October 2021, whilst the Green Party Members abstained. The questions below are also embedded in the comments document but are reiterated here for clarity.

**1A** Have Exec members had the chance to see and debate the final 'plan' and to approve the document signed off by the Co-operative Executive Member for Finance and Resources?

**1B** Who will be the Corporate Landlord in the executive model?

**1C** The plan suggests it is “Inspired by successes delivered through our previous plan “Assets for our Communities...”. What examples are there to illustrate this?

**1D** There is not a single mention of the City's history & heritage assets at all in this plan. A dangerous and damning omission that undervalues the visitor economy potential for the city in helping “improve lives and create a place which works for Sheffield’s people. “Will this be addressed in the sub-policies and in which policy area will it fall?

**1E** How will Property Services engage with City residents to make them part of the decision-making process?

**1F** In modernising the estate will repurposing and refurbishing be at the top of the priorities since, from an environmental point of view, these are generally better options than demolition and new build?

**1G** In modernising our city what evidence has been gathered that 'major developments' are still the right solution to the market for workspaces and retail?

**1h** In tackling the climate emergency to what outside organisations is Sheffield listening and from what outside sources might investment or other funding be available?

**1I** Will the city adopt a 'make the developer pay' approach?

**1J** In 'our framework' will council reflect the changing work profile, likely to remain even after the pandemic and reverse the damaging centralisation of services for a more 'neighbourhood' approach for service engagement for the public?

**1K** In unlocking money, what work has been done to identify and what are the surplus estate assets proposed for disposal in 2022/23 financial year?

**1L** In managing our estate Council commit to “Be transparent in the decisions we take – we recognise the importance of good standards of governance in public authorities and the need for robust processes to guide decision making we will be transparent in the decisions we take to ensure we can legitimately withstand challenge.” What will this look like?

**1M** In the clear approach to asset management, there are so many questions but to highlight just 3:

*“Gather, record and maintain information about the estate to provide sufficient information to make decisions* “Is this really not available? How have decisions been made in the past without such information?

*“Only hold the minimum estate required for service delivery. Reducing inefficient, underutilised and unfit property through timely demolition (where appropriate) and disposal thereby avoiding ongoing associated costs* “Businesses of all sizes have recognised the danger of being too lean, emergency impacts like the pandemic and the climate emergency need quick responses and that is not possible without a bit of fat in the system. Will Council ensure property decisions are made with this in mind?

*“Ensure any lettings for community use are based on sound business cases, meet needs of the community and city and are viable and sustainable* “What support will be offered to community and social enterprises to ensure a level playing field against corporate interests?

**1N** In what success looks like, clarity is needed about the 'range of sources' Council will use to build the evidence base. Is there any clarity available?

**1O** “...we will develop measurable targets ...” How did Council measure success up to now? (Experience suggests that beyond monetary value they did not).

**1P** What is the timeline for these further policy documents?

Question Two: The vote on the Land & Property Plan was a not a unanimous vote but this is not reflected in the minutes. Why not?

Will Council undertake to ensure future votes are recorded votes and published transparently. The minutes as they stand do not reflect the actuality of the vote and could mislead the public.

Question Three: When will details of the “...significant engagement...” on the sub-policies be available and what form will this take?

Question Four: I was disquieted by the Executive Member for Finance & Resources comments at the last meeting which attempted to suggest that my words in the question that day were somehow intemperate or insulting. I spoke to my experience of Property Services processes and decision making over the last few years and the failings of that department (exemplified by the extraordinary failure to maintain vital Council assets to the tune of £200M+) and the extraordinary disarray around certain decisions on the disposal of heritage properties. I invite the member to apologise for the remarks.’

Councillor Cate McDonald responded to Mr Slack’s questions regarding the Corporate Asset Management Plan. Councillor McDonald noted that elements of Mr Slack’s questions had not been shared and said written responses would be provided for these at a later date.

Councillor McDonald stated that the Corporate Asset Management Plan provided a high-level overview of what the Council would use its estate for, and the

principles for decision making. She said that the Plan would be owned and managed by the Council and would not be a plan for Property Services nor would it provide a detailed plan of the Council's estate. Councillor McDonald stated that detailed information of the Council's estate was held on Asset Management and GIS Systems and added that the corporate accounts set out the value of the Council's assets. She said that the plan would be underpinned by a detailed suite of policies, and these procedures would set out how decisions would be made about the Council's estate. She stated that these policies would be brought forward over the coming 12 months.

Councillor McDonald said that decisions were not made by officers within Property Services but were instead taken in line with the Council's constitution and the Leader's Scheme of Delegation. She stated that all decisions around disposals were undertaken through the Council's disposal policy. Councillor McDonald stated that the Council was committed to inclusive decision making and would work with Local Area Committees to consider how to encourage local people to input into Council decisions.

Councillor McDonald stated that the Council recognised the importance of heritage assets in its care and the contribution these had to the city. She stated that it was not the focus of this plan to provide a detailed overview of the heritage assets owned by the Council, and she added that information on these assets was considered within the decision-making process.

Councillor Douglas Johnson responded to the Climate Change element of Mr Slack's questions. He stated that the Council had been speaking with many different external organisations in order to draw ideas into the 10-Point Plan. He stated that Climate Change was not a department specific issue and added that he hoped each department within the Council would continue to increase their consideration of the Climate Change crisis in their day-to-day work. Regarding developers, Councillor Johnson stated that the role of developers would be addressed in the 10-Point Plan. Councillor Johnson stated he would provide further written responses following the meeting.

## **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 Co-Operative Executive.

## **7. SCHOOL KITCHEN EQUIPMENT, SERVICE AND MAINTENANCE CONTRACT RE-TENDER**

- 7.1 The report sought approval to procure a new School Kitchen Equipment Service & Maintenance Contract from 4th April 2022 for 3 years plus 4 months, to 31st July 2025 with an option to extend for two further periods of 12 months each. The council will enter into the new contract to support the School Catering Contract and those schools that participate in it. All costs are charged back to schools as part of a traded subscription service.

7.2 **RESOLVED:** That Co-operative Executive:-

1. Approves the procurement for re-tendering the School Kitchen Equipment Service & Maintenance Contracts from 4th April 2022 to 31st July 2025 as outlined in this report with an option to extend for two further periods of 12 months each;
2. Approves the award of the contracts to the most economically advantageous tenderers; and
3. Delegates authority to the Executive Director of People Services in consultation with Co-operative Executive Member for Education, Children and Families, the Director of Finance and Commercial Services and the Director of Legal and Governance, to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

7.3 **Reasons for Decision**

- 7.3.1 By procuring and managing Kitchen Equipment Service and Maintenance directly with the specialist commercial kitchen industry, the council has better control, operationally and financially. Although the premises are managed by the schools, and in the case of academies, owned in entirety, schools understand the need to keep the two elements of catering and equipment safety running in close harmony. It makes for safer premises and a safer catering service, while ever the school opts to participate in the School Catering Contract. This arrangement has always worked well in the past and in consulting with schools, this element of the offer was a major consideration when electing to join the School Catering Contract
- 7.3.2 With this contractual arrangement, schools can then focus on teaching and learning and not become involved in kitchen premises issues. The on-site catering teams have instant access to specialist and accredited kitchen maintenance contractors, and repairs, maintenance and replacements are managed smoothly. This keeps all school kitchens in operation during term time providing hot lunches for thousands of pupils every day, as well as swift action when problems occur.
- 7.3.3 As a direct result of letting this contract, other SCC corporate buildings, community buildings and other non-school sites can have their kitchen premises serviced by agreement.

7.4 **Alternatives Considered and Rejected**

- 7.4.1 Including Kitchen Equipment contracts in the School Catering Contract obligations During the first School Catering Contract with the private sector (2001 to 2006), it was decided to make kitchen maintenance part of the obligations of the catering supplier. It was a poor decision as it led to repairs being delayed or postponed and replacement equipment put on hold for lengthy periods. This element of the work was an area where funds could be saved, whereas covering labour and food costs were essential, so repair to and replacement of equipment was often curtailed. It is

also not the area of skill for education catering suppliers and the work was subcontracted out by the catering contractor at the outset of the contract. The council had little or no control over decisions made and therefore were at risk if site safety became compromised through accidents with equipment or lack of a robust servicing regime. When the contract ended, and an inventory was carried out, extra funds were needed to bring sites back up to a proper operating level, ready for the next education catering supplier.

- 7.4.2 To Not Provide the Kitchen Equipment element for schools The Do Nothing Option Part of the offer to Headteachers when catering was outsourced was that they had a full 'buy back' option available to them as they did not wish to deal with equipment issues or kitchen safety, alongside managing a food service. It also makes the catering operation very difficult to manage if an essential part of that function is dependant on a decision by a Headteacher to spend resources on repairing or replacing equipment. Site safety would in many cases be compromised and some services temporarily halted while decisions to release funds for essential maintenance were confirmed. The caterer would then not be able to fulfil their contractual duties. Schools would have to make their own arrangements for kitchen maintenance and the council would have to navigate through many different arrangements with individual school staff to ensure safety was not compromised. Headteachers agreed to sign up for a catering offer that has a 'whole kitchen' approach, with all the responsibility for the service managed by skilled and knowledgeable contractors, overseen by the council's School Food Team. To not do this would mean informing Heads that they would need to find a solution themselves by April 2022 which would create a problem for schools not used to managing this element of the service.

**7.5 Any Interest Declared or Dispensation Granted**

None

**7.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**7.7 Respective Director Responsible for Implementation**

Executive Director, People Services

**7.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Children, Young People and Family Support Scrutiny and Policy Development Committee

**8. SECONDARY MAINSTREAM SCHOOL EXPANSIONS**

- 8.1 The report outlined the pressures on secondary school places in the city, particularly in the southwest of the city, between now and the turn of the decade. The report also explained the capital funding available whilst recognising the LAs current financial position in relation to this. The purpose of the report was to seek

Co-operative Executive approval for the use of Basic Need funding alongside corporate financial support to address the pressures on school places to deliver permanent and temporary secondary provision. This would include the potential expansion of two secondary schools in southwest of the city and temporary expansions in specific parts of the city

8.2 **RESOLVED:** That Co-operative Executive:-

1. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places;
2. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation; and
3. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

8.3 **Reasons for Decision**

8.3.1 The preferred option is to:

- I. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places
- II. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation.
- III. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

8.3.2 This option has been chosen because it helps ensure that the LAs statutory duties relating to mainstream and SEND place are met, improve outcomes for pupils in the southwest of the city and also the potential to recoup funds through the sale of caretaker properties across the city.

8.3.3 The intended outcomes are:

- Development of permanent and temporary secondary provision in the city by utilising future Basic Need funding to meet statutory duties
- Supporting the SEND strategy across the city
- Reimburse the corporate investment through the sale of caretaker properties

8.4 **Alternatives Considered and Rejected**

8.4.1 Do nothing - This option has been ruled out as the LA would be in breach of its statutory duties under the Education Act to ensure sufficient school places, promote parental choice, diversity and fair access.

8.4.2 SW schools offer places above current admission numbers - This will involve negotiating with SW schools to accommodate the shortfall of places. Schools may be provided with Growth Funding as they have agreed to offer above current admission numbers on a temporary basis to provide a flexible solution that meets the Year 7 demand in the short term. This may reduce the threat of overcapacity in later years towards end of the decade also. However, SW schools will not be able to absorb the increasing demand over the next decade within existing accommodation as they are already near full capacity due to compounding effect of offering places above PAN the past few years. Health & Safety concerns around overall building capacity – corridor space etc have also been highlighted to the LA. There is a high risk that the LA will be unable to fulfil its statutory duties if the required places are not offered by the SW schools.

8.4.3 City wide allocation - This would involve allocating pupils who are unable to obtain a place at a local school to travel outside of their local area/catchment to access a place in other parts of the city where places are available. This would keep a tight system as city moves into a surplus in future years and reduces need to invest substantial capital funding. However, this could have a disproportionate impact on families. SW schools will have a less balanced socio-economic intake as children from deprived inner-city areas in the SW may miss out on admission to SW schools. This risks significant appeals from parents and puts pressure on schools outside of SW. If parents are successful on appeal, SW schools risk unplanned numbers through this process and have a further compounding effect on the overall capacity of the school. This would also have a greater level of impact on transport, impact on environment, cost for LA to transport these pupils out of area and cost to parents.

8.5 **Any Interest Declared or Dispensation Granted**

None

8.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

8.7 **Respective Director Responsible for Implementation**

Executive Director, People Services

8.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Children's Scrutiny and Policy Development Committee

9. **MONTH 6 CAPITAL APPROVALS 2021/22**

9.1 This report provides details of proposed changes to the Capital Programme as brought forward in Month 6 2021/22.

9.2 **RESOLVED:** That Co-operative Executive:-



1. Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts; and
2. Note the receipt of advance funding in relation to the Stocksbridge Towns Fund at Appendix 2.

**9.3 Reasons for Decision**

- 9.3.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield.
- 9.3.2 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.
- 9.3.3 Obtain the relevant delegations to allow projects to proceed.

**9.4 Alternatives Considered and Rejected**

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

**9.5 Any Interest Declared or Dispensation Granted**

None

**9.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**9.7 Respective Director Responsible for Implementation**

Executive Director, Resources

**9.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

**10. GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES (POLICY) APPROVAL REPORT**

- 10.1 The report set out the details of the revised Statement of Principles (Policy) to be

published under the Gambling Act 2005 and details of the consultation process that had been undertaken. The report also sought approval on the final version of the Statement of Principles (policy) and for it to be referred to Full Council.

10.2 **RESOLVED:** That Co-operative Executive:-

Approve the Statement of Principles (Policy) for referral to Full Council on the 1st December 2021.

10.3 **Reasons for Decision**

10.3.1 To ensure compliance with the Council's statutory requirements set out in the 2005 Act and associated regulations and guidance to have the policy approved by Full Council and published in time for the Statement of Principles to be in effect in January 2022.

10.4 **Alternatives Considered and Rejected**

10.4.1 No further alternative options were considered.

10.5 **Any Interest Declared or Dispensation Granted**

Councillor Paul Wood declared a personal interest in Agenda Item No. 11 – Gambling Act 2005 – Statement of Principles (Policy) Approval Report as he had business involvement with the casinos in the city. Councillor Wood took no part in the discussion or voting thereon.

10.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

10.7 **Respective Director Responsible for Implementation**

Interim Executive Director, Place

10.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

NOTE: This is subject to approval at Full Council at its meeting to be held on 1 December 2021 and is not subject to call-in.

**11. LEISURE AND ENTERTAINMENT FACILITY AND SERVICES REVIEW**

11.1 To agree a programme of investment for Leisure and Entertainment services and agree the preferred management option for the future operation of facilities.

11.2 **RESOLVED:** That Co-operative Executive:-

1. Note the ending in 2024 of the arrangements with Sheffield City Trust around the Major Sporting Facilities (Arena, Ponds Forge and Hillsborough Leisure Centre);
2. Approve the investment in our Leisure and Entertainment facilities to deliver a balanced and sustainable portfolio of facilities which support the needs of our communities alongside elite sport and events (Investment in the facilities);
3. Note this gives an opportunity for the Council to review how leisure and entertainment services are delivered in Sheffield and approve the strategy of a Council commissioned (but market driven) approach to appointing an external partner, as outlined in this report (Who runs the facilities);
4. Delegate authority to the Director of Culture in consultation with the Leader of the Council, the Director of Finance and Commercial Services and the Director of Legal and Governance to approve procurement strategies to deliver the strategy and to award any associated contracts;
5. Note phased delivery of this strategy will be approved via the Council's capital programme;
6. Note the programme of public consultation to inform the investment in facilities at a local level;
7. Note work will begin to address backlog maintenance issues at the following facilities:
  - a. Ponds Forge International Sports Centre
  - b. English Institute of Sport Sheffield (EISS)
  - c. Ice Sheffield
  - d. Heeley Pool and Gym
  - e. Beauchief, Birley and Tinsley Golf Courses
  - f. Sheffield Arena
  - g. Sheffield City Hall;
8. Note that backlog maintenance will also be addressed at Upperthorpe Healthy Living Centre which is currently run by Zest;
9. Note work will be undertaken on creating a lifecycle maintenance investment fund for Leisure and Entertainment facilities; and
10. Note the implications in (the closed) Appendix 1 and that further work will be done to inform how that can be progressed.

### **11.3 Reasons for Decision**

- 11.3.1 The council recognises that leisure provision will be critical post Covid-19, with many people requiring rehabilitation after suffering long-COVID, or diminished mental health caused by lockdown. The health and wellbeing of residents is a

priority, and it is clear the services delivered by leisure play a vital role both now and in the future. It is therefore critical that a long-term management and investment strategy is put in place to secure the future of the leisure and entertainment portfolio.

- 11.3.2 It is expected that investment into new and improved facilities will help to attract and retain increased participation and usage of venues. Improved facilities will better meet customer expectations of a modern and welcoming leisure and entertainment offer. This will help to reduce barriers to participation and encourage more people to be more active, more often.
- 11.3.3 Investment in Leisure will improve financial viability and long-term sustainability of the service and ensure that facilities are modern and accessible. New facilities will also help to deliver against the Council's commitment to the climate emergency by improving the environmental sustainability of facilities.
- 11.3.4 Investment in new facilities will also improve equality of access ensuring that facilities are designed to be fully accessible and inclusive.
- 11.3.5 There is a clear financial link between the amount of money the Council can invest and the operating model selected. The greater the income the operator generates, the more money the Council can safely invest. It is therefore critical that the Council selects the management option that provides the greatest level of income, and that the decision on the future management option is taken alongside the decision to invest.
- 11.3.6 The Leisure Review has shown that the external partner model is the most financially advantageous and returns the highest level of income. This is because an external partner is likely to benefit from existing regional management structures which means that central overhead cost such as senior management, central administration, HR and payroll attributed to the delivery of services will be lower. In addition, a specialist external partner is likely to be able to deliver economies of scale on procurement supplies and services and have stronger marketing expertise to generate sales and therefore increase income.
- 11.3.7 The external partner model also provides the greatest financial certainty as the least financial risk as a management fee would be set as part of the contract procurement and financial risk can be transferred to the external partner.

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

- 11.4.1 Alternative Management Model - The Council has reviewed three possible options for the future management of facilities, as described in 1.3. This included in house, a Local Authority Trading Company (LATC) and appointment of an external partner. The in house and LATC options were not selected as they are more expensive and present a greater level of financial uncertainty and risk to the Council. They would not allow for the level of investment needed for the Council to offer significantly improved leisure facilities.
- 11.4.2 Do Nothing - Doing nothing is not an option. The current arrangement with

Sheffield City Trust come to an end in 2024 and the facilities themselves require significant investment just to remain open and functioning. Without investment facilities will continue to decline and eventually close.

**11.5 Any Interest Declared or Dispensation Granted**

None

**11.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**11.7 Respective Director Responsible for Implementation**

Interim Executive Director, Place

**11.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

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**Author/Lead Officer of Report:**  
Abby Brownsword/Principal Committee Secretary

**Tel:** 27 35033

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

**Report to:** *Co-operative Executive*

**Date of Decision:** *15 December 2021*

**Subject:** *Staff Retirements*

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

**Purpose of Report:**

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

**Recommendations:**

To recommend that Cabinet:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by the 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 with over 20 years' service.

**Background Papers: None**

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



**1. PROPOSAL**

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

<b><u>Name</u></b>	<b><u>Post</u></b>	<b><u>Years' Service</u></b>
<b><u>People Portfolio</u></b>		
Melanie Ainsworth	Care Manager Level 3	38
Katarina Bajin-Stone	Senior Fieldwork Manager	37
Karen Baugh	Care Manager Level 2	35
Allan Booth	Technical and Programme Works Team Leader	44
Lesley Fletcher	Support Worker, Assessor Team	20
Eileen Hallam	Support Worker, City Wide Care Alarms	43
<b><u>People Portfolio</u></b>		
Patricia Clark	Library and Information Assistant	38
John Baldwin	Bereavement Officer	34
Chris Gerner	Senior Building Services Engineer	43
Andrea Howson	Administrative Officer, Building Control and Planning	43

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**Author/Lead Officer of Report:** Peter White, HR Service Manager – Systems & Performance

**Tel:** 07785592738

**Report of:** Eugene Walker, Executive Director of Resources  
**Report to:** Co-operative Executive  
**Date of Decision:** 15<sup>th</sup> December 2021  
**Subject:** Agency Staffing Provision

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/> Y	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/> Y	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Executive Member Portfolio does this relate to? <i>Finance &amp; Resources</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Overview and Scrutiny Management Committee</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/> Y	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(984)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> N
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

**Purpose of Report:**

The purpose of this report is to request approval to agree a two-year extension to the current Agency Temporary Staffing contract with Reed Talent Solutions.

**Recommendations:**

It is recommended that the Co-operative Executive:

1. Approves the extension of the Reed Talent Solutions contract, to enable continuity of service during an unprecedented challenging time, which will accommodate a more detailed assessment of the options
2. Approves HR and Commercial Services engagement with Elected Members, Senior Officers, Hiring Managers and Trade Unions to gain views on the future of temporary staffing during the agreed extension period.
3. Approves HR and Commercial Services to work with Reed Talent Solutions to continue to exploit further Agency savings opportunities whilst increasing social value interventions during the two-year extension period.
4. Delegates authority to the Executive Director of Resources, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to:
  - agree the terms of the extension.
  - take all other decisions necessary to meet the aims, objectives and outcomes of this report which are not already covered by existing delegations in the Leaders Scheme of Delegation.

**Background Papers:**

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

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Kayleigh Inman</i>
	Legal: <i>Gemma Day</i>
	Equalities: <i>Bev Law</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>Eugene Walker</i>
3	<b>Executive Member consulted:</b> <i>Cllr Cate McDonald and Cllr Mike Chaplin</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated

on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
<b>Lead Officer Name:</b> <i>Peter White</i>	<b>Job Title:</b> <i>HR Service Manager – Systems &amp; Performance</i>
<b>Date:</b> <i>11/11/21</i>	

## 1. PROPOSAL

- 1.1 The purpose of this report is to request approval to extend our current Agency Temporary Staffing contract with Reed Talent Solutions for a period of two-years until 31 March 2024.
- 1.2 This would give the Council the opportunity to seek Senior Officer and Elected Member views on the future of temporary staffing, whilst giving HR and Commercial Services Officers the opportunity to focus on other contract start-ups/renewals. This would also ensure a more robust level of engagement with Managers and Trade Union representatives and enable a thorough analysis of future requirements to be considered.
- 1.3 The current Agency contract arrangement for Reed Talent Solutions to supply Temporary staff to the Council comes to an end on 31 March 2022.
- 1.4 The current Agency contract has been in place since 1 April 2017 although the Council has had a contract arrangement with Reed Talent Solutions to supply temporary staff since August 2010.
- 1.5 The current contract was originally for three-years with an option to extend by 12 months on two separate occasions. Both extensions have now been taken so a new arrangement needs to be in place by 31 March 2022.
- 1.6 Reed Talent Solutions currently maintain a master vendor service for the Council across all categories of staff. They act as the Council's first tier supplier but also manage an extensive second tier supply chain of over 50 local and regional agencies to give the Council access to a rich staffing resource.
- 1.7 During the last 12 months (July 20 to July 21) contract spend has risen to £13,457,579 per annum, this equates to a headcount of 588 temporary staff working for the Council during the month of July 2021. From 2015/16 to January 2020 (pre-pandemic) annual spend had risen modestly from £8,293,035 to £9,930,186. This was an anticipated increase mainly due to in-sourcing during this period adding new temporary staffing requirements and movement of off-contract spend onto the Reed contract.
- 1.8 The substantial increase in spend from February 2020 to date is mainly due to additional staffing needs in the Social Care, Admin & Clerical, Legal and Technical categories and is directly related to issues raised by the pandemic. There is a national shortage of candidates of the right calibre particularly in social care and trades and Reed has been instrumental in finding solutions and working with the Council to fill these posts due to their extensive second tier supply

chain and dedication of the account manager.

- 1.9 This level of spend equates to 6.14% of the overall Council pay bill and compares with an average of 4% to 5% in recent years. The impact of the pandemic and re-focussing of Council services over the last 18 months has led to an increased reliance on our temporary staffing base as we have reacted to new pressures and stretched to maintain key services to the citizens of Sheffield.
- 1.10 The impact of both the Covid pandemic and current financial challenges have led to a period of uncertainty when assessing our future temporary staffing resource requirement and the last 18 months spend on Agency staffing is atypical. There are also several other organisational interventions underway including an organisation wide VER/VS scheme to support workforce planning. In addition, resource controls have been introduced, requiring all new or extensions to resourcing requests, including agency to be approved at Portfolio Leadership Team. The impact of these controls is being monitored and will support the assessment of our future temporary staffing needs.
- 1.11 The partnership with Reed has been a key part in the Council demonstrating a sustained level of resilience whilst continuing to deliver against the Social Value ambitions of the contract.
- 1.12 Although Agency Temporary staffing can be accessed directly from a number of providers the master vendor approach has delivered significant savings over many years for the Council. This approach also ensures legal compliance by the supplier through a contractual relationship that extends through to the second tier supply chain with Reed acting as the auditor. Whilst Reed manage this supply chain, other Agency suppliers can be admitted to the framework or be accessed directly via a waiver through Commercial Services should the need arise and a set criteria be met.

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

- 2.1 The agreement of allowing an extension to the contract arrangement with Reed Talent Solutions offers the opportunity to explore savings to the Council.

Initial discussions with Reed Talent Solutions have identified significant indicative savings over a two-year period. This would be achievable through several measures including cashable savings, overtime caps, contract day rate changes, clients supplied rates and free temp to perm.

HR is already assessing prior to any extension period being granted how valid and palatable each of the measures may be to determine a

course of action to help realise these savings. This has resulted in work being carried out to realise some of these savings now, to ensure maximum benefit can be achieved during the remaining months of the contract.

The current contract was set up to deliver Social Values to the citizens of Sheffield and the wider Sheffield City Region.

Reed Talent Solutions provide a positive contribution to the city of Sheffield and work toward mutual themes that help benefit the citizens of Sheffield.

### **Growth & Jobs**

Reed support some of our local schools by conducting Mock Interviews, acting as an Enterprise Advisor to Chaucer school helping them to reach their Gatsby benchmarks, creating videos of women in engineering, planning roles for a Year 9 virtual options evening and hosting Attendance and Punctuality lessons to multiple classes.

They also created a Roadmap to career success document covering CV advice, interview advice and how to find a job that has been shared with local schools

One of Reed's account coordination team gained an apprenticeship through their role and most recently that post has been replaced by offering a placement year for a Sheffield Hallam student providing them vital exposure and experience

They also act as a partner to the Care Leavers Covenant and have a dedicated Care Leavers email address where care leavers can reach out for support.

### **Improving Employability**

Reed offer any employee on the Council talent pool confidential career advice on both a one to one and group session.

This was recently extended to those affected by redundancies at John Lewis

They work closely with local job centres, are a key arm for the kick start campaign and during 2021 have placed over 55 candidates who were unemployed in the previous 3 months to gain a temporary position in Sheffield.

### **Healthier, Stronger, and Safer Communities**

Their account coordination team helped support the Council throughout the height of the pandemic preparing and delivering care packages to drop off for the children and families supported by the council.



They also collected and donated for the local Sheffield food bank, donating to the S2 Foodbank since the start of the pandemic

Reed donated to help support the recent Summer Camp ran by the Eagles Foundation that provided both a breakfast, lunch, and 3 hours of physical activity for 4 weeks in Parson Cross for children who required lunch time vouchers.

The Reed team also get involved in their local community by donating hours to help litter pick.

### **Promoting Local Business**

Reed specifically work with local SME's that are based with South Yorkshire, who can deliver into the contract. A significant amount of contract spend goes through local SME's creating a social value contribution for Sheffield.

They also help develop supplier's businesses by giving them additional business to surrounding contracts run by Reed. For example, Lynx a Sheffield based independent recruitment company now have opportunities to deliver in 4 other Reed contracts

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

3.1 None

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

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

4.1.1 There are no risks relating to equality of opportunity. All equality implications have been considered and detailed on the attached Equality Impact Assessment (see Appendix 1 attached). All equality impacts are either neutral or positive.

Whilst it has been identified there are some equality impacts, mitigations have been put in place and will be reviewed to ensure these are kept to a minimum.

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

4.2.1 The contract does not guarantee a minimum spend with Reed Talent Solutions and it is purely based on demand for staff.

4.2.2 During the 12-month period July 20 to July 21 the Council has spent £13,457,579 on temporary staff through the Agency contract with Reed Talent Solutions. A small proportion of this spend was paid to Reed as an agency fee and the remainder paid to the agency staff as

wages. Agency providers typically make between 8% to 10% on their contracts which covers their own staffing costs, accommodation, booking systems, marketing, advertising, supply chain management and profit. In addition, Reed can supply agency staff through their second tier supply chain and the fees payable to these other agencies are also included in this spend.

- 4.2.3 Some Reed Agency candidates go on to gain a position with the Council, should this happen after 12 weeks of placement with the Council then no temp to perm fees are levied. Temp to perm appointments within the first 12 weeks of a placement attract a fee based on a depreciating sliding scale from week 1 to the end of week 12.
- 4.2.4 Reed candidates are generally aligned with the bottom spinal column point (SCP) in the Council pay grade that the post attracts. In some circumstances the rate of pay can be less than the Council SCP for the first 12 weeks of tenure until the Agency Worker Regulations are applied ensuring minimum SCP within grade is achieved.
- 4.2.5 This report proposes an extension to the contract with Reed Talent Solutions for a further two years. The two-year extension will be contracted on the same terms and conditions as the original contract. Reed Talent Solutions, the current incumbent, has proposed some initiatives that could generate significant savings over the duration of the two-year extension (split broadly 50/50 in each year). These initiatives are currently being validated and will be tracked and monitored throughout the extension.
- 4.2.6 In addition, the Council has implemented vacancy management controls and schemes to aim to reduce the spend on agency staff and overtime during the next two years. These savings will contribute to the financial budgetary pressures faced by the Council.
- 4.2.6 The extension to the contract is of no commercial detriment to the Council and it does not preclude other agencies from supplying our agency staffing requirements as Reed Talent Solutions can onboard other agencies as part of their second-tier supply chain arrangements to ensure the Council can fulfil its requirements

#### 4.3 Legal Implications

- 4.3.1 The ability to extend the contract with Reed Talent Solutions for a further two years beyond the expiry of the original term falls under Regulation 72(1)(c) of the Public Contract Regulations 2015. This regulation allows modifications to be made without a new procurement where all the following conditions are met:

- *'The need for the modification has been brought about by circumstances which a diligent authority could not have foreseen*

- *The modification does not alter the overall nature of the contract*
- *The increase in price does not exceed 50% of the original contract value or framework agreement'*

4.3.2 The impact the Covid pandemic has had on the Council could not have been foreseen and a change of provider now would be disadvantageous for economic and business continuity reasons as the Council needs to assess the future agency requirements based on a changing workforce.

4.3.3 Officers must also be satisfied that the proposed modification does not change the overall nature of the contract, for example that it is still fundamentally the same service being provided, and that the value of the modification is less than 50% of the original value of the contract.

4.3.4 In addition, Regulation 72(1)(e) may also be used if the modification is not deemed to be substantial.

4.3.5 Access to appropriately qualified temporary staff supports the Council in providing statutory and other essential services to the citizens of Sheffield.

#### 4.4 Other Implications

4.4.1 None

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

5.1 Other options considered were:

- Proceed to a re-tender, to determine the most appropriate Agency staffing provider. Timescale 12 months.
- Access an existing framework and set up a mini competition to determine the most appropriate Agency staffing provider. Timescale 6 months including mobilisation

5.2 The impact of the Covid pandemic and current financial challenges have led to a period of uncertainty when assessing our temporary staffing resource requirements. During the last 18 months our type and level of spend on Agency staffing is atypical.

5.3 We have several interventions underway including an organisation wide VER/VS scheme to support workforce planning and the introduction of new resource control measures to help control the Councils recruitment activity.

5.4 This makes it difficult for the Council to clearly articulate its Temporary Staffing Resource requirements at this time and is why these

alternatives have been discounted in favour of a 2-year extension which would giving us the opportunity to carry out a comprehensive assessment of our needs.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 It is recommended that the Co-operative Executive approves the request to extend the current contract arrangement with Reed Talent Solutions to ensure continuity of Temporary staffing provision, to realise potential savings opportunities and ensure social value initiatives remain in place.
- 6.2 A 24-month extension to the Agency contract will give us the necessary time to complete the VER/VS scheme and judge the impact of our resource controls on our workforce planning thus enabling us to understand our future workforce requirements before the tender specification is developed.
- 6.3 The lead time for this tender would be 12 months which includes options appraisal and market engagement, followed by an implementation of 6 months.
- 6.4 The extension will give the Council time to thoroughly consider future Temporary Agency Staffing supply, with a view to exploit further savings and review the service specification in line with our strategic objectives.

# Equality Impact Assessment

## Introductory Information

**Budget/Project name**

Agency Staffing Provision

**Proposal type**

- Budget
- Project

**Decision Type**

- Cabinet
- Cabinet Committee (e.g. Cabinet Highways Committee)
- Leader
- Individual Cabinet Member
- Executive Director/Director
- Officer Decisions (Non-Key)
- Council (e.g. Budget and Housing Revenue Account)
- Regulatory Committees (e.g. Licensing Committee)

**Lead Cabinet Member**

Cllr Cate McDonald

**Entered on Q Tier**

- Yes
- No

**Year(s)**

<input type="radio"/> 14/15	<input type="radio"/> 15/16	<input type="radio"/> 16/17	<input type="radio"/> 17/18	<input type="radio"/> 18/19	<input type="radio"/> 19/20	<input type="radio"/> 20/21	<input checked="" type="radio"/> 21/22
-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	--

**EIA date**

22/10/2021

**EIA Lead**

- |  |  |
|--|--|
| <input type="radio"/> Adele Robinson     | <input type="radio"/> Ed Sexton          |
| <input type="radio"/> Annemarie Johnston | <input type="radio"/> Louise Nunn        |
| <input type="radio"/> Bashir Khan        | <input checked="" type="radio"/> Bev Law |
| <input type="radio"/> Beth Storm         | <input type="radio"/> James Henderson    |
| <input type="radio"/> Diane Owens        |  |

**Person filling in this EIA form**

Peter White

**Lead officer**

Peter White

**Lead Corporate Plan priority**

<input type="radio"/> An In-Touch Organisation	<input checked="" type="radio"/> Strong Economy	<input type="radio"/> Thriving Neighbourhoods and Communities	<input type="radio"/> Better Health and Wellbeing	<input type="radio"/> Tackling Inequalities
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## Portfolio, Service and Team

### Cross-Portfolio

- Yes       No

### Portfolio

Resources

Is the EIA joint with another organisation (eg NHS)?

- Yes       No

## Brief aim(s) of the proposal and the outcome(s) you want to achieve

Requesting a Key Decision from the Co-operative Executive to extend the Agency Staffing Provision contract with Reed Talent Solutions

## Impact

Under the [Public Sector Equality Duty](#) we have to pay due regard to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations

More information is available on the [Council website](#) including the [Community Knowledge Profiles](#).

Note the EIA should describe impact before any action/mitigation. If there are both negatives and positives, please outline these – positives will be part of any mitigation. The action plan should detail any mitigation.

## Overview

### Briefly describe how the proposal helps to meet the Public Sector Duty outlined above

The impact will be to ensure continued access by Council Services to the provision of Temporary staffing to facilitate the delivery key services to the citizens of Sheffield.

The 24-month extension to this arrangement will ensure Sheffield City Council are able to meet the demand of its services where and when we are faced with staff shortages and when we need to act quickly meaning we are unable to respond via our usual recruitment methods due to time restrictions.

This extension will also ensure the citizens of Sheffield continue to benefit from multiple social value initiatives delivered by Reed Talent Solutions.

