



Report to Policy Committee

Author of Report: Nikki Rees, Service Manager – Projects & Improvement

Lead Officer: Ian Ashmore, Head of Environmental Regulation

Report of: Richard Eyre, Director of Street Scene & Regulation

Report to: Waste & Street Scene Policy Committee

Date of Decision: 23 November 2022

Subject: Future for the provision of kennelling services

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

If YES, what EIA reference number has it been given? **1011**

Has appropriate consultation taken place? Yes No

Has a Climate Impact Assessment (CIA) been undertaken? Yes No

Does the report contain confidential or exempt information? Yes No

The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Purpose of Report:

This report explains findings of the Kennelling Service Review 2022 and recommends a proposal that will achieve a sustainable future for the Kennelling Service and facilitate the Council's continued compliance of its statutory duties.

Under the proposed model:

- stray dogs will remain the direct responsibility of Sheffield City Council, with Council staff continuing to look after stray dogs on a day-to-day basis but in a facility provided by an external provider; and
- an external provider will be responsible for 'social services animals', including receiving and kennelling/boarding the animals, while providing the animals with adequate care.

The proposal will provide opportunities for:

- a better environment for our employees and animals in our care; and
- better value for money for taxpayers.

Recommendations:

It is recommended that the Committee:

1. Approves the commissioning of an external provider, as set out in this Report including Appendix 1, that will provide:
 - a) a dog kennelling facility for stray dogs; and
 - b) dog kennelling and animal boarding services for 'social services animals'.
2. where no current authority exists, delegates authority to the Executive Director, Operational Services, in consultation with the Director of Finance and Commercial Services, the Director of Legal and Governance and the Director of Human Resources and Customer Services to take such steps to achieve the aims and objectives as detailed and set out in this 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: Kerry Darlow
		Legal: Nadine Wynter & Marcia McFarlane
		Equalities & Consultation: Ed Sexton & Adele Robinson
		Climate: Jessica Rick
	<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	SLB member who approved submission:	Ajman Ali
3	Committee Chair consulted:	Councillor Joe Otten
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 Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Ian Ashmore	Job Title: Head of Environmental Regulation
	Date: 25/10/22	

Background papers:

- Equality Impact Assessment (reference 1011)
- Climate Impact Assessment

Appendices:

- Appendix 1 – as above, not for publication because it contains exempt information

1. PROPOSAL

1.1 The proposal is for the Council to commission an external provider to deliver animal boarding services to 'social services animals' under a contract that will continue for up to 5 years; the provider will also offer kennelling facilities from which Council staff can continue to deliver statutory services to stray dogs.

1.2 Statutory duties

1.2.1 The Council is responsible for looking after stray dogs in the Sheffield area. Stray dogs are seized and detained by Dog Control Officers and Animal Care Assistants look after stray dogs in the kennels.

1.2.2 Under the Environmental Protection Act 1990, a Dog Control Officer who finds a stray dog in Sheffield's public space must, if practicable, seize and detain it. If the stray is found in a non-public space they must first get consent from the landowner or premises-owner before seizing or detaining the dog.

1.2.3 A stray dog with no identifiable owner is detained for seven clear days, after which, the stray may be disposed either by suitable sale (not for purposes of vivisection), given away or put down. If the stray has an identifiable owner, the Council will send a notice to the owner informing that their dog has been seized, where it can be collected and the relevant fees for its return. The dog may be disposed after seven clear days after serving that notice.

1.2.4 The Council has a duty to register, feed and maintain stray dogs and provide a detention facility (kennel) where members of the public can take them. In April 2008 the Clean Neighbourhoods and Environment Act 2005 relieved South Yorkshire Police of any responsibility of taking strays, leaving the Council as the only resort for stray dogs.

1.2.5 The Council also has a statutory duty to make provision for the care of pets of people who are taken into hospital. This duty, initially laid down in section 48 of the National Assistance Act 1948, has since been amended under the Care Act 2014. This means that the Council must board and care for these animals unless or until there are friends or relatives of the person who can do this. For the purpose of this report these animals are referred to as "social services animals".

1.2.6 Further, the Council is subject to the 'best value duty', this requires the Council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'.

1.3 Background and current delivery model

1.3.1 Historically, Sheffield City Council, like most local authorities, contracted out the kennelling of stray dogs to private kennels. However, in 2006 this

function was brought in house, after a number of private providers had given up the contract. Soft market testing demonstrated that the in-house facility provided much better value for money than offered by the external market at that time. Sheffield City Council owned the old RSPCA kennels at Spring Street, having acquired the site in connection with the Inner Relief Road land acquisitions in 2005, and therefore the Council run facility was set up there.

