

Cabinet

Wednesday 10 April 2013 at 2.00 pm

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

The Press and Public are Welcome to Attend

Membership

Councillor Julie Dore	Chair/Leader of the Council
Councillor Isobel Bowler	Culture, Sport & Leisure
Councillor Leigh Bramall	Business, Skills & Development
Councillor Jackie Drayton	Children, Young People & Families
Councillor Harry Harpham	Deputy Leader/Homes & Neighbourhoods
Councillor Mazher Iqbal	Communities & Inclusion
Councillor Mary Lea	Health, Care & Independent Living
Councillor Bryan Lodge	Finance & Resources
Councillor Jack Scott	Environment, Recycling & Streetscene

PUBLIC ACCESS TO THE MEETING

The Cabinet 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 Julie Dore.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday, or you can ring on telephone no. 2734552. 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 Cabinet meetings. Please see the website or contact Democratic Services for further information.

Cabinet meetings are normally open to the public but sometimes the Cabinet 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. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

Cabinet 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.

If you require any further information please contact Simon Hughes on 0114 273 4014 or email simon.hughes@sheffield.gov.uk.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**CABINET AGENDA
10 APRIL 2013**

Order of Business

- 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**
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting**
To approve the minutes of the meeting of the Cabinet held on 20th March, 2013.
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny**
The Chief Executive will inform the Cabinet of any items called in for scrutiny since the last meeting of the Cabinet
- 8. Retirement of Staff**
Report of the Chief Executive
- 9. The Future of Stocksbridge Leisure Centre**
Report of the Executive Director, Place.
- 10. Stocksbridge Leisure Centre (Oxley Park Trust)**
Report of the Executive Director, Place.
- 11. The Future Use of the Don Valley Stadium and Re-Opening of the Woodbourn Athletics Stadium**
Report of the Executive Director, Place.
- 12. Reducing Long Term Empty Properties: Repair and Purchase Scheme**
Report of the Executive Director, Place.
- 13. Corporate Buildings Statutory Servicing and Repairs Contract**
Report of the Executive Director, Resources.
- 14. Construction and Building Services Re-Tender for Social Housing**

Repairs and Maintenance

Report of the Executive Director, Place.

15. An Economic Growth Strategy for Sheffield

Report of the Executive Director, Place.

16. Revenue Budget and Capital Programme Monitoring 2012/13 (Month 10)

Report of the Executive Director, Resources.

NOTE: The next meeting of Cabinet will be held on Wednesday 8 May 2013 at 2.00 pm

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

New standards arrangements were introduced by the Localism Act 2011. The new regime made changes to the way that members' interests are registered and declared.

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.

Under the Council's Code of Conduct, members must act in accordance with the Seven Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership), including the principle of honesty, which says that 'holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest'.

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.

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 DPs 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, and has been published on the Council's website as a downloadable document at [-http://councillors.sheffield.gov.uk/councillors/register-of-councillors-interests](http://councillors.sheffield.gov.uk/councillors/register-of-councillors-interests)

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 Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Lynne Bird, Director of Legal Services on 0114 2734018 or email lynne.bird@sheffield.gov.uk

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Cabinet

Meeting held 20 March 2013

PRESENT: Councillors Julie Dore (Chair), Isobel Bowler, Leigh Bramall, Jackie Drayton, Harry Harpham (Deputy Chair), Mazher Iqbal, Mary Lea, Bryan Lodge and Jack Scott

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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 resolutions may be moved 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 held on 27 February 2013 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Petitions

A petition, containing 322 signatures, was submitted which stated the following:-

‘We, the undersigned, are concerned citizens who urge Sheffield City Council Parks and Countryside to keep the Low Bradfield public toilet facilities open and not include their closure in current plans, due to take effect on 31st March 2013.

‘We the undersigned believe Bradfield Parish Council should take responsibility for the toilet facilities within their preserved 2013/14 budget.’

It was also reported that an electronic petition was currently online with a closing date of 19 April 2013.

In response, Councillor Isobel Bowler, Cabinet Member for Culture, Sport and Leisure reported that discussions were already taking place with Bradfield Parish Council as to taking on responsibility within their budget and she would respond to the lead petitioner directly.

RESOLVED: That the petition be referred to the Cabinet Member for Culture,

Sport and Leisure.

5.2 Public Questions

Public Question on Sheffield Homes and 'Going Local' Money

Martin Brighton asked the following questions:-

There is a difference of opinion on whose money is the 'Going Local' money as applied to council housing money. Is this money the Council's or the tenants?

The second question concerns the Newton Report and the Sheffield Homes/Council finance report both of which were disclosed after engagement of the Information Commissioner. How much did it cost to defend against disclosure of these reports? Were the futile attempts at preventing disclosure because of what was in the reports or because of what is not in the reports? If the answer to the question was because of what is not in the reports please state what was omitted and please provide the requisite information? Who instructed the Legal Department to withhold disclosure of the reports and why?

Sheffield Homes has repeatedly claimed that the expenditure of 'Going Local' money on revamping drying areas in Batemoor complied with a robust procedure. Despite exchanges of correspondence, Sheffield Homes has consistently failed to produce the evidence supporting its claim that the need for revamping the drying areas came from the citizens of Batemoor. Will this Council now please arrange for the provision of that evidence?

In response, Councillor Harry Harpham, Cabinet Member for Homes and Neighbourhoods, commented that the 'Going Local' Money, which came from the Housing Revenue Account was the Landlords which in this case was the Council. The administration was committed to making sure decisions were devolved to tenants wherever possible. He would provide a written response to the second and third questions but commented that Local Housing Forums chose the priorities for their areas and make recommendations to the local Area Board.

Public Question on Environmental Issues and Corporate Responsibility Programmes

Bridget Ingle asked with the abolition of the Community Assemblies we now have no support or help with clean up days to tackle grot_spots in our local communities. This was on the back of closure last year of the Council department that promoted Sheffield In Bloom, helped with litter prevention and education, clean up support, the spring bulb programme and environment weeks support. The alternate week bin collection means that residents who litter pick on a regular basis now have too much rubbish for their household bin and have no way of disposing of it. Environmental issues such as fly tipping, littering and graffiti removal all seem to be directed to Parks and Countryside, whose department has been decimated anyway.

She further commented that there was nowhere for volunteers to go for help and

support if they wanted to deal with clean-up issues in their own local communities. Both Veolia and Amey had extensive Corporate Responsibility Programmes along with stated core values that reflect their commitment to local communities and the environment. While Veolia are helpful and involved, Amey were still drawing up plans to become involved locally. I would now ask the Council to take responsibility in helping two of their largest contractors to meet the challenges of keeping our neighbourhoods clean, by placing resources and money at the disposal of the local communities who want to make a difference to their neighbourhood.

In response, Councillor Jack Scott, Cabinet Member for Environment, Recycling and Streetscene, commented that he valued the work which local people did in their communities and wanted to support this through the resources being put into the Streets Ahead Programme. He commented that he accepted it was not right if clean streets and roads were maintained as part of the Programme but were next to an untidy park. AMEY were required to employ Community Stewards within communities and they were building up a strong liaison between the contractor and other parts of the Council. He acknowledged that with the disbanding of Community Assemblies all services within the Council needed to update their structures. He proposed that he meet with Bridget Ingle and the Community Steward to try and resolve the issue.

Councillor Isobel Bowler, Cabinet Member for Culture, Sport and Leisure, said that, depending on the area to be litter picked, either Streets Ahead or the Parks and Countryside Service would support local groups. She had recently taken part in a litter pick in Mosborough ward and it had been supported by the Streets Ahead Community Steward with equipment and an arrangement for leaving bags of litter to be collected.

In relation to the point around Community Assemblies, Councillor Mazher Iqbal, Cabinet Member for Communities and Inclusion, reported that details for the replacement of Community Assemblies would be released shortly and these would focus on a more ward- based approach. Other services would align their staff to this approach and it was expected that partnership working would continue.

Public Question on Future of Highways Committee and City Region

Mr Alan Kewley commented that there were two items on the agenda of interest to him as a representative of Sheffield on the Move Forum – the Sheffield City Region Authority and the Modernisation of Planning and Highways and Cabinet Highways Committees. He stated that both reports were difficult to understand and asked whether it would have been better to discuss the issues with groups before they were presented to Cabinet so groups such as Sheffield on the Move could properly understand what was being proposed. He was aware that the Council had Scrutiny Committees and had been contacted by a Member of the relevant Scrutiny Committee who had stated that they were not aware of the proposals prior to them being submitted to Cabinet.

In response the Chair, Councillor Julie Dore, commented that any Member of a

Scrutiny Committee had a right to call-in a Cabinet decision for Scrutiny.

Councillor Leigh Bramall, Cabinet Member for Business, Skills and Development (including Transport), added that the report on the Sheffield City Region Authority would need to be submitted to Full Council on 3 April for final approval and was driven by requirements to meet Government deadlines. The Cabinet Highways Committee would still operate for major issues which were subject to a high level of public interest and other more routine issues would be approved through Individual Cabinet Member decisions with the public still able to make representations.