Reed Talent solutions will strive to maintain or improve on the achievements of the current arrangement and focus on the following key elements:

- Ensure the continued provision of competent, high calibre, well trained and motivated agency staff
- Contribute positively to the Social Value objectives of Sheffield City Council
- Supply all types of labour including Contingent, Interim, Executive, Temp-to-Perm, as well as recruitment of permanent staff when required.
- Provide a panel vendor management approach to subcontracted agencies to ensure that contracts are commercially and operationally sound.

Agency candidates are primarily used to meet short term vacancies (under 6 months), infrequent temporary shift fulfilment and specialist consultant/interim requirements

Reed Talent Solutions collect EDI data from candidates as they are recruited and supply this anonymised data to SCC via a wider monthly MI Report. The report is shared prior to Agency Contract meetings so issues can be discussed between SCC and their supplier. We will ensure we take steps to improve our data collection and how we use this data.

In line with our [Equality Objectives](#), we aim to have a workforce reflective of the working population of Sheffield.

## Impacts

### Proposal has an impact on

<input checked="" type="radio"/> Health	<input checked="" type="radio"/> Transgender
<input checked="" type="radio"/> Age	<input checked="" type="radio"/> Carers
<input checked="" type="radio"/> Disability	<input type="radio"/> Voluntary/Community & Faith Sectors
<input checked="" type="radio"/> Pregnancy/Maternity	<input type="radio"/> Cohesion
<input checked="" type="radio"/> Race	<input checked="" type="radio"/> Partners
<input checked="" type="radio"/> Religion/Belief	<input checked="" type="radio"/> Poverty & Financial Inclusion
<input checked="" type="radio"/> Sex	<input checked="" type="radio"/> Armed Forces
<input type="radio"/> Sexual Orientation	<input type="radio"/> Other

Give details in sections below.

## Health

**Does the Proposal have a significant impact on health and well-being (including effects on the wider determinants of health)?**

Yes       No      *if Yes, complete section below*

### Staff

Yes       No

### Impact

Positive       Neutral       Negative

### Level

None       Low       Medium       High

### Details of impact

Having a process to deploy agency staff where and when necessary, will support the health and wellbeing of our current staff as we aim to mitigate implications of increasing pressure associated with unreasonably high workloads. We are aware of our duty of care and our need to support the wellbeing of our workforce, where the impact of high and unreasonable workloads can often lead to employee burn out and can trigger sickness. Potential impacts on SCC staff mental health should be reduced as temporary staff will be in place at times when support to deliver services is required.

All Agency bookings and extensions to the length of tenure require sign off by a Portfolio Leadership Team via a Resource Control Form. In addition to this a monthly MI report clearly identifies the length of tenure for each candidate to ensure lengthy engagements are kept to a minimum. We will keep this form under review and strengthen this control as and when required.

This measure helps reduce impacts on SCC staff and their opportunities for career progression and keep the use of agency workers for its intended purpose

**Customers**

Yes       No

**Impact**

Positive       Neutral       Negative

**Level**

None       Low       Medium       High

**Details of impact**

We are aware of the impact of unnecessary delays in our service delivery, this proposal will positively impact our customers as we take steps to ensure our service delivery continues when services are faced with staffing issues and ensuring our customers continue to access the SCC Services they require.

Agency candidates are recruited to and assessed against SCC Job Descriptions and person specifications by SCC managers to temporary positions within the Council to ensure candidate have essential skills required for the position. All necessary employment checks (e.g. DBS) are carried out by the Agency with any essential training being put in place prior the start date or as part of the induction process. Ongoing training requirements are met by the Council and/or the Agency supplier. Managers are required to ensure all appropriate training needs are met as we would expect if we were carrying out recruitment via usual recruitment methods.

**Comprehensive Health Impact Assessment being completed**

Yes       No

*Please attach health impact assessment as a supporting document below.*

**Public Health Leads has signed off the health impact(s) of this EIA**

Yes       No

**Health Lead**



## Age

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

To reduce any impact on SCC staff progression due to the temporary filling of roles via agency workers, guidance on the short-term usage of agency staff has been made a key part of the communications issued to managers. This is further supported by a requirement for all Agency bookings and extensions to gain sign off via a Portfolio Leadership Team via use of a Resource Control Form, ensuring Directors and Heads of Service are fully engaged. A monthly MI report clearly identifies the length of tenure for each candidate to ensure any lengthy engagements are kept to a minimum.

The report is shared prior to Agency Contract meetings so issues can be discussed between SCC and their supplier, with any exceptional lengths of tenure being identified and taken forward by the HR Head of Service to HR Leadership Team.

There has been a substantial increase in the requirement for well-trained/qualified Agency staff from February 2020 to date mainly due to additional staffing needs in the Social Care, Admin & Clerical, Legal and Technical categories and this is directly related to issues raised by the pandemic. This has led to a positive impact on SCC staff as its released pressure on key services and individuals during this period.

### Customers

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

Sheffield has a higher proportion of its population aged 65 years or over (16%, or 93,600 people) than the other English Core Cities. This means our services can often be stretched to full capacity as demand on our services can be extremely high. We provide services to the most vulnerable in society and we take steps to ensure our service delivery and that the standards we expect remain high.

Agency candidates are recruited to and assessed against SCC Job Descriptions and person specifications by SCC managers to temporary positions within the Council. All necessary employment checks (e.g. DBS) are carried out by the Agency with any essential training being put in place prior the start date or as part of the induction process. Ongoing training requirements are met by the Council and/or the Agency supplier.

This ensures that Agency staff are fully aware of our customer's needs prior to and during their tenure with the Council.

## Disability

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

**Level**

- None     Low     Medium     High

**Details of impact**

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**Customers**

- Yes     No

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

The 2011 census told us that there are over 103,000 disabled people in the city and over a third of all households include a disabled person. We provide services to the most vulnerable in society and we take steps to ensure our service delivery and that the standards we expect remain high.

The provision of temporary staff impacts significantly on customers with disabilities as a high proportion of temporary staff work in Adult and Children’s care services. Other temporary staff include drivers and driver assistants that transport children with disabilities and vulnerable adults to schools and centres across the city on a daily basis.

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**Pregnancy/Maternity**

**Staff**

Yes     No     Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

**Customers**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

**Race**

**Staff**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

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**Customers**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

The 2011 census told us that there are over 105,000 citizens who are Black, Asian or Minority Ethnic (BAME) in the city, this is likely to have increased over the past 10 years. This is 23% of the population of Sheffield. We provide services to the most vulnerable in society and we take steps to ensure our service delivery and that the standards we expect remain high.

A number of the Social Value initiatives carried out by the Temporary staffing provider are focussed in deprived areas of Sheffield where a higher proportion BAME citizens are residents.

Agency candidates are recruited to and assessed against SCC Job Descriptions and person specifications by SCC managers to temporary positions within the Council. All necessary employment checks (e.g. DBS) are carried out by the Agency with any essential training being put in place prior the start date or as part of the induction process. Ongoing training requirements are met by the Council and/or the Agency supplier.

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**Religion/Belief****Staff**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact****Customers**

Yes     No

**Impact**

Positive     Neutral     Negative

**Level**

None     Low     Medium     High

**Details of impact**

A number of the Social Value initiatives carried out by the Temporary staffing provider are focussed in deprived areas of Sheffield where a higher proportion BAME citizens are residents. We provide services to the most vulnerable in society and we take steps to ensure our service delivery and that the standards we expect remain high.

## Sex

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

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### Customers

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

The 2011 census told us that in Sheffield there are 9,086 more women than men who are aged 65+. We provide services to the most vulnerable in society and we take steps to ensure our service delivery and that the standards we expect remain high.

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## Sexual Orientation

### Staff

Yes       No

### Impact

Positive     Neutral     Negative

### Level

None       Low       Medium       High

### Details of impact

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### Customers

Yes       No

### Impact

Positive     Neutral     Negative

### Level

None       Low       Medium       High

### Details of impact

Agency candidates are recruited to and assessed against SCC Job Descriptions and person specifications by SCC managers to temporary positions within the Council. All necessary employment checks (e.g. DBS) are carried out by the Agency with any essential training being put in place prior the start date or as part of the induction process. Ongoing training requirements are met by the Council and/or the Agency supplier.

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## Transgender

### Staff

Yes       No

### Impact

Positive     Neutral     Negative

### Level

None       Low       Medium       High

**Details of impact**

We do not currently know what a diversity workforce profile is because of the significantly high number of unknown data.

**Customers**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

[Empty text box for details of impact]

**Carers**

**Staff**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

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**Customers**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

A number of SCC customers that are carers would be impacted by the lack of services if temporary staff were not available to deliver key services when SCC staff are unavailable.

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**Voluntary/Community & Faith Sectors**

**Staff**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

[Empty text box for details of impact]

**Customers**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

[Empty text box for details of impact]

**Cohesion**

**Staff**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High



**Details of impact**

[Empty text box for details of impact]

**Customers**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

[Empty text box for details of impact]

**Partners**

**Staff**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

Supply of temporary staff in SCC care services supports the transfer of citizens between NHS services and SCC services.

**Customers**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

None       Low       Medium       High

**Details of impact**

Supply of temporary staff in SCC care services supports the transfer of citizens between NHS services and SCC services.

**Poverty & Financial Inclusion**

**Staff**

Yes       No

**Impact**

Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

[Empty text box for details of impact]

**Customers**

- Yes     No

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

A number of the Social Value initiatives carried out by the Temporary staffing provider are focussed on giving Sheffield citizens the to skills required to gain employment with the provider in the first instance and secondly with the Council.

**Armed Forces**

**Staff**

- Yes     No

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

[Empty text box for details of impact]

**Customers**

- Yes     No

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

[Empty text box for details of impact]

**Other**

**Staff**

- Yes     No

*Please specify*

[Redacted]

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

[Redacted]

**Customers**

- Yes     No

*Please specify*

[Redacted]

**Impact**

- Positive     Neutral     Negative

**Level**

- None     Low     Medium     High

**Details of impact**

[Redacted]

## Cumulative Impact

### Proposal has a cumulative impact

- Yes  No

<input checked="" type="radio"/> Year on Year	<input type="radio"/> Across a Community of Identity/Interest
<input type="radio"/> Geographical Area	<input type="radio"/> Other

#### *If yes, details of impact*

Supply of a Temporary staffing resources supports the majority of SCC services ensuring service delivery is maintained for the residents of Sheffield. The lack of a temporary staffing resource would severely impact on the Councils ability to deliver essential services.

Although the booking of an individual candidate is a short term measure the provision of temporary staffing is a long-term arrangement. Temporary staffing accounts for over 4% of the average pay bill for organisations across both public and private sector and works as an essential staffing solution for continued service delivery.

### Proposal has geographical impact across Sheffield

- Yes  No

#### *If Yes, details of geographical impact across Sheffield*

### Local Partnership Area(s) impacted

- All  Specific

#### *If Specific, name of Local Partnership Area(s) impacted*

## Action Plan and Supporting Evidence

### Action Plan

- Update guidance on the use of agency staff in line with current thinking about workforce planning.
- Work with Reed Talent Solutions to widen the scope for EDI data collection as they currently only report on Gender, Disability, Age and Ethnic Origin. Use existing and new data as part of SCC equalities reporting as this is a key route into SCC jobs.

### Supporting Evidence (Please detail all your evidence used to support the EIA)

Please see attached Form 1 and Form 2

## Consultation

### Consultation required

Yes  No

### If consultation is not required please state why

This is a request to extend an existing contractual arrangement to allow Officers the time required to engage with Councillors and Trade Unions about the future approach to Temporary Staffing Provision in Sheffield City Council.

The impact of the Covid pandemic and current financial challenges have led to a period of uncertainty when assessing our temporary staffing resource requirements. During the last 18 months our type and level of spend on Agency staffing is atypical. At the same time, there are a number of other organisational interventions underway. These includes an organisation VER/VS scheme to support workforce planning and the introduction of recruitment controls that are now in place and starting to make an impact on our resourcing requirements which will allow us to start to assess our future temporary staffing needs.

### Are Staff who may be affected by these proposals aware of them

Yes  No

### Are Customers who may be affected by these proposals aware of them

Yes  No

### If you have said no to either please say why

Continuation of the current contract would maintain the status quo so no change in contract provision would be noticeable.

None – Continuation of existing arrangement

### Escalation plan

**Is there a high impact in any area?**

Yes  No

**Overall risk rating after any mitigations have been put in place**

High  Medium  Low  None

### Sign Off

**EIAs must be agreed and signed off by the equality lead in your Portfolio or corporately. Has this been signed off?**

Yes  No

Date agreed: 11/11/21

**Review Date**

31/03/2023



**Author/Lead Officer of Report:** Sarah Swinburn  
– Commissioning Officer

**Tel:** 0114 4742035

**Report of:** *Executive Director, People Services*

**Report to:** *Co-operative Executive*

**Date of Decision:** *15 December 2021*

**Subject:** *Procurement of the Technology Enabled Care Monitoring Service Contract*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Executive Member Portfolio does this relate to? <i>Health and Social Care</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities and Adult Social Care</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? Reference Number: 225		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

**Purpose of Report:**

The purpose of this report is to seek approval for the procurement of a provider via the ESPO Framework to deliver Technology Enabled Care (TEC) Monitoring Services, with the requirement of the new provider to work collaboratively with Commissioners and the Council's City Wide Care Alarms (CWCAs) response team throughout the contract term to collectively deliver continual service improvement and increase the number of people able to benefit from TEC.

We propose the procurement of a 1-year contract with the option to extend for a further year, through the ESPO Framework, with our ambitions for the new service to deliver the best possible outcomes and service experience for the people of Sheffield.

The current contract is due to end 31 July 2022, with the procurement of a provider required for the delivery of TEC Monitoring Services after this date.

The TEC monitoring services and CWCA's 24/7 service provision are important in that they support individuals to remain independent safe and well; and able to stay in their own home for as long as possible.

**Recommendations:**

It is recommended that the Co-operative Executive:

- 1) Approve the procurement strategy for the procurement of a Technology Enabled Care Monitoring Service Contract via the ESPO Framework.
- 2) Delegate authority to the Director of Adult Health and Social Care in consultation with the Director of Legal and Governance Services, Director of Finance and Commercial Services and the lead Executive Member for Health and Social Care to award such contract and take such other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report.



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

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Ann Hardy</i>
		Legal: <i>Richard Marik</i>
		Equalities: <i>Ed Sexton</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>Executive Director who approved submission:</b>	<i>Alexis Chappell, Director of Adult Health and Social Care</i>
3	<b>Executive Member consulted:</b>	<i>Cllr George Lindars-Hammond</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Sarah Swinburn</i>	<b>Job Title:</b> <i>Commissioning Officer</i>
	<b>Date: 05 November 2021</b>	

**1. PROPOSAL**

- 1.1 Technology Enabled Care (TEC) refers to the use of community alarms, telecare, telehealth, and telemedicine in providing care for people that is convenient, accessible and cost-effective. These services use technology to support people to live safely and independently in their own homes and can be helpful for example, to people at risk of falls as well as enabling people to live well with Dementia. They provide families and carers with a sense of security and peace of mind that their loved ones are safeguarded.
- 1.2 The current TEC supports people predominantly through Community Alarms and Telecare with a range of equipment in people's homes, some of which is worn such as Falls Detectors. These generate on average 19,000 alerts each month, which are managed as part of the TEC monitoring services.

1.3 The development to TEC in Sheffield is very much part of the Home Care Transformation Programme, given the positive contribution it makes to enabling people to live independently, safe and well at home. TEC complements home care packages, helping to ensure that services are optimised.

1.4 The transformational project team alongside commercial services colleagues have undertaken soft market testing to consider:

- Future monitoring services which include outbound preventative calling
- How health and social care communities are/have embedded TEC
- Marketing and promotion of TEC services
- Referral and assessment for TEC services
- Ongoing product range management in a rapidly evolving marketplace
- Improving knowledge, understanding, confidence for care professionals

1.5 The transformational project review has been undertaken to inform the re-procurement of the contract going forward that will underpin the long-term sustainability and quality of the services; and maximise people's independence in line with our Statutory Duty under the Care Act 2014. This review has informed the development of the service model for the proposed TEC Monitoring Service contract.

1.6 The TEC Monitoring Service supports with a range of equipment, manages alerts/alarms from Telecare devices worn by service users, and works in partnership with other health and care organisations to deliver a 24/7 emergency response.

1.7 The TEC Monitoring Services operate in partnership with other health and social care organisations and emergency services, such as; Sheffield Council's City Wide Care Alarms (CWCA), Yorkshire Ambulance Service and South Yorkshire Fire and Rescue Service, delivering a 24/7 emergency response to people's homes.

1.8 TEC Monitoring Services delivered collaboratively with the CWCAs response service, are important in that they support individuals: to remain independent safe and well; to be able to stay in their own home for as long as possible; and help prevent hospital admissions and long-term care. They also help to manage the challenges in relation to workforce capacity in care, optimising care packages and delivering whole system efficiencies particularly in the prevention of avoidable hospital admissions and supporting early discharges.

1.9 The current TEC Services Monitoring contract is due to end 31 July 2022, with the procurement of a provider required for the delivery of TEC Monitoring Services after this date.

1.10 The proposal in this report is for the procurement of a provider and subsequent award of a 1-year contract with the option to extend for a further year, via the ESPO Framework to deliver TEC Monitoring Services. This will include: the requirement to work collaboratively with Commissioners and the CWCA response team throughout the contract term to collectively deliver continual service improvement and increasing the number of people able to benefit from TEC; 24hr Call handling / monitoring service for new and existing community telecare alarm equipment in Sheffield; the management of alerts/alarms from assistive technology devices worn by service users; and co-ordinating any required actions via a 24/7 emergency response service.

1.11 It is proposed that a provider shall be procured by way of a mini-competition under the ESPO Technology Enabled Care Products & Services Framework, which is available to all local authorities in the UK. The mini-competition shall be conducted between providers in Lot 2 (Technology Enabled Care Services) using a refined version of the specification used in the last procurement. The bids will be assessed on a combination of quality and price. The market is buoyant and the ESPO Framework has 22 suppliers, which allows for good competition without the overly burdensome procurement process that an open or restricted tender can become.

1.12 The new contract is expected to commence 1 August 2022 for a contract term of 1-year, with the option to extend for a further year. The option of the additional year will provide the necessary flexibility to enable the pursuit of alternative options detailed in section 5, should the opportunity arise.

**Indicative Key milestones**

Service Specification	Dec 2021
Co-operative Executive Approval Procurement	Dec 2021
ITT	Jan 22– Feb 22
Contract Award	04/04/2022
Contract Mobilisation	18/04/2022
Contract Go Live	01/08/2022

1.13 The relatively short contract term is indicative of the constraints on resource, in respect of the amount of transformational change being undertaken across Adult Social Care. The ambition for the future of TEC in Sheffield is substantial and will require the appropriate capacity to affect the change.

1.14 The option of a 1-year extension would enable us to pursue alternative options should the opportunity arise, and end the contract naturally without the need for any financial penalties that could arise from activating a voluntary break clause during a longer contractual term

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

- 2.1 The overarching principles of the ambitions detailed in this report are consistent with the Corporate Plan, the emerging Adult Social Care Strategy and the Adult Social Care Transformation Programme.
- 2.2 The planned transformational developments to this model of TEC are expected to reduce health inequalities, with the new services subject to a stringent Equality Impact Assessment.
- 2.3 Provision of effective, efficient alert management and responses and investment in new technology will contribute to achieving these aims by supporting all adults, younger people and families with a range of health and social care needs, to live more independently in their own home. The services will maintain people's independence and wellbeing leading to improved outcomes.
- 2.4 The TEC Monitoring Service model being introduced supports with a range of equipment, increasingly across health, social care and housing, operating in close collaboration with other health and care organisations and the emergency services, to deliver a 24/7 emergency response to prevent unnecessary hospital admission and readmission.
- 2.5 This proposal also assists the council to meet its statutory duties under the Care Act 2014.

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

- 3.1 The commissioner has been working closely with Commercial Services and colleagues from CWCA's in the project planning process. Questionnaires have been circulated to people in receipt of care to assess the quality and value of the current services. Soft market testing has been undertaken with the support of providers, to help inform and shape thinking as to the best service re-design, which has also helped to define the indicative procurement timetable.

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

- 4.1 Equality of Opportunity Implications
  - 4.1.1 The ongoing Equality Impact Assessment (EIA 255) for current Assistive Technology Call Handling Contract has been reviewed and updated to take into account the proposed procurement of the TEC Monitoring Services Contract.

4.1.2 TEC primarily supports elderly and/or vulnerable, adults living on their own. Presently the majority of customers are female, white-British, 75 and over, with some form of long-term health condition or disability. Conversely all customers (9,015 across the city) will be affected by any changes to the services.

4.1.3 The transformational project wants to reduce health inequalities and support wider demographic groups by assisting all adults, younger people and families with a range of health and social care needs, through the provision of effective alert management and responses and investment in new technology.

4.1.4 Services will be more widely promoted and improve accessibility to all age groups, ensuring that as many people as possible (including supporting family/friends) are aware how the service can increase the number of vulnerable people it supports

4.1.5 If the procurement of the contract is agreed there will be no significant adverse effects to the customers or staff, but some changes may represent low impacts. No substantial changes are planned to service specification or model, so it will continue be delivered without any implications to the customer and supporting them to remain independent in their own home.

4.1.6 The procurement may mean a change in provider which may result in some customers and their family/representatives being worried about the continued quality of the service. The new contractor will be expected to meet high-quality standards compliant with the Telecare Services Association (TSA) Accreditation; and provide reassurance and support to seamlessly settle customers into their support services.

4.1.7 Should the procurement not be approved, resulting in the expiry of the current contract there would be no supportive prevention service offering alert handling to the people of Sheffield, this would result in a significant negative impact to customers.

4.1.8 Expiry of the contract would signify the removal of call handling and monitoring service to a significant number of people living in Sheffield and their ability to remain independent in their own home, as a result all

## 4.2 Financial and Commercial Implications

4.2.1 The procurement process will be run in line with the Public Contract Regulations 2015 (PCR).

4.2.2 The contract value with Invicta/Centra is £250,000 and there is a permanent budget to pay for this contract within the business unit.

Given that the 1-year contract will have the option to extend for a further year, the total cost would potentially be £500,000.

#### 4.2.3

The contract is to be awarded for 1-year with the option to extend for a further year, beginning 1 August 2022. This will enable the review project to be completed while at the same time ensuring service continuity and the Council's Statutory Duty to comply with PCR.

#### 4.2.4

The Council's financial position requires all budgets to be tightly monitored and the move towards a shift in how Telecare is contracted and delivered is vital to the success of managing finite resources. This contract will be subject to a tender process where the award will be financially responsive to budget constraints.

### 4.3 Legal Implications

4.3.1 Under the Care Act 2014, the Council has a duty to meet the eligible needs of those in its area and it fulfils this duty in part through Council arranged services.

4.3.2 The Council also has functions under the Care Act 2014 to ensure that people in receipt of care:

- receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
- can get the information and advice they need to make good decisions about care and support;
- have a range of provision of high quality, appropriate services to choose from.

4.3.3 TEC Monitoring Services are an important element of services that support people in their communities.

4.3.4 Framework agreements provide one avenue for local authorities to procure a range of external providers to meet the varied need of service users.

4.3.5 The Council, as a local authority, is an eligible contracting authority for the purposes of the ESPO Technology Enabled Care Products & Services Framework and can thus procure a provider from Lot 2 by way of mini-competition.

4.3.6 Although the ESPO Technology Enabled Care Products & Services Framework expires on 13/06/2023, the Public Contracts Regulations 2015 (PCR 2015) do not stipulate the duration of a specific contract awarded under a framework agreement. The Council are therefore entitled to place orders for contracts up to the end of the expiry of the framework agreement, which means that a contract can be extended beyond the lifespan of the framework arrangement provided that the

purpose of such extension is not to circumvent the provisions of the PCR 2015.

- 4.3.7 A clause permitting a 1-year extension to the TEC Monitoring Services call-off contract will be required in the contract.
- 4.3.8 The proposed procurement and award via the ESPO Technology Enabled Care Products & Services Framework is PCR 2015 compliant.

#### 4.4 Other Implications

- 4.4.1 N/A

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

- 5.1 The option of a 2-year contract was considered, but it was decided that a 2-year term would restrict potential alternative options after period of 1 year, should the opportunity arise. There was also the risk of financial penalties arising from activating a voluntary break clause during a 2-year term.
- 5.2 We are keen to explore the potential benefits of wider connectivity for TEC services linked to key service areas, such as our Integrated Community Equipment Loan Service, and jointly commissioned Care at Night service. There is also the opportunity to explore links with external services such as NHS 111.
- 5.3 The future option for the delivery of TEC Monitoring Services inhouse will be explored, being mindful of the potential operating costs both from staffing terms and conditions and the capital and revenue implications of the necessary investment in a TEC monitoring system platform.
- 5.4 There is also the option to explore the development of a regional South Yorkshire TEC Monitoring Services Hub, as part of the new Integrated Care System (ICS) bringing together the full range of TEC from a health and social care perspective, such as Telehealth, Tele-Medicine, Assistive Technology and Telecare.

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

- 6.1 The current contract for Assistive Technology is due to expire 31 July 2022. There are presently 9,015 connections to the service throughout the city, the procurement is required for the continued delivery of Call Monitoring Services.
- 6.2 If the contract expires without being re-procured, we will be placed in a position where we are unable to contract for any further TEC

Monitoring services with the present provider, leaving the potential for no monitoring or management of alerts/alarms or emergency responses for new and existing community telecare alarm equipment in Sheffield

6.3 TEC enables older people to continue to live independently in their own homes with the security of 24/7 emergency support. This is a key concept/principle of the service in reducing the admissions to hospital and residential care.

6.4 In the event of the loss of the dedicated provider, many individuals would no longer be safe to live independently in their own home increasing the number of care home admissions. This option is considerably more expensive, impacting on both the tenant and Sheffield City Council at a time of financial pressures.





## Executive Director/Director Non-Key Executive Decision Report

**Author/Lead Officer of Report: Tammy Whitaker, Head of Regeneration and Property Services**

**Tel: 0114 205 6912**

**Report to:** Mick Crofts Executive Director Place

**Date of Decision:** 15th December 2021

**Subject:** Parkwood Springs Options Report

Which Cabinet Member Portfolio does this relate to? **City Futures, Development, Culture and Regeneration and Cabinet Member for Finance**

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

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

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

Does the report contain confidential or exempt information?      Yes  No

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

*"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."*

**Purpose of Report:**

This report seeks to provide an update on the development of leisure use at Parkwood following the termination of the Agreement for Lease with Extreme

The Council has undertaken a project review and options appraisal for future development of the site to decide how best to proceed and this report seeks delegated authority to

1/ progress the preferred option as set out in this report, and

2/ identify and secure funding for upfront site assessment/investigation works and for the clearance of the site of debris and invasive vegetation, subject to

compliance with the Council's budget processes, financial regulations and Capital Approval processes

**Recommendations:**

*It is recommended that:*

That Cooperative Executive

- 1) Notes the progress made to date on delivery of development of the Parkwood site
- 2) Endorses the strategy outlined in this report for the delivery of development at Parkwood
- 3) Allocates £200,000 from established investment resources to develop the proposal and underwrite the cost of site clearance works and a detailed transport, and ecological assessment
- 4) Recommends that a suitable communications and engagement strategy is developed to manage the ongoing development of the Parkwood site as proposals progress
- 5) Recommends that discussions are held with Mayoral Combined Authority to explore the potential for external funding to undertake the site assessment/investigation/access surveys, undertake the site clearance works and the longer term implementation of access and development works to bring the site forward.

**Background Papers:**

Report to Cabinet 17th July 2019 Disposal of land at Parkwood Springs to enable development as an outdoor leisure destination

Report to Leader of Council 26th February 2021 Provision of Access Road and Car Park to Parkwood Springs

Report to Executive Management Team 1st June 2021

Executive Director/Director - Non-Key Executive Decision Report - Parkwood Springs Outdoor Leisure Destination 17<sup>th</sup> August 2021

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Tim Hardie
		Legal: David Cutting and David Sellars
		Equalities: Anne Marie Johnson
Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.		
2	<b>Lead Officer Name:</b> Tammy Whitaker	<b>Job Title:</b> Head of Regeneration and Property Services
	<b>Date:</b> 15 <sup>th</sup> December 2021	

## **1.0 Purpose**

- 1.1 This report seeks to provide an update on the development of leisure use at Parkwood following the decision to terminate the Agreement for Lease with Extreme.
- 1.2 The Council has undertaken a project review and options appraisal for future development of the site to decide how best to proceed and this report seeks delegated authority to:
  - 1) progress the preferred option as set out in this report, and
  - 2) identify and then secure funding for upfront site assessment/investigation works and to clear the site of debris and invasive vegetation subject to compliance with the Council's budget processes, financial regulations and Capital Approval processes

## **2.0 BACKGROUND**

### **Site Description**

- 2.1 The former Sheffield Ski Village is located at Parkwood Springs, 1.5 miles north of the city centre. The site is bordered by Council-owned land to the east and Viridor's former landfill site to the North.
- 2.2 Nearby established communities at Shirecliffe and Burngreave are only a short walk away, as are new and emerging neighbourhoods at Kelham Island and Neepsend.
- 2.3 The Council owns the freehold of the former Ski Village site and surrounding land and this is in a poor condition, overgrown with vegetation including areas of invasive species (japanese knotweed) with redundant remains from the former ski slope and facilities still present. The site is susceptible to tipping, arson, anti- social uses and part of the site has also in the past been occupied by travelling communities.
- 2.4 The adjacent Viridor owned land was previously operated as an open landfill site. This use has recently come to an end with Viridor capping the tip and undertaking extensive landscaping works. Viridor are currently working with the Council to open the site back up for public access.
- 2.5 Access to Parkwood via all modes of transport is poor. The existing access is through an industrial area and is further constrained by the Douglas Road railway bridge, which has both a height and width restriction and so larger vehicles including modern luxury coaches can't get through. Currently there is no easy access to the Parkwood site via public transport. This poor access and lack of sense of arrival currently makes development of the site for any use commercially challenging. Access to the site has always been identified as a major constraint.

- 2.6 In 2018, once commercial tipping came to an end, the Council produced a draft masterplan for the wider Parkwood Springs area. The masterplan sets out a long-term vision for a 'country park in the city', building on the views of local stakeholders and the community. It was always understood that delivery of this vision would require a phased approach to develop the funding and delivery mechanisms required to realise the local ambitions.
- 2.7 A key component of the masterplan has been the development of the former ski village site as a pay to play leisure destination. This ambition is based on a market assessment undertaken in 2015 that assessed the options for the site and identified the opportunity to develop a modern outdoor pay-to-play sport and leisure attraction, which could aspire to be a tourist destination of regional significance.

### **Brief History**

- 2.8 In 2017 the Council led an open market competition for a development partner to bring the site back as an outdoor leisure destination, intended to be the jewel in the crown of the Outdoor City. As a result of this competition, Extreme Destinations Limited (Extreme) were selected by the Council to deliver a modern ski slope, mountain biking trails, a hub building and visitor accommodation on the site and an Agreement for Lease between the Council and Extreme was signed. Under the terms of the agreement Extreme had to progress the development design works and meet certain set conditions within specific timescales.
- 2.9 Whilst working up their development proposals for the site and to help with scheme viability Extreme agreed terms to sublet a part of the site to Skyline for a luge.
- 2.10 In addition, to help the delivery of the proposed scheme, the Council secured a £4.8m loan from Sheffield City Region Infrastructure Fund (SCRIF) to support the construction of an access road, car park and site infrastructure and then in July 2020 a grant of £6m of Get Britain Building Fund to help unlock the development.
- 2.11 Despite the Council extending the milestone dates in the Agreement for Lease several times to reflect the impact of the covid pandemic, Extreme failed to sufficiently progress the detailed design work for their scheme and in particular for the access road, which was essential to secure the £6m of grant funding.
- 2.12 This lack of performance put the funding/delivery of the road at risk and so the Council took the decision to step in and procure the design and construction of the access road and associated car park. The completed access road designs and costings showed that delivery in the location proposed by Extreme, whilst technically possible, was complex and that delivery would be challenging on the timescale required by the grant funding.

- 2.13 Given these issues the Council took the reluctant decision to pause work on the road design to avoid unnecessary financial exposure and risk to the Council. With agreement with the funders this £6m funding has been reallocated to other priority projects in Sheffield.
- 2.14 Without the grant funding the Extreme scheme was not viable and when added to their failure to meet any of the key milestones and progress the design work the Council took the decision not to further extend the timescales via an Executive Director/Director - Non-Key Executive Decision made on 17<sup>th</sup> August 2021. The agreement with Extreme was therefore ended.

### **Constraints on development**

- 2.15 As set out earlier in this report there are several major constraints that need to be overcome to give greater commercial certainty for the site to be redeveloped. These being:

#### **i) Access**

- 2.16 The key to any development of Parkwood is to improve the accessibility to the site for all modes of transport (public, vehicular, bike and pedestrian) and to seek to achieve the use of more sustainable modes of transport that do not have adverse environmental impacts, as well as to reduce energy consumption. The current site access is poor and could not support a leisure development on the Parkwood site without significant investment.
- 2.17 The cost of providing a new access road to the site has been always a major burden on development viability. One access road option crossing the Viridor site, was proposed by Extreme. This has been worked up/costed but the cost of this is in excess of £6m and so is not financially viable on commercial terms.
- 2.18 A transport/traffic assessment is therefore required in order to undertake a comprehensive review of all the options available to gain access to the Parkwood site to enable its redevelopment with a leisure use, to set out the potential costs/impacts of each option, and to finally recommend an access strategy that will allow the Parkwood site to be successfully redeveloped.
- 2.19 The assessment will model a number of assumptions for visitor numbers and trips generated to assess the transport impacts and any required mitigations and will look at access to the site in the round to establish if there are any other potential access solutions. This would include among other options looking at access from Cookswood Road and Shirecliffe Road and also linkages through to the city centre, active travel and public transport routes.
- 2.20 This is a substantial piece of work, costing between £80,000 and £150,000 but is essential in order to bring redevelopment of site forward

as it will inform how access to the site will be gained. This should be viewed as a cost in bringing the site to the market. Once the report has been finalised, consideration can be given to the implications for the Council and the recommended way forward.

## **ii) Site preparation works**

2.21 In addition to the access works there are substantial works required to make the site suitable for development and to deal with the legacy of past uses on the site.

2.22 These include:

1. Clearance of all the remains of the old ski village infrastructure from the site so that the site is clear and safe including:
  - remains of the old ski matting, and track;
  - the steel skeletons of the banking on the slope;
  - any lighting columns/ski lift columns and any associated cable runs/ducts etc;
  - the remains/foundations of the old buildings;
  - any fly tipped materials; and
  - remains of the ski jump bag
2. The safe disconnection of the historic water and electric supplies to the old ski village and capping of drains
3. Treatment of the invasive vegetation species including the fencing off areas of Japanese knotweed near to public footpaths/ rights of way.

2.23 Japanese knotweed is a fast-growing, vigorous, invasive and resilient weed whose rhizomes (underground stems) can cause extensive damage to paving, roads, building foundations and drains. The high cost of clearing Japanese Knotweed is due to its resilience, the fact that it can easily spread and that under the Environmental Protection Act 1990 it is designated as controlled waste.

### **Cost of works**

2.24 It is difficult to quantify the costs of these works without further detailed investigative surveys, but a conservative estimate of £500k should be made with the assumption of a three year treatment programme for the invasive species.

## **3.0 PROPOSED WAY FORWARD**

3.1 Following the termination of the Agreement for Lease with Extreme Officers have undertaken a project review and have considered a range of options:

## **Option 1 - Do Nothing/Incremental Development**

- 3.2 The Council could choose to do nothing.
- 3.3 In this option the site of the former ski village would remain derelict and overgrown with the Council continuing to pick up all the associated holding/management costs including fly tipping, arson and anti- social uses.
- 3.4 In this scenario the vision for the wider Country Park could still be developed at the other end of the Parkwood site, but before anything meaningful could be achieved on the former ski village site the clearance of the site of debris and invasive vegetation would need to have taken place.
- 3.5 This would have to be a very long term phased approach as without economic outputs (jobs created or new business rates generated) it will be difficult to secure funding for these site clearance works which are the crucial first stage to achieving full public access.
- 3.6 This approach will mean that there will be limited benefits to the local community.

