

Council Meeting – 14th September, 2022

Agenda Item 5 - Members' Questions

Written Responses Promised To Be Provided After The Meeting (Supplied to the Questioner on 23rd September, 2022)

Question of Councillor Kurtis Crossland to the Chair of the Waste and Streetscene Policy Committee (Councillor Joe Otten)

- Q.** Following the decision of Cabinet on the 17th February, 2021 to change the payment mechanism for underperformance on the Amey Contract, how much has the Council lost to date in penalties for underperformance as a result of this change?
- A.** There are a number of factors that mean applying current performance to the old mechanism doesn't work. The question asks about loss, which isn't as straight forward as calculating what the points would have been as there are cash and non-cash benefits of the change. In addition, it is impossible to calculate whether the changes in their totality have altered the way that Amey and Sheffield City Council both behave. It doesn't work to apply a previous scheme to a current set of circumstances. When you negotiate a change there are a number of factors that go into that process. There are always advantages and disadvantages of a change and they have to be seen alongside each other. The change to the payment mechanism formed part of a series of changes agreed in order to create a saving for the Council in 2021/22 financial year. Therefore, there was no loss in the negotiation of the change just a saving for the Council of £1.7m as agreed as part of that year's budget saving proposals and a contract that we were then able to successfully refinance generating a further saving.

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