Public Question on Modernisation of Planning and Highways Committees

Nigel Slack asked, in relation to paragraph 2.1 of the Modernisation of Planning and Highways Committees report, whether he could have some brief details as to the impact of the localism act on these changes?

Mr Slack further asked, in relation to paragraph 2.2, does the City have, and if not should it have, a Heritage Champion - an officer or Councillor not part of the ruling party that can take the devil's advocate role for proposals that may affect the character or heritage of the City? Covering proposals that may affect trees, listed buildings, areas of natural interest, green belt spaces etc. Someone who could be involved in the decision process at an earlier stage than when public scrutiny becomes available. This would also help mitigate the potential to create a tendency towards pre-meeting decisions outside of proper scrutiny as highlighted in paragraph 4.6: "With more major schemes, it can be anticipated there will be greater use of pre-application briefings of the Planning Committee, addressing some Member concerns earlier in the process, and this will help contain the length of time spent on those application reports."

Mr Slack's final question was in relation to paragraph 4.7 of the report. He stated in the light of the detrimental impact this could have for public scrutiny, comment and transparency, could he have an indication of how this would be prevented? For instance, at what stage would digital applications be available for the public to see? How would they be advertised? Under what circumstances would pre-registration be waived? Overall he would rather inconvenience the Committee Members and officers than risk the transparency of the process. Wouldn't you?

In conclusion Mr Slack commented that he recognised that some of the points may be covered by the officer's report later or could be addressed at this stage but expressed his concern that the report pointed out, once again, some of the weaknesses of the current 'questions' process.

Councillor Leigh Bramall, Cabinet Member for Business, Skills and Development (including Transport), responded that the implications of the Localism Act, as highlighted in paragraph 2.1, referred to Neighbourhood Planning Powers and the provision for individual communities to work with the Council to draw up Neighbourhood Plans. This allowed communities to influence the process at the beginning. It was a pro-development measure with the intention of communities helping to shape the way their community developed.

In relation to the request for a Heritage Champion, Councillor Bramall commented that Councillor Tim Rippon was the Design and Heritage Champion for the Council. He sat on the Sustainable Development and Design Panel. Representatives of Sheffield Conservation Advisory Group and English Heritage also attended that meeting.

In respect of the changes to Planning Committees, Councillor Bramall commented that the move towards a single Committee and digital presentations would increase transparency. It was seen as best practice nationally to have one overarching Committee and enabled Members to gain more expertise and a knowledge of the City as a whole. Regarding digital presentations, they were used by all Core Cities apart from Manchester. Reports would still be available in hard copy as they were now. The digital presentations would replace the current process where plans were placed on a display board which were often difficult for Members and members of the public to see. There would be no requirement to pre-register as was feared.

Councillor Julie Dore added that the changes meant it was more important than ever for local Councillors to take the role of community champions and raise issues on behalf of their constituents.

6. ITEMS CALLED-IN FOR SCRUTINY

6.1 There were no items called-in for Scrutiny.

7. RETIREMENT OF STAFF

The Chief Executive submitted a report on Council staff retirements.

RESOLVED: That this Cabinet :-

(a) places on record its appreciation of the valuable services rendered to the City Council by the following staff in the Portfolios below:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
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Children, Young People and Families

Kathryn Evans	Teacher, Ecclesfield School	39
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Communities

Diane Kostka	Young People's Library Service Manager	34
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Derek Milner	Head Occupational Therapist	27
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Place

Susan Millington	Head of Strategy – Business Strategy and Regulation	24
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Resources

Steve Gill	Chief Internal Auditor	26
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Andrew Hobbs	HR Advisor	37
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(b) extends to them 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 them.

8. SHEFFIELD CITY REGION AUTHORITY

8.1 The Chief Executive submitted a report referring to proposals to establish a Sheffield City Region Combined Authority (the SCR Authority) which would combine or bring together the Integrated Transport Authority (ITA) powers and strategic economic development powers in order to align political decision making around strategic Economic Development and Transport.

8.2 **RESOLVED:** That Cabinet recommends to the City Council at its meeting on 3rd April, 2013 that it :-

- (a) endorses the findings of the Governance Review document referred to in Appendix 1, specifically that, establishing a SCR Authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the SCR leading to an enhancement of the economic conditions and performance of the SCR;
- (b) endorses the submission to Government of a Scheme for the establishment of a Sheffield City Region Combined Authority on the basis of the draft annexed at Appendix 2 (the Scheme);
- (c) agrees that the City Council will formally become a constituent member of the SCR Authority, sharing appropriate economic development and transport powers with the SCR Authority, in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and the Local Transport Act 2008(LTA); and
- (d) authorises the Director of Legal and Governance to agree the terms of and enter into any documentation required to enable the City Council to become a constituent member of the SCR Authority.

8.3 Reasons for Recommendation to Council

8.3.1 Following the robust Governance Review commissioned by the Leaders of

Sheffield City Region, it is recommended that Sheffield should agree to formally become a constituent member of a combined authority for Sheffield City Region ('SCR Authority') because of the significant opportunities presents to the City and the City Region. These include:

- Establishing an economic area that is ready for growth, with Sheffield and the wider City Region in the strongest possible position to compete economically both nationally and internationally;
- Emphasising Sheffield role as the engine of growth in a economically powerful city region;
- Creating a shared decision-making structure for the functioning economic geography of the city region where binding decisions can be made once by elected Leaders for the whole of the area;
- Uniting strategic economic and strategic transport decision-making, ensuring that such decisions provide maximum economic benefit for communities across Sheffield City Region (business growth and jobs);
- Delivering a dynamic SCR Authority which will lead the way
- Gaining and using influence by establishing a robust and accountable leadership structure, recognised by Government, which puts SCR at the front of the queue for access to future devolved powers and resources from Whitehall;
- Providing a statutory structure to deliver the existing City Deal and access future economic funding allocations, building on the recent allocation of the £25m Regional Growth Fund to SCR so that the City doesn't miss out; and
- Maximising opportunities for groundbreaking inter-city region collaboration across the north of England with Manchester and Leeds City Regions (e.g. over the devolution of the Northern Rail franchise);

8.4 **Alternatives Considered and Rejected**

8.4.1 The SCR Leaders considered the range of different options available as part of the Governance Review (see p13 of Appendix 1) and concluded that the Combined Authority model was the only solution which addressed the challenges and put SCR in a position to access new opportunities. Other options are considered below:

8.4.2 **Do nothing**

Failure to strengthen SCR governance will compromise the medium to long-term ambitions of the area and therefore be detrimental to the future economic

performance of the city region. Specifically, failure to formalise SCR's governance will mean that the city region will not be able access ~£10 million of devolved transport funding per annum or manage ~£29 million of devolved skills funding agreed as part of our City Region Deal. The "do nothing" option would also be a missed opportunity to better align decision making around strategic economic development, transport and regeneration.

8.4.3 Informal restructure

Like Manchester City Region prior to the development of the Greater Manchester Combined Authority, it was felt that SCR is already stretching the boundaries of which can be achieved through an informal non-statutory partnership. Under this model, Leaders would still have to re-agree decisions at a local level – a process which is cumbersome and sometimes unclear. A legal, corporate body will allow the SCR to make a shared binding decision once, rather than one decision nine times.

8.4.4 Economic Prosperity Board (EPB) only

Whilst this option would give SCR a statutory city region level board for economic decision-making, the model does not involve the incorporation of transport, thus preventing Sheffield City Region from achieving accessing the overwhelming benefits of aligning decision making in relation to strategic economic development and transport under one strategic body.

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

John Mothersole, Chief Executive.

9. RURAL BROADBAND - CONNECTING SHEFFIELD'S RURAL COMMUNITIES

10.1 The Chief Executive submitted a report examining the issues and potential solutions to broadband connectivity in Sheffield's rural communities in response to a motion passed at Full Council in October 2012.

10.2 **RESOLVED:** That Cabinet:-

- (a) recognises the importance of usable broadband access to the wellbeing of the Sheffield's rural communities;
- (b) notes that capital investment from Sheffield City Council is unlikely to be cost effective in delivering a solution;

(c) therefore, agrees that the City Council will support rural communities to find appropriate solutions where communities:-

- Demonstrate demand;
- Are willing to come together and form community groups across rural Sheffield with other rural communities with similar needs (thus making solutions viable for internet providers)
- Engage with Sheffield City Council through the locality management team (subject to resources), locality lead directors and other partners in the city to devise locally-appropriate solutions

10.3 **Reasons for Decision**

10.3.1 Quantitative data from OFCOM and local anecdotal evidence from Members and the Rural Economy study indicate that some rural areas of Sheffield may have slow broadband connectivity or live in 'notspots' with no broadband connectivity. Therefore, while increasing proportions of the city can access high speed broadband, some rural areas may not be able to access standard broadband or experience unusable line speeds. Clearly, this represents a potential digital exclusion issue for city, particularly as more services become available online and business need for internet presence increases.