## **Option 2 - Remarket the Site**

- 3.7 This option would remarket the site to find a new developer and operator. It would enable the Council to achieve the ambition as set out in the masterplan and bring the former ski village back into use as a major outdoor leisure destination venue, capitalising on national trends towards outdoor recreation and reinforcing Sheffield's position as the UK's Outdoor City.
- 3.8 In order to assess this option the Council has completed a soft market testing exercise to assess the feasibility of this as an option and to understand the current market appetite.
- 3.9 The key findings were as follows:
  - Generally, the adventure multi-sport, destination and outdoor active entertainment market seems to be in a stable position, with significant growth shown by many of the parties engaged in the last ten years. Selected parties work globally (Venture-Xtreme, Parkour Generations and Go Ape) and operators such as Zip World have significant expansion plans in the UK and abroad
  - There was a cautious but genuine interest and appetite from the market and all involved appreciated the unique opportunity that Parkwood presents, notwithstanding some challenges that would need to be addressed (e.g. access and investment)



- The challenges in bringing forward the site (access, condition and investment) mean that public sector funding is required to de-risk the site
  - There was a strong message that the approach to developing Parkwood would require on-going Council support and involvement.
  - A more incremental approach may be required to development, starting with limited facilities to build interest over time.
- 3.10 The market testing suggested that a very different approach is required to a straight land deal. In this scenario it is likely that the Council would need to undertake a procurement exercise to secure a development partner and would likely be required to cover some costs of development and commit to risk sharing in addition to solving access issues and the clearance of the debris and invasive vegetation. This will require an on going commitment of resource from the Council and continued access to public funds

### **Option 3 - Continue to Pursue a Land Deal – Preferred Option**

- 3.11 The soft market testing has established that it is unlikely that a straight remarketing of the site for disposal would result in securing a new developer at this moment in time.
- 3.12 However, Skyline Luge, an international operator, who develop and operate outdoor leisure destinations across the world including New Zealand, Canada, South Korea and Singapore were introduced as a potential partner for the Ski Village site by the Council to Extreme and had negotiated a lease agreement with Extreme to lease part of ski village site for delivery of a luge and zip line.
- 3.13 Over the last 2 years Skyline have developed detailed proposals for the Luge as part of the Extreme development. Despite the termination of the agreement with Extreme, Skyline remain committed to Parkwood as a destination for a Luge and have expressed an interest in taking on redevelopment of the site via a land transaction.
- 3.14 With this in mind they have prepared a high level proposal for a Gravity Park, developing their existing concept from experience of delivering other operations around the globe.
- 3.15 The Gravity Park would be the first in the world and would create a regional leisure destination providing a family orientated experience that fits with the City's aspirations to be an Outdoor City and promoting health and well-being for visitors and local communities. The Gravity Park proposal would include a luge and zip wire alongside a range of other activities and supporting infrastructure integrated with the wider country park and providing access for all people of all abilities and interests.

- 3.16 They are clear however that the access constraints and site condition must be solved for them to be able to enter into a lease for the site. This would require the Council to secure funding to address site clearance and secure access prior to any lease being completed. Skyline would however carry all development and operational risk and the Council would not be required to underwrite the commercial risk.
- 3.17 To maintain momentum it is recommended that the proposal from Skyline is further explored.

### **Conclusion**

- 3.18 Whichever option is pursued it is clear that without some investment from the Council/public sector the Parkwood site is unlikely to be brought forward.
- 3.19 It is therefore recommended that:
- £200k is allocated to undertake site investigation work and site clearance, complete a transport assessment and ecological and environmental assessment. There are alternative funding streams which officers are investigating to meet these costs, which will be identified and agreed in consultation with the Cabinet Member for Finance before submission of the final report.
  - Officers explore opportunities with the South Yorkshire Mayoral Combined Authority (MCA) and other funding bodies to secure funding to address access and infrastructure constraints
  - That Officers further develop the proposals for the Gravity Park with Skyline
- 3.20 Other options remain a fall back position should this approach ultimately prove to be undeliverable.

## **4.0 HOW DOES THE DECISION CONTRIBUTE**

- 4.1 Better health and wellbeing – Participation in active sport and wider use of the Parkwood site for both commercial leisure development and a Country Park will help the Council to deliver its policies to: promote good health and help people achieve a greater level of wellbeing including improving mental and emotional wellbeing and reducing loneliness and isolation.
- 4.2 Thriving neighbourhoods and communities – The redevelopment of the ski village site will ensure redevelopment of this prominent derelict land, improving the image and perception of the City and more directly those adjoining neighbourhoods which suffer from the stigma of deprivation.
- 4.3 The proposals for redevelopment of the wider Country Park offer members of the community new positive activities in line with Council policies to: encourage people to have a good quality of life and feel proud

of where they live, with increased access to local amenities and facilities including high quality parks and green spaces

## **5.0 ENVIRONMENTAL SUSTAINABILITY**

- 5.1 The transport assessment will seek to ensure that the route(s) it identifies to access the site allow and encourage the use of more sustainable modes of transport that do not have adverse environmental impacts, as well as reducing energy consumption.

## **6.0 HAS THERE BEEN ANY CONSULTATION**

- 6.1 No specific public consultation on the proposal to deal with Skyline has taken place. However progress to date on the site concerning the Councils dealings with Extreme and their proposals for the site have been shared by officers with local Friends of Groups and local Community Groups.
- 6.2 Moving forward the Council is committed to undertaking further consultation with the local community as plans and proposals for Parkwood emerge

## **7.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **Equality of Opportunity Implications**

- 7.1 The development of leisure use on the Parkwood site will be of universal positive benefit for all local people regardless of age, sex, race, faith, disability, sexuality, etc. Local people will benefit from the creation of a number of new full and part time jobs. The socio economic and community cohesion impacts locally will be particularly positive
- 7.2 No negative equality impacts have been identified.
- 7.3 As the development continues to progress there will be further opportunities for stakeholders and the public to be engaged and to make comments through the statutory planning process

### **Financial and Commercial Implications**

- 7.4 The Council has to date currently committed £470k of costs associated with the design and feasibility works for the access road.
- 7.5 Whilst these are abortive costs for the project in its current form, the information gathered will still be relevant when future options for the development of the site are brought forwards. It has been confirmed that these costs will be covered by funding from the South Yorkshire Mayoral Combined Authority.
- 7.6 The proposals in this report would require an additional financial commitment of £200k for further site investigation work, site clearance, the

transport assessment and an ecological and environmental assessment. This time, those costs would be covered by the Council rather than the South Yorkshire Mayoral Combined Authority.

- 7.7 A funding package still needs to be identified to achieve the ambition of the full redevelopment of the Parkwood site. It is unlikely the Council could fund such a scheme from its own resources, unless it is agreed that other strategic projects will not progress. However, carrying out the further investigative work highlighted in this report will be helpful in assessing the viability and costs of future options for Parkwood. This in turn will place the Council in a better position to bid for external funding, which will enable us to deliver the preferred option.

### **Legal Implications**

- 7.8 Confirmation of continued compliance with legal requirements (including procurement law, vires and subsidy control /competition) will be undertaken as part of the decision making process in respect of the proposal in the future.

The Localism Act 2011 provides the Council with a “general power of competence” which enables it to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local needs including environmental requirements. The proposals in this report can be delivered by the Council using its general power of competence.

### **Property Implications**

- 7.9 There are no direct property implication arising from this report.

## **8.0 ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 The alternative options available are set out in earlier in this report in the Proposed Way Forward paras 3.1 to 3.17.

## **9.0 REASONS FOR RECOMMENDATIONS**

- 9.1 As outlined in this Report, there is a still a very clear strategic and economic case to justify leisure development of the Parkwood site
- 9.2 The Executive Director Place believes that a leisure development at Parkwood is vitally important, not only for the regeneration of the City but also by creating jobs and business rates. It also fits with the City’s aspirations to be an Outdoor City and promotes health and well-being for visitors and for local communities.

- 9.3 The reasons for the recommendations are to provide a way forward for the delivery of the Parkwood development
- 9.4 For the above reasons it is proposed that the Cooperative Executive adopts the recommendations set out in this report.

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

**Tel:** 0114 273 6831

**Report of:** *Eugene Walker*

**Report to:** *Co-operative Executive*

**Date of Decision:** *15<sup>th</sup> December 2021*

**Subject:** *Capital Approvals for Month 07 2021/22*

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

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

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

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

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

Does the report contain confidential or exempt information? Yes  No

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

*“The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended).”*

**Purpose of Report:**

*This report provides details of proposed changes to the Capital Programme as brought forward in Month 7 2021/22.*

## Recommendations

- (i) Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts

## Background Papers: Appendix 1

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



# **MONTH 07 2021/22 CAPITAL APPROVALS**

## **1. SUMMARY**

- 1.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 07 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.
- 1.2 Below is a summary of the number and total value of schemes in each approval category:
- 3 additions of specific projects to the capital programme creating a net increase of £94k;
    - 10 variations creating a net increase of £316k;
    - 2 reprofiles of expenditure with net nil impact on budget
    - 1 Variation to procurement strategy only
- 1.3 Further details of the schemes listed above can be found in Appendix 1.

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

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

## **3. BACKGROUND**

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

## **4. OUTCOME AND SUSTAINABILITY**

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

## **5. OTHER IMPLICATIONS**

### **5.1 Finance Implications**

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendix 1

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

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

### **5.3 Legal Implications**

Any specific legal implications in this report are set out in Appendix 1.

### **5.4 Human Resource Implications**

There are no direct Human Resource implications for the Council.

### **5.5 Property Implications**

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

## **6. ALTERNATIVE OPTIONS CONSIDERED**

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

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 7.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.
- 7.3 Obtain the relevant delegations to allow projects to proceed.

**Finance & Commercial Services | Commercial Business Development**

**November 2021**

Scheme name / summary description		Value £'000
<b>A</b>	<b>Economic growth</b>	
	New additions	
	None	
	Variations and reasons for change	
	None	
<b>B</b>	<b>Transport</b>	
Page 83	New additions	
	None	
	Variations and reasons for change	
	<p><b>City Centre West Cycle Route</b></p> <p><b>Scheme description</b></p> <p>The City Centre West Cycle Route links suburbs in the West and Hallam University campus to the Heart of the City. Two sections had previously been completed [area around Charter Row and a section in Broomhall]. This project was to form the link between the existing sections creating a complete link.</p> <p>The project is now complete. However, the finalised costs were in excess of the original budget due to widening the project scope to include an upgraded crossing point along the route.</p> <p><b>What has changed?</b></p> <p>The project budget has been increased by £94.6k funded from Local Transport Plan to cover the upgraded crossing point and also fund additional works required as a result of the Road Safety Audit and follow up traffic counts and attitudinal surveys.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase</li> </ul>	+94.6

	<b>Funding</b>	Local Transport Plan	
	<b>Procurement</b>	N/A	
<b>C</b>	<b>Quality of life</b>		
	New additions		
	None		
	Variations and reasons for change		
	None		
Page 84	<b>Green and open spaces</b>		
	New additions		
	None		
	Variations and reasons for change		
	None		
<b>E</b>	<b>Housing growth</b>		
	New additions		
	None		
	Variations and reasons for change		
	<b>Geotechnical Survey Framework Description</b>		
	N/A		

Page 85	<p>Geotechnical surveys are currently commissioned on an individual basis across the Council which increases Officer time and cost to numerous projects.</p> <p>A new framework will improve efficacy by appointing a small number of providers that can be approached as and when required.</p> <p><b>What has changed?</b></p> <p>Phase 1 Geotechnical surveys added to scope of framework. Procurement route amended to align with Public Contracts Regulations procurement thresholds.</p> <p><b>Variation type</b></p> <p>Change of scope and procurement.</p> <p><b>Costs</b></p> <p>The framework will be used to support the development of individual projects on a scheme-by-scheme basis. Estimated spend during lifetime of the framework is £600,000.</p>		
	<b>Funding</b>	Revenue	
	<b>Procurement</b>	Restricted procedure with SSQ.	
	<p><b>Porter Brook Site Clearance</b></p> <p><b>Scheme description</b> The demolition of 1 Sidney Street is required to enable housing development on the site and was approved in February 2021.</p> <p><b>What has changed?</b> Following approval of the Final Business Case for £123K, additional costs associated with the disconnection of the electrical sub-station and removal of electrical equipment by Northern Power Grid have been incurred.</p> <p>There are also additional costs associated with the “Stand Still” period of the demolition contractor due to the Northern Power Grid works impacting on access and progress of the demolition.</p> <p>An increase in budget of £96.4K is required to cover these costs, with works completed by March 2022</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Costs</b></p>		+96

Page 86	CDS Fees £25.0K Other Fees £13.0K Surveys £5.0K Substation Works £53.0K Contract £108.4K Contingency £15.0K Total £219.4K  <b>Budget</b> Previous Years' Actuals £1.1K £1.1K Current 21/22 Budget £121.9K + £96.4K = £218.3K Total Project Budget £123.0K + £96.4K = £219.4K		
	<b>Funding</b>	Brownfield Housing Fund; £350K awarded overall for the Porter Brook Site (Site Clearance and the Pocket Park)	
	<b>Procurement</b>	N/A	
	<b>Porter Brook Pocket Park</b> <b>Scheme description</b> To improve the park by addressing anti-social behaviour issues, as well as providing an improved setting to encourage / attract high quality development. The works will accelerate the development of much-needed housing in Sheffield City Centre and improve the area in line with other city centre enhancement schemes.  <b>What has changed?</b> Following completion of the feasibility, proposed works include graffiti removal and the application of anti-graffiti sealant, replacing damaged and missing coping stones, repairs to brick sets, and removal of self-seeded growth.  <b>Variation type:</b> Budget increase  <b>Costs</b> CDS/ UED Fees £24.1K Surveys £3.5K Works £40.5K Contingency £8.1K Total £76.2K  <b>Budget</b> Current 21/22 Budget £19.5K + £56.7K = £76.2K		+76

	<b>Funding</b>	Brownfield Housing Fund; £350K awarded overall for the Porter Brook Site (Site Clearance and the Pocket Park)	
	<b>Procurement</b>	i. Repairs and graffiti removal - Non-Highways Surfacing Measured Term Contract	
<b>F</b>	<b>Housing investment</b>		
	New additions		
	None		
	Variations and reasons for change		
Page 87	<b>Council Housing Obsolete Heating/ Heating Breakdowns</b>		-946
	<p><b>Scheme description</b> Both these previously approved projects are delivered by the SCC Repairs and Maintenance Service. Although the two projects are separate - each having different objectives, programmes, and budgets - they have over the last 2 years become more operationally interdependent i.e. any problems, issues or programme modifications has a financial and delivery impact on the other.</p> <p>The obsolete programme consists of planned replacement works designed to reduce future maintenance issues, by replacing old heating systems and boilers which are deemed obsolete for new more efficient systems. The criterion used to build the obsolete programme was based on 'the 15-year rule', i.e., boilers in-excess of 15 years old qualify for the programme (irrespective of model or previous technical issues).</p> <p>The breakdown programme is of a reactive nature. It is designed to give the facility to replace boilers and heating systems that have catastrophically failed. For a boiler (or system) to be replaced under the breakdown programme, any boiler must match the agreed criteria and be deemed uneconomical to repair.</p> <p>We must now also accelerate the conclusions of our research into air source heat pumps as part of our drive towards 'net zero'. We are therefore also requesting a redirection of funding to do this.</p> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>• Obsolete Heating</li> </ul> <p>Target numbers of outputs have not been achieved because of:</p> <ul style="list-style-type: none"> <li>○ Inaccurate original attribute data on which the initial programme was based</li> <li>○ Covid19 issues</li> <li>○ Inappropriate replacement criteria</li> </ul>		

- Heating Breakdowns

The breakdown budget significantly overspent last year because of the situation with COVID-19. As activities on the obsolete programme ceased for several months amidst health concerns for the safety of customers and operatives, boilers due for replacement inevitably continued to fail during the year.

Where a boiler is beyond economical repair this would be replaced under the breakdown programme, irrespective of its age or state of obsolescence. Given the extent of the 20/21 breakdown overspend, specific boiler types deemed to qualify as obsolete were charged to the Obsolete programme at year end.

**What's Required**

1. Reduce the obsolete heating programme budget and outputs
2. Redirect funding to the breakdown budget to meet expected demand
3. Change the scope of the obsolete heating programme to include troublesome boilers; these boilers are by virtue of the unavailability of parts, also obsolete
4. To approve provision of £45K to support the work on air source heat pump units to allow research to be concluded to fed into our longer-term plans

**Variation type:** Budget decrease

**Budget**

- Obsolete Heating

Current 21/22 Budget £1,977.1K - £285.2K = £1,691.9K  
 Current 22/23 Budget £2,000.0K - £43.2K = £1,956.8K  
Current 23/24 Budget £1,256.7K - £1,256.7K = £0.0K  
 Total Ongoing Budget £5,233.8K - £1,585.2K = £3,648.6K

- Heating Breakdowns

Current 21/22 Budget £248.9K + £459.4K = £708.3K  
Current 22/23 Budget £550.0K + £179.6K = £729.6K  
 Total Ongoing Budget £798.9K + £639.0K = £1,437.9K

**Overall change £639.0K - £1,585.2K = £-946.2K**

To be returned to Block Allocation for Council Housing Heating, Energy Efficiency, & Carbon Reduction.

<b>Funding</b>	HRA via Block Allocation for Council Housing Heating, Energy Efficiency, & Carbon Reduction.
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<b>Procurement</b>	N/A
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<p><b>Council Housing Fire Suppression Systems</b></p> <p><b>Scheme description</b> The current arrangements for these systems have been in place since 2016. Although they have worked well, there may be a requirement to install additional fire protection measures within a flat throughout the life span of the tenancy. We need to ensure we are making the best use of new technology available in the UK fire suppression system's marketplace.</p> <p>Some tenants cannot adequately self-evacuate. We need to ensure that additional provision is provided to ensure they can remain in the area until rescue can be provided.</p> <p>Previously any work relating to the installation of misting systems has been charged to the adhoc contingency budget. This is not sustainable as there is an ongoing need. There is also currently no approved procurement mechanism in place for the works.</p> <p><b>What has changed?</b> Our latest review of the current arrangements for providing fire suppression systems in Older Persons Independent Living (OPIL) schemes has identified a risk that some systems may cease to be compliant when new legislation/guidance is introduced. We need to address this before it becomes an issue.</p> <p>Costs are based on the installation of 150 units over a three-year period, which reflects installation demands over the past two-year period across OPIL and General Needs accommodation.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• To design and tender for a compliant system to provide a responsive contract addressing the needs across the OPIL and General Needs units, as a result of person-centred risk assessments.</li> <li>• To use specific funding from the investment programme for the next 3 years to install individual fire suppression systems within identified units where residents cannot self-evacuate, or when there is a specific risk posed following a fire risk assessment conducted on a case-by-case basis)</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• The system installed would be compliant to BS8458:2015 stipulations</li> <li>• Residents who cannot self-evacuate will be safer in the event of a fire</li> <li>• Residents and properties will be safer because of the installation</li> <li>• Value for money</li> <li>• Legislative Compliance</li> </ul> <p><b>Variation type:</b> Budget increase</p> <p><b>Costs</b></p> <table border="0"> <tr> <td>Installation of Systems</td> <td>£630.0K</td> </tr> <tr> <td>CDS Fees</td> <td>£12.2K</td> </tr> <tr> <td><u>Survey Allowance</u></td> <td><u>£37.8K</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>£680.0K</b></td> </tr> </table>	Installation of Systems	£630.0K	CDS Fees	£12.2K	<u>Survey Allowance</u>	<u>£37.8K</u>	<b>Total</b>	<b>£680.0K</b>	<p>+668</p>
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	<p><b>Budget</b>                  Current 21/22 Budget £12.0K - £6.8K = £5.2K                  Current 22/23 Budget £0.0K + £230.8K = £230.8K                  Current 23/24 Budget £0.0K + £222.0K = £222.0K                  Current 24/25 Budget £0.0K + £222.0K = £222.0K                  Total 21-23 Budget £12.0K + £668.0K = £680.0K</p>		
	<b>Funding</b>	HRA via Block Allocation For Council Housing Health & Safety Essential Work	
	<b>Procurement</b>	i. Mechanical design and cost management undertaken in-house by the Capital Delivery Service. ii. Specialist fire suppression contractor via open procedure with suitability assessment. iii. Asbestos surveys undertaken in-house via the Asset Housing Management team.	
Page 90	<p><b>Council Housing External Wall Insulation – Airey Homes</b></p> <p><b>Scheme description</b>                  The period between the First and Second World War witnessed the development of various types of housing systems based on pre-cast concrete and in-situ concrete, timber, steel and occasionally cast-iron construction. The problems of carbonation and the presence of detrimental chloride levels in reinforced concrete houses led to certain concrete housing systems being designated defective under the 1984 housing defects legislation which was then incorporated into the Housing Act 1985. These included the Airey Type constructions.</p> <p>The SCC housing stock currently contains 167 Airey properties that have been identified across different areas: Bighton, Hackenthorpe, Halfway, Lane End, Main St/Blacksmith Lane and Wharncliffe Side. There is now a need to address the structural condition of these properties.</p> <p><b>What has changed?</b>                  The construction cost estimate has been updated to reflect increased costs within the construction industry. These increases are as a result of labour and materials shortages due to the Covid19 pandemic and are based on feedback from the market and industry data.</p> <p>The costs have also been reprofiled in line with an updated programme. The profile shows a slip in the budget of £5.4m from 21/22 to 22/23, and costs will now also be incurred in 23/24 as the timescales in the original Outline Business Case are no longer achievable. The increased costs need approval before the scheme can be tendered, which delays the tender date from November 2021 to January 2022 at the earliest.</p> <p>As a result, a revised Outline Business Case (OBC) has been submitted to seek approval for the increased costs and updated programme timescales.</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Costs</b>                  CDS Fees £173.5K original OBC £173.5K                  Consultant Fees £288.3K original OBC £288.3K</p>		1,350

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 91</p>	<p><b>Council Housing Single Staircase Tower Blocks</b></p> <p><b>Scheme description</b> Following the Grenfell Tower Block Fire and subsequent publication of the Hackett report, Sheffield City Council have reviewed the policies and procedures regarding fire safety of residents, particularly in high rise tower blocks.</p> <p>Four tower blocks in the city have single staircases: Hanover, Parkside, Cliffe and Woodland. Due to having a single escape route, improvement works to these blocks are to be prioritised. Whilst these buildings are currently compliant with existing legislation, improvements have been identified due to changing legislation post-Grenfell and the City Council’s obligations to customers to provide safe, good quality homes.</p> <p><b>What has changed?</b> The primary objective of the project is Fire Risk Assessment works, but the opportunity will also be taken improve the internal and external environments of these buildings. Changes since the Outline Business Case are as follows:</p> <p>Omissions</p> <ul style="list-style-type: none"> <li>• Replacement of existing boiler house (Stannington blocks only) – to be completed under a separate scheme.</li> <li>• Replacement of internal fire doors within flats – the revised Fire Strategy has concluded this is no longer a requirement. The proposed upgraded LD1 fire alarm coverage, together with the mist system in each flat, is a sufficient compensatory feature to negate any requirement to provide a protected entrance hall within the dwellings.</li> </ul> <p>Additions</p> <ul style="list-style-type: none"> <li>• Brick Tie Remedial Works – during surveys completed to identify existing fire compartmentation within some external wall cavities, namely insufficient embedment and quantity of cavity ties.</li> </ul>	<p>21/22 -2,282</p> <p>22/23 +953</p> <p>23/24 +1,276</p> <p>24/25 +54</p>																																			

Page 92	<p>The construction phase will commence in January 2022 with a completion date of 10 July 2023. The OBC anticipated a completion in March 2023. The difference is as a result of scope change, design development and an increased tender period.</p> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Improves building safety</li> <li>• Improves quality, lifespan and sustainability of building's internal and external spaces</li> <li>• Improves customer satisfaction</li> <li>• Supports Place Vision: To make Sheffield a great place for people to live, work and visit</li> <li>• Supports key Housing objective: Improve quality and safety of homes</li> <li>• Capitalises on the opportunity to maximise works to the building as part of one scheme in order to reduce disruption to customers over a number of years</li> <li>• Improved sustainability as a result of waste management efficiencies (including recycling options) and enhanced thermal insulation through new windows / roof coverings</li> </ul> <p><b>Variation type:</b> Reprofile</p> <p>N.B. Total costs have not changed from the Outline Business Case.</p> <p><b>Budget</b></p> <table border="0"> <tr> <td>Previous Years' Actuals</td> <td>£301.8K</td> <td>£301.8K</td> </tr> <tr> <td>Current 21/22 Budget</td> <td>£3,185.9K - £2,282.5K =</td> <td>£903.4K</td> </tr> <tr> <td>Current 22/23 Budget</td> <td>£6,280.1K + £952.7K =</td> <td>£7,232.8K</td> </tr> <tr> <td>Current 23/24 Budget</td> <td>£454.2K + £1,275.6K =</td> <td>£1,729.8K</td> </tr> <tr> <td>Current 24/25 Budget</td> <td>£0.0K + £54.2K =</td> <td>£54.2K</td> </tr> <tr> <td><b>Total Project Budget</b></td> <td><b>£10,222.0K +</b></td> <td><b>£0.0K = £10,222.0K</b></td> </tr> </table>		Previous Years' Actuals	£301.8K	£301.8K	Current 21/22 Budget	£3,185.9K - £2,282.5K =	£903.4K	Current 22/23 Budget	£6,280.1K + £952.7K =	£7,232.8K	Current 23/24 Budget	£454.2K + £1,275.6K =	£1,729.8K	Current 24/25 Budget	£0.0K + £54.2K =	£54.2K	<b>Total Project Budget</b>	<b>£10,222.0K +</b>	<b>£0.0K = £10,222.0K</b>	
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<b>Funding</b>	HRA via Block Allocation For Council Housing Health & Safety Essential Work																				
<b>Procurement</b>	N/A																				
	<p><b>Local Authority Decarbonisation 2 Fund - Council Housing Works</b></p> <p><b>Scheme description</b> This scheme provides an excellent opportunity to retrofit remaining EPC E, F &amp; G rated council housing stock. These properties are distributed across the city in a range of types including standard and some non-standard construction (e.g., 5M type houses with hybrid steel and timber frames). A mix of E, F, G and D EPC rated properties are included in the project. The range of measures applied for has been tailored to each housing type.</p> <p><b>What has changed?</b></p>		+417																		

	<p>Following tender returns construction costs are £417k over the estimated value at pre-tender stage reflecting the current state of the market in relation to works of this type. £32k of this funding is already identified from the LAD 2 grant as a contribution to administration/survey costs. Further contributions towards the increased costs will be sought from grant funding with any shortfall to be funded from the HRA.</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Budget</b> Current 21/22 Budget £1,067.2K + £417.2K = £1,484.4</p>	
	<p><b>Funding</b> LAD 2 Grant + HRA via Block Allocation for Council Housing Heating, Energy Efficiency, &amp; Carbon Reduction.</p>	
	<p><b>Procurement</b> N/A</p>	
<p>Page 93</p>	<p><b>Council Housing Replacement Roofing Programme</b></p> <p><b>Scheme description</b> To carry out a programme of roof replacement work on Council Housing Stock.</p> <p><b>What has changed?</b> In the Final Business Case the contract start date was November 2020, but this was delayed until March 2021 (whilst the Project Licence application for the Ecology and Bat Licence was approved by Natural England). The contract is for 5 years, and therefore should still conclude in November 2025 but the budget needs to reflect the Quantity Surveyor's cost report revised forecast for 2021/22, with due consideration of the contractor's forecast.</p> <p>The budget re-profile reflects £1,930K contingency and £1,090K for Photovoltaics (PV). These amounts are now included in the final year of the project but could be brought forward if required.</p> <p><b>Variation type:</b> Reprofile</p> <p><b>Budget</b> Current 21/22 Budget £10,761.9K - £5,062K = £5,699.9K Current 22/23 Budget £9,141.7K - £1,392K = £7,749.7K Current 23/24 Budget £9,170.8K - £1,499K = £7,671.8K Current 24/25 Budget £9,170.8K - £1,539K = £7,631.8K Current 25/26 Budget £0.0K + £9,492K = £9,492.0K Total 21-26 Budget £38,245.2K + £0K = £38,245.2K</p>	<p>21/22 -5.1m 22/23 -1.4m 23/24 -1.5m 24/25 -1.5m 25/26 +9.5m</p>
	<p><b>Funding</b> HRA via Block Allocation For Council Housing Enveloping and External Works</p>	
	<p><b>Procurement</b> N/A</p>	

Page 94	<p><b>Block Allocation For Council Housing Heating, Energy Efficiency, &amp; Carbon Reduction</b></p> <p><b>Scheme description</b> Block allocation of funding for heating and energy efficiency.</p> <p><b>What has changed?</b></p> <ol style="list-style-type: none"> <li>1. A paper outlining the output changes and therefore budget changes required to the Obsolete Heating and Heating Breakdown schemes has been approved (see summary above). The result of the changes means a reduction in budget and therefore £946.2K can be put back in this allocation for other energy efficiency schemes.</li> <li>2. Revised Outline Business Case has been submitted because costs have increased, and £1,350K more funding is required. Additional funding therefore needs drawing down from this allocation to cover the increased costs. See separate entry for External Wall Insulation 2 - Airey Homes above.</li> <li>3. Following increased tender return costs for the Local Authority Decarbonisation Project (see above) an additional £417k is to be drawn down to meet these costs until such time as formal confirmation of increased grant funding is received.</li> </ol> <p><b>Variation type:</b> Budget decrease</p> <p><b>Budget</b>                      Current 21/22 Budget £997.0K - £997.0K = £0.0K                      Current 22/23 Budget £1,600.0K - £770.0K = £830.0K                      Current 23/24 Budget £2,867.1K - £0.0K = £2,867.1K                      Current 24/25 Budget £4,007.0K - £0.0K = £4,007.0K                      Current 25/26 Budget £1,269.8K + £946.2K = £2,216.0K                      Current 21-26 Budget £10,740.9K - £820.8K = £9,920.1K</p>		-821
	<b>Funding</b>	HRA	
	<b>Procurement</b>	N/A	
	<p><b>Block Allocation For Council Housing Health &amp; Safety Essential Work</b></p> <p><b>Scheme description</b> Block allocation of funding for health and safety essential work.</p> <p><b>What has changed?</b> An Outline Business Case for the Fire Suppression Systems scheme has been approved following a feasibility, therefore funding needs drawing down from this allocation to cover the costs. See separate entry above for Council Housing Fire Suppression Systems</p>		-668

	<p><b>Variation type:</b> Budget decrease</p> <p><b>Budget</b>                  Current 21/22 Budget    £837.0K - £300K =    £537.0K                  Current 22/23 Budget   £1,970.4K - £368K =   £1,602.4K                  Total    21-26 Budget   £27,189.9K - £668K = £26,521.9K</p>	
	<p><b>Funding</b>    HRA</p>	
	<p><b>Procurement</b>    N/A</p>	
<b>G</b>	<b>People – capital and growth</b>	
	New additions	
Page 95	<p><b>Combined Heating and Mechanical Replacement - feasibility (Phase 1) - across 7 School sites</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>A desktop review of heating plant has been undertaken across the CYP estate by Corporate Repairs and Maintenance Service (CRMS). The purpose of the review was to identify plant that had reached the end of its natural life with a view to taking a pro-active approach towards replacement instead of waiting for a major issue to occur which, can lead to increased stress &amp; expense in solving the issue promptly.</li> <li>Following the review CRMS have identified 9 plant items at 7 schools that should be considered for renewal, these are:                         <ul style="list-style-type: none"> <li>Beighton Nursery Infant 3-7                      Gas Boiler</li> <li>Broomhall Nursery 3-5                              Gas Boiler</li> <li>Carter Knowle Junior 7-11 Dance Studio      Gas Boiler</li> <li>Meersbrook Bank Primary 3-11                  Gas Boiler</li> <li>Norton Free CE Primary VC 4-11                Gas Boiler and Hot Water Boiler</li> <li>Springfield Primary 3-11                         Gas Boiler and Hot Water Boiler</li> <li>Stradbroke Primary 3-11                          Gas Boiler</li> </ul> </li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li><b>Phase 1 – Subject of this approval:</b> For a Capital Delivery Service heating engineer to undertake a life cycle analysis of the heating plant items identified above and provide a second opinion on lifecycle replacement. The analysis should include:                  A review of gas service records and gas safety check certificates; a review of the repair history; the availability of parts; the age of the unit; the level of energy consumption; a site inspection to review the physical condition of plant item.</li> </ul>	+6.8

Page 96	<ul style="list-style-type: none"> <li>Phase 2 will be undertaken once phase 1 is complete. It will provide an options report for each site where replacement is recommended which will be costed and resubmitted on a revised business case. The options will consider like for like replacement versus carbon emission reducing alternatives</li> <li>Initial £6.8k feasibility cost is to be split evenly across the 7 sites.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Understanding of extent of lifecycle repairs works required to heating plant identified at 7 no. schools</li> <li>Costed proposals to address the lifecycle works required to the identified heating plant</li> <li>Appraisal of carbon saving alternatives to like for like replacement</li> <li>Confirmation of scope for any design work required for lifecycle replacements.</li> </ul> <p><b>When will the project be completed?</b></p> <p>31/12/2022</p>							
	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£6.8k	<b>Status</b>		<b>Approved</b>	
	<b>Procurement</b>		i. Feasibility study undertaken by the Capital Delivery Service and / or the Capital Delivery Service Partner.					
<p><b>Combined Pitched Roof Works - feasibility - Brunswick Primary, Carfield Primary and Waterthorpe NI</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>A programme of condition surveys has been undertaken across the CYP estate by Rider Levett Bucknall (RLB) in order to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system.</li> <li>Using the above ranking system, pitched roofs to these three schools have been prioritised for repair/renewal works due to the severity of defects recorded.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Undertake site surveys to gather further information regarding the roofing works required &amp; consider what energy efficiency measures could be addressed alongside the roofing works, such as installing appropriate levels of loft insulation</li> <li>Identify any works which have deteriorated significantly since the last survey and are now a critical priority item</li> <li>Provide recommendations to address required roofing works.</li> </ul>							+50.4	



Page 97	<ul style="list-style-type: none"> <li>initial £50.4k to be split evenly across 3 sites</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Understanding of extent of remedial works required to the pitched roofs at three schools and options appraisal of energy efficiency works that can be addressed at the same time as roofing works</li> <li>Costed design proposals to address the recommended works</li> <li>Indicative programme for delivery of recommended works</li> </ul> <p><b>When will the project be completed?</b></p> <p>31/12/2022</p>							
	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£50.4k	<b>Status</b>		<b>Approved</b>	
	<b>Procurement</b>		<ul style="list-style-type: none"> <li>i. Feasibility study undertaken by the Capital Delivery Service and / or the Capital Delivery Service Partner.</li> <li>ii. Asbestos surveys via the existing Corporate Asbestos Surveyor and Project Management Framework.</li> </ul>					
<p><b>Combined Windows and External Wall Works - feasibility for Limpsfield Jnr School and Mossbrook Special School</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) in order to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system.</li> <li>Using the above ranking system, emergency exit doors and external windows to these two schools have been prioritised for repair/renewal works due to the severity of defects recorded.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>Undertake site surveys to: gather further information regarding the works</li> <li>Identify any works which have deteriorated significantly since the last survey and are now a critical priority item and provide recommendations to address</li> <li>Consider what energy efficiency and sustainability gains could be achieved as a result of replacing the existing steel framed windows</li> <li>To undertake RIBA Plan of Works Stages 1 to 2.</li> </ul> <p>Initial £37.4k to be split evenly across 2 sites.</p> <p><b>What are the benefits?</b></p>								+37.4

	<ul style="list-style-type: none"> <li>Understanding of extent of remedial works required to emergency exit doors and external windows at two schools</li> <li>Comparison of like for like replacement versus more energy efficient and more sustainable options</li> <li>Costed design proposals to address the remedial works required</li> <li>Indicative programme for delivery of the recommended remedial works</li> </ul> <p><b>When will the project be completed?</b> 31/12/2022</p>							
	<b>Funding Source</b>	DfE Condition Allocation	<b>Amount</b>	£ 37.4k	<b>Status</b>		<b>Approved</b>	
	<b>Procurement</b>		<ul style="list-style-type: none"> <li>i. Feasibility study undertaken by the Capital Delivery Service and / or the Capital Delivery Service Partner.</li> <li>ii. Asbestos surveys via the existing Corporate Asbestos Surveyor and Project Management Framework.</li> </ul>					
Page 98	Variations and reasons for change							
	<p><b>Abbey Lane Primary School CHP (Combined Heat &amp; Power) Replacement</b></p> <p><b>Scheme description</b></p> <p>In September 2021 the replacement of the Combined Heat &amp; Power system at the extension block at Abbey Lane Primary School was approved. Following the procurement process costs of the scheme have increased also it has now been identified that the calorifier (hot water store), that feeds the main old school block is no longer functioning adequately.</p> <p><b>What has changed?</b></p> <p>Post procurement costs identified an increase in construction costs of main works of £31.6k</p> <p>The scope of the project is to be expanded to include the replacement of the calorifier that feeds the old school. The calorifier is not reaching temperature, presenting a potential legionella risk. The only option is to replace the calorifier. Identified costs for this are £10k</p> <p>The water cylinder proposed is a high-efficiency plate heat exchanger combined with a buffer cylinder to allow for times of peak demand. This arrangement allows the water stored to be kept to a minimum as the heat exchanger can quickly reheat the cylinder as and when required. The system optimises boiler efficiency by working on low heating return temperatures allowing the boilers to condense as much as possible.</p> <p>Consideration has been given to heat pumps, solar and biomass alternatives but, due to efficiency and site constraints, these are not viable at this time. In addition a contingency of £7k is to be added to the scheme.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase of +£48.6k and change in scope (as above)</li> </ul>							+48.6

	<b>Funding</b>	DfE Condition Allocation	
	<b>Procurement</b>	<ul style="list-style-type: none"> <li>i. Cost management undertaken in-house by the Capital Delivery Service.</li> <li>ii. Installation works completed in-house by the Repairs &amp; Maintenance Service.</li> </ul>	
<b>H</b>	<b>Essential compliance and maintenance</b>		
	New additions		
	None		
	Variations and reasons for change		
	None		
<b>Page 99</b>	<b>Heart of the City II</b>		
	New additions		
	None		
	Variations and reasons for change		
	None		

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**Author/Lead Officer of Report:** Jayne Clarke,  
Finance Business Partner

**Tel:** 0114 2039159

**Report of:** Executive Director, Place  
**Report to:** Co-operative Executive  
**Date of Decision:** 15<sup>th</sup> December 2021  
**Subject:** Streets Ahead PFI Contract– Refinance

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? Cllr Paul Wood , Executive Member for Housing, Roads and Waste Management Which Scrutiny and Policy Development Committee does this relate to? The Overview and Scrutiny Management Committee				
Has an Equality Impact Assessment (EIA) been undertaken? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Does the report contain confidential or exempt information? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				

**Purpose of Report:**

The Streets Ahead PFI contract ('the Contract') has been set a significant savings target in order to contribute to the Council achieving its challenging budget position in the future.