- 1.3.2 Sheffield City Council continues to operate the Kennelling Service from Spring Street, Sheffield S3. The service operates 7 days a week for 11.5 hours each day, 08.00-13.30 & 14.00-20.00. The service is open every day of the year.
- 1.3.3 The Kennelling Service is currently delivered by seven Grade 4 Animal Care Assistants, who are each contracted to work 23 hours per week over 4 shifts. Two staff members are on shift together at all times, to avoid lone working.
- 1.3.4 Due to falling demand and cost pressures, opening hours were reduced in 2016 when an 'Achieving Change' was carried out to reduce the daily opening hours of the Kennelling Service from 13 hours to 11.5 hours, resulting in a reduction in hours for employees from 25 to 23 hours per week.
- 1.3.5 Since this change in 2016, although demand has continued to fall, there have not been further reductions in hours for staff or any changes to the opening hours of the kennels.

1.4 **Previous reviews**

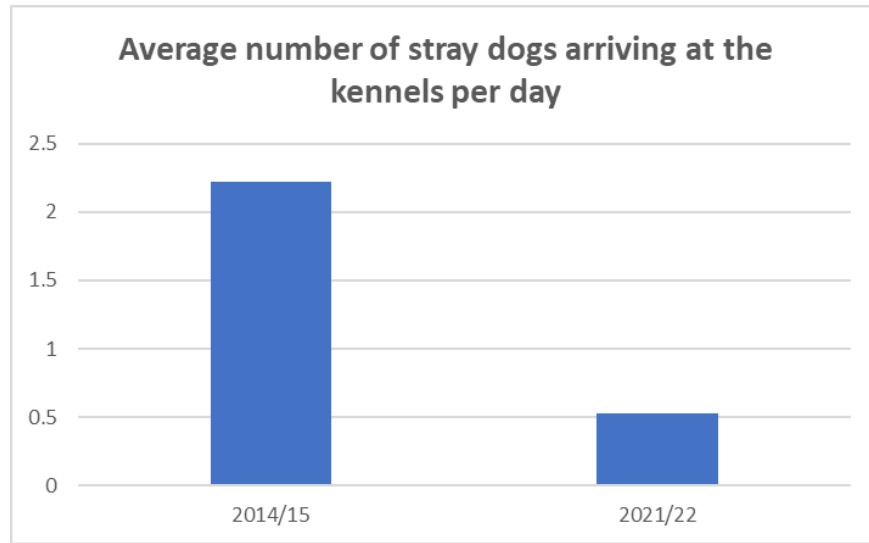
- 1.4.1 A review of the Kennelling Service was undertaken by CAPITA in 2017/18 and a further review was undertaken internally in 2019/20, within the Place portfolio.
- 1.4.2 Neither of these previous reviews led to an agreed solution and the challenges that prompted those reviews persist.
- 1.4.3 This is therefore the third review of the Kennelling Service in recent years. It is imperative that this current review results in a sustainable and affordable future for the Kennelling Service, offering value for money for taxpayers.

1.5 **Reduction in demand for the care of stray dogs**

- 1.5.1 Since at least 2014/15 there has been a significant decrease in the number of stray dogs seized or handed into the Council by members of the public. In 2014/15 the average number of stray dogs arriving per day at the kennels was 2.22. By 2021/22* this number had reduced to 0.53 stray dogs arriving per day on average, representing a decrease of 76% in the number of stray dogs arriving.