10.3.2 However, this does not represent a clear business case for direct intervention from Sheffield City Council. The costed estimate for extending the Digital Region network to Dungworth and Worrall was £461k which is simply not financially viable. Further, efforts to access the Government's Rural Communities Broadband Fund in South Yorkshire were unsuccessful due to a lack of demonstrable commitment from potential households and businesses to use broadband services in the selected South Yorkshire rural areas and over-reliance on grant funding from Government to make the scheme viable.

10.3.3 The most successful solutions to broadband connectivity problems in rural areas are community-led, uniting proven local need and ingenuity to deliver affordable and technologically appropriate solutions for their communities.

10.4 **Alternatives Considered and Rejected**

10.4.1 **Do nothing**

Whilst our customer service and support for digital inclusion may be undermined by this option, the rapid development of new technology, resolution of take-up challenges with Digital Region and 4G spectrum auction may deliver solutions for our rural area.

10.4.2 **Council funded infrastructure solution**

Considering the initial costing work done for Dungworth, Worrall and South Yorkshire's Rural Communities Broadband bid, this is prohibitively expensive and undeliverable in the budgetary climate.

10.5 **Any Interest Declared or Dispensation Granted**

None

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

None

10.7 **Respective Director Responsible for Implementation**

John Mothersole, Chief Executive.

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

Economic and Environmental Wellbeing.

10. ALLOCATIONS POLICY

11.1 The Executive Director, Communities, submitted a report on the outcome of the general review of the Lettings Policy to ensure Council housing is allocated in the most efficient way to meet local housing needs. The Safer and Stronger Communities Scrutiny Committee had provided oversight to the work of the Allocations Policy Review Team and extensive public consultation had taken place, including with key stakeholders. The new draft Allocations Policy was attached to the report as Appendix A for consideration by Cabinet.

11.2 **RESOLVED:** That Cabinet:-

- (a) approves the Allocations Policy as set out in Appendix A of the report now submitted;
- (b) grants delegated authority to the Executive Director, Communities, to draw up a scheme of authorisation for Allocations Policy decision making prior to implementation;
- (c) authorises the Executive Director, Communities, to fully implement the new policy at the point when the necessary updating of the Choice Based Lettings Information technology system is completed, with full implementation expected to be 1st April 2014; and
- (d) agrees that a review of the impact of the new policy commence six months after full implementation.

11.3 **Reasons for Decision**

11.3.1 On March 2010, Cabinet resolved to conduct a general review of the Lettings Policy to ensure that council housing is being allocated in the most efficient way to meet local housing needs.

11.3.2 The policy needs to respond to changes in legislation including the Localism Act and the new statutory Code Of Guidance.

11.3.3 Since 2002 the housing market in Sheffield has radically changed. The amount of council housing has reduced considerably due to demolition programmes, stock transfer and Right To Buy, whilst demand for social housing has dramatically increased. The policy needs to address this changed environment.

11.3.4 The final content of the proposed new policy has been informed by comprehensive consultation.

11.4 **Alternatives Considered and Rejected**

The alternative to adopting a new policy would be to retain the current policy. This is not recommended as explained in paragraphs 8.1 to 8.11 of the report. The current policy no longer meets current needs and legislative requirements.

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**

Richard Webb, Executive Director, Communities.

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

Safer and Stronger Communities.

11. **SITE OF THE FORMER NORTON AERODROME, LIGHTWOOD**

12.1 The Executive Director, Resources and Executive Director, Place submitted a joint report seeking approval to negotiate the freehold acquisition by the Council of 18.7 hectares of land at the Former Norton Aerodrome, Lightwood from the Homes and Communities Agency (HCA) with the aim of delivering comprehensive restoration and effective long-term use of the site. The Local Growth Funding (LGF) would be used to finance the acquisition, demolition of the derelict buildings and holding costs pending future disposal(s) when the capital receipt will be used to repay the LGF so that it can be recycled.

12.2 **RESOLVED:** That Cabinet:-

- (a) approves the freehold acquisition of the former Norton Aerodrome from the Homes and Communities Agency;
- (b) delegates authority to the Director of Property and Facilities Management to

agree the terms of acquisition with the HCA and instruct the Director of Legal Services to prepare and complete all necessary documentation to conclude the purchase in accordance with the agreed terms; and

- (c) notes that a capital approval submission for the expenditure has been submitted as part of the agreed monthly budget monitoring process to authorise and procure the necessary capital works and that the relevant Local Growth Fund authorities have been obtained under the agreed delegations.

12.3 Reasons for Decision

- 12.3.1 It would enable the Council to take initiatives to remove dereliction and contamination on a conspicuous and sensitive site.
- 12.3.2 The previously-developed part of the site has potential to deliver some new built development under national Green Belt policy and this could contribute to the Council's strategic housing objectives.
- 12.3.3 It would allow the undeveloped area of the site to be maintained and enhanced to improve the recreational offer for the local community whilst ensuring the ecological issues are addressed.

12.4 Alternatives Considered and Rejected

12.4.1 Do Nothing

The Council could simply do nothing and take the risk that the HCA either sell the site to a developer or submit a planning application. If that was to happen then it is possible that development proposals might be put forward by a developer which are in conflict with Green Belt policy or which are at odds with the wishes of the local community. It also potentially makes it more difficult to negotiate planning benefits and the provision of affordable housing (particularly if the developer has 'over paid' for the site).

There is also a risk that the site would remain in a derelict state whilst the new landowner waited for economic conditions to improve. This could result in the Council having to try to acquire the site at a future date either by agreement or by Compulsory Purchase Order. This is likely to be a more expensive process and at worst could fail, resulting in blight of the area.

12.4.2 Minimal Intervention

The Council would seek to develop a joint scheme with the HCA (who retain ownership). However, the HCA have indicated that they no longer wish to have a maintenance liability. Any hopes they have for significant development (300+ dwellings) could only be delivered, if at all, through a Local Plan Review (which could take 4-5 years with no guarantee of the outcome) and the HCA are unlikely to be willing to wait that long. This would lead to the same risks as doing nothing.

12.4.3 Fund the Project by Alternative Sources

No alternative funding sources are available.

In summary, if the property is not purchased now then the HCA may sell the site on the open market potentially leading to continued blight and anti-social behaviour on the site. It would also be likely to make it more difficult for the Council to achieve its planning objectives for the site and maximise benefits for the local community. There is also a risk that a planning application could be submitted that is contrary to the current policies in the development plan. If the site is sold to a third party, it could also be necessary for the Council to attempt to buy it at a future date if the site remains in a derelict state. This could require a Compulsory Purchase Order. The time and costs involved in that would be much higher than if a purchase by agreement can be completed now.

12.5 **Any Interest Declared or Dispensation Granted**

None

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

None

12.7 **Respective Director Responsible for Implementation**

Laraine Manley, Executive Director, Resources and Simon Green, Executive Director, Place.

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

Overview and Scrutiny Management.

12. MODERNISATION OF PLANNING AND HIGHWAYS AND CABINET HIGHWAYS COMMITTEES

9.1 The Executive Director, Place, submitted a report referring to the Council's support for the introduction of digital presentations of planning applications and to the shrinking size of the agendas for the two area Planning and Highways Committees which provided an opportunity to follow national best practice, to enable efficiency savings, and to establish a single Committee that would be better able to take the wider interests of the City into account. The report also contained proposals to share the remit of the Cabinet Highways Committee with the appropriate Cabinet Member and to increase officer delegation in order to improve efficiency and to reduce the workload of other Cabinet members. The opportunity for the public to make personal representations would still remain.

9.2 **RESOLVED:** That Cabinet:-

(a) recommends to Council that, from May 2013, the existing two Area Planning and Highways Committees be combined into a single Planning

Committee for the whole City;

- (b) agrees that the digital presentation of planning application reports with an enhanced format be introduced at the first meeting of the new, modernised Planning Committee, following any pilot testing that officers deem necessary;
- (c) adopts Option 1 within the report, involving the sharing of Cabinet Highways Committee decisions with the appropriate Individual Cabinet Member, with or without increased delegation to officers, and recommends to the Leader that she amends her Scheme of Delegation to record the fact that decisions reserved to the Cabinet Highways Committee are also reserved to the appropriate Individual Cabinet Member and to reflect the proposals in Appendix A regarding increased officer delegations; and
- (d) authorises the Director of Development Services, in consultation with the relevant Cabinet Member and Director of Legal Services, to make the practical arrangements necessary to introduce the new executive transport and highways decision making arrangements following amendment of the Leader's Scheme as proposed at (c) above;

9.3 **Reasons for Decision**

9.3.1 Option 1 could involve increased officer delegation (a proposed scheme for approval is attached as Appendix A), to reduce Cabinet Member workload, to speed up the decision making and delivery times, and improve efficiency. Essentially, the Individual Cabinet Member concerned and the Cabinet Highways Committee would each have reserved to them, within the Leader's Scheme of delegation, all of the Council's executive functions arising from the Council's roles as the Highway Authority and Road Traffic Authority (other than those specifically reserved to Cabinet and those delegated to officers in accordance with Appendix A). These will include transport and parking matters, where these relate to:

- The Capital Programme;
- Policy statements;
- Matters that have drawn substantial objections from the public;
- Approval of designs of schemes costing in excess of £250,000.