This report seeks approval to the Council pursuing a contract Refinance to replace the current funders of the Streets Ahead contract with potential new funders, on more favourable terms in order to reduce the cost to the Council and to progress any necessary changes to the contract.

**Recommendations:**

It is recommended that the Co-Operative Executive:

1. Approve the continuation of the Refinance process and dialogue with existing and potential new funders in order to determine the optimal route in terms of maximising savings and mitigating risks and subsequently take forward the preferred option.
2. Approve the ongoing dialogue with the DfT throughout the refinance process and to submit a business case seeking DfT/HMT approval to complete the refinance, which includes agreeing the optimal process for funding the DfT's share of the refinance savings.
3. Approve the funding of any abortive project costs of the Refinance from the Streets Ahead contingency.
4. Delegates authority to the Executive Director of Resources to:
  - i. monitor the progress made by Council officers in determining the optimal refinancing option and approve (if appropriate) the recommended option; and
  - ii. review and authorise the submission of a business case to the DfT/ HMT including the methodology for funding the DfT's share of the refinancing savings; and
  - iii. complete the refinance of the Contract subject to the approval of commercially acceptable terms by the Director of Legal and Governance
5. Delegates authority to the Director of Legal and Governance to process the High Value Changes under a Deed of Variation.
6. Where no existing authority exists, delegates authority to the Executive Director of Resources, in consultation with the Director of Legal and Governance to take such steps to meet the aims and objectives of the report.

**Background Papers:**

Cabinet Report: Proposed Changes Towards a Sustainable Streets Ahead Contract February 2021

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms	Finance: <i>Tim Hardie</i>
		Legal: <i>Nadine Sime</i>

	completed / EIA completed, where required.	Equalities: <i>Louise Nunn</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b>	Michael Crofts
3	<b>Cabinet Member consulted:</b>	Cllr Paul Wood, Executive member for Housing, Roads and Waste Management
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Jayne Clarke	<b>Job Title:</b> Finance Business Partner
	<b>Date:</b> November 2021	

## **1. PROPOSAL**

- 1.1 The Streets Ahead contract ('the Contract') has been set a significant savings target in order to contribute to the Council achieving its reduced budget in the future.
- 1.2 Savings can be achieved through refinancing the bank debt owing to the more favourable interest rates being offered by the financial markets than those available when the Contract was last refinanced in December 2016. This has also been made possible by the contract moving into a more stable state, as a result of a significant proportion of the improvement works now being complete and agreed changes to the performance mechanism now in place.
- 1.3 Following the successful conclusion of an exercise to test the appetite of the existing funding group and a range of potential new funders, this report seeks approval for the refinance to be completed. It is estimated that the refinance will secure savings of circa £0.4m to £0.7m per annum over the remaining 16 years of the Contract Term giving a total saving of between £6m and £10m.

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

- 2.1 There is no impact on the services received by the people of Sheffield.
- 2.2 The savings realised will contribute to the Council achieving its budget, thereby reducing the risk of additional budgetary pressures being placed on other services delivered to Sheffield people.
- 2.3 This will be an enabler to the Council's delivery of the One Year Plan and subsequent Corporate plans.

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

- 3.1 There has not been any consultation, as this is a financing opportunity which will not directly impact the people of Sheffield.

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

### 4.1 Equality of Opportunity Implications

- 4.1.1 As this refinance proposal is purely related to financial restructuring of the Contract and has no material effect upon the services received by the people of Sheffield then there are no equality impacts. The proposal is equality neutral affecting all people the same regardless of age, race, faith, disability, gender, sexuality and so forth.

### 4.2 Financial and Commercial Implications

#### Background

- 4.2.1 The Contract was previously Refinanced and revised terms were agreed with a group of new funders. Those terms were reflected in a change to the contract and reduced the contract payments with effect from December 2016. However, it was acknowledged that



as the project was still in the riskier Core Investment Phase then it had not been possible to achieve the most competitive funding terms at that time.

- 4.2.2 Following on from December 2016 the Council continued to explore a number of options with Amey Hallam Highways (Amey) to deliver savings and make the contract more affordable and stable. This resulted in a number of changes to the specifications of services and finally to a change to the operation of the performance mechanism within the contract, which was approved by Cabinet in February 2021.
- 4.2.3 In addition to the contract changes, the programme of works has advanced, and the contract is now in the steadier operational phase with debt reducing over time.
- 4.2.4 These changes have now culminated in a contract that is much more attractive to prospective funders meaning a wider pool of funders offering competitive terms.
- 4.2.5 Additionally, although the funding market stopped lending to new schemes in the initial stages of the Covid-19 lockdown, it soon returned to more normal levels of activity. PFI projects have performed well during the pandemic and therefore funders are now keen to remain with them and/or invest in new projects.
- 4.2.6 These factors have created a perfect opportunity of more attractive contract with very competitive markets that should secure the best level of savings.

#### Refinance Process

- 4.2.7 Under the Contract the Refinance process is managed by Amey and its advisors and the Council has an oversight and approval role.
- 4.2.8 The Council has appointed Financial Advisors, Local Partnerships and Legal Advisors, Bevan Brittan to carry out the necessary due diligence and provide market expertise.
- 4.2.9 The Council will incur direct costs to carry out the Refinance. Providing the Refinance is complete, those costs will be reimbursed by Amey and set-off against the Refinance gain. However, if the transaction doesn't complete then it will have to bear those abortive costs.
- 4.2.10 As a result of a Refinance the level of debt will increase because it will include funding for any break costs associated with ending the current funding and the transaction cost of the Refinance. However, this debt will be at cheaper rates creating a reduction in cost overall (the Refinance Gain).
- 4.2.11 This increased debt will increase the compensation payable if the contracted were Terminated in the early years following the Refinance.
- 4.2.12 The Refinancing will be subject to Department for Transport (DfT) approval following submission of a Final Business Case (FBC) at the appropriate time. The FBC will need to demonstrate that the Refinance is on market terms and that it represents Value for Money taking into account the increase in termination Liabilities.
- 4.2.13 The Refinancing Gain realised is subject to a sharing mechanism firstly with Amey as set out in the Contract and secondly, with the DfT under their PFI grant funding terms.

#### Progress To Date

- 4.2.14 Amey have started the market engagement and have sought revised terms from a number of funders. This includes a mix of existing and new funders and both banks and institutional lenders (Insurance/Pension Funds).

- 4.2.15 Publicly available evidence of ethical, sustainability and social responsibility policy commitment was a pre-requisite for inclusion within an original long list of potential lenders.
- 4.2.16 Responses were sought with terms that offered a reduced interest rate on the £230m borrowing and other changes to the structuring of the debt that would make the contract funding more efficient.
- 4.2.17 16 responses were received which is positive given the level of borrowing and complexity of the contract. The responses were from a good spectrum of the market and allows a good assessment of the pros and cons of different funders / combination of funders from which an informed decision can be made.
- 4.2.18 The indicative level of financial savings achievable from the responses mean that the Council could realise savings of between **£0.4m** and **£0.7m pa**. This equates to a total saving of between **£6m** and **£10m** over the contract term.
- 4.2.19 Its is expected that the Refinance can be completed before the end of the 2021/22 financial year.
- 4.2.20 The Council has engaged with DfT and they are comfortable with the approach to the refinancing and we have opened up discussions around their share of the Gain.
- 4.2.21 Given that this would be the second refinance of the contract with the resultant additional debt and termination costs, it is unlikely that a further Refinance would be possible for the foreseeable future and so it is imperative to ensure that the most competitive market terms are secured.

#### Next Steps

- 4.2.22 The key next step will be to determine the preferred funding model. This could be a single funder or more likely a group of banks to be able to cover the full level of debt. The consideration will be based on the most competitive terms and acceptable termination liability.
- 4.2.23 The shortlisted funder(s) will then go through their own due diligence process relying on Legal and Technical Advisors reports of the performance and risk of the contract. If they are happy with this process, they will then seek formal approval of the terms from their credit committees.
- 4.2.24 At the same time the Council will develop the FBC to submit to DfT for approval.
- 4.2.25 Once credit committee and DfT approval is received the Refinance can be executed.
- 4.2.26 The credit committee approval will be based on an interest rate margin which will be applied to the prevailing underlying base rate on the day that the Refinance is complete. Therefore, the exact cost of finance and relevant break costs can only be determined at that time. Interest rate movements will be monitored in the run-up to the Refinance and a range of acceptable rates determined to ensure the refinance remains viable.

#### 4.2.27 Risks

Risks	Impact	Mitigation
Refinance fails to reach	Abortive transaction costs and budgeted	Proven strong market interest and likley inclusion of some of current funders should

Financial Close	saving not achieved	ensure a successful outcome can be achieved.
Actual Bank Margin higher than assumed	Lower saving (an increase of 0.25% reduces saving by £100k p.a.	Stabilisation of contract through Pay Mech. Changes helps contract risk rating and but Highway Maintenance still a more difficult sector for investors to understand. However, range of margins submitted from all funders are competitive.
Transaction costs higher than assumed	Marginally lower saving	Above savings based on very prudent cost assumptions. Competitive terms secured from SCC advisors. As transaction costs set-off against gain share will have minimal impact on SCC share.
Process takes longer than expected	Lower saving	Delay has more material impact through reduced debt saving but transaction already well progressed.
DfT reject Refi. Business Case	Abortive transaction costs and budgeted saving not achieved.	Concern will be increase in termination costs. Impact which will be quantified and modelled as proposed terms are firmed up.

#### 4.2.28 Proposals:

To continue with the Refinancing with existing and potential new funders in order to determine the optimal route in terms of maximising savings and mitigating risks and subsequently take forward the preferred option; and

4.2.29 Continue the ongoing dialogue with the DfT throughout the refinance process and to submit a business case seeking DfT/HMT approval to complete the refinance which includes agreeing the optimal process for funding the DfT's share of the refinance savings; and

4.2.30 Fund any abortive project costs from the Refinance from the Streets Ahead contingency; should the refinance not be possible to complete; and

4.2.31 In order to progress the refinance within the time constraints described in this report, the Co-operative Executive is requested to delegate its authority for some of the process to the Executive Director of Resources, as detailed within the recommendations.

#### 4.3 Legal Implications

4.3.1 The Streets Ahead contract provides for a refinance and therefore the refinance itself carries no legal implications.

4.3.2 In terms of the other changes proposed, the Contract contains a High Value Change mechanism that allows the proposed changes to be made. In addition, the Council has a general power under section 1 of the Localism Act 2011 to do things an individual may generally do (including vary a contract in accordance with its terms) provided, it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act e.g. around charging for the provision of a service.

4.3.3 When it was procured this Contract was above the public procurement financial thresholds and consequently was procured under a regulated procurement procedure. If the Contract is changed to a material degree, it may be held that there is, in fact, a new

contract, which should have been re-tendered in accordance with the Procurement Regulations and the resultant contract could be held ineffective.

4.3.4 The proposed changes are not considered to be material changes to the existing contract because there will be no variation to the services to be provided. Although Amey will make additional profit as a result of the changes, this is a usual consequence of a standard PFI Contract where Refinance clauses and Gainshare mechanisms exist and are commonly executed.

#### 4.4 Other Implications

4.4.1 *n/a*

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

#### 5.1 Do Nothing

5.1.1 Under this option no further action would be taken now in relation to a Refinance and all activities would be stopped.

5.1.2 In this scenario the Council would have to bear the abortive transaction costs and would not generate the expected ongoing contract savings.

5.1.3 This would have the advantage of being able to carry out a Refinance in future years should the finance market be deemed to be more competitive.

5.1.4 However, there is no certainty that there would be an improvement on the current market conditions and the benefits of a refinance reduce with time as more of the debt is paid off at the current higher rates.

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

6.1 The Streets Ahead PFI contract ('the Contract') has been set a significant savings target in order to contribute to the Council achieving its challenging budget position in the future.

6.2 The current stage of the contract makes it more attractive to the funding market and there are a limited number of competing relatively safe investments for funders in the current economic environment. These combine to give the Council a high chance of success in achieving a Refinance of the contract on the most favourable terms.

6.3 The Do-Nothing option will result in more pressure on achieving the Council's current and future budget and may result in more drastic cuts to front line services.

6.4 Failure to carry out the Refinance will result in more pressure on achieving the Council's current and future budget and may result in more drastic cuts to front line services. There is no evidence that deferring the Refinance will result in a more viable outcome in the future.



**Author/Lead Officer of Report:**  
 Nalin Seneviratne  
 Director City Centre Development

**Tel:** 0114 205 7017

**Report of:** Michael Crofts – Executive Director Place  
 Eugene Walker – Executive Director Resources

**Report to:** Co-operative Executive

**Date of Decision:** 15<sup>th</sup> December 2021

**Subject:** Heart of the City – Project Update

Is this a Key Decision? If Yes, reason Key Decision: -	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Executive Member Portfolio does this relate to? Executive Member for City Futures: Development, Culture and Regeneration & Executive Member for Finance and Resources				
Which Scrutiny and Policy Development Committee does this relate to? The Overview and Scrutiny Management Committee				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 926				
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
Part 2 of this report is not for publication by virtue of Regulation 20(2) Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 because, in the opinion of the proper officer, it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.				

**Purpose of Report:**

This report seeks to: -

- 1) Provide an update to the Heart of the City II development since the last major report in July 2020.
- 2) Seeks authority to conclude arrangements with John Lewis & Partners and bring their lease to an end.
- 3) Set out options for the former John Lewis building which will be concluded as part of the engagement with the people of Sheffield to deliver a City Centre Strategic Vision which was reported on at Co-operative Executive on 26<sup>th</sup> October 2021.
- 4) Gain approval for the proposal to hold the Grosvenor House building in the Commercial Estate and to retain the rental income from the building and to keep under regular review the investment markets for when the optimum time for a disposal would be.

**Recommendations:**

That Co-operative Executive:

- 1) Notes the progress made to date on The Council's delivery of the Heart of the City II development, including the establishment of 4,400 jobs out of a planned 7,000, economic activity to date of £0.9bn out of a planned £3.7bn and progress with increasing sustainability of development, reducing carbon emissions and increasing biodiversity.
- 2) Delegates authority to the Executive Director of Place and the Executive Director of Resources in consultation with The Executive Member for City Futures: Development, Culture and Regeneration, The Executive Member for Finance and Resources, The Director of Legal & Governance, and the Chief Property Officer,
  - a. to finalise terms with John Lewis and
  - b. Instruct the Director of Legal & Governance to complete all necessary legal documentation required to document the terms of the lease termination with John Lewis agreed in accordance with the approvals delegated pursuant to this report.
  - c. Instruct the Director of Legal & Governance to complete all other necessary legal documentation required to document the terms of all remaining tenancies for the various blocks within the scheme.
- 3) Notes the options for the John Lewis Building which will be concluded as part of the work on the City Centre Strategic Vision following public engagement including a full climate impact assessment.
- 4) Approves the proposal to retain Grosvenor House in the Heart of the City Development as part of the Council's Commercial Estate until such time, through review of the real estate investment markets, that a disposal is appropriate to meet the Council's budget requirements and with any disposal being in accordance with the Council's disposal protocols and financial regulations.

**Background Papers:**

Queensberry – Interim progress report - John Lewis Building Feasibility Study - November 2021 plus Annex A & B, Condition and Carbon summaries from Arup.  
Fourth Street – Draft Sheffield City Centre User experience - November 2021.  
Summary Asbestos Review – John Lewis Building.

**Previous Reports:** New Retail Quarter – Compulsory Purchase Order Report to Cabinet 13<sup>th</sup> December 2006, Sheffield New Retail Quarter Report to Executive Leader dated 8<sup>th</sup> October 2013, New Retail Quarter Steps Towards Delivery Report to Cabinet on 23<sup>rd</sup> July 2014, Sheffield Retail Quarter Delivery of First Phase Report to Cabinet on 20<sup>th</sup> July 2016, Sheffield Retail Quarter – Proposed Appropriation of Land for Planning Purposes 15<sup>th</sup> December 2016. Sheffield Retail Quarter – Heart of the City Phase II Delivery of the next phases report to Cabinet dated 21<sup>st</sup> March 2018. Heart of the City II: Approval and endorsement for the Council’s updated delivery strategy dated 15<sup>th</sup> July 2020.



Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Jayne Clarke
		Legal: David Sellars
		Equalities: Annemarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>Executive Director who approved submission:</b>	Michael Crofts & Eugene Walker
3	<b>Executive Members consulted:</b>	Cllrs T Fox, M Iqbal, C McDonald
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Nalin Seneviratne	<b>Job Title:</b> Director – City Centre Development / Capital & Major Projects
	<b>Date:</b> 15 December 2021	

## 1.0 PROJECT UPDATE

- 1.1 Sheffield City Council is investing in the delivery of a key part of the future shape of the City Centre. Covering 7 hectares (17 and 1/3 acres), Heart of the City is delivering on key components of the developing City Centre Strategic Vision. It is already creating a mixed-use neighbourhood with the delivery of 420 new homes, a new city park, leisure facilities, new workspaces, new restaurants, and shops. The scheme is re-populating the city centre with a mix of uses including new homes that will energise the whole of the city. Space for local firms, including opportunities for new start-ups is being created on Cambridge Street and demand is already exceeding expectations. Local jobs combined with initiatives such as new construction jobs and the creation of apprenticeships means that Heart of the City and the Council's investment is having a tangible positive impact on local people and businesses.
- 1.2 **Heart of the City** is Sheffield City Council's flagship development scheme and one of the largest urban regeneration schemes in Britain. By repurposing buildings and adding new development for offices, retail, homes, and leisure attractions, we will attract and are already attracting more jobs to the city and encouraging more people to live in the city centre, making Sheffield an even more rewarding and dynamic place to live and work creating an attractive and vibrant city centre for the whole city.
- 1.3 **Grosvenor House** at the junction of Moorhead is already completed and is the new home to **HSBC** and law firm **CMS**, with new and exciting shops like **Monki** and **Weekday**, and the popular Sheffield **Marmadukes**. Cranes surrounding the area show how much else is currently being delivered. Along Pinstone Street two new buildings will be completed by early 2022, with the **Isaacs Building** and **Burgess House** due to provide new office space and homes.
- 1.4 365 new apartments are also underway at **Kangaroo Works** off Rockingham Street. Construction has begun on a flagship **Radisson Blu hotel** on Pinstone Street opposite the Peace Gardens. The city's first net zero carbon-ready office building - **Elshaw House** – will also add a visually striking seven floor office development, contributing to the Council's long-term ambitions to create a more sustainable and greener city.
- 1.5 Shopping remains important to the city centre. These new developments are designed to sustain new and existing shops, bars, and restaurants, with space included for new places to shop, eat, and drink. The scheme has been designed to be flexible, so that new spaces can adapt easily to different uses as the city evolves. Significant retail leasing is expected to follow scheme completions.
- 1.6 This adaptability is showcased on Cambridge Street, one of Sheffield's oldest streets. Retaining the key listed buildings and historic frontages, Cambridge

Street will become a cultural and social hub, one that reflects the past and future of the city centre. Currently under construction, **Cambridge Street Collective** will feature a **new food hall, top end restaurant** and a **small live entertainment venue** in the former **Bethel Chapel** building. Further up Cambridge Street, **Leah's Yard**, a complex of former mester's workshops, will provide **working space for crafts people and artists, in addition to other creative industries**, alongside space for **local independent retailers**. Together, these developments will create an exciting new mix of working space and places to shop, eat, drink and be entertained in at the very heart of the city centre.

1.7 To date the overall development has been a huge success with approximately 40% of the overall construction complete with some 2 years left before completion. More importantly the development is **67% let to tenants and occupiers** and is on target to meet its goals and targets for regeneration, jobs, and financial boost to the Sheffield economy.

1.8 ***Block by Block Progress***



## 1.9 **Block A (Hotel & Gaumont)**

1.9.1 Construction commenced on both the Hotel and Gaumont buildings in May 2021 with completion of the works due in the Summer of 2023. The hotel element has been secured with Radisson for an upper mid-scale 154-bedroom hotel with roof top bar and restaurant via a 20-year Hotel Management Agreement. The hotel has been designed with sustainability in mind, with a Building Research Establishment Environmental Assessment Method (BREEAM) rating of excellent to be achieved along with the building supplied by Sheffield's district heating system for water heating and air source heat pumps for heating.

1.9.2 The Gaumont building will provide leisure and retail space with innovative design, re-utilising the existing structure, high level sustainability and introducing green walls to reactivate this area of the city. Interest in the Leisure space is strong with several national operations showing interest, having viewed the building recently.

## 1.10 **Blocks B & C (Issacs Building, Burgess, Athol, and Laycock Houses)**

1.10.1 Construction is close to completion with all buildings due to open in the first quarter of 2022. The project has faced many challenges over the last 2 years due to Covid and resultant supply issues along with the complication of retaining a Victorian façade and roof scene, however the quality has never diminished. Sales of the residential have been strong with circa 50% sold whilst maintaining the covenant of owner occupier sales only. Letting of the office has been a huge success with 2 tenants leasing all floors on long term leases (currently in legal hands) and are looking to open in the Summer of 2022.

1.10.2 All the shopfronts have now been ordered and will be installed by the end of February/early March 2022 in conjunction with the opening of the public realm. Whilst no new lettings for retail have been secured to date due to the current market recovering from its challenges, interest remains with retailers waiting to see the final product. A tenant has been secured though for the food unit located in the residential courtyard of Burgess and Laycock House.

## 1.11 **Block D (Grosvenor House)**

1.11.1 Following completion of the works in 2019, a long-term letting has been secured with international law firm CMS to compliment HSBC. In addition, lettings to New World Trading (The Furnace) on Charter Square, international retailers Weekday and Monki owned by H&M, and local cafe operator Marmaduke's add to the mix. The remaining space to let equates to just 9% of the total area built.

1.11.2 Interest remains in the remaining retail units however, most interested retailers want to see the completion of Blocks B, C and H (food Hall) and we expect to see further progress with lettings in the spring and summer of 2022.

## 1.12 **Block E**

1.12.1 The cladding works to the car park have now been completed and have transformed the look and feel of both the building and surrounding area. Shop fronts for the repurposed leisure and food & beverage space below have been ordered and will be installed by February 2022.

1.12.2 This positive change and the opening of The Furnace in Charter square has assisted in securing a tenant on a long lease to occupy 15,000 sq.ft. of space with an opening in the spring of 2022. This letting accounts for 60% of available area and further lettings are sure to develop over 2022 as this occupier opens to the public and the food hall (Cambridge Street Collective) completes in the summer of 2022.

## 1.13 **Block F (Kangaroo works)**

1.13.1 The leasing of the site is now complete, and construction is ongoing with construction works set for completion of spring 2023.

## 1.14 **Block G**

1.14.1 Following the securing of additional funding to create a new public park on part of the site, design has been completed and planning achieved. Procurement of the works is ongoing, and works are expected to commence in early next year with completion for Autumn 2022.

1.14.2 The two development sites that sit either side of the public park are now being prepared for marketing to the commercial sector and expected to be promoted in the spring of 2022 and completion of sales by close of the same year.

## 1.15 **Block G1 (Carver Street)**

1.15.1 The lease for the whole building to Cubo completed in January 2020 and despite delays to the fit out caused by the pandemic, the building opened to the public in April 2021. This exciting concept has been well received in the market with 70% of the managed workspace now let to tenants and the roof top bar trading extremely well over the summer period.

## 1.16 **Block H (Cambridge Street Collective, Bethel Chapel and H2 Office)**

1.16.1 Construction Works to all buildings commenced in February 2021 with works to

Cambridge Street Collective, Bethel Chapel, and associated buildings due for completion in the summer of 2022 with completion of H2, (Elshaw House) office and ground floor retail, set for Spring 2023.

- 1.16.2 A tenant has been secured for the Cambridge Street Collective which includes an exciting food hall and fine dining restaurant offers. On completion of the main works a fit out by the tenant will commence and is due to open in early 2023.
- 1.16.3 Interest in Bethel Chapel remains strong and will be launched to the market in March 2022, providing the necessary time for this sector and market to recover from the pandemic.
- 1.16.4 Elshaw House (H2) office has been designed with technologies that support net zero carbon and is paving the way for net carbon zero buildings. The launch of this building to the market will be made in early 2022 once the Issacs building leases complete.

## 1.17 **Leah's Yard**

- 1.17.1 Works to complete the phase 1 stabilisation of rebuilding floors, roofs and walls is due to complete this year enabling the building to stand on its own for the first time in several years.
- 1.17.2 During the stage 1 works, a tenant was selected and has worked with the team to develop the phase 2 works. The operators are proposing to provide a broad range of units for growing local businesses including studios, makers, retailers, and a café bar. This will include running regular public events, maker markets and themed evenings and will create a unique destination.
- 1.17.3 The lease is for the whole building and due for completion prior to entering the phase 2 works. The phase 2 design works of connecting the former Public House and "Chubbys" is complete, and planning consent was achieved in November with significant support from Historic England. Phase 2 procurement is ongoing and a start on site is expected in the spring of 2022 and completion by Summer of 2023.

## 2.0 **John Lewis & Partners – Lease Termination**

- 2.1 In 2020 Sheffield City Council and John Lewis agreed a deal to see John Lewis remaining as a key retailer in the city with a programme of refurbishment to address the outdated services and fabric of the building. To secure the building from the turbulence in the retail sector and take control of a key location in the

heart of the city, The Council bought out John Lewis from their old lease for commercial value (£3m plus costs, taking into account the poor condition of the building) and provided John Lewis with a new lease with an agreement on the refurbishment of the building.

- 2.2 In August 2020 John Lewis & Partners entered a new modern lease of the building having agreed to surrender their previous lease. This surrender and renewal were completed as stated above with the intention of retaining John Lewis & Partners within Sheffield City Centre and refurbishing the existing building.
- 2.3 In March 2021 John Lewis & Partners announced that several department stores would remain closed following the Covid pandemic. This included the department store at Barker's Pool, Sheffield.
- 2.5 Shortly following this announcement Council officers engaged with John Lewis & Partners in relation to their new lease of the building.
- 2.6 These discussions have culminated in a proposal for John Lewis & Partners to surrender their lease of the building and to be released from all obligations for the sum of £5m subject to contract. On completion, The Council will have received a financial settlement on a key site in the centre of Sheffield in excess of what it paid John Lewis to buy them out of their old lease.
- 2.7 Further information relating to the terms of this proposal are set out within Part 2 of this report the details of which are commercially sensitive and confidential.

### **The Former John Lewis Building**

- 2.8 In the summer of 2021, the Council employed Fourth Street (experts in placemaking and destination development) to review the broad options for the former John Lewis building in the context of the city centre offer.
- 2.9 Alongside that work, the existing Heart of the City project team led by Queensberry have been analysing the options in terms of strategic design, costs, and carbon implications. A full climate impact assessment will be carried out to assess all options.
- 2.10 The discussion on options will take place as part of the public engagement on the City Centre Strategic Vision in early 2022. However, at this stage the reports from both Queensberry and Fourth Street are appended to this report for information.

## **3.0 Grosvenor House – Exit Strategy**

### **3.1 General Background**

The base case assumption for all blocks within previous Cabinet reports and elsewhere in this report, is based on the Council exiting from the intervention when blocks are complete. Modelling is therefore based on the Council “selling” (on a long leasehold basis) once the development is complete and fully let and using the receipt to reduce the level of borrowing of the block. However, previous

reports have also stated that the actual exit strategy will be considered for each of the blocks on completion, considering the current market economics, and the Councils overall borrowing levels, and wider commercial estate position. Properties could be retained as Operational Assets if that is determined the most appropriate course of action.

### 3.2 Grosvenor House

VAT Exempt treatment for HSBC purposes meant a 3-year hold requirement on completion of Block D to avoid any negative VAT implications. As that is now about to expire and the block is 97% let then it could be considered to be at the height of its market value and could be sold.

The block has a potential £5m p.a. rental value but with first HSBC lease break in Jan'29.

A decision is therefore now required to hold, sell, or sell with degrees of income guarantee to increase the potential capital receipt.

A valuation has been carried out by SCC investment advisor (CBRE) in terms of current market conditions, based on current occupation and letting terms.

Option	Capital Value	Impact
1. <b>Hold (Do Nothing)</b>	£73m	<ul style="list-style-type: none"> <li>Council responsible for letting and carries all long-term asset management risk but will receive rental income as the reward.</li> </ul>
2. <b>Sale of Asset in Current Occupation</b>	£73m	<ul style="list-style-type: none"> <li>Value reflects current letting, future lease breaks, remaining Rent Free Periods and current investor yields.</li> <li>No further long-term financial risks</li> </ul>
3. <b>Sale with 15 Year Council Guarantee on Retail Units</b>	£79m	<ul style="list-style-type: none"> <li>As above but with Council covering £750k p.a. retail rental guarantee.</li> <li>Responsible for letting units and benefit from any rents secured during 15-year term.</li> </ul>
4. <b>Sale with Council Guarantee on HSBC Break Option</b>	£75m	<ul style="list-style-type: none"> <li>As option 2 but with Council covering the c£4m p.a. Office rental for 5 years if HSBC exercise break in Jan '29.</li> <li>Rents retained if HSBC don't break or from alternative letting if secured during 5-year term.</li> </ul>
5. <b>Sale with 15 Year Council Guarantee on Retail and HSBC Break Clause Guarantee</b>	£83m	<ul style="list-style-type: none"> <li>Options 3&amp;4 combined</li> </ul>
6. <b>Sale with Index-linked Council Guarantee over the whole building</b>	£109m	<ul style="list-style-type: none"> <li>35-year lease with £3.5m p.a. RPI linked (capped at 5% p.a.) lease payment.</li> <li>Council responsible for all letting and benefits from any profit rent secured during term.</li> <li>Carries long term income and service charge risk.</li> </ul>

3.3 Analysis has been carried out on the impact of each of those options in terms of the use of the receipt to write down debt and then the residual impact of the retained letting risk in a worst- and best-case scenario.

The relative advantages and disadvantages of each option have also been considered.



This analysis is contained in Part 2 Appendix 2 to the report.

- 3.4 Having considered the options and their relative risks it is proposed to not sell at the current time when the investment market and office valuation is in a state of uncertainty. To therefore, retain the property as part of the commercial estate but to review the decision in 6 months' time and then no more than annually thereafter. Regular reviews will mean that we can respond to changes in market conditions in a timely manner. Consideration should also be given to engaging with HSBC at the appropriate time to review lease terms and/or purchase appetite.

The advantages and disadvantages of that option are set out below:

### **Property Retention**

<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
Avoids "locking in" value in a depressed market	Significant level of exposure to letting and Business Rate risk in the medium to long term.
Closest to short term budget assumption in the worst-case scenario	Overall value decreases each year with erosion of HSBC and CMS lease certainty.
Retains control over all letting to manage standard of occupation.	long-term building condition risk retained
Significant upside possible with timely letting when leases end.	
Full value of rental income retained to pay down debt especially in the early years.	
Retains flexibility to sell in future depending on market conditions.	
Retains flexibility to manage debt repayment profile in future.	

## **4.0 HOW DOES THIS DECISION CONTRIBUTE?**

- 4.1 As reported last year, Heart of the City meets an identified need for an improved city centre offer in terms of retail provision, housing, food, and drink/leisure facilities and providing additional high quality office space for jobs. It will give residents, workers, and visitors an exciting quality experience that is distinctively of Sheffield and which is the hub linking the existing city centre retail, cultural, leisure and employment offers.
- 4.2 The development integrates and complements the existing city centre and its shopping areas rather than sit in isolation from them. Built to retain existing street patterns and heritage buildings wherever possible, it integrates with the resurgence of The Moor as a shopping and leisure destination, the Devonshire Quarter of independent shops and bars, and Fargate.
- 4.3 The development will contain a broad mix of uses, including retail and hospitality

and whilst at the time of writing this report these sectors of the economy are under stress as a result of Covid-19, the delivery of individual units is some time away which will allow time for the market to recover. Ultimately the scheme is being designed with significant flexibility to allow for future trends

### **Economic Benefits**

- 4.4 As set out in previous Cabinet reports by undertaking the Heart of the City II development the Council's aim was to create jobs and improve the economy of the city for all.
- 4.5 We anticipated in 2018 that the jobs that we would create within the Heart of the City II development site in the period 2019 to 2030 would be 7,000 and to date we have achieved securing 4,400 jobs.
- 4.6 In 2018 the increase in economic activity because of the Heart of the City II development was estimated at £3.7bn. To date we estimate we have delivered £0.9bn. So again, we consider that we are on track to deliver the predicted growth in the economy of the city.