1.5.2 Figure 1 shows the average number of stray dogs arriving at the kennels per day in 2014/15 and 2021/22.

Figure 1

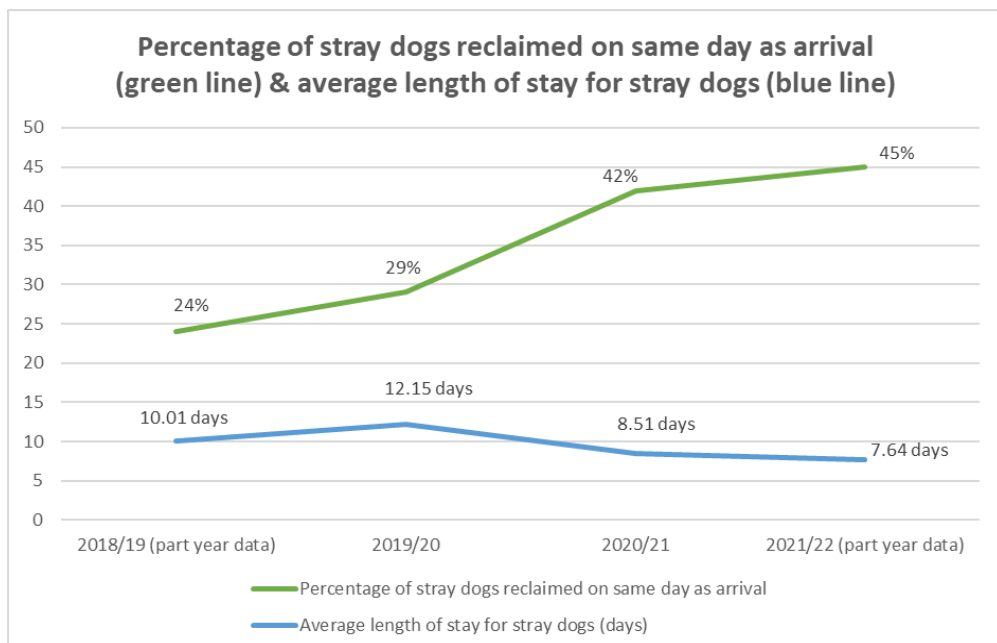


1.5.3 The average length of stay for stray dogs has also decreased. In 2021/22* 45% of stray dogs were reclaimed by their owners on the same day that they arrived at the kennels. This figure has been gradually increasing in recent years. The 45% figure represents an increase of 87% since 2018/19, at which time only 24% of stray dogs were reclaimed on the same day.

1.5.4 The average length of stay for a stray dog decreased to 7.64 days in 2021/22*, down from 10.01 days in 2018/19.

1.5.5 Figure 2 shows the percentage of stray dogs reclaimed on the same day as arrival and the average length of stay for stray dogs from 2018/19 to 2021/22.

Figure 2



1.5.6 The decrease in the number of stray dogs arriving at the kennels and the decrease in the average length of stay for stray dogs may be attributed to the increased use of social networks to report lost and found animals.

1.5.7 Across all categories of dogs (including social services dogs), average kennel occupancy declined from 13.49 kennels occupied on average per day in 2019/20 to 6.92 kennels occupied on average per day in 2021/22*.

**Data for the financial year 2021/22 is based on analysis from the period 01/04/21-15/12/21 (where appropriate the data has been extrapolated to provide a full year picture)*

1.6 Challenges and opportunities

1.6.1 The use of Spring Street Kennels, where the service is currently based, was acquired from the RSPCA Sheffield Branch in connection with the Inner Relief Road land acquisitions in 2005. This was always viewed as a temporary home for the service and, as a result, the site has gradually fallen into disrepair. Continuing to run the service from this site is unviable without significant capital investment.

1.6.2 There are few ways to reduce the costs of running the service if the service continues to be based at Spring Street, because the staffing model is constrained by the reasonable requirement to have two staff on shift at all times, to avoid lone working. This staffing model is expensive.

1.6.3 If the recommendation put forward in this report is supported this would free up the Spring Street site, bringing with it the opportunity to combine the land with adjoining Council land, which could be sold to deliver a substantial residential led mixed use scheme.

1.6.4 This would bring about an enhanced capital receipt and would support the delivery of the goals set out the City Centre Strategy, whilst enhancing the immediate area and complementing the major development scheme which has started at West Bar.

1.7 Alternative options for delivery – soft market testing

1.7.1 A soft market testing exercise was carried out during August and September 2022, seeking interest from providers regarding the following possible alternative delivery options:

Option	Summary	Notes/assumptions
1	A model where a provider offers full kennelling and boarding services	SCC staff would likely have the right to transfer under TUPE rules under this model
2	A model where a provider offers kennels and cattery only	SCC would continue to have full responsibility for the care of all animals, but the provider would provide the site

3	<p>A hybrid model where:</p> <ol style="list-style-type: none"> 1. stray dogs would remain the full responsibility of the Council, but a provider would offer a kennelling facility; and 2. a provider would offer full kennelling and boarding services for social services animals 	<p>SCC staff would not have the right to transfer under TUPE rules under this model</p>
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1.8 Proposed new model of delivery

1.8.1 The soft market testing exercise determined that there is appetite in the market to work in partnership with the Council to provide Option 3, the hybrid model outlined in the table in para 1.6.1, above.

1.8.2 Based on the soft market testing responses, in relation to this model we could expect the market to provide:

- full kennelling and boarding services for social services animals;
- a modern, self-contained kennelling block for the Council's use, on a shared site in a central location, fully accessible by public transport;
- a shared reception facility; and
- access for the Council to self-contained grounds for walking and exercising stray dogs in our care.