9.3.2 It is also worth noting that the Leader's proposed new scheme provides that any decision that can be taken by an officer can also be taken by an Individual Cabinet Member. Therefore, even where a matter falls to an Officer, the Individual Cabinet Member can choose to make that decision if they so wish.

9.4 **Alternatives Considered and Rejected**

9.4.1 Option 2

A significant proportion of planning decisions are already delegated to officers. The amount of decisions delegated for transport and highways

matters could be increased by:

- Increasing the value of schemes that officers could approve the design of (from say £200k to £1m);
- This could include schemes with some controversial elements;
- Deciding on objections to minor schemes such as local parking restrictions

9.4.2 In this option, all decisions would be in written report format and would be recorded and published. The Cabinet Member and Ward Members (for local schemes) would be involved in the discussions about the decisions. Reasons for the decisions would be clear so that public can understand why and how officers have chosen a particular course of action. There will therefore be a clear and audited trail of accountable decision making.

9.4.3 However, this option would reduce the public's involvement in the decision making process by not allowing direct representations at a public decision making forum.

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**

Simon Green, Executive Director, Place.

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

Economic and Environmental Wellbeing.

13. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2012-13 (MONTH 9)

131 The Executive Director, Resources submitted a report Resources submitted a report which provided the Month 9 Monitoring Statement on the City Council's Revenue and Capital Budget for 2012/13.

13.2 **RESOLVED:** That Cabinet-

(a) notes the updated information and management actions provided by this report on the 2012/13 budget position; and

(b) in relation to the Capital Programme:-

- (i) Notes the proposed additions to the capital programme listed in Appendix 2, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
- (ii) notes the proposed variations and slippage in Appendix 2 and notes the EMT approved variations;
- (iii) approves the variations at Appendix 2 which are within its delegated authority;
- (iv) notes the latest position on the Capital Programme; and
- (v) notes the variations approved by Directors under their delegated authority and the use of the Emergency Approval process as recorded in Appendix 2.

13.3 Reasons for Decision

To formally record changes to the Revenue Budget and 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.

13.4 Alternatives Considered and Rejected

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

13.5 Any Interest Declared or Dispensation Granted

None

13.6 Reason for Exemption if Public/Press Excluded During Consideration

None

13.7 Respective Director Responsible for Implementation

Laraine Manley, Executive Director, Resources.

13.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Overview and Scrutiny Management.

14. JOHN CHALLENGER

- 14.1 The Chair announced that this would be the last meeting attended by John Challenger, Principal Committee Secretary, as he would shortly be retiring following 39 years service at the Council. On behalf of the Cabinet, the Chair thanked Mr Challenger for all his hard work and support and wished him well for the future.

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SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Chief Executive

Date: 10th April 2013

Subject: Staff Retirements

Author of Report: Simon Hughes, Democratic Services

Summary: To report the retirement of staff across the Council's various Portfolios

Recommendations:

Cabinet is recommended to:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by members of staff in the various Council Portfolios and referred to in the attached list;
- (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 above with over twenty years service.

Background Papers: None

Category of Report: OPEN

RETIREMENT OF STAFF

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

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
<u>Chief Executive's</u>		
John Challenger	Principal Committee Secretary	39
Derek West	Principal Research Officer	33
<u>Children, Young People and Families</u>		
Margaret Askham	Learning Support Teacher	22
Nicholas Duggan	Assistant Director	35
Gail Howarth	Teacher, Greenlands Junior School	40
Carol Leggitt	Teaching Assistant, Seven Hills School	26
Julie Petty	Headteacher, Carfield Primary School	35
<u>Communities</u>		
Joyce Barraclough	Library and Information Assistant	30
Ros Grice	Library and Information Assistant	25
Jean Morton	Information Service Officer	32
Angela Rowlands	Strategic Commissioning Manager	32
<u>Place</u>		
Mark Colton	Project Ranger, Parks and Countryside	32
Michael Derrick	Assistant Commercial Manager (Contracts)	35
Michael Fisher	Gardener	37
Keith Flint	Gardener	35
Terence Fox	Environmental Services Officer	32
Elizabeth Ginty	Personal Assistant to the Director of Sustainable Development	39

Steven Goodyear	Gardener	40
Stuart Haley	Environmental Services Officer	29
Paul Jessop	Principal Planning Officer	46
Christopher Megson	Area Team Manager (Enforcement)	21
David Pickering	Nursery Operative	41
Richard Poynton	Head of Business Services	43
Mark Towers	Commercial Services Assistant	38
Paul Whitham	Stores Delivery Driver	39
Avril Wragg	Ranger	28
Christopher Wright	Commercial Services Officer	34
John Wright	Road Safety Data Analyst	27

2. To recommend that Cabinet:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by the above – mentioned 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 above with over twenty years service.

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SHEFFIELD CITY COUNCIL

Report of: Executive Director Place

Date: 10 April 2013

Subject: Stocksbridge Leisure Centre

Author of Report: Paul Billington

Summary:

On January 10th, the City Council (SCC) wrote to Stocksbridge Town Council (STC) to alert them to the option of the potential closure of Stocksbridge Leisure Centre (SLC). The note confirmed that *'the City Council will consult and work with Stocksbridge Town Council'*. Consultation with STC and 4SLC (which defines itself as a *'non-political organisation that represents the community of Stocksbridge'* and set up during the consultation phase) has continued since January 10 and is summarised in this report.

On March 1st 2013, Sheffield City Council set its budget for 2013/14. This included the proposal to withdraw the annual funding from SLC. This report seeks a Cabinet decision on the funding of the centre and on possible next steps.

As part of the consultation process, the City Council and Sport England, in agreement with the Town Council, commissioned an independent consultants' report to review options for SLC and possible alternative options (see Appendix A). Whilst the report did *'not find anything which would challenge the City Council's assessment'* (of SLC) and recognised the Council's facility assessment as *'well formulated'*, it did acknowledge that *'the way forward is for a (new build) local pool of a (smaller) scale which meets the local needs of Stocksbridge'*. The report then assessed the cost and location of future options, including the continued operation of the existing facility. All these options required considerable capital and on-going revenue investment and the report concluded that continued operation or mothballing of the existing main pool at SLC could offer a short term solution whilst *'a new management solution and business plan'* be developed. However, it also concluded that refurbishing the existing facility was *'unlikely to offer value for money in the long term compared to a new pool elsewhere in the town'*.

The recommendations set out in this report reflect the conclusions of the consultants' report but also note the views of 4SLC which said (in a report to SCC and the consultants dated February 26 2013) that *'we recognise there is a budget deficit (on SLC) that is unsustainable'* and that *'the ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge'*. 4SLC also called for SLC to be operated on a *'reduced cost basis for a short-term period'* to allow time to *'generate a full business plan'*.

On March 27, 4SLC submitted to SCC an *'outline business plan for the continued operation of SLC'* (report is dated March 25 2013). This calls for the continued operation of the whole centre but at a significantly lower operating cost. The report describes itself as a *'first step in producing a viable business plan'* but is not a *'fully detailed and extensively researched document'*. Whilst the headlines from the outline plan are included in this report, there has not been time prior to publication of this Cabinet report for SCC and 4SLC to meet and discuss the proposals in detail. This will be done at the earliest opportunity.

Should Cabinet agree to the recommendations in this report, a separate and subsequent report is to be submitted to the Cabinet in its capacity as trustee of the Oxley Park Charity, seeking approval to close and demolish Stocksbridge Leisure Centre, unless STC, 4SLC, STEP or another organisation present either a viable business case to operate the centre from May onwards or present a case for temporary mothballing of the centre up to the end of August to allow further time for STC, 4SLC, STEP or another organisation to develop a business plan.

Reasons for Recommendations:

Government has cut SCC funding over the last 2 years as part of its deficit reduction programme. At the same time, SCC has had to deal with rising costs and increasing demand for its services.

The combined impact of these changes has been significant and the Council has already had to find £130 million of savings to balance the books.

The Council has managed to find these savings without high profile and widespread service closures partly because it has cut back hard on administrative costs like ICT and training, reduced senior management costs, made savings on accommodation, and invested in preventative work that reduces demand for more expensive services.

Government announced before Christmas that public spending cuts would continue until 2018 and that SCC funding would continue to be cut for the next 2 years (at least).

In 2013/14, SCC needs to find £50 million of savings to balance the books, and the savings required to balance the budget in 2014/15 will probably be at least the same again.