### **5.0 HAS THERE BEEN ANY CONSULTATION?**

- 5.1 As previous reports, the Council has over the years undertaken comprehensive consultation with key stakeholders and the public as to the development of this major city centre site and will continue to engage/consult as to the future of the Heart of the City II development.
- 5.2 As part of the normal development/planning process the public continue to have the opportunity to be engaged and to make comments on the development of each block. Recently, block H and block A have been out to consultation along with the designs for Pounds Park.
- 5.3 There is active engagement with a variety of stakeholders and the people of Sheffield at large through a variety of means including e-letters, website, consultations, social media, and face to face meetings.
- 5.4 Specific engagement on the future options for the John Lewis Building will be delivered through the work on the City Centre Strategic Vision in January / February 2022.

## 6.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 6.1 Equality of Opportunity Implications

6.1.1 As in the 2020 report, The Heart of the City II site will be of universal positive benefit for all local people regardless of age, sex, race, faith, disability, sexuality, etc. Local people will benefit from the creation of a significant number of new full and part time jobs with several tenants signing up to the Real Living Wage as defined by the Living Wage Foundation.

6.1.2 The incorporation of a new public park with toilet facilities and the inclusion of changing room facilities in the scheme also improves the city centre offer and delivers positive benefits for all.

6.1.3 Future options for the John Lewis building and programming activity in Pounds Park offer the opportunity for providing uses for all citizens irrespective of income and demographics reinforcing the scheme as a civic hub. This aspect will be considered for the specific developments mentioned and be the subject of future reports.

6.1.4 The uses and opportunities for city centres are very dynamic and therefore the ability to seek to improve opportunity for all through building uses and the programming of space will be considered in future reports and linked to final decisions on how the Council holds or disposes of the project and how those options should be governed including how citizen participation can help to inform those decisions.

### 6.2 Financial and Commercial Implications

#### 6.2.1 **Headline Financial Envelope**

In July 2020 Cabinet approved a revised set of financial parameters for the delivery of the masterplan based on a total capital expenditure envelope and long term residual financing costs for each block. This was based on the revised masterplan and taking account of the expected impact of Covid-19.

	March 2018	<b>July 2020</b>
<u>Total Capital Expenditure</u>	<u>£469m</u>	<b>£372m</b>
<u>Net Development loss</u>	<u>£71m</u>	<b>£79m</b>
<u>Maximum Annual Revenue Cost</u>	<u>£3m (24/25)</u>	<b>£3m (38/39)</b>

There has been a further review of each of the blocks in terms of cost and programme now informed by most of the blocks being subject to construction contracts with significant proportions of the costs fixed. There has also been a further review of the impact of Covid-19 and more general market trends towards turnover based rental terms on the Retail, F&B and Leisure letting.

This means the Council retain more of the risk of performance of all those units while it is holding them, and that risk is priced in by prospective purchasers of the blocks producing a lower capital value and thus a bigger overall loss.

	March '18	July '20	December '21
<u>Total Capital Expenditure</u>	£469m	£372m	£356m#
<u>Net Development loss</u>	£71m	£79m	£98m#
<u>Maximum Annual Revenue Cost</u>	£3m (24/25)	£3m (38/39)	£4m (23/24)*

# Excludes any further costs /income relating to JLP building at this stage

\* On a worst-case basis that blocks A, H & H1 complete with extended letting voids and low turnover generation

The capital budget for all block has now been approved through the Capital Approval process and will be varied as necessary through that process to reflect any changes to profile of spend, funding source etc.

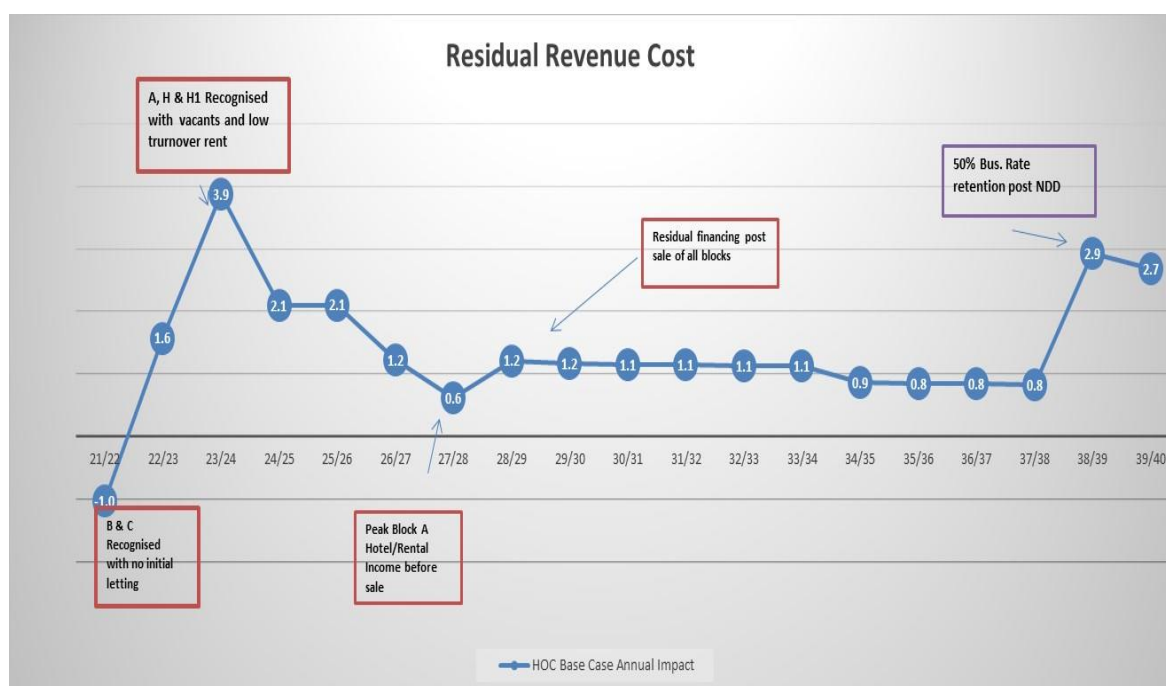
### Financial Risks

The Council is still carrying a significant level of risk in relation to the blocks it is currently developing regarding the risks associated with the construction and the demand risk for the commercial and retail spaces that are being created.

The figures above allow for a degree of letting risk including more extensive void periods on all commercial spaces when complete and allowing for the downside impact of turnover terms. However, these could be improved if current strong interest is secured into leases. Also, turnover deals mean that the landlord shares in the success of the operations which could produce a significant upside to the projections.

### Revenue Budget Requirement

On completion of each block the residual borrowing costs will be charged to General Fund Budgets with Minimum Revenue Provision (MRP) and interest charged over a 40-year asset life. They will be offset by the increased Business Rates and Council Tax and any Rents received while held by the Council and ground rent receipts post sale. Any alternative proposals will be considered against the base case long term revenue implications



Because of the block-by-block approach then the impact on revenue budgets is similarly staggered. With a prudent degree of downside risks already built into short term projections this still allows a manageable impact on the Councils budgets as currently built into the Medium-Term Financial analysis.

### 6.3 Legal Implications

- 6.3.1 The surrender of the John Lewis lease is deemed to be an acquisition. Section 120 of the Local Government Act 1972 provides that a local authority can by agreement acquire any land for any purpose for which it is authorised which includes for the benefit or development of their area.

Section 1 of the Localism Act 2011 gives a local authority the power to do anything that individuals generally may do unless specifically prohibited.

The lettings referred to in this report are deemed to be disposals and should comply with the best value provisions of section 123 of the Local Government Act 1972.

## 7.0 **ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 The overall project is now in full delivery. Options for the retention or disposal of buildings and the options for the John Lewis building are considered in this report and annexures.

## 8.0 **REASONS FOR RECOMMENDATIONS**

- 8.1 The reasons for the recommendations are to enable the arrangements with John Lewis to be concluded, to formalise agreement on retaining the Grosvenor House Block and to note overall progress on the project.

Michael Crofts - Executive Director – Place  
Eugene Walker – Executive Director - Resources

15<sup>th</sup> December 2021

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# JOHN LEWIS BUILDING Sheffield



**DRAFT Interim progress report  
John Lewis Feasibility Study**

November 2021

## Purpose of note

To update the client team on progress to date on the John Lewis feasibility report and to give DRAFT high level output of the work to date which will be completed following public consultation.

## Background

Queensberry have been asked to review the options for the John Lewis building in Sheffield. John Lewis have vacated the building as part of their nationwide strategy to reduce their physical stores, therefore, creating an empty building in the centre of the city.

Fourth Street have been employed by the Council to review the Sheffield Centre user experience and their draft report is in the appendix to this report. Fourth Street have undertaken stakeholder engagement, consultation with independent experts, review of city centre plans and strategies and market research.

Fourth Street note that there are three broad options for the building for our study to review.

1. Reuse/repurpose  
Keeping some or all of the existing building and renovating the building to receive a new, or multiple new, occupiers
2. Remove  
Demolish the building and replace with a possible large public space
3. Replace  
Demolish the building and replace with a different structure, this could be of a different scale or perform a different function.

Fourth Street's report recommends more clarity is gained over the cost and more analysis over the options is undertaken. In the absence of this review their high level advice is to replace the building with high class public realm and a building to bookend the public space and act as a counterbalance to the City Hall.

This report will set out the progress to date with our design options prior to the completion of our full feasibility study completes

We have taken onboard the Fourth Street naming convention and have looked at all three options.



## Design Update and high-level cost

Concept design is ongoing with various options being reviewed through this process. All options fall into the sections below.

The cost ranges are noted at each option and are based on a concept plan at this stage. As the design becomes more fixed these costs will become more accurate.

## REUSE

In this option, the existing structure is to be maintained with the design making use of cut outs through the building to allow for natural light to reach into the building.

Within the design options we have assumed new thermally efficient façades.

The surveys of the existing building suggest that the façade will not be up to a standard that will enable an energy efficient building to be created with the current façade remaining in situ. The mechanical, electrical and plumbing (MEP) systems that are in place are not fit for purpose and will therefore need to be removed and fire escape provision needs to be reviewed. The executive summary of the survey report has been appended to this report. The structural review of the carpark has also shown areas of concern in the existing structural condition.

Due to the state of the existing building, the REUSE option has been assumed to strip all MEP, fixtures and fittings and fit out back to a bare shell and then start from that structural frame to design a new envelope and fit out. There is asbestos within the building and this will have to be removed and disposed of during this phase.

Whilst this is a REUSE option, the existing car park would be demolished as the condition of the structure is not optimum and, as the slabs are ramped, does not lend its self to being adapted to another use.

## Bench Mark Cost Range

This is the most expensive option of all, there are many reasons for this, however, it is mainly due to the fact this is the largest development plot and therefore the largest amount of cost to deliver new uses. There is also a large element of structural intervention needed to create the areas of natural light in to the building

'Re-Use'						
Ref	Item	Lower Quartile	GIFA £ / m <sup>2</sup>	Upper Quartile	GIFA £ / m <sup>2</sup>	Commentary
	Construction incl. contractor on-costs:	GIFA:	15,150	GIFA:	15,150	
1	'Abnormals'	£4,950,000.00	£326.73	£6,150,000.00	£405.94	Strip-out, demolition, asbestos, stats
2	Construction Works	£29,000,000.00	£1,914.19	£35,500,000.00	£2,343.23	Structural amends, atrium, new façade, fit-out
3	Public / Urban Realm	£1,350,000.00	£89.11	£1,500,000.00	£99.01	High-spec 'green' public realm; ~1,900m <sup>2</sup>
<b>A</b>	<b>Construction Total</b>	<b>£35,300,000.00</b>	<b>£2,330.03</b>	<b>£43,150,000.00</b>	<b>£2,848.18</b>	
4	Employer On-Costs	£17,158,624.00	£1,132.58	£20,974,352.00	£1,384.45	Fees, inflation (4Q21 -> 1Q24), contingency
<b>B</b>	<b>TOTAL SCHEME COST - PROJECTED</b>	<b>£52,458,624.00</b>	<b>£3,462.62</b>	<b>£64,124,352.00</b>	<b>£4,232.63</b>	

## REMOVE

This option clears the entire John Lewis building and creates the potential for a new urban park. Within the park there is an option to create a pavilion that could be utilised as a civic space, art gallery or as a public entertainment space.

This option creates an ambitious public space within the centre of the Heart of the City development and careful attention will have to be paid to the surrounding buildings that have not been designed to sit against a public space.

The park would extend the existing Barkers Pool area and could create an event space and would help to open up areas of the city centre.

The cost plan for the park has been based on the costing for other areas of public space being created today and allows for 70% soft landscape and trees and 30% hard landscaping.

This urban park could be designed to bring in an area of green into this part of the city and form a link from the peace gardens to the future park being installed as part of block G of Heart of the City.

One of the negative implications of creating the park in this location is the surrounding buildings and traffic infrastructure have not been designed to integrate with a park and therefore more work should be done to review these elevations and transport plans.

### Bench Mark Cost Range

Not surprisingly this is the least expensive option of all, the major cost is in the demolition of the building and the preparation of the development plot to create the park.

The cost ranges allow for the infill of the basement and a split of 70% soft landscaping and 30% hard landscaping.

'Remove'						
Ref	Item	Lower Quartile	GEA	Upper Quartile	GEA	Commentary
			£ / m <sup>2</sup>		£ / m <sup>2</sup>	
	Construction incl. contractor on-costs:	GIFA:	4,650	GIFA:	4,650	
1	'Abnormals'	£5,850,000.00	£1,258.06	£7,200,000.00	£1,548.39	Strip-out, demolition, asbestos, stats
2	Construction Works	£600,000.00	£129.03	£725,000.00	£155.91	Pavilion, stores; ~325m <sup>2</sup> , provisionally
3	Public / Urban Realm	£3,150,000.00	£677.42	£3,550,000.00	£763.44	High-spec 'green' public realm; ~4,650m <sup>2</sup>
<b>A</b>	<b>Construction Total</b>	<b>£9,600,000.00</b>	<b>£2,064.52</b>	<b>£11,475,000.00</b>	<b>£2,467.74</b>	
4	Employer On-Costs	£3,243,977.14	£697.63	£3,877,566.43	£833.89	Fees, inflation (4Q21 -> 1Q24), contingency
<b>B</b>	<b>TOTAL SCHEME COST - PROJECTED</b>	<b>£12,843,977.14</b>	<b>£2,762.15</b>	<b>£15,352,566.43</b>	<b>£3,301.63</b>	

## REPLACE

The replace option can be a myriad of buildings and uses, including sports leisure and a host of use options, we are working through options that create various uses and sizes from a redevelopment of 2 new buildings that could house civic uses or office space, areas of town houses and apartments and an option to create a stepped terraced building that could a counterpoint to City Hall and bookend a new park that sits between the new building and Barker's Pool.

All REPLACE options have the ability to create a new use on the space left by John Lewis with new energy efficient buildings that can be designed to be carbon neutral.

The replace option modelled in the Carbon analysis (green terrace) creates a mixed use building on the south end of the development plot with a civic use at ground floor and then 3 floors of office and 2 floors of residential. This building steps back as it rises to create terraces that overlook the new park that will be installed between the building plot and City Hall in line with the Fourth Street report and recommendations

### Benchmark Cost Range

It is harder to give a benchmark range of cost for this option due to the many sub-options that are available.

The cost ranges below work with the assumption as noted above with a mixed use stepped building and area of public park inbetween the new building and City Hall.

'Replace'						
Ref	Item	Lower Quartile	GIFA	Upper Quartile	GIFA	Commentary
			£ / m <sup>2</sup>		£ / m <sup>2</sup>	
	Construction incl. contractor on-costs:	GIFA:	5,302	GIFA:	5,302	
1	'Abnormals'	£6,100,000.00	£1,150.51	£7,500,000.00	£1,414.56	Strip-out, demolition, asbestos, stats
2	Construction Works	£15,000,000.00	£2,829.12	£17,250,000.00	£3,253.49	Terraced new-build; green balconies/roof
3	Public / Urban Realm	£2,350,000.00	£443.23	£2,650,000.00	£499.81	High-spec 'green' public realm; ~3,300m <sup>2</sup>
<b>A</b>	<b>Construction Total</b>	<b>£23,450,000.00</b>	<b>£4,422.86</b>	<b>£27,400,000.00</b>	<b>£5,167.86</b>	
4	Employer On-Costs	£11,398,576.00	£2,149.86	£13,318,592.00	£2,511.99	Fees, inflation (4Q21 -> 1Q24), contingency
<b>B</b>	<b>TOTAL SCHEME COST - PROJECTED</b>	<b>£34,848,576.00</b>	<b>£6,572.72</b>	<b>£40,718,592.00</b>	<b>£7,679.86</b>	

## CARBON STUDY

ARUP have been commissioned to report on the embodied carbon of the existing building and its operational carbon footprint as well as taking into consideration a new build development and assess their relative merits.

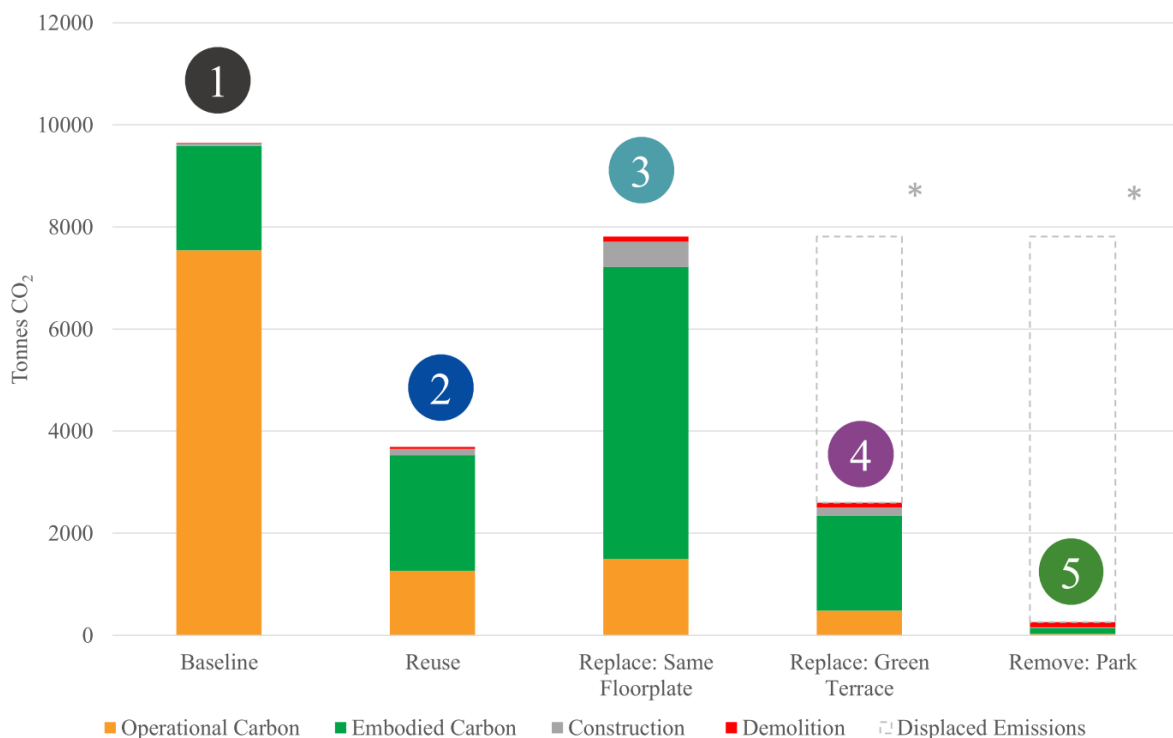
The executive summary has been appended to this report.

The graph below looks at options within the three solutions to the John Lewis block and it is clearly important that the remaining time in the feasibility study takes the below into consideration in the design options.

Interestingly the option of REPLACE utilising a building smaller than the existing building performs better than a REUSE option. There are many reasons for this mainly that the REUSE option still has to perform a large intervention to create a building that is fit for a future purpose.

Not surprisingly the REMOVE option and replacing with a new public green park performs the best in terms of carbon emissions.

ARUP will further review design options as they develop following public consultation and help the design parameters of the new build options to optimise the design to reduce their carbon footprint.



## SWOT Analysis

The below is a review of the three options as set out above.

### REUSE

<b>Strengths</b> <ul style="list-style-type: none"><li>• Building already in situ therefore, the City is already familiar with this space.</li><li>• Keeping the building allows for a large area of real estate to be developed.</li><li>• Unlikely to have an adverse public reaction to refurbishing the building</li><li>• An element of the Embodied Carbon stays within the development block</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>• Building has significant asbestos</li><li>• Fire escapes are not sufficient for the size of the building</li><li>• All MEP systems need to be replaced</li><li>• Structural condition of the car park is poor</li><li>• Carpark is designed as ramped slabs and therefore not able to be easily changed into other uses</li><li>• Façade not energy efficient</li><li>• Very large building with lack of natural light</li><li>• No like for like replacement for John Lewis and therefore the building is likely to be split into multiple uses</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Current nationwide planning environment allows for a change of use and therefore could allow an easy planning change to residential or office use, or other uses to meet demand.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Significant risk on the existing building condition and therefore cost and viability could be threatened</li><li>• Very large building and therefore if this stays as retail, could weaken overall demand from the rest of the city.</li></ul>

**REMOVE**

<b>Strengths</b> <ul style="list-style-type: none"><li>• Creates a large area of public space within the City Centre</li><li>• Pavilion could provide a new space for cultural uses</li><li>• Large park could provide for a carbon positive boost to the City Centre</li><li>• Creates biodiversity in the City Centre</li><li>• Lowest capital investment option</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>• By removing a large area of built environment the future value (if rents and yields increase) is not realized</li><li>• The surrounding buildings and transport infrastructure have not been designed to front a City Centre open space</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Could create a large public involvement into the design and therefore a co-design, co-production of the space with the people of Sheffield.</li><li>• If designed well, could be a real oasis in the City Centre and a benchmark for similar sized urban centers to follow</li><li>• The pavilion could enable new cultural uses to come to the City</li><li>• New park could increase the value of the rents and values of the rest of Heart of the City</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Could be an area of antisocial behavior if managed poorly</li><li>• There could be public objection to the removal of the building</li></ul>

## REPLACE

<p><b>Strengths</b></p> <ul style="list-style-type: none"><li>• New buildings can be designed specifically for the future use</li><li>• This option can create new landscaping within new building plots</li><li>• New buildings and uses can be designed to work with the Heart of the City development</li><li>• Buildings can be designed to be carbon neutral and therefore protect the future carbon use of the City</li><li>•</li></ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"><li>• Large capital cost (depending on amount of development)</li><li>• Increases the embodied carbon within the development plot</li><li>• Longer development period than the other options</li><li>• Logistical difficulties building in this location during the delivery of HoTC</li></ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>• Could create a new residential quarter in the city centre</li><li>• Values could increase due to the increase in green space in the city centre around the new buildings</li><li>• New carbon neutral buildings are valued at a premium, this could therefore increase the value once built</li></ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"><li>• Could be public objection to the removal of the building</li><li>• Construction cost inflation due to material price increase and labour shortage</li><li>• Future value may decrease due to macro-economic conditions</li><li>• Existing building may cost significant amount of money to remove if more hazardous materials are found</li><li>•</li></ul>

## **NEXT STEPS**

This report is a draft update report that shows progress to date.

The next steps in our feasibility study are to carry out more work on the following key areas

- Develop each design option in conjunction with proposals received and public consultation.
- Review the risks and opportunities for each design option working through the SWOT analysis
- Refine the construction cost for each option
- Review specifically the cost applied for retaining the existing building structure as this is a large cost for the works to be undertaken
- Review funding and finance options
- Refine value and inflation levels.
- Further test market demand for the various use types
- Refine the Embodied Carbon analysis with regards to the specific build options being appraised and carry out a climate impact assessment.



## **APPENDIX**

Appendix A – Building Carbon Assessment Executive Summary DRAFT

Appendix B – ARUP condition assessment report Executive Summary DRAFT

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# John Lewis Building Carbon Assessment

ARUP

Sheffield City Council

*Scenario Summary Report*

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November 2021 Rev A

DRAFT



# Executive Summary

On behalf of Sheffield City Council, Arup has undertaken a whole life carbon assessment for the John Lewis site, accounting for a series of development options that range from refurbishment to demolition and new build.

The study estimates the total carbon emissions of the site, over a forward-looking 25-year time span.

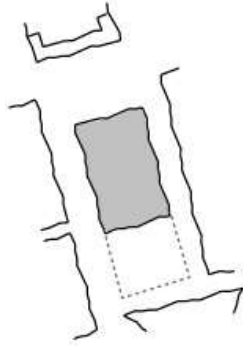
The five scenarios assessed, which are explained in further detail later in the report, are summarised here:

1. **Baseline:** Retention of the current store building and replacement of existing boiler system with like for like.
2. **Reuse:** Major refurbishment of the existing building, replacing the façade and building services systems. Other significant structural alternations to the store building.
3. **Replace:** (For comparison only) a complete new building with the same floorplate as the current store – built to modern construction and carbon targets.
4. **Replace:** A new development with a proposed significantly reduced footprint at the rear of the site with an urban park adjacent to Barker’s Pool.
5. **Remove:** Demolish the building and replace the whole site with a new central park.

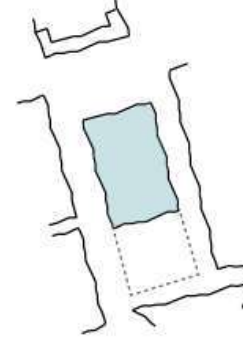
In this assessment, we have considered that for all scenarios the car park is to be demolished and replaced with landscaping. This is due to the existing poor condition of the car park and the fact that future uses are unlikely to require this capacity of car parking in this location.

In addition to the above, we have assessed the embodied carbon of the existing buildings and the relative performance of district heating and heat pumps.

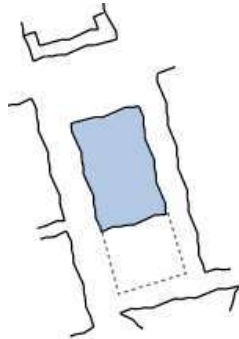
## 1 Baseline



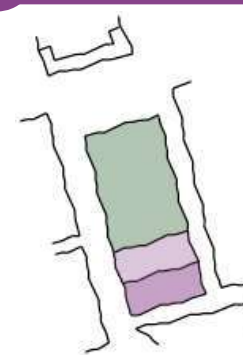
## 3 Replace: Same Floorplate



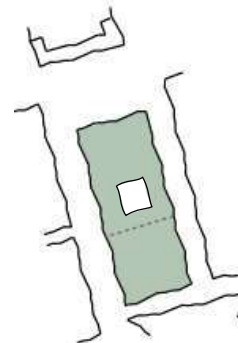
## 2 Reuse: Major Retrofit



## 4 Replace: Green Terrace



## 5 Remove: Park



The carbon assessment provides total estimated Operational Energy and Embodied Carbon for each option over a projected 25-year period.

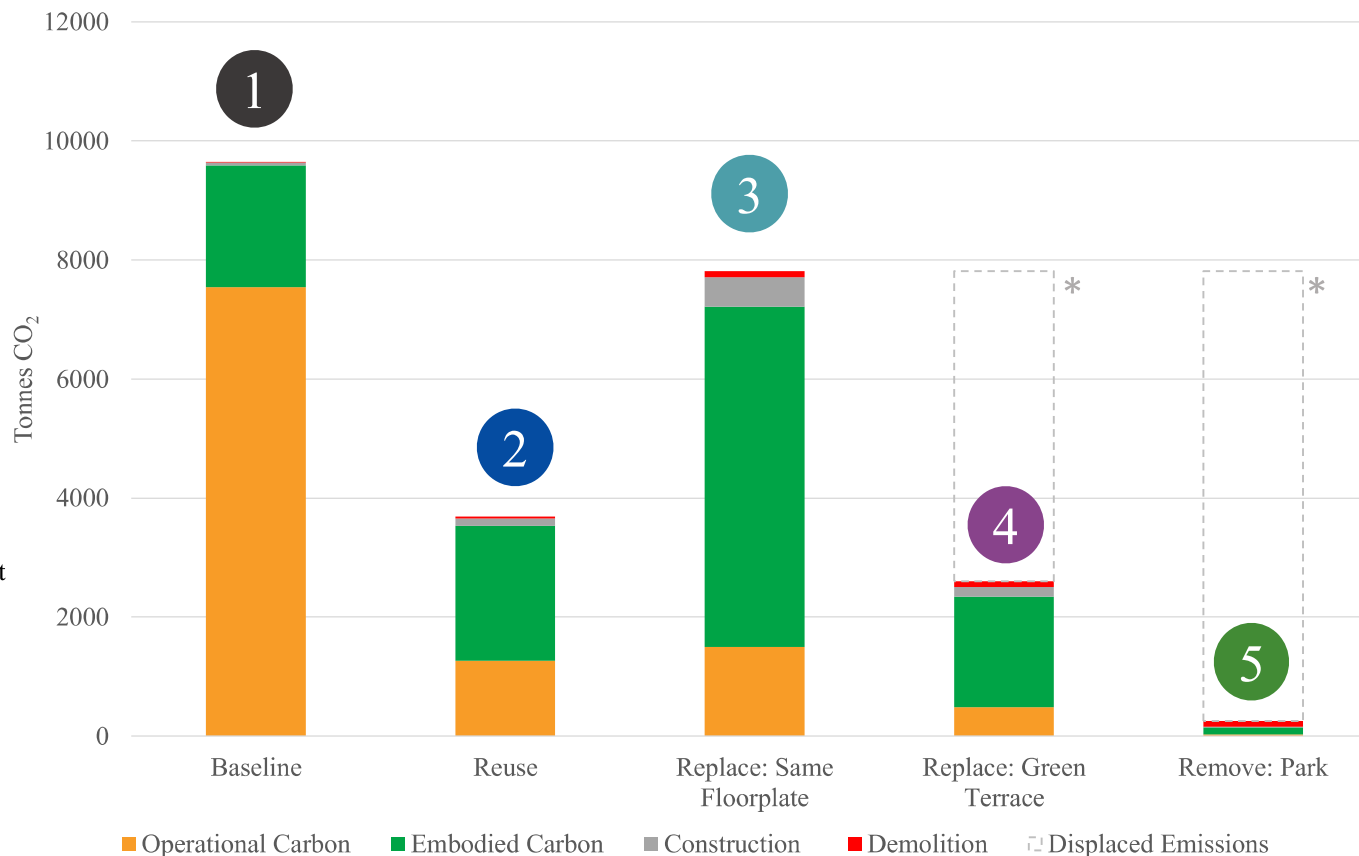
When looking at the Existing Building, a major refurbishment provides significant carbon savings (a 60% reduction from the baseline scenario over the assessment period).

Whilst a new build of a similar scale to the existing building provides a substantial 20% saving over the baseline scenario, it is still over twice the carbon intensity of the refurbishment option. The assessment would therefore suggest that a like-for-like new build option should not be considered.

There are two options that demolish the building, which then provide either a reduced scale new build on the site (with associated new public realm), or convert the whole site to a new park.

At a site level appraisal these two options provide the lowest carbon solutions for the development – mainly due to the reduced area being built and operated. The reduced scale new build option (3) uses a similar amount of embodied carbon to deliver when compared to the refurbishment option – and due to the reduced floorplate has a significant reduction in operational carbon. As such its total carbon cost is lower. However, on a per meter squared basis the reuse option remains more carbon efficient.

The assessment above is based on a site level appraisal, but it is worth considering the wider city context. The dashed line on the chart for the two reduced floor area options (\*) shows the potential carbon cost associated with any requirement to build the remaining balance of the original floor area on a different site in the city. Whether this is relevant can only be determined by a needs-appraisal for this remaining area of floorplate in relation to the site, and consideration of the impact of this within the wider socio-environmental-economic context of the city.



**Baseline**  
9600  
TonnesCO<sub>2e</sub>

**Reuse**  
3700  
TonnesCO<sub>2e</sub>

**Replace: Same Floorplate**  
7800  
TonnesCO<sub>2e</sub>

**Replace: Green Terrace**  
2600  
TonnesCO<sub>2e</sub>

**Remove: Park**  
250  
TonnesCO<sub>2e</sub>

## Context

In 2021, John Lewis closed down its Barker's Pool department store, which had been a cornerstone of Sheffield City centre for many decades.

Sheffield City Council is considering the potential redevelopment of the site going forwards. There have been proposals to retain the existing building, refurbish it and even to demolish it and replace it with a new public park.

It is imperative this project considers and aligns with both national and local legislation, policy and targets around carbon emissions.

As such a prominent and strategic scheme, it would be prudent that it becomes a visionary and exemplar sustainable building within the city centre.

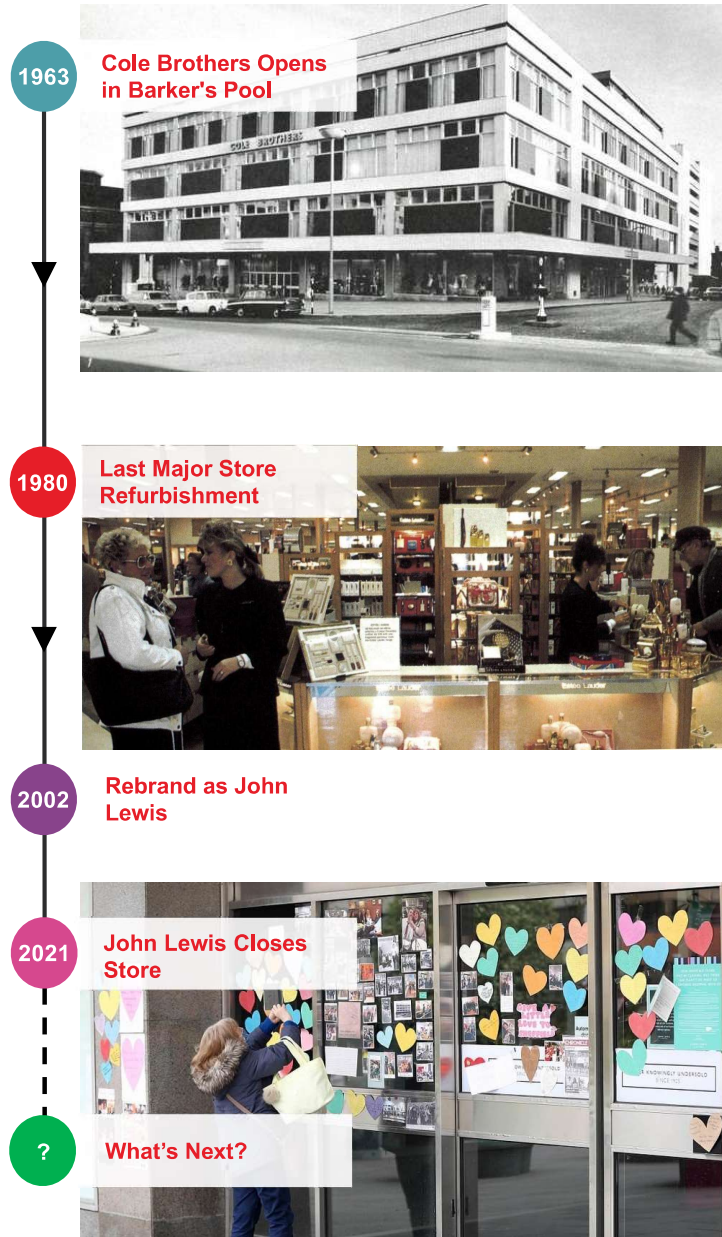
### National Targets

The UK has committed to achieving Net Zero carbon by 2050 and has set out a long-term strategy to achieve that aim. Buildings are directly or indirectly responsible for 40% of UK GHG emissions. Decarbonising the buildings sector is essential to achieving our zero carbon targets.

### Sheffield Targets

Sheffield has declared a climate emergency and set an ambitious target for the city to be zero carbon by 2030. That date is less than 9 years or 100 months away.

The Sheffield Zero Carbon Commission report set out a pathway to achieving zero carbon for the city.



