

Cabinet

Meeting held 9 October 2019

PRESENT: Councillors Julie Dore (Chair), Jackie Drayton, Terry Fox, Mazher Iqbal, Bob Johnson, Mark Jones, Mary Lea, George Lindars-Hammond, Abtissam Mohamed and Paul Wood

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1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where it was proposed to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Cabinet held on 18 September were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question in respect of Review of Governance Structure

5.1.1 Sue Kondakor stated that the National Lead of the Centre for Public Scrutiny (CfPS) stated that Sheffield City Council had not been in touch but, at Full Council, the Leader of the Council, Councillor Julie Dore, had stated that they had. Who was right? If Sheffield City Council was right then when will the CfPS be arriving in Sheffield to bring their expertise to lead stakeholder exercises and follow their established methodology in supporting governance change?

5.1.2 Councillor Julie Dore questioned who Ms. Kondakor was referring to when she talked about the National Lead but Ms. Kondakor couldn't confirm who this was. Councillor Dore said she had spoken to the Chair of the CfPS, Sir Bob Kerlake, and he had put Councillor Dore in touch with Jacqui McKinlay, Chief Executive of the CfPS.

5.1.3 Councillor Terry Fox, Cabinet Member for Finance, Resources and Governance, added that the Governance Review would be considered by the Overview and Scrutiny Management Committee who would issue a call for evidence. The Local Government Association, the Its Our City Group, Sheffield 4 Democracy and the Universities would all be asked to give evidence.

5.1.4 The gathering of evidence would take approximately two days and the Committee would be cross-party and the hearings will be webcast. The findings would be reported back to the Full Council meeting to be held on 8 January 2020 and this meeting would also be webcast.

5.1.5 There would also be a separate process of community engagement where local Councillors would be talking to their constituents about their views and this would be fed back. The exact process had not yet been finalised. The referendum would be a 56 day process but the community engagement would take a longer period than that.

5.2 Public Question in respect of Legal Processes

5.2.1 Justin Buxton stated that, at the Cabinet meeting held on 18 September, Councillor Dore had confirmed that she had spoken to Justice Mayells on 5 June 2018. Could she please categorically confirm that she did?

5.2.2 Councillor Dore responded that she had answered this question previously.

(NOTE: At this point in the proceedings, following interruptions by a member of the public, the meeting was adjourned for several minutes whilst the questioner was removed from the meeting).

5.3 Public Question in respect of Right to Buy Properties

5.3.1 Nigel Slack commented that the news of thousands of new Council homes for the City was clearly good news since, with the promise not to simply create massive Council estates on green land, it was hoped that we would be looking at mixed housing throughout the City and the consequent improved neighbourhood vitality that this would bring. Mr Slack did, however, want to raise again the spectre of 'Right to Buy' and what could be done to prevent these new homes from falling prey to speculators?

5.3.2 Mr Slack added that, at the last Cabinet meeting held on 18 September 2019, comment was made, with respect to a compulsory purchase issue, about potentially using different definitions to remove some of this vulnerability. Could the Council expand on that suggestion?

5.3.3 In response, Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety, commented that Right to Buy could in theory be taken off a property but there would need to be a clear definition and social reason why this was being done such as to provide Extra Care Housing or for Special Needs. New properties could get a 15 year exemption on Right to Buy. Government legislation stated that, if the Council bought a property, it could be liable to Right to Buy legislation within one month of that purchase. Councillor Wood would provide further detail to Mr Slack in a written answer.

5.4 Public Question in respect of Tower Block Safety

5.4.1 Nigel Slack stated that it was now nearly two and a half years since the tragedy at

Grenfell Towers in London. Shortly after those events, Mr Slack asked a question of the Council about Sheffield's response and any issues within the City. Only the Hanover Estate was identified as an issue and steps were taken to deal with the potential danger there. It was also commented, at the time, that an investigation would be carried out to discover how the wrong type of cladding had been used in the first place. What was the result of this internal investigation and had there been any consequences for either the contractors involved or any referral to external authorities (e.g. South Yorkshire Police) for action to be taken?

- 5.4.2 Councillor Paul Wood stated that he had not yet seen the Hanover investigation report and had only received a short briefing on this last week. Solicitors wanted to examine this before it was released. Councillor Wood could provide more information when he had it. A fire inspection of tower blocks had been undertaken three weeks ago and the response from the authorities was that every block in Sheffield conformed with the required standard.