The continued squeeze on budgets means that SCC has to make some very difficult choices. SCC priorities will focus on supporting those people who are most vulnerable; safeguarding children, adult social care and measures to support young people into employment. It is inevitable therefore that cuts to the city's sports facilities have to play a part in the Council's budget setting.

The City Council's analysis of facilities concluded that SLC is a large and expensive district facility with relatively low visit levels. To achieve a similar level of saving from alternative facility closures would impact on far greater numbers of people. For example the closure of similar sized/cost venues such as Concord Sports Centre and Hillsborough Leisure Centre would impact on 400,000 visits and 650,000 visits (respectively), as opposed to the 142,000 visits at SLC.

This citywide facility assessment has been endorsed by the independent consultants' report which did *'not find anything which would challenge the SCC (facility) assessment'* and which recognised the SCC assessment was based on making decisions *'which has (sic) the least adverse impact on the least number of residents'*. The report said that the way forward is for a new low cost pool to be built in Stocksbridge given that *'closure of SLC would still leave demands for a local replacement'*. Whilst the report concluded it *'will be very difficult, if not impossible, to operate the current SLC on a community basis'* it suggested that *'it seems prudent to first explore whether there are viable proposals and/or solutions emerging from the community'*. It therefore said that it *'may require a period of mothballing (of the existing centre) prior to a potential re-opening to allow a new management solution and business plan to be developed'*. The consultants also concluded that *'much of the dry side demand can be met from within alternative existing facilities'*.

It should be noted that during the consultation period to date, no alternative sources of revenue funding have been identified or forthcoming.

The recommendations set out in this report reflect the conclusions of the consultants' report and note the views of 4SLC which said (in a report to SCC and the consultants dated February 26 2013) that *'we recognise there is a budget deficit (on SLC) that is unsustainable'* and that *'the ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge'*. The February report by 4SLC also called for SLC to be operated on a *'reduced cost basis for a short-term period'* to allow time to *'generate a full business plan'*.

The 4SLC report dated March 25 called for the continued operation of the entire centre whilst *'an alternative business structure'* is developed. It also indicated that in 2015 work should start on planning for *'a replacement sports and leisure centre in Stocksbridge'*.

Recommendations:

Cabinet is recommended:

1. to withdraw the £400,000 annual subsidy from Stocksbridge Leisure Centre and to serve notice to terminate the Charity Lease;
2. to direct that officers continue to work closely with all interested parties in seeking an affordable and sustainable solution for a new build pool in Stocksbridge and continue to work with user groups at Stocksbridge Leisure Centre to identify possible alternative venues in the area in advance of potential closure or mothballing of the venue;
3. to direct that officers urgently consider the outline business plan submitted by 4SLC in accordance with the authority delegated in accordance with Recommendation 6 and to invite Stocksbridge Town Council and other interested parties to indicate by no later than 19th April 2013 whether they wish to become the sole trustee of the Oxley Park Charity effective from 1st May 2013 (or the earliest feasible date thereafter); and if so:-
 - a. demonstrating a viable business case for the City Council to offer Stocksbridge Town Council or another interested party non-recurring revenue funding for Stocksbridge Leisure Centre in 2013/14 up to a maximum of £125,000 in order to fund EITHER the necessary security and safety arrangements required to mothball Stocksbridge Leisure Centre from 1st May 2013, through to a date no later than 31st August 2013 and to allow further time for Stocksbridge Town Council or another interested party to develop a viable business plan to operate the leisure centre from September 1st 2013, OR as a contribution to the costs of operating Stocksbridge Leisure Centre (in whole or part) from 1st May 2013 based upon the implementation of a viable business plan approved by the City Council prior to that date; and
4. to request that Cabinet, on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolve, in the event that Stocksbridge Town Council or another interested party communicates a desire to become the sole trustee of the Oxley Park Charity and complies with Recommendation 3 and 3a, to appoint Stocksbridge Town Council or another interested party as a trustee of the Charity and for the Council to subsequently resign as trustee of the Charity.
5. In the event that Stocksbridge Town Council or any other interested party either states that it does not wish to become the sole trustee of the Oxley Park Charity or does not provide a viable business case in accordance with Recommendation 3 and 3a:-
 - a) to, in the event that Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolves to close Stocksbridge Leisure Centre and requests that the City Council

- b) to request Sheffield City Trust to conclude the necessary staff redundancy programme at the earliest opportunity with the City Council funding the redundancy payments for the relevant staff
6. to delegate to the Executive Director Place in consultation with the Director of Legal Services, Director of Finance and the Director of Property and Facilities Management and the relevant Cabinet member, the authority to:
- a) determine whether any written proposal put forward by STC or another interested party demonstrates a sufficient case to justify the City Council providing revenue funding to STC or another interested party for the purpose specified in 3 and 3a) above and if so;
 - b) enter into any necessary arrangements and documents to put into effect the outcomes in relation to the Recommendations above.

Background Papers:

Sheffield City Council Revenue Budget Report to Council, March 1 2013

Review of SLC – Neil Allen Associates (March 8 2013) (Appendix A)

4SLC Proposal for SLC (February 26 2013) (Appendix B)

Equality Impact Assessment (Appendix C)

4SLC Outline Business Plan (March 25 2013 (Appendix D)

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: Steve Eccleston
Equality of Opportunity Implications
YES Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
YES
Community Assembly(s) affected
North
Relevant Cabinet Portfolio Leader
Cllr Isobel Bowler

Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

1 SUMMARY

On January 10th, the City Council (SCC) wrote to Stocksbridge Town Council (STC) to alert them to the option of the potential closure of Stocksbridge Leisure Centre (SLC). The note confirmed that *'the City Council will consult and work with Stocksbridge Town Council'*. Consultation with STC and 4SLC (which defines itself as a *'non-political organisation that represents the community of Stocksbridge'* and set up during the consultation phase) has continued since January 10 and is summarised in this report.

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The recommendations set out in this report reflect the conclusions of the consultants' report but also note the views of 4SLC which said (in a report to SCC and the consultants dated February 26 2013) that *'we recognise there is a budget deficit (on SLC) that is unsustainable'* and that *'the ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge'*. 4SLC also called for SLC to be operated on a *'reduced cost basis for a short-term period'* to allow time to *'generate a full business plan'*.

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'first step in producing a viable business plan' but is not a *'fully detailed and extensively researched document'*. Whilst the headlines from the outline plan are included in this report, there has not been time prior to publication of this Cabinet report for SCC and 4SLC to meet and discuss the proposals in detail. This will be done at the earliest opportunity.

Should Cabinet agree to the recommendations in this report, a separate and subsequent report is to be submitted to the Cabinet in its capacity as trustee of the Oxley Park Charity, seeking approval to close and demolish Stocksbridge Leisure Centre, unless STC, 4SLC, STEP or another organisation present either a viable business case to operate the centre from May onwards or present a case for temporary mothballing of the centre up to the end of August to allow further time for STC, 4SLC, STEP or another organisation to develop a business plan.

2 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

The independent consultants' report concluded that the withdrawal of funding from SLC and its potential subsequent closure *'would still leave demands for a local replacement'* and that this is best achieved via a local (new build) pool in the town. However, it also said *'we understand and agree with the SCC view that the Hillsborough, Chapeltown and Hoyland pools are accessible to the majority of Stocksbridge residents'* and that *'access to cars by households in the Stocksbridge area is much higher than the city average'* and *'the majority (74%) of visits to swimming pools are undertaken by car'*.

It is recognised that those households without a car are the most disadvantaged by any service closure and therefore SCC will continue to work on options to mitigate the impact of the potential closure of SLC on these households.

The independent study acknowledged that *'the SCC assessment is based on comparison using consistent data applied to all centres/locations and making choices and decisions based on a balancing of all factors to determine the best way forward..... which is beneficial to all residents. Whilst making choices and decisions in any reductions in provision which has the least adverse impact on the least number of people'*.

To achieve a similar level of saving, alternative facility closures would impact on far greater numbers of people and indeed on greater numbers of least mobile households i.e. those without a car.

In summary, therefore, the withdrawal of funding from SLC means that alternative facility closures which would adversely impact on

far greater numbers of Sheffield people can be avoided. However, work should continue to find an affordable and sustainable solution to providing a swimming facility in Stocksbridge in the form of a small scale, new build pool.

3 OUTCOME AND SUSTAINABILITY

The Oxley Park Charity cannot afford to operate SLC without significant financial support.

The independent study said that the current pool is '*unlikely to offer value for money in the long term compared to a purpose built, energy efficient new pool elsewhere in the town*'. . It concluded therefore that '*the way forward is for a (new build) local pool of a (smaller) scale which meets the local needs of Stocksbridge*'. The report then assessed the cost and location of future options, including the continued operation of the existing facility. All these options required considerable capital and on-going revenue investment and the report concluded that continued operation or mothballing of the existing main pool at SLC could offer a short term solution whilst '*a new management solution and business plan*' be developed.