The existing building is energy inefficient due to the poor thermal performance of the historic façade. However, any upgrades to the façade will have an associated embodied carbon investment which the improved operational performance will take time to “pay off”.

By considering a whole life carbon approach, an assessment can be made weighing up embodied carbon against operational carbon over a building lifecycle for a range of scenarios.

We have undertaken a high-level benchmarked assessment for each scenario. These assessments cannot, at this stage, be detailed whole life carbon assessments compliant with ISO 14040: 2006; such a level of detailed assessment would not be possible without additional design information. Consequentially, there are margins of error which need to be considered but these uncertainties do not diminish the validity of the broad-brush comparisons made between the broad scheme options.

We have not completed any design work as part of this analysis, for example – assessing whether the building could be naturally ventilated to reduce operational emissions or optimising the structural design to reduce embodied carbon. Design details like those are secondary optimisations to the primary retain/refurbish/replace/remove decision addressed by this analysis.

The aim of this investigation is to understand the scale and amounts of carbon the future development of the John Lewis site could impact.

## Future Scenarios

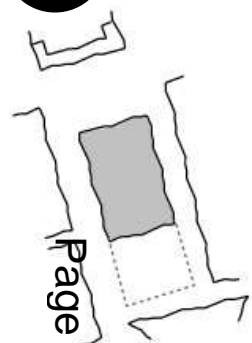
The following scenarios have been reviewed in this study to show the spectrum of likely outcomes, rather than to appraise specific design solutions or proposals. The study has estimated the total carbon emissions over a 25-year time span. The scenarios are as followed:

### 1 Baseline

The baseline scenario takes into consideration the mandatory work the existing building needs to be operational.

This will require repairs to some structural elements. To comply with fire regulations, alterations will be required to create new escape routes.

The replacement of the gas boiler, full replacement of the building services and sprinkler system are needed as they are currently at end of life.



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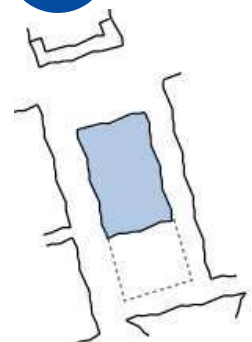
### 2 Reuse: Major Retrofit

The major refurb will seek to maintain the primary structure to utilise the existing space.

With some major structural alterations, a central atrium and rooflights will allow more daylight and central circulation around the building.

The installation of net zero carbon ready building services will ensure operational carbon emissions are minimised.

Major improvement on the building fabric energy performance will also minimise operational carbon.

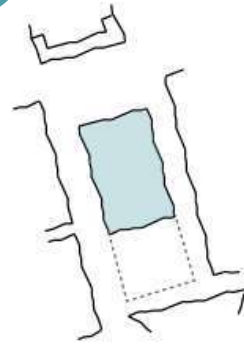


### 3 Replace: Same Floorplate

For comparison in this assessment, a new building with the same floor area as the current John Lewis has been considered.

This is based on an efficient low embodied carbon superstructure and maximising building material reuse from the demolished building. The operational carbon will be minimised with efficient all-electric services and optimised building fabric performance.

*Please note that other studies have suggested that a new building of this scale is not appropriate for this location and so this option is not shown in the related commercial studies for this site. However, it is an important comparator for the carbon study.*

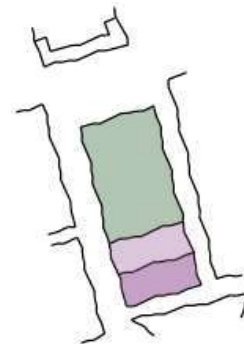


### 4 Replace: Green Terrace

Under this option the building is demolished and a new mixed-use development is created at the rear of the site. This requires both new embodied carbon and operational carbon to create and use over the next 25 years. However, this is a much smaller footprint on the site and is driven by the city centre needs and strategic development goals for the area.

At the front of the site a new soft and hard landscaping scheme creates a link to Barker's Pool.

The use can be flexible but for the purposes of the study it assumes a mix of cultural, commercial office and residential within the building.

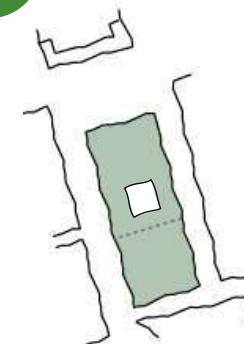


### 5 Remove: Park

The total demolition of the building will account a small amount of carbon but will allow a new urban park to be created across the full site.

At its centre, a small civic (e.g. gallery) space will be built. This will be the only new operational carbon to be considered.

The park would focus on soft landscaping, maximising tree planting, creating space for outdoor activities and bringing 'the outdoor city' feel to the city centre.



## Future of the Car Park

In this report, we have considered the scenarios based on the demolition and replacement with landscaping of the car park at the rear of the store.

The future of the car park has been determined by a number of factors that play a crucial role in the development of this site.

### Structure of car park

The car park structure is a significant multi-storey ramped reinforced concrete structure that is independent to the store. There is a movement joint along the store car park boundary which would allow demolition without affecting the store structure.

Each of the floors is sloped to maximise the number of car parking bays and reduce the floor area for ramps between the levels.

The structural layout would make it impractical for this scheme to reuse this structure for anything other than a car park in the future.

### Condition of car park

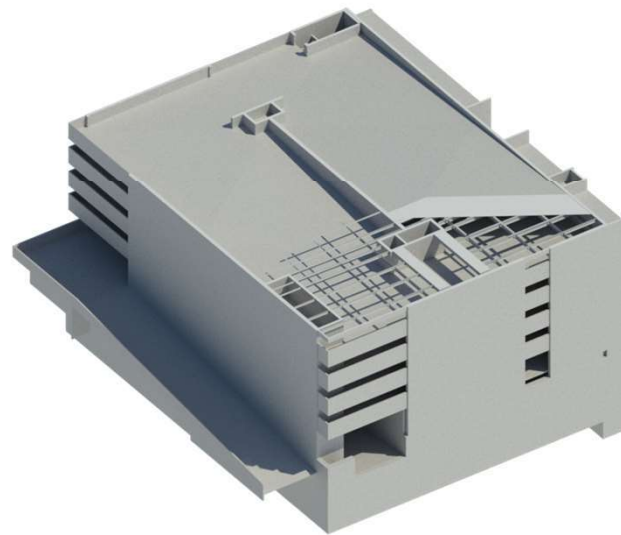
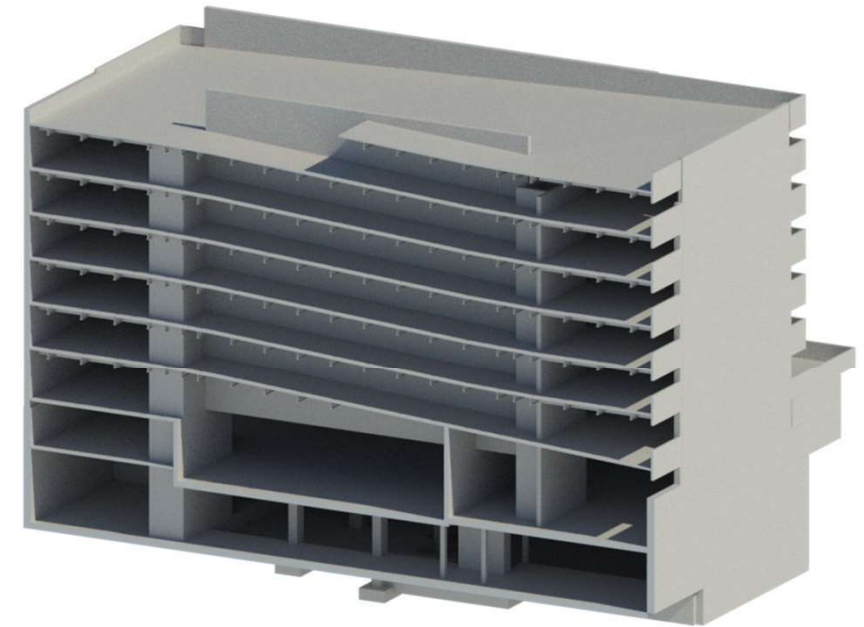
Due to the age, construction and typology of this building, there are a number of structural defects.

The de-icing salts used over the years have corroded the concrete structure. The chloride ingress has resulted in significant areas of deterioration. Significant repair works and maintenance would be required over the next 25 years.

### Necessity for car park

It is important to consider the feasibility of a city centre car park, looking ahead. As society is anticipated to reduce private car ownership and city centres are focused on active and public travel, the need and viability of a car park will reduce over the next 25 years.

Any future use of the site is also likely to require less car parking provision than the previous John Lewis. The retention of the car park would likely be underutilised, with better located provision elsewhere in the city centre.



*Views from 3D Structural Car Park Model*



# Whole Life Carbon Analysis

There are carbon emissions associated with all elements of a building's lifecycle: construction, operation and demolition.

A whole life carbon assessment considers the emissions associated with all elements of a building's lifecycle.

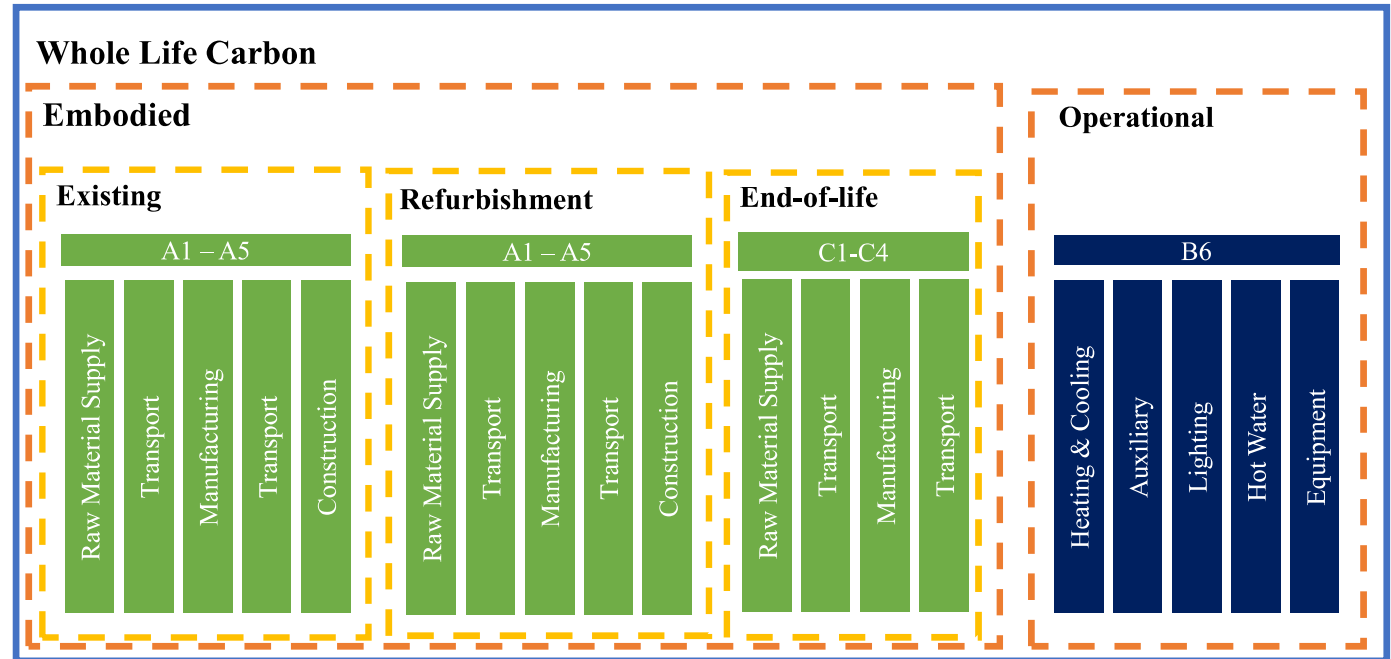
A full whole life carbon assessment in accordance with EN15978 and ISO 14040: 2006 requires significant design detail which is not available at this early stage of assessment for any of the scenarios proposed. This report sets out high-level benchmarked assessments for each scenario. While the accuracy of each scenario could be refined with further design work, the results at this stage should be broadly comparable.

A lifecycle assessment length of 25 years (2022-2046) has been assumed based on the client brief and project scope. This has limited consideration of the end of life stages except where significant demolition is required at the start of the project (i.e. new build).

The aim of this investigation is to understand the scale and amounts of carbon the future development of the John Lewis site could impact.

A number of standards have been used to establish benchmarks as appropriate for the project:

1. WBCSD Standards
2. OneClick LCA Benchmarks
3. LETI Embodied Carbon Benchmarks
4. RIBA 2030 Targets
5. Arup Carbon Insights Platform



Adapted Project Whole Life Carbon Cycle (EN15978)

# Historic Carbon

This report focusses on the future life of the John Lewis site, but it is informative to consider the carbon that is already stored in the existing structure for comparison.

The emissions associated with the construction and use of the building are already in the atmosphere. Reusing elements of the existing building will not remove any carbon from the air, but it will reduce additional emissions by avoiding the need for new construction. For context, we estimate the embodied emissions of the existing store structure is 4600 tCO<sub>2</sub>e.

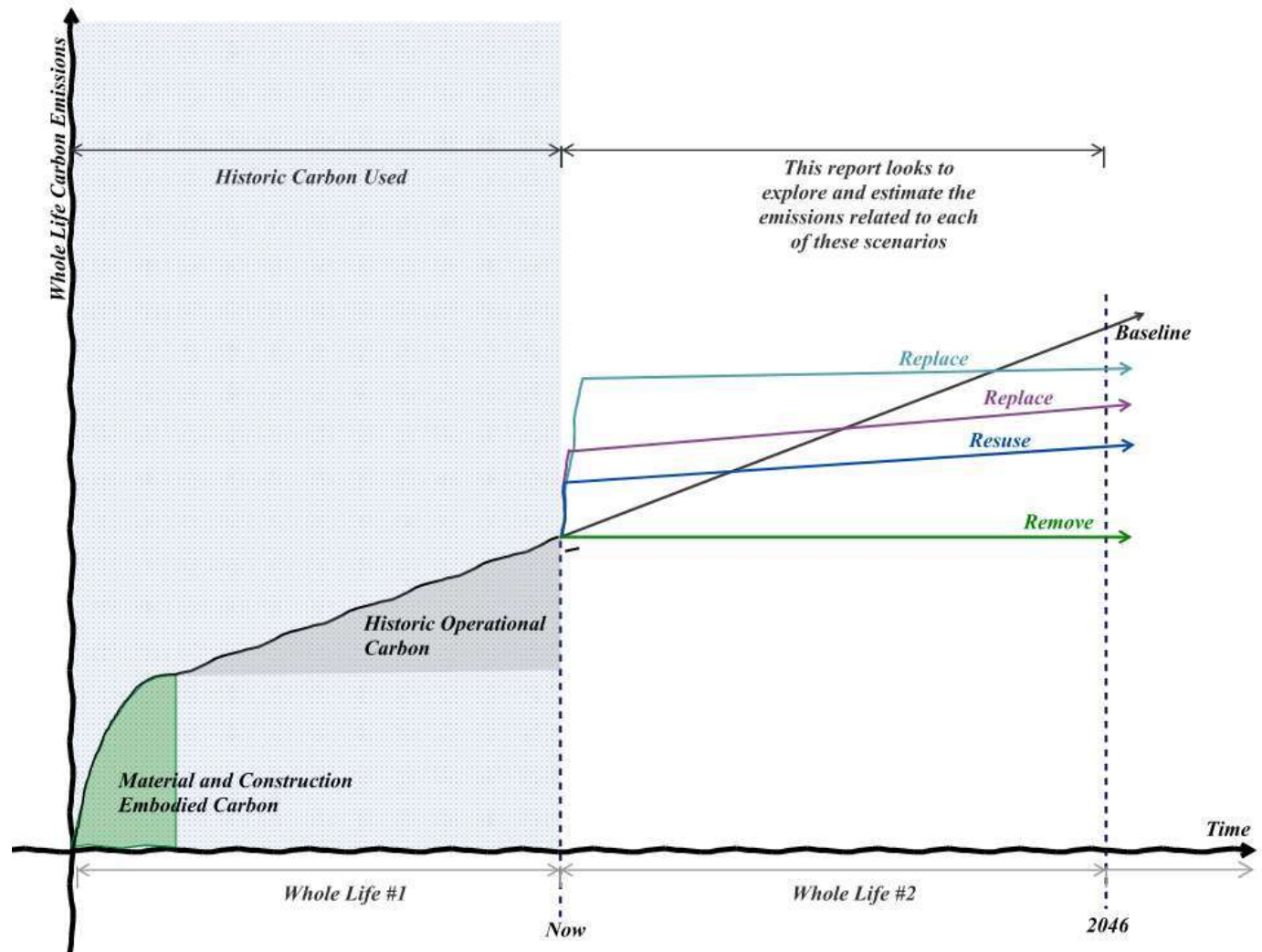
However, putting too much onus on historically accrued carbon costs is misleading as it leads to a 'sunk cost fallacy'. As such, historically accrued emissions should not be directly considered in forward-looking decision making on how to minimise future carbon emissions.

The structure and building that exists do however provide an opportunity to reduce future carbon use through reuse and more importantly, by reducing future embodied carbon required to build new floor area. This is discussed further in the results/conclusion section.

Estimated Carbon per life cycle stage



■ Embodied A1-5 ■ Embodied B-C ■ Operational B6-7



*Schematic graph exploring the possible Whole Life Carbon Emission of future scenarios for the John Lewis Building*



## Embodied Carbon Methodology

Embodied carbon is a critical value when looking to assess the whole life carbon emissions of a project.

The structural elements of a building account on average for 65% of a commercial building's embodied carbon. Most of the building structure is associated with embodied carbon rather than operational carbon, as structural maintenance is often minimal over a building's lifecycle.

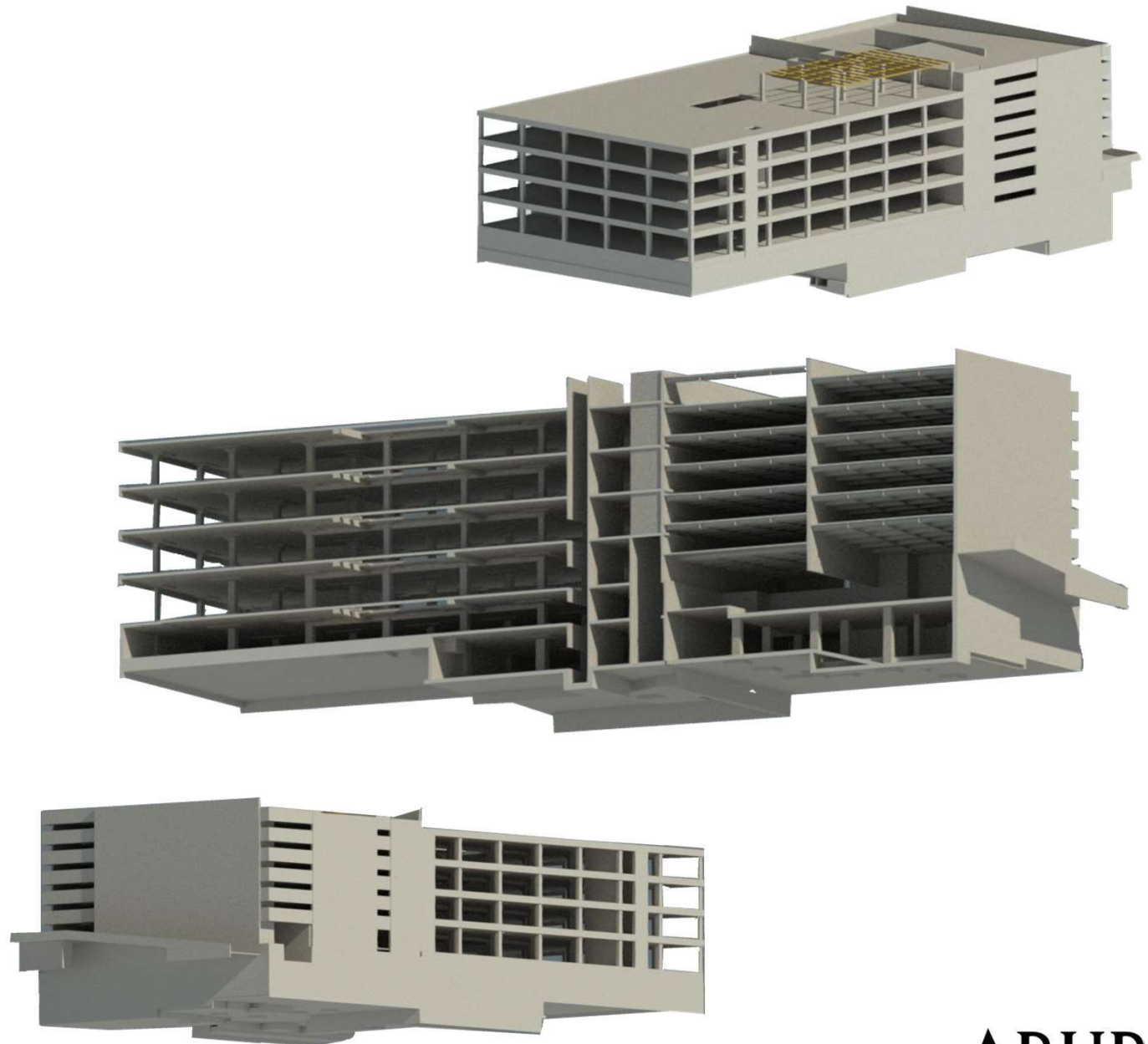
Whole life cycle assessments for embodied carbon identify and account for the emissions created by extraction and manufacturing of structural materials, transport to site and the construction process required.

Different structural typologies and systems have accompanying embodied carbon values. These can be used to make estimates associated with typical bay spans and build-ups. Arup's internal embodied carbon database, based on material properties and LETI targets have been used to make assumptions for the refurbishment and new build scenarios.

Where building materials and volumes are known, more accurate calculations can be undertaken. This method has been used to calculate the embodied carbon in the existing structure, using the structural model created from a limited selection of the original drawings. From this study we estimate the embodied emissions of the existing store structure to be 4600 tCO<sub>2</sub>e.

Whilst the structure is the primary source of embodied carbon, elements such as cladding, finishes, building services and fit outs make up the remainder. The sum of these are significant, so benchmarks outlined in industry guidance have been adopted and used in the calculation of the scenarios.

*Views from the 3D Structural Model created from original drawings*



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# Operational Carbon Methodology

Future carbon use from the operation of the building has been considered, utilising modelling of the existing building, refurbishment and new build options – along with benchmarked comparisons.

A dynamic thermal analysis of the building in each scenario was undertaken to establish the total energy consumption each year by fuel type. This analysis was undertaken in IES VE 2021.3.0.0 and based on record drawings and observations taken during a site visit. A pro-rata assessment has been used for the smaller floorplate of the proposed new build options.

A building typology of office space was chosen as a standard for all models for energy benchmarking and due to a lack of outline design information at this early stage.

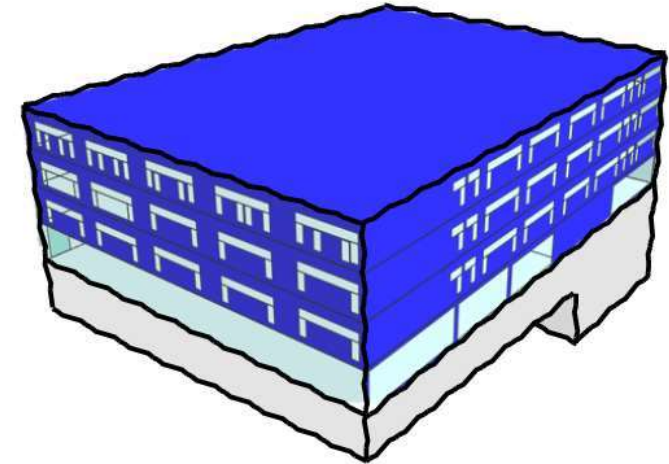
Existing fabric build-up assumptions are approximate and based on build-ups typical for this age of buildings. Major retrofit and new build fabric performance assumptions are based on best practice assumptions about what would be possible for the building. A seasonal heat pump, coefficient of performance of 3, has been assumed for heating and hot water systems.

The embodied carbon of building services has been calculated based on a 120 kgCO<sub>2e</sub>/m<sup>2</sup> factor for services. *Source: CIBSE (2013).*

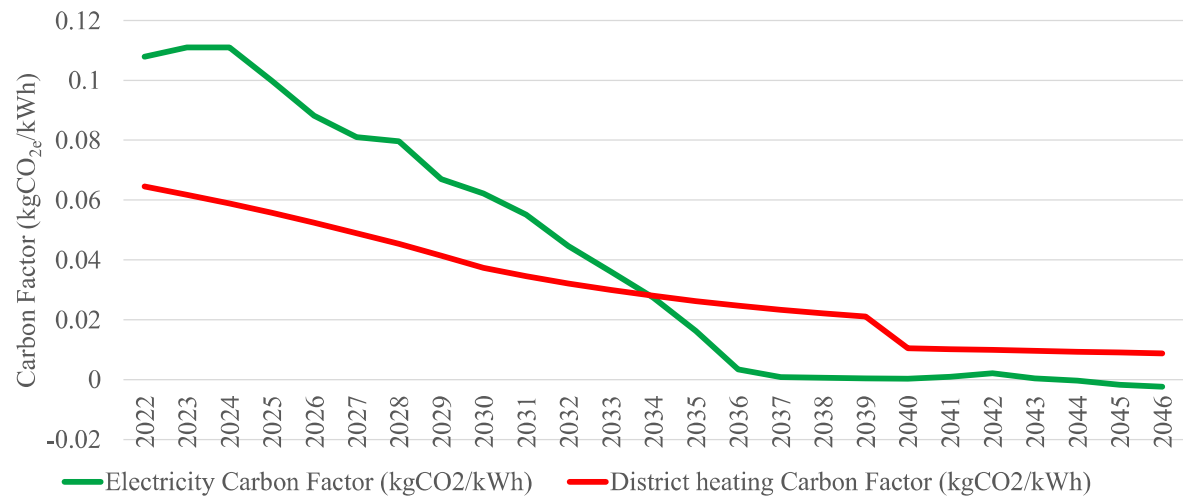
Grid decarbonisation over the next 25 years has been allowed for within our calculations, based on an average of BEIS and National Grid - Future Energy Scenario projections.

As part of a more detailed study included in the technical report, reviews of the Veolia Heat Network and Electric Heat pumps have been compared. Whilst each has its benefits the options do not significantly change the overall picture of a 25-year projection, and so electric heat pumps have been assumed for the analysis.

Scope 3 Operational emissions (such as the carbon used by occupants to travel to the building during use) have not been considered in this assessment.



*Schematic Image of project base IES Model*



*District Heating and Grid Electricity Projected Carbon Factors*

## Onsite Renewables and Planting

The potential to introduce on-site renewable energy sources such as solar PV, and net carbon reduction measures such as tree planting has been considered in the appraisal. These are reviewed below. The conclusion of these assessments are that they will positively contribute to the carbon agenda, but that the magnitude of this impact is not significant enough to change the overall picture between the different scenarios.

### Solar PV Assessment

This study looks to quantify the potential effect of on-site renewable energy on the whole life carbon assessment. Any design should seek to maximise renewable generation.

An outline assessment of the carbon impacts of a solar PV array at roof level have been assessed. A total available area of 4360m<sup>2</sup> has been assumed (entire usable roof) for the purposes of the assessment.

The peak output of the array has been calculated as 510 kW from 1288 panels. Over a typical year, this would be expected to output 550 MWh. We have assumed an embodied carbon rate of 615 kgCO<sub>2</sub>/kWp based on 2020 data.

The total grid emissions offset by the array over 25 years are estimated to be 520 Tonnes. This includes an allowance for grid decarbonisation, which significantly lowers overall emissions savings. The total embodied carbon of the array is 315 Tonnes.

Therefore, the whole life carbon emissions of the array over its 25-year life (not accounting for recycling) are **negative 200 Tonnes**. While this would be a positive step to take, it cannot alone offset the emissions of any of the scenarios assessed.

Installing new renewable generation will impact the demand of grid energy and minimise the carbon whilst the grid is decarbonising.

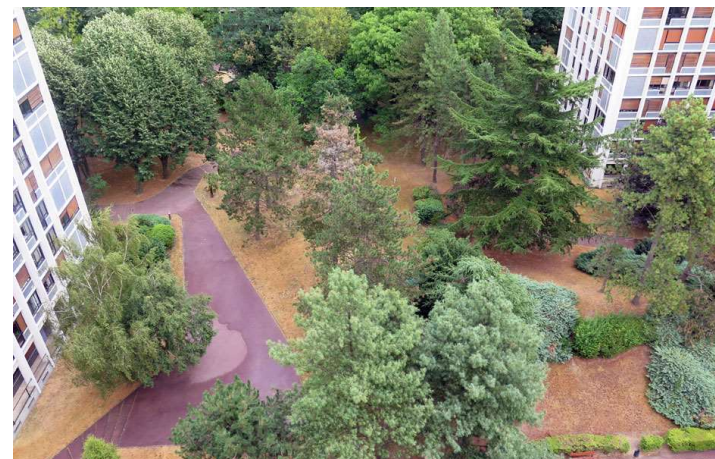
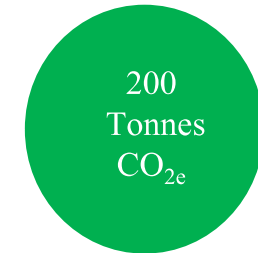
### Benefit of Tree Planting

We have undertaken a simple assessment of the potential impact of planting new trees as part of the proposed park. It is estimated 5 Tonnes CO<sub>2</sub>e can be saved per 100 square metre of replanted broadleaf forest in the UK. If the full area were replanted at this density it would provide a 230 Tonne CO<sub>2</sub>e saving over the assessment period.



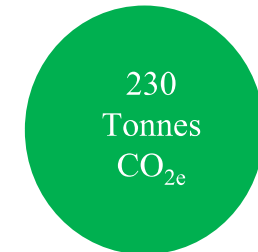
*Example of PV roof array*

### *Estimated PV Array Carbon Savings*



*Example of dense urban tree planting*

### *Estimated Tree Planting Savings for the "Park" Scenario*





## Results and Conclusions

This carbon assessment estimates the whole life carbon emissions for the five proposals for the John Lewis site over a projected 25-year period.

When looking at the existing building, a major refurbishment (2) provides a significant total carbon saving of a 60% reduction from the baseline scenario (1) over the assessment period.

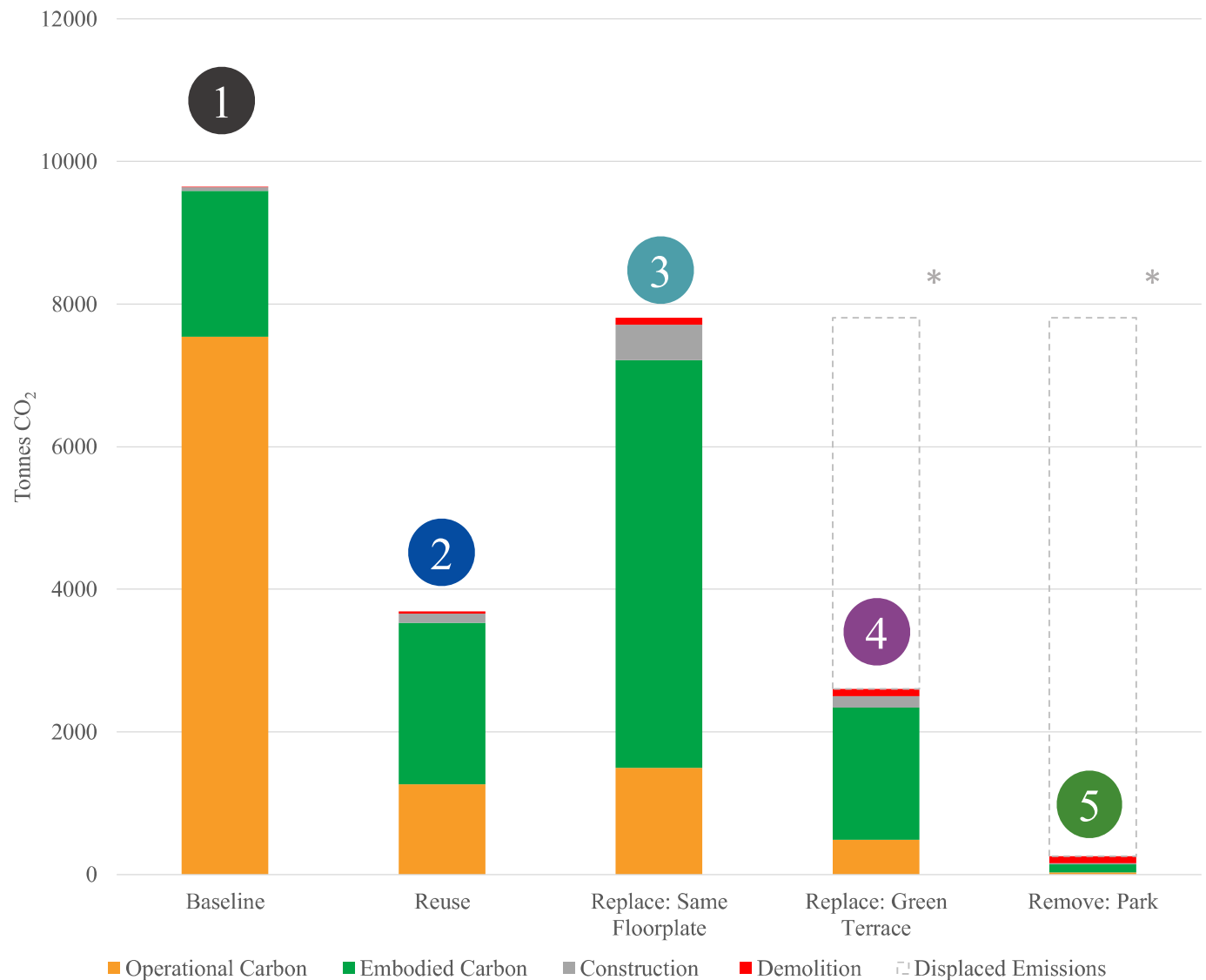
Whilst a new build of a similar scale to the existing building (3) provides a substantial 20% saving over the baseline scenario (1), it is still over twice the carbon intensity of the refurbishment option (2). The assessment would therefore suggest that a like-for-like new build option should not be considered.

The scenarios then look at two options that demolish the building and provide either a reduced scale new build on the site (with associated new public realm) (4) – or convert the whole site to a new public park (5). On a site level appraisal, these two options provide the lowest carbon solutions for the development – not only due to the reduced area being built and operated.

The reduced scale new build option (4) requires a similar amount of embodied carbon to deliver when compared to the refurbishment option – and due to the reduced floorplate has a significant reduction in operational carbon. As such, the total carbon cost is lower. However, on a per meter squared basis the reuse option remains significantly more carbon efficient.

The assessment above is based on a site level appraisal, but it is worth considering the wider city context. The dashed line on the chart for the reduced floor area options (\*) shows the potential opportunity cost associated with having to build the remaining balance of the original floor area as new build on a different site in the city. Whether this is relevant can only be determined by a needs-appraisal for this remaining area of floorplate in relation to the site, and consideration of the impact of this within the wider socio-environmental-economic context of the city.