1.8.3 The type of modern facilities that could be secured through this proposed new model of delivery, would be a significant improvement, compared to the existing kennelling facility at Spring Street and would provide the opportunity for the service to improve animal welfare standards.

1.8.4 The financial savings associated with this model include a proposed reduction in the opening hours of the kennels, which would enable the Council to align its hours with that of providers in the market.

1.8.5 The Kennelling Service currently opens until 20.00. Under the new model the proposal is to open until 17.00. There are currently no proposed changes to the opening time of the service (8.00am).

1.8.6 There are no changes proposed within this report regarding fees.

1.8.7 If the Committee supports the proposal to move forward with this option, the opportunities offered by the shared use of the site and a shared reception facility mean that staffing hours could be safely reduced, as the service would not need to be double staffed at all times. This offers a considerable saving to the Council. A full equality impact assessment, including analysis of the impact on staff is included with this report.

- 1.8.8 This option would provide significant benefits, including:
- a much-improved working environment for staff;
 - a significant annual revenue saving for the Council;
 - the opportunity to combine the existing Spring Street site with adjoining Council land and secure an enhanced capital receipt, whilst supporting the delivery of the goals set out the City Centre Strategy; and
 - opportunities to improve animal welfare, through improved kennelling facilities and access to grounds for exercising dogs.
- 1.8.9 If the recommendation is supported, the Council would go out to competitive tender to seek an external supplier to provide the hybrid model of delivery outlined above.
- 1.8.10 Although subject to the outcome of the competitive tender process, the Council has an excellent opportunity to collaborate with a well-respected and trusted animal welfare charity to provide an innovative way of delivering the service.
- 1.8.11 Further details of the proposal and its implications are set out in Appendix 1.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 This recommendation supports the Council's goal to ensure SCC's financial stability and sustainability by proposing a model which would reduce the annual revenue cost to the Council of delivering the Kennelling Service.
- 2.2 This proposal would bring about the opportunity to dispose of the existing site. Combining the existing Spring Street site with adjoining Council land would secure an enhanced capital receipt for the Council, whilst supporting the delivery of the goals set out the City Centre Strategy, enhancing the immediate area and complementing the major development scheme which has started at West Bar. This recommendation therefore supports the Council's goal to capitalise on Sheffield's opportunities and assets to support the city's long-term success.
- 2.3 Spring Street kennels does not have access for wheelchair users and as such does not comply with the requirements of the Equality Act 2010. The proposal would have a positive equalities impact for users of the kennelling service, as the new site would be accessible by wheelchair. This would therefore support the Council's ambition to tackle inequality.
- 2.4 This proposal would support the Council's commitment to addressing Climate Change, as the service would have a smaller carbon footprint on the new site.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There has not been a public consultation regarding this proposal. There will be no changes to the experience of the customer, in relation to social services animals. In relation to stray dogs, due to the nature of the service

provided there is not an obvious customer group to consult with regarding the proposal.

3.2 If the Committee agrees with the recommendation, there will be a statutory consultation with employees and Trades Unions regarding the implications for staff.

3.3 These proposals have had appropriate consultation. At this stage no public consultation is necessary because the detail of the project is still being shaped, consequently meaningful consultation is not yet possible; but decisions on consultation, timing, contents and appropriate groups to consult will be kept under review.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The recommendation includes a proposal to significantly reduce the number of hours that the kennels are staffed, compared to the current delivery model. This would therefore have a significant impact on staff. A full Equality Impact Assessment accompanies this report.

4.1.2 The proposal would have a positive equality impact for users of the kennelling service, as the new site would be accessible by wheelchair, which is an improvement from the existing site where wheelchair users cannot access the building.

4.1.3 Other potential equality impacts for customers have been carefully considered and outlined in the Equality Impact Assessment.

4.2 Financial and Commercial Implications

4.2.1 This proposal is estimated to save the Council £54,000 per annum in revenue costs. It should be noted that there is already a Budget Implementation Plan (BIP) associated with this project.

4.2.2 There are significant capital cost implications relating to the existing site at Spring Street. Capital costs incurred in recent years include £29,954 spent in 2017/18 associated with roof replacement works and £31,985 in 2018/19 spent on improvements to welfare facilities.

4.2.3 If the service does not move out of the existing premises at Spring Street, the building would require significant capital investment to ensure the safety of the site. However, this investment would be avoided if the proposal to seek an external supplier to provide the hybrid model of delivery is accepted by the Committee.

4.2.4 If the proposal is accepted, the existing Spring Street site would be released for development purposes, as was originally intended following the completion of the Inner Relief Road. This would generate a substantial capital receipt for the Council.