SCC has continued to develop its Equality Impact Assessment (Appendix C). This concludes that the proposed closure of SLC would be 'equality neutral' by impacting the same on the community regardless of age, sex, race, faith, disability, sexuality etc. i.e. no disproportionate impact on any groups with protected characteristics. This could be compared for example with alternative facility closures in the city where there is a more significant usage by groups with protected characteristics. It also indicates the closure would impact on relatively low numbers of participants, a low number of households and relatively few schools. In particular, it would impact on relatively few non-car households (i.e. the least mobile households). It also points to the relatively high mobility of the local population i.e. relatively high car ownership in Stocksbridge (9th highest ward in the city) and 35% of households with 2 or more cars (compared to a city average of 24.5%).

4 OPTIONS

Consultation

SCC wrote to STC on January 10 informing them of the proposal to withdraw funding from SLC. Unfortunately, this followed a leaked BBC report on SLC funding on January 9. (The Director of Culture had called the Mayor of Stocksbridge the previous day to inform her about the impending news leak). SCC had planned to give STC prior notice of a scheduled start to public consultation (January 15).

The January 10 note confirmed that '*the City Council will consult*

and work with Stocksbridge Town Council'. Subsequently, STC called a major public consultation meeting on January 21st at the Venue. This was attended by around 500 local people and the Cabinet Member for Culture, Sport and Leisure, the Director of Culture and Environment and the Chief Executive of SIV attended. The Cabinet Member and Director presented the proposal and then (with the SIV CEO) answered public questions.

Subsequent to the public meeting, a working group was formed by the community – 4SLC. From this point onwards, SCC has focused its consultation on STC and 4SLC – the former offering a formal political interface with SCC and the latter offering an interface with an extensive community network/campaign. In addition, STEP (a local enterprise partnership) has played a key role in the consultation as part of the 4SLC network.

Following the meeting on January 21st, SCC also agreed to continue to fund the operation of SLC until April 30 in order to further extend the consultation period and allow additional time for the community to develop alternative operating models for the centre.

During the period since January, SCC has held two formal meetings with STC – February 1 and March 11. In addition, the Director of Culture attended a STC meeting on March 5 and was invited (but subsequently asked not to attend) on March 14. At the meeting on March 11, SCC suggested to the Town Council that they may have to be part of any future solution for SLC.

Independent consultants were engaged by SCC and Sport England and their brief was discussed and agreed with STC at the February 1st meeting. Their role was to consult with key stakeholders and develop options for SLC and other potential sites. They presented their findings to SCC and STC at the March 11 meeting.

The consultants, with the Director of Culture, met with 4SLC on February 12 and February 26. On February 12, meetings also took place between STC and the consultants and between the consultants (and the Director) and Dransfield Properties Limited and Stocksbridge High School. A further meeting took place of the consultants (and the Director) with a range of SLC user groups on February 26.

Further detailed consultation has taken place between the SLC manager/SCC officers with SLC user groups to update them on the proposal and to assist them in considering their future options. A total of 16 meetings have so far taken place with users. Discussions have also taken place with the local primary schools (in both Sheffield and Barnsley) which currently use the SLC pool.

SCC held citywide public consultation events on sports facilities budget proposals on January 23 and 24. These took place at Sheffield Town Hall. Further information explaining the Council's proposal has been available on the SCC website since January.

On February 7, the Director wrote to STC inviting them to submit 'a short written summary to the consultant on their key questions, concerns and possible solutions'. Subsequently, 4SLC submitted a report to SCC and the consultants (dated February 26) which accepted 'the deficiencies of the current building', the 'unsustainable' budget deficit on SLC and concluded that 'the ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge'. However, they proposed that SLC be operated on a 'reduced cost basis' and that during this period 4SLC would 'generate a full business plan' with a long term goal of operating the 'centre as a community facility, fully independent of SCC and SIV'. They suggested that SLC (pool and 'more limited dry side' operation) could be operated by reducing costs by around £200K-£240K. The consultants' report said that the main pool could operate for between £130K-180K plus elements of required refurbishment, giving a total of between £207K and £257K.

Over and above the consultation meetings, extensive e-mail correspondence has taken place between the Director and STC and 4SLC primarily regarding requests for SLC data. Extensive information has therefore been provided covering budget actuals and forecasts; previous year budgets, visit data, energy costs, pay rates, staffing structure, capital investment requirements, condition surveys etc.

At the SCC/STC meeting on March 11, the offer for the Director to attend further consultation meetings was made. STC invited the Director to the March 14 STC meeting – but on the afternoon of the meeting, the Director was asked by the Town Clerk not to attend. No further invitations have been offered. The notes of the meeting on March 11 confirmed the request from SCC to STC to 'set out a formal proposal and options and/or a formal response to the SCC proposed withdrawal of funding'. This request was followed up by e-mail from the Director to STC on March 15 which confirmed a deadline for a written response from either the Town Council and/or 4SLC by March 25th. This would allow time for any views or options to be reflected in this Cabinet report. Alternatively (or in addition to), it was confirmed that STC has the option of making a short statement at the Cabinet meeting on April 10. A response from 4SLC was received by SCC on March 27. (report dated March 25)

On March 14, STC wrote to SCC to 'cease all further communications' citing an absence of 'meaningful consultation'.

SCC responded by confirming it remained '*committed to ongoing dialogue and communication*' with STC'. However on March 27, SCC received an outline business plan (dated March 25) from 4SLC for the continued operation of SLC. SCC agreed to meet 4SLC at the earliest opportunity to discuss the plan as part of the on-going consultation process.

SCC has answered a number of public requests for information and letters of complaint.

Independent consultants' report

SCC and Sport England commissioned an independent study by Neil Allen Associates (a Sport England approved company) of the options for SLC. This was done in agreement with STC and they accepted the brief for the study and were sent the CVs of the individual consultants. STC met with the consultants on February 12. The consultants' findings were presented by the consultants to STC and SCC on March 11 2013 and the report was circulated to STC and 4SLC at the meeting.

Based on the report and the consultants' presentation of their findings (on March 11), a summary of the study's conclusions is as follows:

- From a citywide perspective, SLC closure would have least impact on the least number of people – compared to alternative facility closures to achieve the same level of saving
- '*Hillsborough, Chapeltown and Hoyland pools are accessible to the majority of Stocksbridge residents*' and that '*access to cars by households in the Stocksbridge area is much higher than the city average*' and '*the majority of visits to swimming pools are undertaken by car*'.
- SLC is of 'district' scale in terms of size and cost – but 'local' in terms of reach, visit levels and catchment
- However, displacement of SLC usage – particularly swimming – would place further pressure on the 3 nearest pools. The extra demand can be absorbed but these facilities are already busy – including Hillsborough LC
- There would be no major unmet demand if the current sports hall had to close. (*'much of the dry side demand can be met from within alternative existing facilities'*)
- There is no easy replacement for the specialist bowls facility. Unfortunately dedicated bowls centres are usually not viable. Alternatives for SLC bowlers would have to be long/short mat bowls at other venues – in the town or beyond
- Closure of the pool would leave outstanding demand from local people for a (small) local pool serving the town and immediate area
- A new build pool @ 25M x 4 lane would be the best pool

- The gym at SLC is under-utilised and there is likely to be a commercial budget gym as an alternative at the Fox Valley development
- No capital grants are currently available to fund a new facility – including Sport England. So any new build has to carry the ‘cost of capital’ as well as running costs
- Options were examined at High School, Fox Valley and the Venue
- For all new pool options – the full cost would be between 200K-300K per annum (covering the cost of capital and running costs)
- Existing pool option – main pool only would still require allowance for some on-going repairs etc. Estimate of 207K-£257K – including running costs of between £130K-£180K
- All cost estimates are presented on a range of low to high. The low figure based on a community management model and the high based on a more traditional public sector model
- There could be an interim option of closing and later re-opening the existing main pool under a new business model to allow time to further pursue new build options for a pool. This would require a pool closure and mothballing period and the re-opening would have to be operated as a new business. However, the consultants also noted that it would be *‘very difficult if not impossible’ to operate the current SLC on a community basis’*.