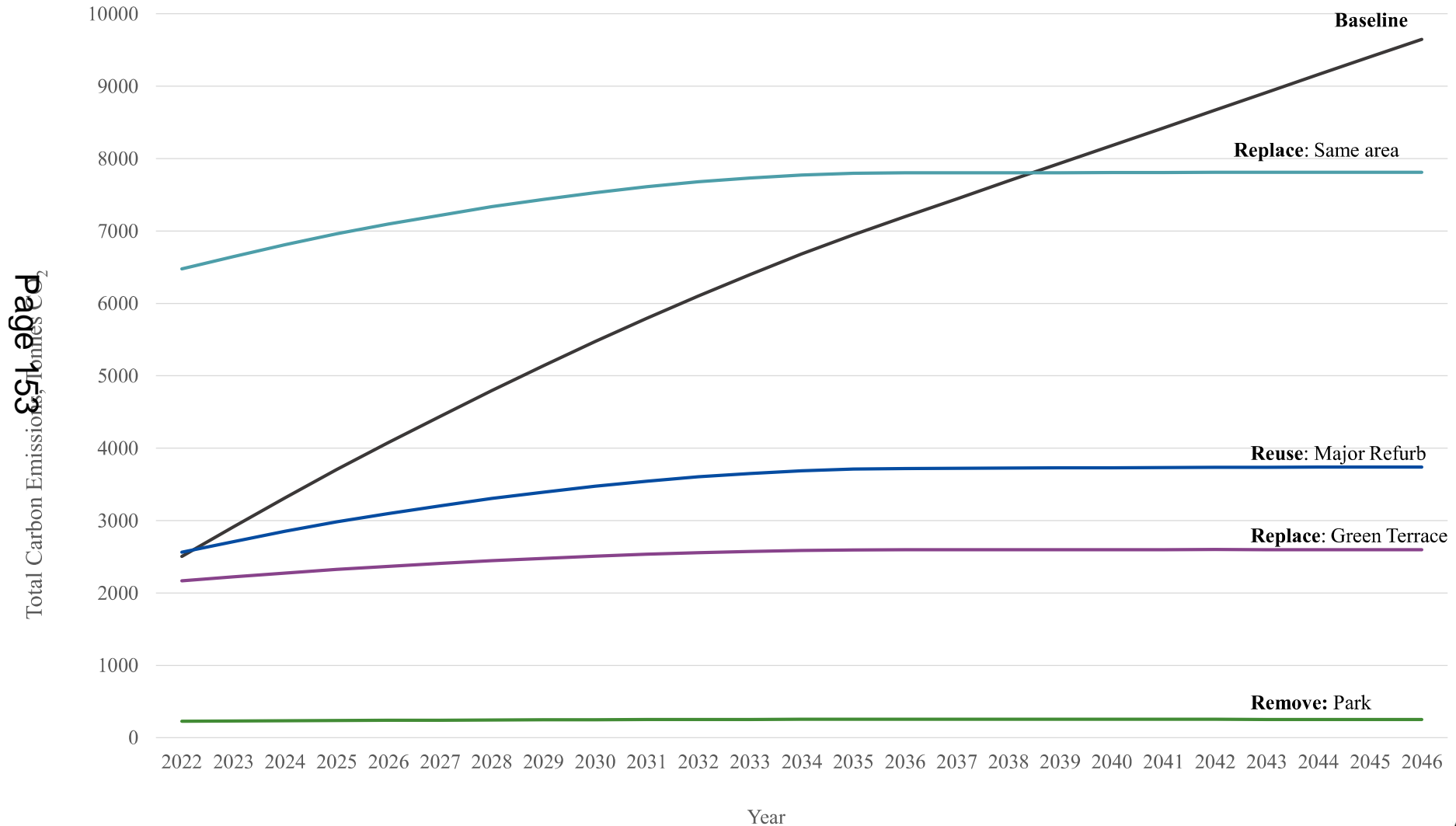
**Whole Life Carbon Results**





# Results and Conclusions

The graph below shows accrual of carbon emissions with time for each of the scenarios.





# ARUP

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# John Lewis Building Condition Assessment

ARUP

Sheffield City Council

*Summary Report*

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November 2021 Rev A

DRAFT



On behalf of Sheffield City Council, Arup has undertaken a high-level condition assessment of the John Lewis Building. This is based on limited record information and limited site access and so should be treated as indicative.

Following the announcement that John Lewis Partnership would be vacating their store in Barkers Pool, Sheffield City Council required a high level appraisal of the current condition of the building. This also needed to consider what systems could be retained in principle for alternative uses for the building.

This report is structured to set out the current assessment and observations for the structural elements in Section 2, the MEP systems in Section 3 and the Fire Safety Assessment in Section 4. At the end of each discipline section there is a summary of the observations relating to each discipline.

This report forms a summary report. A more detailed technical report has also been produced.

Overall the following observations are applicable:-

- The structure of the main store is difficult to assess due to restricted access to the site and existing finishes/coverings. However exposed areas witnessed are in a reasonable condition, and we would expect the structure to be reusable as part of an extensive refurbishment of the building. Further intrusive investigations would be recommended if this option is to be pursued.
- The car park is not in good condition and would require significant repair and ongoing maintenance over a 25year period. In conjunction with reducing demand and John Lewis vacating we would recommend that serious consideration is given to demolition of the car park in any redevelopment option.
- The Building Services and Sprinkler Systems are at the end of their serviceable lives and should be fully replaced with modern systems as part of any significant refurbishment.
- The Fire review highlights that the egress stair provisions do not meet modern capacities, which would limit building reuse without the addition of further fire stair provision.
- A separate asbestos report has been undertaken by a specialist. There is extensive asbestos present throughout the building which will need removal as part of any significant refurbishment.



## Introduction

On behalf of Sheffield City Council, Arup has undertaken a high-level condition assessment. This is based on limited record information and limited site access and so should be treated as indicative.

A series of visits have been undertaken to review building and various reports prepared for John Lewis have been reviewed.

The inspections were a non-intrusive walk around visual survey to determine the overall condition of the building rather than a detailed inspection of every element of the building. Access was limited in a number of areas by the risk of asbestos, and existing finishes.

This report forms a summary report. A more detailed technical report has also been produced.

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A separate asbestos report has been undertaken by a specialist. There is extensive asbestos present and the report noted the presence of unsealed asbestos in various locations. We understand that air sampling is not regularly undertaken but it is after specific elements of work have been undertaken where the asbestos has been touched to allow the space to be brought back into operation. Based on the current position some areas of the building had limited inspection.

There are archive and microfiche copies of the majority of the drawings held by John Lewis' structural engineer and it is recommended that these are obtained by the council as part of any agreement with John Lewis Partnership.

## Summary of Observations

### Main Store

The main store comprises a four storey building above ground with two below ground levels that are cut into the sloping site off the south side of Barkers Pool. It has a reinforced concrete flat slab frame that is stabilised by the walls around the lift and stair cores. There appears to be a solid RC wall that separates the store from the car park.

The concrete frame of the main store could not be immediately inspected due to the presence of the interior fit out and the extensive asbestos issues in the finishes.

Therefore the condition of the structure of the main store is difficult to assess due to restricted access to the site and existing finishes/coverings.

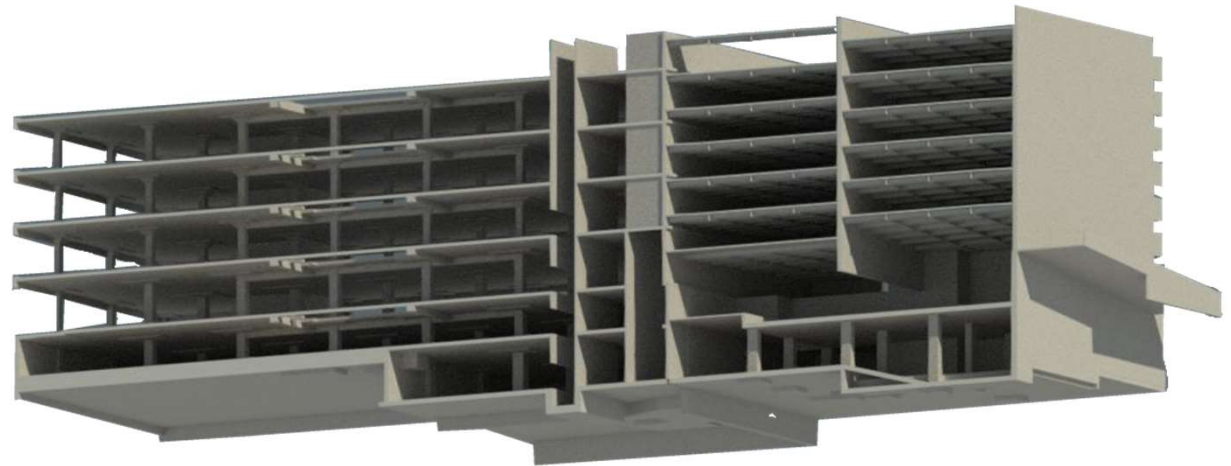
However, the limited exposed areas of structure witnessed during our inspections are in a reasonable condition, and we would expect the structure to be reusable as part of an extensive refurbishment of the building –noting the limited nature of the visual survey. Further intrusive investigations would be needed if this option is to be pursued.

There will inevitably be some issues with this frame, particularly on the roof level due to failures in the roof finishes and having RWP's embedded in some of the columns.

Once the building is stripped out and available for inspection then the concrete frame can be closely inspected for any signs of deterioration and damage.

The main store has a substantial grid of 8.84m square and floor to floor heights of 4.7m. As a department store it will have a floor loading of c.4kN/m<sup>2</sup>.

Full details and images are outlined in the full detailed report.



## Car Park

The car park is in a much poorer condition than the main store and there are numerous elements of cracking and spalling of the concrete. The steel beams have areas of corrosion that has removed the corrosion protection and also the intumescent paint that provides the fire protection to the structure.

The de-icing salts used over the years have corroded the concrete structure. The chloride ingress has resulted in significant areas of deterioration. Significant repair works and maintenance would be required over the next 25 years

The car park structure as originally constructed was a combination of RC perimeter walls, a central deep beam spanning between ventilation shaft walls, and some insitu beams on an east west axis to tie the structure together.

There were then precast prestressed asymmetric I beams at close centres spanning between the perimeter walls and the deep beam. Thin biscuit precast planks with an insitu topping slab created the continuously sloping floors of the car park. These precast and prestressed elements of structure were constructed with High Alumina Cement, HAC, concrete, which was a common cement type for these products from the 1950s.

Due to a change in the chemical composition of HAC concrete, through a process called conversion, these prestressed beams can lose up to 50% of their intended structural capacity.

Following the identification issues of the reduction in structural capacity of these precast prestressed members that were constructed with HAC concrete, in the 1970s the majority of the HAC elements were removed and replaced.

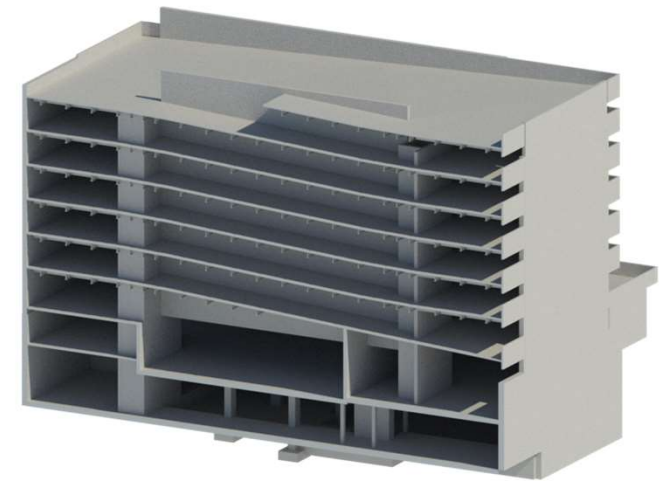
The lower levels of the car park have been retained in their original form of precast prestressed HAC concrete beams but these have been strengthened by the addition of steel beams and columns to mitigate the issues.

Once the lower levels of the car park part of the building is stripped out and available for inspection then the original prestressed beam structure can be closely inspected for any signs of deterioration and damage.

There are other elements of damage that would require remediation and repair in the structure and in the façade.

From a serviceability perspective it should be noted that the car park was designed in time when vehicles were smaller and the size of the stalls and aisles are now too small for two-way traffic. The lack of alternative up and down ramps makes the search patterns for a parking location difficult.

The car park is not in good condition and would require significant repair and ongoing maintenance over a 25 year period. In conjunction with reducing car parking demand with John Lewis vacating, we would recommend that serious consideration is given to demolition of the car park in any redevelopment option.



## The key structural considerations identified are:

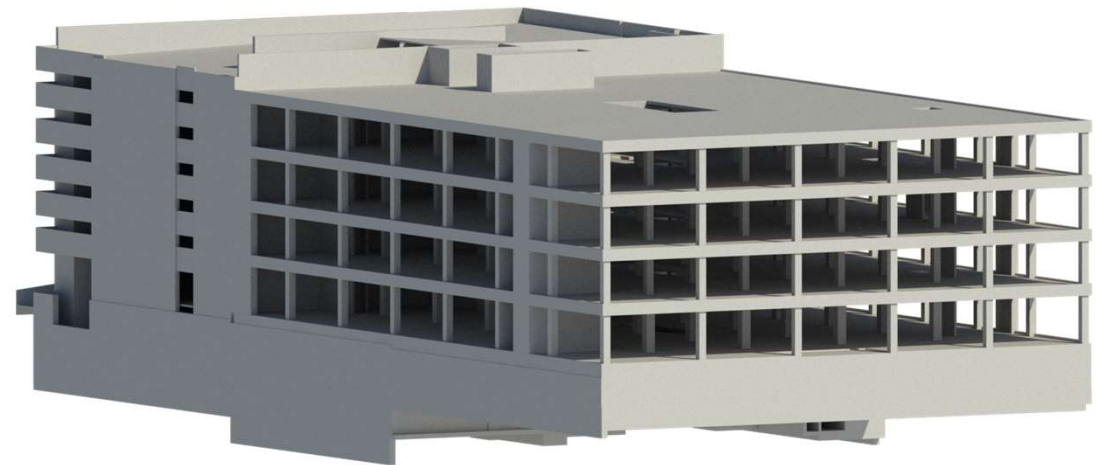
### Main Store

- The structure of the main store is difficult to assess due to restricted access to the site and existing finishes/coverings. However exposed areas witnessed are in a reasonable condition, and we would expect the structure to be reusable as part of an extensive refurbishment of the building. Further intrusive investigations would be needed if this option is to be pursued.
- The main store has a substantial grid of 8.84m square and floor to floor heights of 4.7m. As a department store it will have a floor loading of c.4kN/m<sup>2</sup>.

There will inevitably be some issues with this frame, particularly on the roof level due to failures in the roof finishes and having RWP's embedded in some of the columns.

### Car Park

- The car park is not in good condition and would require significant repair and ongoing maintenance over a 25year period. In conjunction with reducing car parking demand on the site with John Lewis vacating we would recommend that serious consideration is given to demolition of the car park in any redevelopment option.



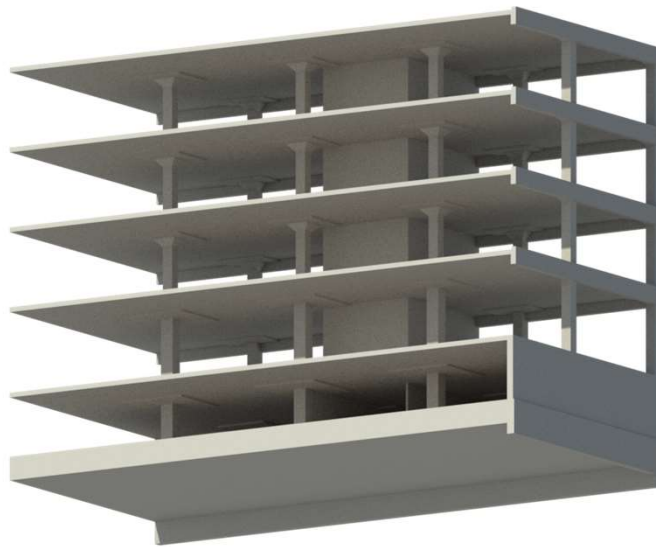


## Summary of MEP Observations

Many of the MEP systems are original from when the building was constructed in the early 1960s as such these systems are at the end of their useful life – robust, well maintained systems can be expected to last up to 30 years, and many JL systems have lasted almost double that. Although many are still working, having been well maintained, there will have to be a program of renewals as systems will start to fail and efficiencies of the system will be poor in comparison to modern standards.

The renewal of systems in this building is problematic due to asbestos in and around the MEP services; in many cases it will not be possible to maintain or replace services without removing asbestos completely. Primarily asbestos exists in the MEP services (for example in the thermal lagging of pipework and in gaskets/insulation in the equipment) and also in building components close to the services such as ceilings and fire stopping. This creates a major constraint on the possibilities for the economic servicing, maintenance and piecemeal replacement of the building services.

There are a number of newly fitted out areas in the basement and on the second floor where it appears the asbestos has been removed along with the existing services. New cooling, lighting, fire alarm systems etc. have been installed in these areas along with new ceilings and partitions. These areas function well and are in good condition; however their total area is small in comparison with the rest of the building.



The building is not fully protected by an automatic fire detection and alarm system, which would be normal current practice for any similarly sized building. A sprinkler system exists, which is fed directly from the mains water system (with a dedicated booster pump); this would not be compliant with current practice.

The lighting system is inefficient and no longer suitable for continued use, even in a retail situation.

It is therefore recommended that any refurbishment or repurposing of the building includes a full strip out of all ceilings, non-structural partitions, services distribution (wiring containment, ductwork, pipework), MEP plant and equipment, taking care to remove and dispose of all asbestos containing materials (ACMs). This will create a clear canvas for new, efficient systems to suit the new purpose.

It is recommended that the façade is replaced or significantly renovated to bring it up to current standards in terms of thermal performance and air tightness.

The new heating and cooling systems could be connected to the Veolia district heating system, or could be “all electric” (i.e. no on-site fossil fuels). These options would enable the building to contribute towards Sheffield’s aspiration to be Zero Carbon by 2030.

## The key considerations from the MEP review are:

- The current building services have historically been well maintained and have had a very long service life - however they are now at end of life and are outdated in the current context.
- To replace the systems will be challenging given the amount of asbestos in and around the MEP services.
- Many of systems can only be removed with a full refurbishment of the interiors as they are entwined with ceilings and fire stopping.

In the basement, where recent refurbishment works have been undertaken, updated services have been installed. The services in this area are well maintained and adequate but only account for a small proportion on the scheme.

- The building is missing critical automatic fire detection and alarm systems that are expected for a building of this type and scale.
- The lighting system is inefficient and no longer suitable for continued use, even in a retail situation.
- The existing building is energy inefficient due to the poor thermal performance of the historic façade
- Future developments should explore the use of either Veolia district heating system, or could be “all electric.

In summary, considering the condition of the existing building services we would propose that any major refurbishment of the John Lewis store includes a full replacement of the Building Services systems with a new efficient set of systems that meet modern standards and incorporate appropriate carbon reduction measures.

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## Summary of Fire Observations

Assessing the building against current fire safety guidance highlights that the existing building contains significant shortfalls against the minimum provisions expected in a newer building.

The retail space is currently served by 3 escape stairs and these each have an approximate width of 1100mm. These provide the egress from the lower ground and the storeys above. The ground floor is provided with independent final exits onto Barkers Pool. The final exits from the 3 escape stairs also serve as exits from the Ground Floor.

The combined exit widths currently provided from the building are insufficient to accommodate the populations derived from using contemporary floorspace factors.

Current fire safety guidance limits the maximum compartment area of any one single floor in the building to 2,000m<sup>2</sup> in a building without sprinklers. This would increase to 4,000m<sup>2</sup> where a suitable sprinkler system was installed. The current approximate floor areas of the retail store are in excess of 2,000m<sup>2</sup>, being approximately 2,400 m<sup>2</sup>.

The car park and retail store are separated by a solid wall which extends from Lower Ground floor (in part) through to roof level. It is reasonable to assume that this wall is a compartment wall separating the car park from the store.

The fire resistance period for both structural and compartmentation provisions for an unsprinklered retail store of this height would be 90 minutes. For a retail store with suitable sprinklers installed this would reduce to 60 minutes fire resistance.



Structural beams were observed to have cementitious/vermiculite type fire protection boards of varying thickness in the back of house and plant areas. It would be reasonable to assume that this would be likely to provide at least 60 minutes fire resistance. However, areas were observed where this protection was either damaged or missing.

The retail areas are provided with automatic sprinklers. Due to the age of the building, the sprinkler system appears to be designed following the recommendations of the Fire Officers Committee Rules, which predates British Standards.

Current fire safety guidance allows a number of 'trade offs' where sprinklers are used (e.g. reduced fire resistance and increased compartment areas). However, these would only be permitted where the sprinkler installation meets the requirements of the British Standards for life safety. The system is a property protection system and does not possess the additional measure required for a life safety system.

There is an open escalator void that passes through Lower Ground floor to roof level. Skylights are provided at roof level. Some skylights contain fans. It is unknown if these provide any smoke control function. However, current fire safety guidance would only require smoke control where such voids penetrated fire compartment floors



**The key shortfalls identified in the Fire Assessment are:**

- The current exit provisions are insufficient to accommodate the populations derived from using contemporary floorspace factors or those defined by the current tenant.
- Future refurbishment or adaptation would require the incorporation of additional stairs and exits.
- The current compartment sizes (floor areas) are greater than those required in current guidance (without reliance on sprinklers).

The current automatic sprinkler system is insufficient to be relied upon to provide any life safety benefits, such as compartmentation.

If the building were to be adapted or refurbished, without additional compartmentation, then a new sprinkler system would be required.

- The level of fire protection to the building structure is unknown. In some areas damage has occurred to the fire protection of the structure and needs remediation.

- The extent of required compartmentation and fire resisting enclosures should be defined, and all penetrations should be made good.
- The car park appears to have no fire alarm installed.
- If the building is to be refurbished or adapted, the existing fire alarm panel should be checked to see if it can accommodate the extent of additional detection and alarm provisions. Considering the condition of the overall building services it is anticipated that this would be replaced as part of any refurbishment.

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## John Lewis, Sheffield Phase 1 Commission Sheffield City Council

The scope of this commission was to provide the Sheffield City Council with

- a) asbestos consultancy advice to confirm what steps need to be taken to ensure that safe access to the building can be provided and maintained until development plans have been submitted.
- b) Services to implement the necessary actions.

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This is expected to include, but may not be limited to, the following; review of existing asbestos information for the building (report from JLP), full walk round inspection of the building to confirm ACMs have not been disturbed during vacation, reassurance air testing were not undertaken at this stage with work activities being undertaken by JLP Staff.

**Note: At the time of site walk round JLP staff were still in the process of removing shop fittings from all floors.**

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# Socotec Commission (JLP) & Overview

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Mr Darren Watkinson of Monaghans on behalf of John Lewis Partners commissioned Socotec to undertake a asbestos refurbishment survey of the store ahead of proposed refurbishment works that were planned.

## Survey References

- Survey Date 18<sup>th</sup> March 2021
- Issue Date 1<sup>st</sup> April 2021
- Survey Reference No 135962-012
- Bulk Sample Analysis Laboratory Report reference No D147395
- Surveyor Zahid Khan
- Project Manager Matthew Lane

# Tersus (Desk Top Review)

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## Desk Top Review

- The compiled report constituted of 519 pages
  - Socotec sampled 102 locations during the survey laboratory report reference D147395 to confirm the presence of asbestos fibres following analysis.
- Page 170
- D147395 confirmed that 53 samples tested positive with cross referenced samples 345 locations
- 11 Areas showed immediate timescales for removal the majority of these locations are above ceiling tiles to trading areas.
  - 5 Areas of “No Access” & 47 locations of limited or partial access along with reference to all sales floor void above ceilings have had limited access due to ceilings being asbestos insulating board.
  - The Socotec refurbishment report does not cover all areas ahead of any proposed refurbishment works that would be proposed, it is adequate for the day to day management of the site.
-

## Observations

- Materials were generally in good condition, encapsulated and labelled and no damage was apparent during the walk round, however decanting
- Dust and debris contained within ceiling voids, ceilings were not displaced or damaged at the time of the site visit.

Page 171  
Currently the building is remained occupied with JLP staff at the time of the inspection. JLP consultant Socotec had not put any restrictions with the exception of specified areas (Mainly above ceiling tiles) on operating in the store prior to & during demerchandising following the survey in April 2021. Therefore the building is currently safe to access

## Recommendations

➤ In order to be fully satisfied that all areas of the building are safe to access, it would be prudent to undertake reassurance air tests when JLP have decanted the building to the following areas

Page 172

- Sales floors on all floors beneath ceiling tiles.
  - Second floor kitchen
  - Second floor male toilet
  - 4<sup>th</sup> floor air handling unit
  - Basement stock rooms
  - Basement boiler room/stock room/plant room and associated stores areas.
-

# Conclusion

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Following the demerchadising of the store and JLP still working in the demise of the store, it would be deemed safe to occupy the building as their consultants Socotec have not implied there are any issues with airborne fibre levels . It is the conclusion of Tersus Consultancy that if the building is to be returned to SCC in its current condition at the time of our inspection it would be safe to enter for inspection purposes.

However I would recommend that reassurance air tests are undertaken following departure of JLP for clarity that the building is safe to reoccupy for inspection purposes only

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5 No Days reassurance air monitoring

It is paramount as long as the fabric of the building, its ceiling voids, fixtures and fittings are not disturbed in any way it would remain safe to reoccupy. If the condition of the building is in any way changed from the date of the site visit, this recommendation would not stand.

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# Proposed Phase 2

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As discussed following Phase 1 of the commission, Phase 2 would include the following:

## Additional survey works

- Additional survey to areas of no access or limited access in the Socotec report.
- Provision of Licenced contractor to build pods on the shop sales area where AIB ceiling tiles have been identified. This will allow access to be gained to identify any further ACMs and services within the ceiling voids

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The purpose of the additional survey works is to identify all ACMs so as to prevent any potential spread of asbestos ahead of any refurbishment/soft strip works commencing Regulation 4 & 16 Control of asbestos regulations

## Technical Specification for Removal

- Compile technical specification for the soft strip and safe removal of **ALL** ACMs identified in Socotec report and any supplementary report/inspections.
- Issue to SCC to issue as part of the tender documentation to Principal Contractors.

# Proposed Programme Phase 2

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## Proposed Programme Surveying

- |  |   |            |                                 |
|--|---|------------|---------------------------------|
| ➤ Survey of no access and limited access areas | - | 4 No Days  | Monday 4 <sup>th</sup> October  |
| ➤ Notification of Enabling works (LARC)        | - | 14 No Days | Monday 4 <sup>th</sup> October  |
| ➤ Build Enclosure pods to access ceiling voids | - |            | Monday 18 <sup>th</sup> October |
| ➤ Inspection of ceiling voids                  | - | 7 No Days  | Monday 18 <sup>th</sup> October |

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## Proposed Programme Specification

- |  |   |           |                                  |
|--|---|-----------|----------------------------------|
| ➤ Attend site to scope the works       | - | 3 No Days | Monday 1 <sup>st</sup> November  |
| ➤ Issue draft documents for discussion |   |           | Monday 15 <sup>th</sup> November |
-

# Photos



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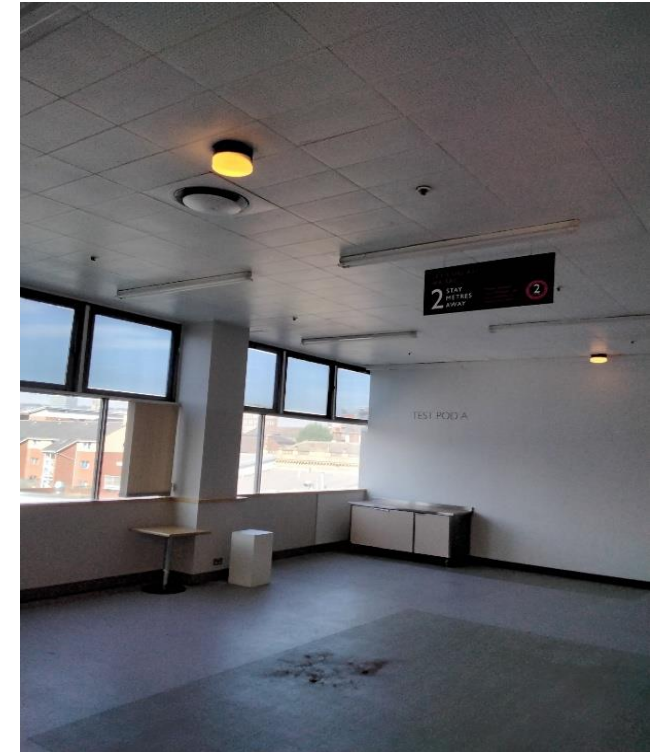
Image sales area



Image sales area



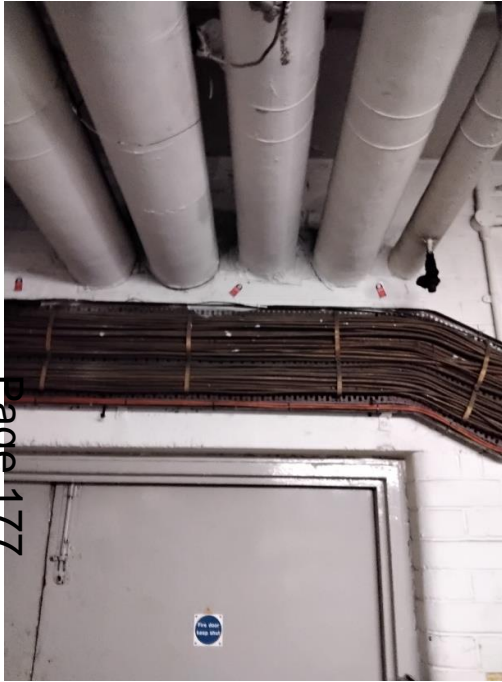
Back of house area



Back of house area



# Photos



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Lagged Pipework



Lagged Boiler



Lagged Pipework



AIB to beams

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John Lewis

# Sheffield City Centre User experience

DRAFT  
Report to Sheffield City Council  
November 2021

John Lewis

THERE A  
CONTIN  
  
YOU CAN  
INTRODUC  
SO THERE  
  
HOWEVER YOU  
WE'L



FOURTH  
STREET

#BearsOfSheffield

DRAFT

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## 1 Executive Summary

Fourth Street was appointed to review Sheffield's 'city centre user experience' (UX), as the background and starting point to the definition of future uses for the former John Lewis Building (JLB) in Barker's Pool.

This paper summarises conclusions reached through the following workstreams:

1. Extensive stakeholder engagement, including one-to-one conversations with more than 50 people from across the City Council, as well as civic, commercial and community organisations
2. Consultation with independent experts in architecture, heritage, urban planning and sustainability
3. Review of extant plans, policies and strategies that affect the city centre
4. Market research and analysis
5. Desktop review of current trends and 'futures' for city and town centres, as well as recent experience of department store conversions

In this paper, we outline the key issues identified and opportunities that exist for improving the city centre user experience for residents, workers, businesses, students and visitors.

This is a concise summary of a large body of research, but it captures and communicates the salient point that while Sheffield city centre faces a number of structural and economic challenges, it also has the 'bones' of a great place and a rich set of opportunities for realising that potential.

This is context, however, to an important and immediate question: what should the City Council do about the former John Lewis Building? We discuss this at length in Section 0, where we raise the following issues:

- Beyond the building itself, a defining feature of the JLB is its strategic location within such a large, central and prominent site that currently severs the link between other city centre places (Section 6.1.1)
- Sensitivity of the relationship between JLB and the commemorative, contemplative function of Barker's Pool and the Cenotaph (6.1.2)
- The scale and complexity of the building, as well as the challenges created by the current state of the structure, its fabric, M&E infrastructure, accessibility, environmental and safety systems (6.1.3)
- Climate emergency and the importance of starting from the principle that retention and re-use should be the default assumption, while demolition should be a last resort (6.1.4)

Set against this wider context, we considered three broad *conceptual* options:

1. Retain and repurpose the building (6.2.1)
2. Remove it, creating the opportunity for a world class public space (6.2.2)
3. Remove it and *partially* replace it with a building of much smaller footprint (6.2.3)

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Each approach is described at length and its implications considered.

At this stage – and in advance of wider public engagement – Option 3 appears to be the best option.

This is a bold solution that we do not recommend lightly. On reflection, however, and in light of extensive stakeholder engagement, market research, strategic review, and our own considerable experience of placemaking and destination development, Option 3 appears to be the best way forward.

The JLB is a problematic building, but its removal presents a wealth of opportunity for improving the city centre experience, making Sheffield a better place for residents, office workers, shoppers, and visitors. It would complement and add value to adjacent sites like HOCII and Fargate. And it would complete the ‘spine’ of a city centre that extends from the Moor and HOCII, through Barker’s Pool, to Fargate, High Street and Castlegate. Put differently, the Barker’s Pool site – absent such a large and imposing structure – would be an important piece of a city centre puzzle that is taking shape.

The potential to create a public space or park of world class design is then enhanced by ‘anchoring’ it with a civic use that adds character, creates a strong sense of place, and introduces a user that will support the programming of both indoor and outdoor spaces. It also provides the opportunity to house one of a number of cultural uses that may be in need of improvement or expansion (e.g. music, art, museum, leisure, library, etc.).

It is important to note, however, that we make this recommendation in advance of any widespread public engagement, which we understand is likely to happen early in the new year. While we have spoken to a wide range of civic, community and commercial stakeholders, the general public should be afforded the opportunity to express opinions and ideas for the site. In our view, however, this public engagement should be contextualised as part of the whole city centre and people should not *presume* the need to retain the existing JLB. Affection for the building and the nostalgia it embodies may be such that people prefer its retention in any event. Nevertheless, they should have the opportunity to imagine how the site might be used to enhance the city centre if the building were not there.

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# Part One: Sheffield City Centre

## 2 Sheffield is a special place

Sheffield is a friendly, open place with a rich history of innovation, industry, and enterprise.

For such a large conurbation, it is notable for feeling compact, intimate and easily navigable.

The people of Sheffield are its great strength – variously described as ‘open’, ‘friendly’, ‘welcoming’, ‘creative’, ‘collaborative’ and ‘industrious’, with a ‘can do’ culture that harks back to a history of craftsmanship. Once the ‘City of Steel’, Sheffield also identifies as a city of ‘makers’ and is often described as a city of ‘villages’.

There is a strong sense of place, pride and local identity. While other cities herd toward the ‘next big thing’, Sheffield is more nurturing and supportive of homegrown talent and grassroots culture. The ‘Made in Sheffield’ trademark is widely adopted and independent businesses are well supported in their neighbourhoods.

A full third of Sheffield lies within the Peak District. This underpins an ‘Outdoor City’ brand that is well known and respected. It is a compelling proposition that is likely to resonate even more in a post-Covid climate where footloose talent appreciates the amenities of a larger city, with easy access to nature.

For these reasons and more, Sheffield offers a high quality of life. It is a large city ‘that feels like a town’, with relatively affordable homes, good quality public realm and green spaces, and a general feeling of safety and neighbourliness. That Sheffield is regularly described as an atomised ‘city of villages’ – each with its own character, strong footfall, and local patronage – points to this higher quality of life.

This is also a challenge for the city centre. How can the city centre experience be improved as a complement rather than a competitor to these dispersed district centres and suburban neighbourhoods?

The Peak District is especially attractive at weekends and holidays, while district centres ably serve most people’s everyday needs. People have a wealth of choice for how and where to spend their discretionary leisure time and money. Without a defined identity and purpose, the tendency toward a ‘donut effect’ – where people abandon the city centre in favour of destinations further afield – is a material risk. The risk is heightened by a shift toward remote or ‘hybrid’ working cultures, which further reduces the volume of people who need to use the city centre on a daily basis.

The perception of Sheffield as a charming city of villages – while helpful from a quality of life perspective – also jars with the bigger ambition to compete with other cities for talent, investment, prominence and profile. It is described as a city of ‘spokes with no hub’.

There is tension between reality and perception, identity and aspiration, that curiously represents an opportunity for the city centre. This is the obvious space in which Sheffield can achieve its ‘big city’ ambitions without challenging the more tranquil atmosphere of surrounding neighbourhoods.



### 3 Sheffield City Centre

Sheffield city centre has some real strengths. The ‘bones’ of a great destination are there.