6. ITEMS CALLED-IN FOR SCRUTINY

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

7. RETIREMENT OF STAFF

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

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

(a) places on record its appreciation of the valuable service rendered to the City Council by Linda Mappin, Senior Teaching Assistant Level 3, Norfolk Park Special School over a period of 21 years;

(b) extends to her its best wishes for the future and a long and happy retirement; and

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

8. MEDIUM TERM FINANCIAL ANALYSIS (MTFA) 2020/21 TO 2023/24

- 8.1 The Executive Director, Resources, submitted a report providing Members with details of the forecast financial position of the Council for the next 4 years and recommending the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

- 8.2 **RESOLVED:** That Cabinet:-

(a) notes the forecast position for the next 4 years;

(b) notes as planning assumptions, core Council Tax increases of 2% per annum and that the actual increases will be set at Full Council each March;

- (c) notes additional flexibility was announced in the recent Spending Review for 2020/21 for a further 2% increase for the Social Care Precept; and that a decision to take this precept at Full Council would result in a balanced budget for 2020/21;
- (d) notes the information contained in the capital sections of the report (paragraphs 30-39) and that decisions relating to the programmes mentioned (in paragraphs 36-39) will be sought in due course; and
- (e) agrees the approach to budgeting and business planning outlined in the report.

8.3 Reasons for Decision

- 8.3.1 To inform Cabinet Members of the latest changes to the Council's medium term forecasts within both revenue and capital budgets, and to provide a strategic framework for the development of budget proposals and the business planning process beyond 2020/21.

8.4 Alternatives Considered and Rejected

- 8.4.1 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. MONTH 5 CAPITAL APPROVALS

- 9.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme, as brought forward in Month 5 2019/20.

9.2 RESOLVED: That Cabinet:-

- (a) approves the proposed additions and variations to the Capital Programme listed in Appendix 1 of the report, including the procurement strategies and delegates authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts; and
- (b) approves the making of grants as identified in Appendix 2 of the report in principle on that basis, with the identity of the recipient to be decided in accordance with the Leader's Scheme of Delegation.

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.

10. **RETENDER OF THE SCHOOL CATERING CONTRACT POST AUGUST 2020**

10.1 The Executive Director, People Services, submitted a report seeking approval for procuring a new school catering contract from 1st August 2020 for 5 years ("New School Catering Contract"). The Council will enter into the New School Catering Contract on behalf of the participating schools.

10.2 Members requested that the contract should also include a requirement that there were no deliveries to schools between 8:30am and 9:00am.

10.3 **RESOLVED:** That Cabinet:-

(a) acknowledges that the Council has procured a school catering contract on behalf of schools since 2001; and the existing school catering contract has commenced since August 2011 with 107 schools participating ("Existing School Catering Contract");

(b) acknowledges that the Existing School Catering Contract is due to expire after its extension period by the end of July 2020; and agrees that the Council will continue procuring a school catering contract on behalf of participating schools who have elected to join the school catering service from August 2020 ("Participating Schools");

(c) approves that the Council will re-tender the school catering service from 1 August 2020 to 31 July 2025 ("New School Catering Contract") with an option to extend for a period of 24 months if agreed between the Council and the Contractor and that each period will be at the sole discretion of the Council following consultation with the applicable Schools; and

(d) delegates authority to the Executive Director, People Services, in consultation with the Cabinet Member for Education and Skills, the Director of Finance and Commercial Services and the Director of Legal and

Governance:-

- (i) to approve the procurement strategy of re-tendering the New School Catering Contract from 1st August 2020 to 31st July 2025 in line with this report unless paragraph 5.3 in Schedule 2 of the Leader's Scheme of Delegation applies;
- (ii) to negotiate terms and conditions with the contractor and to award the contract in line with this report unless paragraph 5.3 in Schedule 2 of the Leader's Scheme of Delegation applies;
- (iii) to approve of a risk sharing approach that sees both contractor and the Council (acting on behalf of schools) managing the service jointly and which minimises risks for individual schools;
- (iv) to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report; and
- (v) to advise all Participating Schools under the terms and conditions as he sees fit after consulting with the Director of Legal Services and the Director of Finance and Commercial Services; such agreement shall:
 - allow any Participating Schools to withdraw from their commitment to the New School Catering Contract at the end of year 3 of the contract period; and
 - acknowledge a single contract arrangement:
 - where schools elect to join and agree to pool their respective resources,
 - where schools receive the service that they need when they need it,
 - that is legally binding on all participating schools
 - that is not a series of separate, individual service level agreements