It should be noted that the 4SLC report dated March 25 regards the consultants’ conclusions and recommendations as *‘seriously flawed’*

5 PROPOSAL

In considering the conclusions of the consultants’ report and the consultation response presented to SCC by 4SLC (February 26 and March 27), the following approach is proposed and is reflected in the report recommendations:-

a) The SCC assessment, endorsed by the independent consultants’ study and recognised by 4SLC is that the budget deficit at the current centre is unsustainable. The study also concluded that from a city perspective, the closure of SLC would have the *‘least adverse impact on the least number of people’*. The facility is over-sized in scale and cost for the local community it serves and the consultants said refurbishment is *‘unlikely to offer value for money in the long term compared to a purpose built, energy efficient new pool’*. The consultants therefore concluded there is a need for a *‘right size pool in the right location to meet*

local demand and that *'the scale of swimming pool to meet this demand is a 25Mx 4 lane tank. . They also concluded that 'dry side demand can be met from within alternative existing facilities'*. The proposal therefore is to withdraw the £400K subsidy from SLC but for all parties to continue to work together to examine alternative options at the existing centre and new build options within Stocksbridge. To date, no alternative sources of revenue funding have been identified or forthcoming.

b) Both the consultants and 4SLC indicated there may be value in supporting SLC for an *'interim period'* on a *'reduced cost basis'* to allow time to generate a business plan for its future operation. Therefore, if STC, 4SLC or STEP request a further period of time (beyond April 30) to develop a viable business plan for the existing centre, then this should be considered by SCC and temporary financial support (from the SCC allocated 13/14 revenue budget for SLC) be offered for mothballing costs to cover this period.. Equally, if STC, 4SLC, STEP or another organisation came forward with a viable business plan to continue the operation of the centre from May 1st, this should also be considered with temporary SCC financial support (also from the SCC allocated 13/14 revenue budget for SLC). The outline plan submitted by 4SLC on March 25 calls for the continued and full operation of the centre at reduced cost. Further early discussion is scheduled to assess the detail of this plan.

c) given that current SCC funding terminates on April 30, if by April 19 a viable business plan is not forthcoming or a request is not made for a reasonable but limited period of additional time to develop a viable plan, SCC's capital allocation for SLC should be used for demolition of the centre and the reinstatement of the site to parkland. The staff redundancy costs relating to closure prior to demolition or closure prior to mothballing will be met by SCC

6 BENEFITS

The proposal focuses on continuing to explore a new build option for a pool. It also offers potential additional time and financial support (for mothballing) for STC, 4SLC, STEP or another organisation to produce a viable business plan for the existing centre. If this proves achievable, then SCC can offer the balance (after meeting initial mothballing costs) of its available revenue support for SLC in 13/14 to contribute towards potential operating costs for the remainder of 13/14. If all options fail, then SCC can meet demolition costs and any necessary staff redundancy costs.

7 RISKS

There are a number of risks:-

- a) STC, 4SLC, STEP or another organisation by April 19 do not present a viable business plan or request a reasonable

- b) STC, 4SLC, STEP or another organisation request a mothballing period beyond April 30, but are subsequently unable to produce a viable business plan. In this case, the centre would be demolished after August 31st
- c) No viable plan is found to develop an affordable and sustainable new pool in the town and the existing centre also closes. In which case SLC customers would be required to travel to alternative facilities.

8 FINANCIAL IMPLICATIONS

Government has cut SCC funding over the last 2 years as part of its deficit reduction programme. At the same time, SCC has had to deal with rising costs and increasing demand for our services.

The combined impact of these changes has been significant and the Council has already had to find £130 million of savings to balance the books.

The Council has managed to find these savings without high profile and widespread service closures partly because it has cut back hard on administrative costs like ICT and training, reduced senior management costs, made savings on accommodation, and invested in preventative work that reduces demand for more expensive services.

Government announced before Christmas that public spending cuts would continue until 2018 and that SCC funding would continue to be cut for the next 2 years (at least).

In 2013/14, SCC needs to find £50 million of savings next year to balance the books, and the savings required to balance the budget in 2014/15 will probably be at least the same again.

The continued squeeze on budgets means that SCC has to make some very difficult choices. SCC priorities will focus on supporting those people who are most vulnerable; safeguarding children, adult social care and measures to support young people into employment. It is inevitable therefore that cuts to the city's sports facilities have to play a part in the Council's budget setting.

The saving to SCC from closing SLC is £400K. These savings are recurrent in future years, so for example, the saving in the first 5 years will be £2M. In the first year of closure, SCC will meet one-off closure costs of redundancy (estimated at £200K) and an estimated one-off capital cost of demolition of £105K. The latter will be met from the Council's Corporate Resource Pool. If a mothballing period is agreed with STC, 4SLC, STEP or another

organisation, then mothballing costs will be incurred up to a date no later than August 31 2013. These will be met by the retained revenue to cover mothballing for SLC in 13/14.

In addition, SCC's agreement to fully operate SLC to the end of April 2013, will cost up to £40K. This will be met either from any unallocated retained revenue for SLC or will be managed from within the wider 13/14 Place Portfolio budget.

To date, no alternative sources of revenue support have been identified or forthcoming.

9 LEGAL IMPLICATIONS

There isn't a formal Statutory obligation to provide leisure centres or swimming pools such as Stocksbridge. However, in making a decision to reduce or stop funding such discretionary facilities, the council must have due regard to S149 The Equality Act 2010 ("The Public Sector Equality Duty" (PSED)).

In particular, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

By S149(3), having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to— .

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

By S149(7) the relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

The Council delivers such obligations through the preparation of its Equality Impact Assessment (EIA) which is attached. This must be considered and taken account of by Cabinet in making its decisions.

There is no Statutory obligation to consult with leisure centre users and interested parties in relation to the decisions about leisure centres but it is considered good practice to do so. The results of consultation and dialogue in respect of Stocksbridge Leisure Centre are contained within this report and should be taken account of by Cabinet in reaching its decision.

The City Council holds part of the Leisure Centre site pursuant to the Charity Lease. This lease is a business tenancy governed by the provisions of the Landlord and Tenant Act 1954 (“the LTA 1954”). Although the fixed term of the Charity Lease has expired, it continues, by virtue of the provisions of Section 24 of the LTA 1954, until terminated by notice given by either party. Pursuant to Section 27 of the LTA 1954, the City Council, as tenant, is entitled to terminate the Charity Lease, at any time, upon the giving of not less than 3 months’ notice.

It is not considered that the funding to be granted amounts to state aid in contravention of Article 107(1) of the Treaty on the Functioning of the European Union. However, in the event that the funding is determined to be state aid, the funding to be granted is de minimis aid pursuant to EC Regulation 1998/2006.

10 PROPERTY IMPLICATIONS

The property implications from this report are the subject of a separate report to the Oxley Park charity. However should they request the support of the Council re demolition or disposal this report seeks permission to provide such support.

By virtue of an historical anomaly, the City Council hold part of the Leisure Centre site on under a lease from the Oxley Park Charity (“the Charity Lease”) and hold the remainder of the site as trustee of the Oxley Park Charity. The fixed term of the Charity Lease has expired and the City Council is holding over. This means that the Lease can be terminated at any time upon the giving of three months’ notice.

11 ALTERNATIVE OPTIONS CONSIDERED

The Council has assessed all facilities in terms of potential savings and the impact of any closures across the city. The conclusions of this citywide analysis match those of the consultants i.e. that alternative facility closures (to SLC), to achieve a similar level of saving would impact on a far greater number of people and therefore have greater impact on sports participation and health.

In addition, the independent consultants’ report examined all options for alternative provision of facilities within the town. It concluded that a new build, (small) lower cost pool would be the best way forward. It also recognised that mothballing or temporary operation of the existing centre for a limited period to allow further

time for development of a business may be an option.

4SLC has also reviewed options. It concluded in its report (February 26) that the budget deficit on SLC is '*unsustainable*' and that the '*ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge*'. 4SLC also called for SLC to be operated on a '*reduced cost basis for a short-term period*' to allow time to '*generate a full business plan*'. The 4SLC report (dated March 25) offered an '*outline business case*' which concluded that SLC should remain open and could be operated at a considerably reduced cost. It proposes that SIV remain as the operator, with community management taking over within 2 years.

The report acknowledged that it was a '*first step in producing a viable business plan*' and '*did not set out to be a fully detailed and extensively researched document*'. SCC has agreed to meet 4SLC at the earliest opportunity to discuss the plan as part of the on-going consultation process.

It should be noted that the consultation period has so far not identified any alternative revenue funding to support SLC. SCC suggested to the Town Council at the March 11 meeting that they may have to be part of any future solution for SLC. To date there has been no offer of potential financial support from the Town Council.

12 REASONS FOR RECOMMENDATIONS

Government has cut SCC funding over the last 2 years as part of its deficit reduction programme. At the same time, SCC has had to deal with rising costs and increasing demand for its services.

The combined impact of these changes has been significant and the Council has already had to find £130 million of savings to balance the books.

The Council has managed to find these savings without high profile and widespread service closures partly because it has cut back hard on administrative costs like ICT and training, reduced senior management costs, made savings on accommodation, and invested in preventative work that reduces demand for more expensive services.

Government announced before Christmas that public spending cuts would continue until 2018 and that SCC funding would continue to be cut for the next 2 years (at least).

In 2013/14, SCC needs to find £50 million of savings to balance the books, and the savings required to balance the budget in

2014/15 will probably be at least the same again.

The continued squeeze on budgets means that SCC has to make some very difficult choices. SCC priorities will focus on supporting those people who are most vulnerable; safeguarding children, adult social care and measures to support young people into employment. It is inevitable therefore that cuts to the city's sports facilities have to play a part in the Council's budget setting.