- High quality, well-maintained public realm
- Open and green spaces
- Characterful and distinctive built environment
- Low levels of crime and antisocial behaviour
- Strong cultural anchors
- A rich ecology of cultural, creative and digital businesses
- Two thriving universities
- A clear capacity to organise and host major events and activities
- New development underway, with good opportunities in the pipeline

To create a real destination, however, material improvement needs to be made in key areas:

- A better balance is needed between residential, retail, office and civic uses
- A more diverse residential offer is important, with housing options for students, young professionals, families, empty-nesters and the elderly
- Office stock must adapt to post-Covid working habits
- Accepting there will be reduced demand for retail space, there is an opportunity to find a better mix between national brands, homegrown independents, hospitality, leisure and culture to make the city centre as much about *socialising* as it is about *shopping*
- Specific focus on product and programming is needed for young people – from children, through teenagers, to young adults
- The rich supply of attractive public spaces can be better activated and animated
- The public realm in general is too cluttered, austere and ‘official’ – it could be more ‘wild’ and ‘playful’ encouraging people to take more ownership of the space

There are three commonly recurring themes that embrace much of the above. These can be the foundation of a defined approach to all city centre interventions – including, but not limited to the re-purposing of the JLB.

1. An especially high **quality of life**. This is Sheffield’s great strength and much of it relates to its people and communities and the day-to-day ‘liveability’ of the place. Much of this is rooted in strong residential communities and district centres, so care must be taken to ensure that anything in the city centre complements and reinforces this message: that Sheffield is a better place to live and work, raise a family, and retire.
2. Lack of **prominence, profile and gravitas** relative to competing cities. This is often expressed through statements like ‘punching below its weight’ or felt through a lack of national attractions and institutions. It is emblematic of a tension that exists between some of the city centre’s great

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strengths – low-rise, compact, walkable and ‘feels like a village’ – and the sense that this perception underplays its status and competitive positioning relative to cities like Liverpool, Manchester, Bristol and Leeds. Indeed, part of the reaction to the John Lewis closure is no doubt the sense that this decision was a ‘downgrading’ of Sheffield’s status as a top-tier regional city.

3. **Fragmentation and dispersal.** The city centre works well in pockets that are disconnected from each other. Activity is dispersed across different spaces and places of ill-defined purpose and character. Words like ‘piecemeal’ and ‘disjointed’ are often used to describe the development context. The spaces in between the places need structural and cosmetic improvement, notably to enhance the look and feel of routes that are currently uninviting or inhospitable.

Perhaps the most commonly recurring theme across a very wide range of stakeholder interviews, however, is the need for a compelling narrative that gives the city centre a renewed **sense of purpose** in a post-Covid environment – a straightforward answer to the question: ‘what is the city centre *for*?’

In our view, there is a chance to collapse a wide range of individual ideas, recommendations, interventions (see below) into three compelling and mutually reinforcing ideas:

1. A neutral, central space for all the people of Sheffield – a place that invites more people from across the city region to meet, socialise, play, collaborate and create together
2. Make the best of the city centre more visible – in other words, to encourage the good work that currently happens behind closed doors to participate in the activation of public realm
3. Improve the national and international profile and positioning of Sheffield as a major UK city

More people, more visible, more prominent.

This can be the spine of a narrative that provides the city centre with the sense of purpose that it needs.

## 4 Improving the city centre user experience (UX)

In this section we distil the main challenges identified by stakeholders across key areas and, for each, identify opportunities for improvement and intervention.

### 4.1 Public Realm

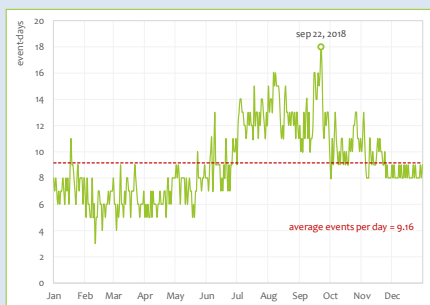
**The public realm is a defining feature of the City Centre, but it can be better used and activated.**

Sheffield is blessed with a lot of good quality public realm. It is well-maintained, and framed by a high quality, low rise built environment that is, in places, dramatic but not overbearing. The Winter Gardens is a standout example of indoor public space.

The activation of public realm, however, could be intensified. Public events are intermittent, inconsistent and of variable quality. A large volume of good public space that feels ‘inert’ can erode a city’s sense of place and cement the perception that *‘there’s not much going on’* in the city centre.

The best public spaces tend to generate a rhythm of activity – from large events and annual fixtures, to smaller recurring events, and day-to-day activities – that, in combination, create the impression that there is *always* something going on. A good measure of success is when people start visiting for no specific reason, but simply because they’ve grown accustomed to the fact that something is probably happening somewhere in the city centre. That level of programming is a challenge, but it is achievable with the ‘hardware’ (spaces) and ‘software’ (stakeholders) already in place.

The 2018 ‘what’s on’ calendar at King’s Cross. Shows the rhythm of events needed to create perception that ‘there is always something happening’. Includes exhibitions, health and fitness programmes, weekly food markets, etc.



Measures are already underway to address this, including Events Central on Fargate; planned pocket parks with pop-up activity; and SHU’s new public realm with its daily events and activation programme.

Orchard Square is being further developed with a canopy for outdoor dining and seven street food vendors for a communal experience. The creation of more seasonal or permanent canopies in key places can help to cultivate and keep the more ‘al fresco’ dining culture that was given a boost by lockdown measures.

It is also worth considering a bespoke city centre Event Strategy. The city already has a strong slate of larger and increasingly well-known events, including Doc/Fest, Grin Up North, Art Sheffield, Tramlines and the Sheffield Food Festival, amongst others. Key to achieving a higher intensity of events

– i.e. the feeling that ‘there is always something happening’ – is to develop a mixture of large and small, recurring and episodic, short and lasting, events of different type and scale. These might include:

- Seasonal ‘tentpole’ events
- Smaller, high-frequency events

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- Spill out space for commercial and cultural tenants
- ‘Receiving house’ for pan-Sheffield events
- Digital and visual art installations and outdoor exhibitions
- Open-air concerts across all music genres
- ‘Screen on the green’ film and sport
- Sport, fitness and wellbeing clubs for local residents and office workers

The City should be an ‘enabler’ of activity, with an encouraging ‘can do’ culture. It should aim for a calendar that balances activities of different type, scale, duration and provenance, carefully curated to encourage local institutions, stakeholders, communities and promoters to view the city centre and its public realm as a viable resource and route to market. Ongoing work of the Future High Streets Fund is notable, in this respect, as it seems geared to providing precisely this type of impetus.

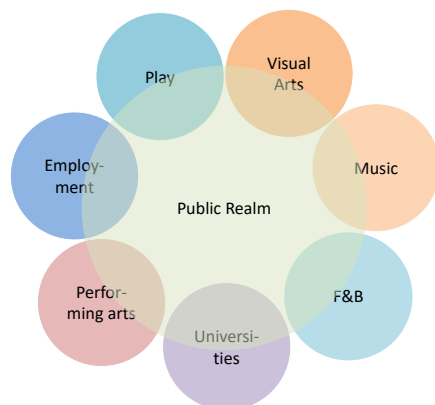
## 4.2 Outdoor City

**The Outdoor City brand is powerful and authentic. It mostly excludes the city centre, but it shouldn’t.**

Related to the issue of programming and activation is the idea of bringing ‘hidden’ activities into the open. While the Outdoor City brand is powerful, it seems limited to the projection of sport and physical activity in countryside locations. If it is only the ‘outdoor city’ in the ‘outdoor parts’ of the city, then the place brand is not being used to maximum effect. There is clear opportunity for the city centre to play a bigger role in representing what it means to genuinely be an Outdoor City.

This does not imply that activities better suited to the Peak District – e.g. mountain biking, rock climbing, etc. – should be cosmetically or imperfectly simulated in the city centre. It simply means that cultural, civic, commercial and academic organisations could be enabled and encouraged to make use of public spaces (Figure 1).

**Figure 1: The Outdoor City Centre**



The Outdoor City – in this scenario – would not be limited to conventional outdoor sport, but would include, for example, open air film, outdoor performances, pop-up retail, an outdoor classroom, street

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food and markets, al fresco bars and cafés, outdoor sculpture and art installations, street art, playable public realm, etc.

This requires the following:

- A public realm infrastructure that is capable of facilitating easy and frequent use by multiple organisations (much of which is already in place)
- An operational infrastructure to *enable* Sheffield's key institutions and stakeholders to 'spill out' into the public realm (e.g. diary management, events strategy, support services to facilitate licensing, permissions, etc.)
- A culture that incentivises and encourages this type of indoor/outdoor activity (e.g. by acting as a facilitator of outdoor activity rather than obstacle)

### 4.3 Playfulness

**There is a stern formality to the City Centre, which lacks a sense of 'joy'. The introduction of 'playfulness', colour and irreverence can be a useful instrument for enhancing the public realm and creating better connections between places. It is true to the spirit of place and, if done at scale, can help to differentiate Sheffield from other cities.**

The sense of inactivity described above is compounded by a look-and-feel that is perhaps too formal and regimented. This is not uncommon in civic spaces, where the pressures of management, maintenance, health and safety, can lead to places that feel austere and officious. There is a clear opportunity to make the city centre – at least in parts – more joyful, colourful and playful.

This can be a significant opportunity for Sheffield.

There is a growing worldwide trend to make urban environments more 'wild' and 'playful'. A look and feel that is too trim and tidy – 'don't walk on the grass', 'don't play in the fountain', 'no ball games', 'no skateboards', 'don't feed the ducks' – can feel inhospitable to outsiders, whether or not they even wanted to play in the fountain, walk on the grass or feed the duck.

The epitome of our tendency to over-regulate public space is our systemic preference for fixed benches over loose chairs. Benches are easier to maintain. They are easier to clean. They are not stolen and are less likely to be vandalised. But all evidence points to the fact that moveable chairs make better public spaces. That little bit of personal freedom afforded by a loose chair gives people a sense of ownership and a much greater attachment to the space. Hence, some of the world's best new squares, parks and piazzas – e.g. Bryant Park, Granary Square, Place des Festivals, Campus Martius, etc. – all feature loose chairs as an instrumental (not incidental) feature.

The antidote to this perception of over-regulated formality is to inject a sense of playfulness throughout the public realm. To create a place in which anyone – of any age – can be surprised and delighted by the quirky and unexpected touch.

Playfulness implies irreverence and colour: a light-hearted touch to the design, delivery and management of the public realm. It is the modern folly. The dancing fountain you can stand in. The street furniture that

is designed to attract, not repel the skateboarder. It is swings, slides and seesaws as ‘art installation’, which gives adults the license to play.

The silos of an old sugar refinery in Montreal are transformed into a climbing wall. Facility has since expanded to include an indoor venue to suit all ages and abilities.



‘Playfulness’ is a separate lens through which to consider any intervention in the city centre. Of every major project we could ask: what’s fun about that? How will this make people smile, laugh or enjoy the space a little more? How do we make this ‘ordinary’ thing extraordinary?

It may also be a simple way to address the sense of fragmentation and disconnection between different parts of the City Centre. Are there playful, colourful or artistic solutions to the grim corridors that separate one lively ‘pocket’ of the city centre from another?

This sentiment is at the heart of world famous projects like New York City’s *High Line*, Toronto’s *Bentway*, Calgary’s *Flyover Park*, or Seattle’s *Colonnade Freeride Trail*. Large and imposing pieces of infrastructure that sever one community from another are transformed into places to

play and congregate. Redundant railway lines become gardens and playgrounds; underpasses become mountain bike trails and ice rinks; grain silos become climbing centres; and any blank façade can be a canvas for colourful street art.

#### 4.4 Retail

**In a disrupted, post-covid market, the city centre likely has an excess of available space fit for modern retailing needs. This could lead to a critical mass of vacancies that blights traditional shopping areas unless units are ‘dressed’ or ‘repurposed’ to introduce more cultural, leisure and F&B uses.**

Retail is a major issue for the city centre.

Beyond workspace and employment, shopping has traditionally been the primary reason for residents to visit the centre on a regular basis. This incentive has been decreasing over time and has significantly reduced as a consequence of the pandemic. City centre retail also competes with the choice and convenience of Meadowhall, as well as good quality independent shops in neighbouring district centres and high streets.

An immediate issue to resolve is the number of voids and vacancies in historic shopping precincts like Fargate and High Street. While this area is being significantly improved through the Future High Streets programme and initiatives like Event Central, a weak market and structural impediments (e.g. fragmented ownership by institutions that are bound to prioritise covenant strength over speed and flexibility) is likely to result in long term vacancies. At a minimum, the full benefit of FHSF and Event Central will not be crystallised without action to reduce the volume of inert space in prominent locations.

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In the short term, there is an opportunity to make better and more imaginative use of void and vacant spaces so that they do not blight the environment around them. There are varying degrees of intervention to be considered:

1. 'Dress' the frontage such that vacancies do not become an eyesore or a signal of decline.
2. 'Use' the frontage, for example by installing art, information, interpretation or some other visually interesting or attractive function in the window (e.g. outdoor art gallery, museum, etc.)
3. Acquire or lease a number of units and repurpose them for a more active use. In this case, we would recommend working with established Sheffield organisations, encouraging them to engage audiences more directly through high street satellites (e.g. library on the high street; theatre on the high street; gallery on the high street; etc.)

Common to all of these suggestions is the objective of preventing voids from becoming a visible signal of decline. While it requires the cooperation of landlords, this is an issue of sufficient importance to warrant the effort needed to coordinate the activity of multiple owners and stakeholders.

## 4.5 Food and Beverage

**There is scope to improve the quality and increase the quantum of good quality, independent F&B in the City Centre. This will introduce more users of outdoor space. The city centre can be the larger platform for homegrown independents emerging from the wider food hall and street food scene.**

Sheffield boasts a rich variety of high quality restaurants and bars, different food festivals, markets and food halls. The city has a lively 'café culture' and 'foodie' scene.

This is also dispersed across different neighbourhoods and places, with an opportunity to define a missing niche for the city centre within the wider F&B ecology. This is especially important, as food and drink tends to be the focal point of so much social activity.

Dining serves a social 'want' as much as a biological 'need'. Improving the city centre F&B offer is thus important for increasing the vibrancy and vitality of the place.

Larger high street units were historically the preserve of national brands, mid-market restaurants, and fast food outlets. That market, however, was already overheated and disrupted even before the pandemic. There is therefore opportunity for homegrown brands cultivated in places like Cutlery Works, Peddler Market and Kommune to 'graduate' into larger, permanent units in the city centre.

This should all be done with a view to activating frontages and encouraging F&B operators to use the public realm. Measures taken through the pandemic to provide more *al fresco* dining should be taken forward.

Where possible, this could be facilitated through the creation of seasonal or permanent canopies to keep more people dining outdoors for longer periods.

Taken together, this approach simultaneously advances all the key principles outlined above. A homegrown independent that graduates from a Kelham Island food hall to a High Street unit would:

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1. Become accessible to a wider catchment of people from across Sheffield (more people)
2. Put the 'best of Sheffield' on a bigger stage and platform (more visible)
3. Provide opportunity for a grassroots Sheffield establishment to attract national attention (more prominent)

## 4.6 Residential

**Sheffield city centre needs the housing stock to encourage a more diverse range of people to live there. Importantly, however, this needs to be accompanied by a wider set of day-to-day resident amenities including – but not limited to – play space for children.**

Encouraging more people – especially families, couples and empty nesters – to live in the city centre has to be a priority.

There is no better indicator of a strong sense of place than the willingness of people to live there, while 'family flight' is a sure sign of some deficiency. This is why the 'popsicle test' has been synonymous with urbanist theory since the 1970s and why, more recently, children are described as the 'indicator species' of places that work.

To build vibrancy around the prospect of more people living in the City Centre, there has to be diversity. The aim should be a balanced community, especially across the demographic spectrum and people in different life stages.

We understand that residential provision in the city centre is set to increase, with a central area strategy currently being developed by the City Council with Deloitte. This work identifies the need for characterful neighbourhoods defined by a more differentiated residential offer that includes families and older people, alongside student housing and smaller flats.

## 4.7 Employment

**Hybrid working has the potential to decrease the amount of time spent in city centre; but it may also change the way workers use the city centre. The city is also attracting more interest from 'knowledge industry' companies that benefit from the networking effects of diverse and inclusive social environments. A good supply of space to meet, socialise, play and dine is therefore important for advancing the city's employment, productivity and workspace agendas.**

Just as it is important to the resiliency and character of a city centre for people to *live* there, it is important that – even in a post-pandemic environment – people continue to *work* there.

The office is changing, adapting to a 'hybrid' working culture, where employees balance some remote working with fewer days in the office. Office space is thus being reorganised and repurposed for these new working methods, with larger meeting spaces, more hotdesking, social environments, and 'zoom rooms', etc..



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There are also indications of strong demand for office space spurred by the 'north shoring' of London and South East companies, attracted to the better value and higher quality of life in Sheffield. Lettings and take-up of city centre office space are back to pre-pandemic levels, with HOC in advanced negotiations for nearly 40,000 sq.ft of offices. There is particular demand for specialist labs and workspaces for businesses in the digital, tech and life sciences sectors. This is significant inasmuch as agglomeration effects typically associated with these knowledge-intensive sectors require an environment that encourages spontaneous networking between companies and individuals. The economic, property and social aspects of the city centre thus become part and parcel of the same system.

With strong district centres, vibrant suburban neighbourhoods and such close proximity to the Peak District, the incentive to stay close to home is stronger in Sheffield than it is elsewhere. Encouraging workers to use the city centre will likely require a much improved experience.

That said, it is not certain that reduced city centre commuting will have a direct and lasting impact on spend and thus the viability of businesses. It is often observed that, in Sheffield, with such easy movement between the city centre, district centres and the suburbs, it is common for workers to go home at the end of the day rather than dining, shopping or socialising after work. It is entirely possible that with less 'workaday' time spent in the city centre and with fewer occasions to socialise face-to-face with colleagues, clients and co-workers, people will use the city centre *differently* even if they use it *less*. Crystallising this opportunity, however, requires a mix of city centre uses and amenities that are tailored to the needs of commuting workers. This points to the need for more cultural and social activities, more outdoor events and activities, and a larger supply of good quality F&B.

## 5 The Outdoor City

A neat device to encapsulate all the above would be the notion of the City Centre at the heart of the Outdoor City.

This is not intended as a strapline or brand, but merely as the spine of a narrative that can unite all the various projects, programmes and interventions that are currently underway.

It is consistent with an idea and a brand that already has traction: The Outdoor City.

It incorporates the key principles outlined above: *more people, more visible, more prominent*.

- a place where everything is more *visible* (**outdoor**);
- a chance to raise the *prominence* of Sheffield as something more than ‘a big village’ (**city**);
- a place for *all the people* of Sheffield (**centre**).

Nested in this very simple notion are all the opportunities we summarised above, united by the idea of making the city centre a better day-to-day experience for the people who live, study and work in and around Sheffield.

While this may seem trite or simplistic, it has the effect of shifting focus from the ‘episodic’ to the ‘everyday’.

Outdoor theatre (Hull), outdoor fitness (Toronto), outdoor classroom (Southampton), outdoor library (New York). There can be an ‘open air’ expression to almost everything we do.



The city centre should be a place that everyone is willing, even eager, to visit – not two or three times a year (a destination), but once or twice per week (a place). That regularity is key and it requires high quality public realm, activated through programming, and surrounded by experiential product and a set of institutions (civic, commercial and community) with a high propensity to use the open space.

It demands a different outlook and discipline and different lens through which to consider opportunities as they emerge. An events strategy, for example, might include half a dozen ‘tentpole’ events that attract 40k or 50k people over a weekend; but will it produce the 250-300 events per annum – of all types and sizes – that

are needed to ensure that there is *always* something happening in the City Centre? Similarly, retail and F&B opportunities should be evaluated as much on their ability to activate space as they are on traditional measures like rent and covenant.

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The city centre user experience can certainly be improved for tourists. But we consider it important to prioritise the 'everyday' experience for residents, workers, students and businesses – in the first instance – and then embellish, adapt or scale-up that core product for the benefit of visitors.

This is all consistent with the idea that a place that is naturally colonised by local people will be attractive to visitors. The opposite is rarely true. A preoccupation with tourists can easily become a distraction. It is not to suggest that tourism is unwelcome or discouraged. Far from it. It is simply a recognition that tourists are more likely to be drawn to areas that are known to be popular with residents. People like to *be where people are*.

By creating an active and inviting environment that is populated, programmed and 'owned' by its community, visitors will come from further afield. Tourism, in other words, should be thought of as the consequence – not the goal – of a thoughtful and forward looking destination strategy.

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## **Part Two: The Former John Lewis Building**

## 6 Former John Lewis Building

The sections above provide valuable context for understanding the challenges, strengths and opportunity of the city centre. This is necessary for appreciating an original question of the brief: what to do with the former John Lewis Building. In this section, we consider some of the key issues (Section 6.1) that help to define options for the JLB (6.2), and inform a choice between them (6.3).

### 6.1 Key Issues

#### 6.1.1 Strategic Location

The location of the JLB is extraordinarily important for its centrality, scale, history and prominence.

It is an important ‘connector’ between different city centre destinations, including Peace Gardens, Barker’s Pool, and City Hall. It is especially worth noting, however, its strategic positioning on a single stretch that connects The Moor, through Heart of the City II, with Fargate, High Street and, ultimately, Castlegate.

This line of distinct spaces – of varying character and function – represents the ‘spine’ of the city centre, which would be considerably enhanced by effective resolution of the JLB site.

#### 6.1.2 Cenotaph and Barker’s Pool

We are mindful of the JLB’s positioning in Barker’s Pool, which is framed by the important architecture and function of City Hall and the presence of the Cenotaph.

The Cenotaph is a Grade II\* Listed war memorial, dedicated in 1925, that remains the focal point of Sheffield’s remembrance events.

While it is important for any city to have one or more public places to ‘celebrate’, they also need places that are more ‘contemplative’, with the solemnity and gravitas to allow some measure of reflection on momentous events.

For completeness, we briefly surveyed similar spaces and cenotaphs in other large UK cities, including Leeds, Liverpool, Glasgow and Southampton. In almost all cases, the space is reserved for commemorations and remembrance day ceremonies, and – in some cases – they are the focus of public demonstrations and protests. It is rare to see city celebrations or special events take place in the same space as the main war memorial. Many war memorials, however, are situated opposite landmark buildings or within larger public spaces, which are more likely to double as outdoor event venues.

The general trend is for major events to take place *near* but not in the same space as a major memorial.

#### 6.1.3 Scale and complexity

The sheer scale of the JLB is a challenge.

The total floorspace – inclusive of storage, plant and circulation space – is over 200k square feet.

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A comprehensive refurbishment and conversion to some non-retail use – several of which have already been suggested by different individuals and organisations – would incur significant capital expenditure, even before inclusion of exceptional costs related to asbestos removal and the complete overhaul of fire suppression systems, vertical circulation, ventilation, and structural improvements.

By contrast – staying true to the original intent, purpose and design of the building – a focus on retail uses or food and beverage would require less structural change. This need not be a like-for-like replacement of one department store for another. Several consultees have suggested some form of ‘experience retail’ or a clustering of independent traders and designer/makers in a ‘market style’ configuration. Another company has also put forward a specific proposal for a food hall, while others have suggested a high quality rooftop garden.

However, any retail opportunity needs to be set against the material risk of displacing activity from elsewhere in the city centre. In light of significant disruption to that market – starkly evidenced by the current state of persistent voids on Fargate and High Street – it is difficult to imagine that any form of retail, destination F&B, or even the current vogue of ‘competitive socialising’ could occupy that much space without causing displacement from other parts of the city.

Added to the issue of scale is one of complexity.

The latest condition surveys and asbestos reports recommend significant intervention in the structure to make it useable for almost any conceivable purpose. Fire protection coating is in poor condition and some fire suppression systems are non-operational. Visual inspection found evidence of damaged beams and widespread corrosion. One of three boilers is no longer operational and the other two are dated and in need of replacement. Maintenance of HVAC systems is complicated by the asbestos in the pipework. Kitchen ventilation systems, ceiling extracts, electrical substations, emergency generators and building control systems – most of which are between 40 and 60 years old – require wholesale replacement for being well beyond the end of their useful lives. Consistent with buildings of that era and the construction methods and conventions of the time, the thermal performance of the façade is well below current standards.

On balance it is likely that much of the structure and internal systems are compromised and in need of major repair or, more likely, replacement. All of this is need to simply to make the building useable for *any* purpose.

A subsidiary question is the level of structural intervention needed to make the building fit for any purpose that is not a like-for-like replacement of one retail use for another. This is likely to be substantial. The building was designed for the sole purpose of housing a department store. Any alternative use would require major redevelopment, not least to bring natural light deeper into the structure, improve circulation, and meet modern standards for energy efficiency, public safety and DDA compliance. More ambitious cultural uses like art galleries, museums or libraries, would also require higher environmental standards to preserve collections, while other cultural uses (e.g. music venues or meeting spaces) would require specific acoustic improvements and the likely removal of slabs to raise floor-to-ceiling heights.

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In short, while it is relatively easy to conceive of uses that would benefit from the location, scale and prominence of the JLB – and in advance of any firm proposal or costed design – we assume that any re-use option would require a large capital budget (i.e. easily in excess of £20 million, or up to £70 million depending on the use, as identified through high level cost planning). This would include the structural, safety and environmental improvements needed to make the building safe and functional for alternative uses.

#### 6.1.4 Sustainability and the ‘RetroFirst’ agenda

Sheffield City Council declared a climate emergency in 2019 and has set ambitious targets to achieve ‘net zero’ carbon emissions by 2030. That transition will require major change across all parts of the economy, including construction and development.

Construction consumes almost all of the planet’s cement, half of its steel, and one-quarter of its aluminium and plastics. Because of the way it consumes energy and resources, the industry’s carbon emissions are among the highest of all economic activities. This is partly down to a wasteful economic model through which structurally sound buildings are prematurely demolished and replaced with new ones in situations where they could be put to some viable economic use.

There is thus a growing acceptance that demolition should always be considered a ‘last resort’ and all efforts should be taken to retrofit rather than replace buildings whose original use has fallen away. The highly vocal and increasingly influential ‘RetroFirst’ campaign – spearheaded by The Architects’ Journal – champions the principle that the ‘greenest building is the one that already exists’. This was generally understood and acknowledged by almost all of stakeholders we spoke with, most of whom started from the principle that re-use options – if viable and beneficial to the city centre – should be prioritised for the JLB over options that require its removal.

Accepting that refurbishment and re-use should always be the default option, this does not imply that there is never a case for removing a built asset that is no longer fit-for-purpose or that runs the risk of blighting its wider environment. An important reason for the unfortunate ease with which buildings are torn down is the fact that traditional cost/benefit analyses – through which these vital decisions are taken – usually do not account for the ‘whole life’ carbon cost of removing an existing building.

A robust appraisal of options for the JLB should include this assessment of embodied carbon so that informed and defensible decisions can be taken with rigour and transparency.

## 6.2 Options for the JLB

In very simple terms, there are three broad options to consider for the John Lewis Building:

1. Re-use / re-purpose it
2. Remove it
3. Removal with *partial* replacement

We discuss each of these in detail.

### 6.2.1 Re-use proposals and suggestions

A number of re-use options have been considered so far. They are based on:

1. Research into the conversion and re-use of comparable buildings
2. Proposals sent to us directly or sent to the City Council and added to a consolidated list
3. Market research and stakeholder engagement to identify city needs and product/market gaps

A list of proposed or potential uses is shown below in Figure 2.

**Figure 2: Proposed or Potential Uses (permanent)**

CATEGORY	USE IDEA
Retail	Smaller retail space for independents/makers Arcade and covered/indoor market Flagship retail/shopping centre Upcycled shopping mall Food Hall
Culture and events	Art gallery Receiving gallery for touring exhibitions/collections Museum (e.g. football museum) Mid-sized music venue Concert hall
Work and Innovation	City centre uses incubator/accelerator Skills training and research centre Fab lab / future of manufacturing Urban/vertical farming Rooftop greenhouse Creative co-working space Conference facility or exhibition/event space
Leisure	'Competitive socialising' Adrenaline sport centre (climbing, skateboarding, parkour) Spa
Civic space	Library and archive 'Story House' Health and wellness services Hospital
Public realm	Extended public realm with events focus Public realm/green space for new city centre residents Play space for children
Accommodation	Hostel/hotel for Peak District users
Education	College/sixth form University student study space



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In the current retail climate, with the closure or restructuring of so many stores and department store chains, the repurposing of department stores has become almost a niche asset class in itself. It is increasingly common to see bold announcements of some new project to convert a traditional store into offices, hospitals, university buildings, workspaces, leisure facilities, museums and cultural venues, hotels or mixed-use facilities.

It is worth noting, however, that – for all the hype and fanfare – relatively few of these projects have come to fruition and those that have tend towards the more conventional: a new retail concept or flexible, open plan workspace. Those that have been more imaginatively re-used are mostly in larger markets like London, Edinburgh, Chicago and New York, where there is stronger demand.

While most of the suggested uses above have merit and would add value to the city centre experience in Sheffield, they do not represent an easy and obvious solution for the re-use of the JLB – especially when one factors in the extraordinary cost of refurbishing a large building that is highly problematic from a structural point of view.

### 6.2.2 Removal

For sustainability reasons described above ‘removal’ is not an easy option to consider.

In the midst of a climate emergency, this has to be treated as a ‘last resort’ and subject to a ‘whole life’ analysis of costs and benefits that compares the carbon cost of removal versus its retention.

That notwithstanding, it is not an option to be prematurely discarded for ideological reasons. Extensive engagement with civic leaders and community stakeholders reveals a noticeable preference to clear the city centre of such a large building of relatively little architectural or heritage merit, that detracts more than it adds to the urban environment.

Indeed, while it obviously faces onto Barker’s Pool to frame an important public space, the JLB effectively turns its back to the city on every other side – creating large, blank, inactive façades on Cambridge Street, Burgess and Cross Burgess Street. The JLB causes some of the ‘fragmentation’ that people lament about the city centre – dominating a large site that severs any intuitive link between Peace Gardens, HOCII, Fargate and Barker’s Pool.

To be sure, while there is a widespread appreciation of the public’s attachment to the JLB and the nostalgia it provokes – viz. the extraordinary public response to its closure – we detect even more interest in the opportunities created for the city if the building were not there.

Foremost among these is the possibility of creating a large, prominent park or public space of a scale and significance that – with appropriate design – could be comparable to some of the world’s best urban squares and plazas. Great public spaces – e.g. the High Line, Campus Martius, Las Ramblas, Pioneer Courthouse Square, Place des Spectacles, etc. – can be as emblematic of their cities as iconic architecture. It is not unrealistic for a cleared site at Barker’s Pool to achieve a similar standard, while also providing some of the more prosaic city centre infrastructure that is needed to facilitate wider use (e.g. event space, children’s play, public toilets, cycleways and bike hubs, etc.).

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A large public space in this location would also help to stitch together interesting parts of the city that feel disconnected. It would complete the city centre spine that runs from the Moor to Castlegate.

### 6.2.3 Removal and partial replacement

A corollary to removing the building would be to replace it with something else.

Any replacement could occupy a much smaller footprint, thus retaining – and possibly *improving* on – the benefits described in Section 6.2.2.

Key considerations include the following:

1. To remove an existing building only to replace it with a new one further complicates the sustainability arguments raised above. It begs the question: why not refurbish the existing structure instead of tearing it down and starting again?
2. Given public sentiment toward the building and all the nostalgia it embodies, any replacement should have an obviously ‘public’ or ‘civic’ function, at least at ground floor. A large part of the public’s affection for the building stems from the fact that – even outside of any retail function – it was treated as a free and permeable indoor space. To remove this and replace it with ‘exclusive’ uses like residential, offices or hotels would understandably be perceived as the privatisation of what was once a *de facto* public space.
3. A prominent and civic function at ground floor would introduce one or more tenants that could help to programme a large, new public space. A key lesson from great public spaces worldwide is the benefit that comes from having assertive programmers – art galleries, concert halls, libraries, museums, etc. – as anchor tenants, because they can be easily encouraged and incentivised to provide much of the programmable content for the adjacent outdoor spaces.
4. From an urban design perspective, a building of smaller footprint but superlative design would help to frame an impressive public space at the heart of the city centre – an expansion of Barker’s Pool, with City Hall at one end and some new civic space at the other. This would help to cement the benefit of connecting distinctive ‘pockets’ of the city centre.
5. Subject to specialist design input, there is arguably potential to add some height to this part of the city centre. This affords the opportunity to stack more private or commercial uses on top of civic uses to create a more deliverable project and a more sustainable financial model.

Possible replacements of ‘civic’ character are among the proposed re-uses for the JLB (section 6.2.1) and include, amongst others:

- Library, archive and ‘story telling’ centre
- Art gallery
- Museum(s) – including those related to Sheffield’s industrial or sporting heritage
- Concert hall / music venue
- Leisure / sports facility

Any of these could – in isolation or in combination with others – find a ready home in this location, so long as the ultimate design is fit-for-purpose of an appropriate design standard.

### 6.3 Recommendation

A final decision between these options requires more clarity around the actual ‘whole life’ cost of the building’s retention and reuse versus its removal and/or partial replacement.

In the absence of this analysis – which we understand is underway – we can only comment through the lens of broad stakeholder engagement, market research, and our own judgement of how best to improve and ‘future proof’ the city centre experience.

Based on available information, we would – at this stage – recommend Option 3:

1. Remove the existing JLB, including the car park
2. Redevelop and extended Barker’s Pool as a world class public space
3. ‘Frame’ this space with a partial replacement of much smaller footprint and greater height that includes an obviously civic use at ground floor

We do not make this recommendation lightly and we are highly sensitive to its implications, especially from the climate change perspective.

We agree with the RetroFirst agenda and subscribe to the principle that retention and re-use should be the default assumption.

In this case, however, there are multiple factors that – taken together – compromise the re-use option:

1. Even a basic refurbishment to make the building safe and useable for *any* purpose would be extraordinarily expensive and would likely require the City to strip it back to the frame (much of the existing material would not be conserved in any event).
2. An almost like-for-like replacement of retail for retail – even if it were of different character, such as independents, makers, street food, etc. – would almost certainly displace activity from elsewhere in the city centre. Given the extent of current voids and vacancies – notably on Fargate and High Street – there is likely to be an excess supply of retail space in the city centre for the foreseeable future. Creating a new shopping destination in a building as large as JLB would exacerbate the problem.
3. Conversely, its repurposing as anything *other* than retail would likely require such an extensive and costly intervention that it would almost certainly be easier and less expensive to build anew. What’s more, the resulting space would be fully fit-for-purpose rather than adapted to the inflexible conditions of a building that was designed to be a department store.

This is a high level and ‘conceptual’ recommendation that – if implemented – still leaves many important questions unanswered:

1. What kind of public space should this be? What will it include? How will it reconcile the ‘contemplative’ nature of the Cenotaph with the need for arts, cultural and entertainment programming elsewhere?
2. How will it complement and enhance surrounding spaces like Peace Gardens, Fargate and HOCII?
3. How will it support and advance the wider objectives of an emerging plan for the city centre that encompasses objectives around residential, workspace, leisure and cultural uses?

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4. If it does include a civic anchor, what should that be?
5. Through what process will these decisions be taken?
6. Through what channels can the wider public help to inform and influence these decisions?

Resolving these questions will be the focus of work going forward, and subject to strategic decisions informed through a comprehensive process of public engagement.

As stated earlier in this report, it is especially important to note, that we make this recommendation after much stakeholder engagement, but in advance of any widespread engagement with the public. We understand that is likely to happen early in the new year. Given the scale and prominence of the site and its long history of public access, the people of Sheffield should be afforded the opportunity to express opinions and ideas for the site. In our view, however, this public engagement should be contextualised as part of the whole city centre and people should not *presume* the need to retain the existing JLB at all costs. Affection for the building and the nostalgia it embodies may be such that people prefer its retention in any event. Nevertheless, they should have the opportunity to imagine how the site might be used to enhance the city centre if the building were not there. This point is repeated given the importance of the location and what the site has meant to the people of Sheffield over five decades.

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