- 4.2.5 There may be some small-scale capital costs associated with the proposed move to a new site, under the proposed model, to ensure that the site fully meets the needs of the service. This has not been fully scoped out but could include, for example, installing a new intercom system and the installation of new fencing to ensure that animals in the care of the Council are kept entirely separate from animals cared for at the new site.
- 4.2.6 There could be one-off employee costs associated with moving to the new model. These could potentially arise through redundancy payments or pay protection for staff. It is not possible to determine the value of these costs at this stage, as this would depend on consultation with staff and Trades Unions and mitigations to avoid redundancies.

4.3 Legal Implications

- 4.3.1 The Council's statutory duties to "stray dogs", "pets of people taken into hospital" and "best value duty" are already detailed in section 1 of this report.
- 4.3.2 S 111(1) Local Government Act 1972 gives the council power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of their functions. The proposed commissioning of contract is calculated to facilitate the discharge the above statutory duties.
- 4.3.3 The proposed contracting arrangements are permitted under the Local Government (Contracts) Act 1997 and will allow the Council to meet its statutory duties.
- 4.3.4 In relation to the commissioning process including selection of provider and award of contract the Council must comply with Public Procurement Rules at the relevant time and the Council's Contract Standing Orders.

4.4 Climate Implications

- 4.4.1 The proposed model offers opportunities to decrease CO2e emissions through significantly reduced energy use. Within the procurement process, consideration will be given to including questions on energy, transport, resource use and waste, to align with the Council's net zero ambitions. In relation to transport, the proposed model will maintain similar levels of CO2e emissions compared to before.
- 4.4.2 A Climate Impact Assessment accompanies this report.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Several other options were considered during the course of developing this proposal and these are outlined in the table below, alongside the reasons why they are not being recommended.

Option title	Description	Reasons this option is not recommended to be pursued
Status Quo	Continue to deliver the service from the Spring Street site	Some annual revenue savings could be achieved if the service was redesigned and continued to be delivered from the existing site. However, it would not be possible to achieve similar annual revenue savings to the recommended option, due to the constraints associated with lone working at the current site. Additionally the significant capital investment required at Spring Street, means that this is not a sound option. For these reasons this is not a recommended option.
Outsource	Seek a provider to offer full kennelling and boarding services on behalf of the Council	This option would be unlikely to result in the same level of savings as the recommended option, as Transfer of Undertakings (Protection of Employment) Regulations (TUPE) would likely apply.
Move to a new site owned by an external provider	Seek a provider to offer a site with a kennels and cattery only - under this option SCC would continue to have full responsibility for the care of all animals	<p>It would not be possible to achieve similar annual revenue savings to the recommended option, due to the constraints associated with lone working for this option.</p> <p>Additionally the soft market testing responses raised concerns about access to the service, due to the locations of the potential providers in the market.</p> <p>For these reasons this is not a recommended option.</p>
Re-locate & re-build	Seek to retain in-house delivery of the service but relocate and builds new kennels elsewhere in the City, either by refurbishing an existing building or building from new	<p>This option was explored in the CAPITA report in 2018.</p> <p>At that time the Council's Capital Delivery Service provided an estimate to rebuild the kennels in accordance with the following requirements:</p> <ul style="list-style-type: none"> - 20 dog kennels, plus a minimum required external area and car parking - Minimum required new build land area of 1,200m²

		<p>The capital costs were estimated to be between £1.4m and £2.3m (depending on refurbishment or new build). It is likely that if this exercise were to be repeated now these cost estimates would increase, given increasing land values and the recent spike in the cost of building materials.</p> <p>Additionally, this option would be unlikely to achieve similar annual revenue savings to the recommended option, due to the constraints associated with lone working for this option.</p> <p>The costs associated with this option are unaffordable and for this reason this is not recommended.</p>
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6. REASONS FOR RECOMMENDATIONS

6.1 This recommendation follows an extensive review to determine the best way to achieve a sustainable, value for money future for the service. The recommended option provides significant benefits, including the opportunity to secure:

- a much-improved working environment for staff
- a significant annual revenue saving for the Council
- an enhanced capital receipt for the Council, whilst supporting the delivery of the goals set out the City Centre Strategy
- improved animal welfare, through improved kennelling facilities and access to grounds for walking and exercising dogs

6.2 The Council has the opportunity to move to an innovative new way of delivering the Council's statutory duties in relation to the Kennelling Service. Detailed work has determined that this is the most attractive option available to the Council to pursue. It is for these reasons that this proposal is recommended to the Committee.