10.3 **Reasons for Decision**

- 10.3.1 The majority of schools wish the Council to procure a catering contract on their behalf. Schools pay for the services of a contractor, a client team and all procurement costs from their individual budgets. There is no specific Council funding in the delivery of the contract.
- 10.3.2 The Council benefits by having public health initiatives built into the specification.
- 10.3.3 All risks associated with large scale catering, both food and finance related, are contained and managed by the contractor and the client team, using expertise from within the Council's Resources teams i.e. legal, commercial and financial.

10.4 **Alternatives Considered and Rejected**

- 10.4.1 There are two alternative options but neither is advantageous to the Council and schools and carries significant risks:

Insource the service – for the Council to be able to manage the service directly there would need to be changes to the structure within the portfolio. This change will need to be agreed with the schools. Statutory responsibility for delivering school meals rests with the governing bodies and they may choose to put alternative arrangements in place. The service has been delivered via private sector education catering specialists for 18 years and the level of training and expertise to manage a city wide service would need to be acquired. As this is a school's contract and not all schools join it, it would be hard to see what benefits there would be to the Council for funding such a change. All the costs of the service are funded by the schools that elect to join it – the Council does not fund any aspect of the service to schools. This option is therefore not recommended.

- 10.4.2 **Not offer a service to schools** – this would effectively mean that schools would have to manage the provision of a catering service directly or procure their own contracts. Both options may detract from their core purpose of teaching and learning. There may be increased costs for schools with this option due to them having to buy in expertise on due diligence checks for food safety, food labelling (e.g. 14 statutory allergens), traceability, as well as managing catering teams, and procurement activities. Smaller primary and special schools would be disproportionately disadvantaged as they do not have the capacity in their administrative teams. This option is therefore not recommended.

11. INTEGRATED COMMUNITY EQUIPMENT SERVICE PROCUREMENT

- 11.1 The Executive Director, People Services, submitted a report seeking approval from Cabinet to commission a redesigned Integrated Community Equipment Service (ICES). In order to do this, approval is also sought from Cabinet to award the Director of Finance and Commercial Services, in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services), the authority to take the necessary steps to award the contract and implement the procurement strategy for the redesigned equipment service, and for the Director of Adult Services (People Services), in consultation with the Director of Finance and Commercial Services, to review and agree the pooled budget arrangements for the new service with the Sheffield Clinical Commissioning Group.

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

- (a) approves the re-commissioning of the Integrated Community Equipment Service and delegates authority to the Director of Finance and Commercial Services, in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services), to determine the appropriate procurement strategy for the provision for a redesigned Integrated Community Equipment Service;
- (b) delegates authority to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services), to award the contract for the Integrated Community Equipment Service in accordance with the procurement strategy: the award of the contract will follow a procurement exercise and conform to

the Council's Contract Standing Orders (CSOs); and

- (c) delegates authority to the Director of Adult Services (People Services), in consultation with the Director of Finance and Commercial Services, to review and agree the pooled budget arrangements for the new service with the Sheffield Clinical Commissioning Group (CCG) under the Section 75 Agreement; the process for the review will need to be agreed by both parties over the coming month.

11.3 **Reasons for Decision**

11.3.1 The current contract for the supply and loan of equipment to help people live independently ends in June 2020. The Council has a statutory duty to undertake the provision of services proposed in this report and there are significant financial and operational efficiencies from having a joint contract with Health.

Service re-design and re-specification will also:

- Achieve better outcomes and increased value for money
- Deliver against increasing demand on the service
- Future-proof the service in light of proposed changes to legislation, guidance and operational requirements

11.4 **Alternatives Considered and Rejected**

11.4.1 **Do not re-procure:** This option is not recommended because the Council has legal duties to provide equipment to people in need as set out in section 4.3 of the report.

11.4.2 **Extend the contract with the current provider:** It is not possible to extend the contract further, as this would pose a significant risk of legal challenge based upon both the value of the contract and restrictions in the procurement regulations regarding extending contracts.

This option is also not recommended as the Council policy and procedures promote revisiting the market at suitable intervals to ensure we have best value, high quality services. In addition, Commissioners wish to develop the service to achieve a more efficient, effective service, greater value for money and increased impact in the City.