The City Council's analysis of facilities concluded that SLC is a large and expensive district facility with relatively low visit levels. To achieve a similar level of saving from alternative facility closures would impact on far greater numbers of people. For example the closure of similar sized/cost venues such as Concord Sports Centre and Hillsborough Leisure Centre would impact on 400,000 visits and 650,000 visits (respectively), as opposed to the 142,000 visits at SLC.

This citywide facility assessment has been endorsed by the independent consultants' report which did *'not find anything which would challenge the SCC (facility) assessment'* and which recognised the SCC assessment was based on making decisions *'which has (sic) the least adverse impact on the least number of residents'*. The report said that the way forward is for a new low cost pool to be built in Stocksbridge given that *'closure of SLC would still leave demands for a local replacement'*. Whilst the report concluded it *'will be very difficult, if not impossible, to operate the current SLC on a community basis'* it suggested that *'it seems prudent to first explore whether there are viable proposals and/or solutions emerging from the community'*. It therefore said that it *'may require a period of mothballing (of the existing centre) prior to a potential re-opening to allow a new management solution and business plan to be developed'*. The consultants also concluded that *'much of the dry side demand can be met from within alternative existing facilities'*.

It should be noted that during the consultation period to date, no alternative sources of revenue funding have been identified or forthcoming.

The recommendations set out in this report reflect the conclusions of the consultants' report and note the views of 4SLC which said (in a report to SCC and the consultants dated February 26 2013) that *'we recognise there is a budget deficit (on SLC) that is unsustainable'* and that *'the ideal longer term solution may to be (sic) a new build and more financially sustainable facility in Stocksbridge'*. The February report by 4SLC also called for SLC to be operated on a *'reduced cost basis for a short-term period'* to allow time to *'generate a full business plan'*.

The 4SLC report dated March 25 called for the continued operation of the entire centre whilst '*an alternative business structure*' is developed. It also indicated that in 2015 work should start on planning for '*a replacement sports and leisure centre in Stocksbridge*'.

13 RECOMMENDATIONS

Cabinet is recommended:

1. to withdraw the £400,000 annual subsidy from Stocksbridge Leisure Centre and to serve notice to terminate the Charity Lease;
2. to direct that officers continue to work closely with all interested parties in seeking an affordable and sustainable solution for a new build pool in Stocksbridge and continue to work with user groups at Stocksbridge Leisure Centre to identify possible alternative venues in the area in advance of potential closure or mothballing of the venue;
3. to direct that officers urgently consider the outline business plan submitted by 4SLC in accordance with the authority delegated in accordance with Recommendation 6 and to invite Stocksbridge Town Council and other interested parties to indicate by no later than 19th April 2013 whether they wish to become the sole trustee of the Oxley Park Charity effective from 1st May 2013 (or the earliest feasible date thereafter); and if so:-
 - a) demonstrating a viable business case for the City Council to offer Stocksbridge Town Council or another interested party non-recurring revenue funding for Stocksbridge Leisure Centre in 2013/14 up to a maximum of £125,000 in order to fund EITHER the necessary security and safety arrangements required to mothball Stocksbridge Leisure Centre from 1st May 2013, through to a date no later than 31st August 2013 and to allow further time for Stocksbridge Town Council or another interested party to develop a viable business plan to operate the leisure centre from September 1st 2013, OR as a contribution to the costs of operating Stocksbridge Leisure Centre (in whole or part) from 1st May 2013 based upon the implementation of a viable business plan approved by the City Council prior to that date; and
4. to request that Cabinet, on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolve, in the event that Stocksbridge Town Council or another

5. In the event that Stocksbridge Town Council or any other interested party either states that it does not wish to become the sole trustee of the Oxley Park Charity or does not provide a viable business case in accordance with Recommendation 3 and 3a:-
 - a) to, in the event that Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolves to close Stocksbridge Leisure Centre and requests that the City Council demolish the buildings and restore the site, arrange and fund the demolition and the reinstatement of the site to parkland;
 - b) to request Sheffield City Trust to conclude the necessary staff redundancy programme at the earliest opportunity with the City Council funding the redundancy payments for the relevant staff
6. to delegate to the Executive Director Place in consultation with the Director of Legal Services, Director of Finance and the Director of Property and Facilities Management and the relevant Cabinet member, the authority to:
 - a) determine whether any written proposal put forward by STC or another interested party demonstrates a sufficient case to justify the City Council providing revenue funding to STC or another interested party for the purpose specified in 3 and 3a above and if so;
 - b) enter into any necessary arrangements and documents to put into effect the outcomes in relation to the Recommendations above.

APPENDIX A

Review of Stocksbridge Leisure Centre

Assessment of Demand and Subsequent Options Appraisal for Provision of Indoor Sports Facilities

8 March 2013

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*A limited company, registered in
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Appendices

Appendix One: Summary of key factors relating to the Stocksbridge Leisure Centre SCCI

Appendix Two – Summary of Facility Options

1. Introduction

Introduction

1. Sheffield City Council (SCC) and Sport England commissioned Neil Allen Associates Ltd to undertake an independent review of the Stocksbridge Leisure Centre. The purposes of the review are to consider the rationale and evidence base assessment of the demand for the centre. Based on the demand assessment review and if this shows there is an evidence based case for an indoor sports centre facility in Stocksbridge then what are the options to meeting this provision? This report sets out the findings from this independent review.
2. The report contains the following sections:
 - Context for the study;
 - Assessment of demand for the Stocksbridge Leisure Centre or sports facilities located in Stocksbridge (key findings for this section are presented in boxed summaries; and
 - Options appraisal.
3. Neil Allen Associates (NAA) is an independent sports consultancy. It has been appointed by Sport England onto its Framework Agreement for sports consultancies to provide clients with strategic planning advice and sports facility project appraisals for all types of indoor and outdoor sports and recreational facilities.

Context for the Project

4. The brief provided by the City Council and Sport England takes as its starting point that the City Council has decided it can no longer continue to provide the financial subsidy to maintain the Stocksbridge Leisure Centre (SLC) from end of April 2013 onwards. The estimated and budgeted financial support to the SLC from the City Council in financial year 2012 – 2013 is £400,000.
5. The purposes of this independent review are not to review the City Council's decision but to consider if there are options other than direct support from the City Council to maintain the SLC, or, develop an indoor sports facility in Stocksbridge, if there is an identified demand?
6. This could be: retention of the existing centre as is; retention of the existing centre in some modified form; development of alternative existing alternative venues within Stocksbridge, acknowledging there are no other existing alternative swimming pools in the Stocksbridge area; development of new indoor sports facilities of a scale to meet the sports facility demands of the Stocksbridge population.
7. Any option appraisal has, however, to first be based on an assessment of demand, simply to establish if there is a demand for a sports facility in Stocksbridge – not just assume.

8. It has been said to us many times there is a demand for a Stocksbridge indoor sports facility, however when we have challenged on what this is – namely which are the core facilities, where and how could this be met there are then variations in the responses.
9. Establishing a clear demand and agreed brief on the fundamental type/scale of sports facilities required and which meets the sporting and recreational participants is the start point. Then assess what are the options to meet this demand, at what cost, who provides and how is it managed to achieve what outcomes
10. It is recognised and has been said to us many times “the SLC is a district wide centre in terms of its scale and range of actual sports facilities but it serves a local Stocksbridge catchment area and population” This is a broad description but it does encapsulate the dimensions of a city wide perspective on the SLC and another perspective which is Stocksbridge based.
11. It is not the role or remit of this independent study to start from a complete assessment of the sports and recreational facility demands of indoor sports and recreational facilities in Stocksbridge and assess the role the existing SLC plays in meeting those demands.
12. It is the role of this study to review the findings of the City Council and the local Stocksbridge view of how demands have been assessed. It is recognised that the City Council facility assessment, including that of SLC is: well formulated; based on a financial case; does consider and identifies alternative venues to meet the needs of Stocksbridge residents - all based on the City Council decision to withdraw funding for the SLC from the end of April 2013.
13. It is also recognised that residents of Stocksbridge, the Stocksbridge Town Council, the 4 Stocksbridge Leisure Centre organisation and representatives of user groups from individual sports and activities at SLC have their own views on the needs for indoor sports facilities in Stocksbridge, many of these views do coalesce.
14. We do consider it is important to “play back” these differing dimensions because it does present a more rounded case of the assessment of demand for sports facilities in Stocksbridge. This is not done to challenge the City Council decisions reached – at all. It is done to present a wider perspective on these decisions and this is very useful in developing a more rounded assessment of the type and scale of sports and recreational facilities needed in Stocksbridge in the future.
15. Even more importantly the “Stocksbridge perspective” provides important context and content for some of the future options and, in particular how sports facilities could be financed and managed. These are important dimensions to integrate into the development of viable future options for the demand, scale, location, financing and operation of a Stocksbridge indoor community sports facility.

The Sheffield City Council Case and Stockbridge Case - Comparisons and Absolutes

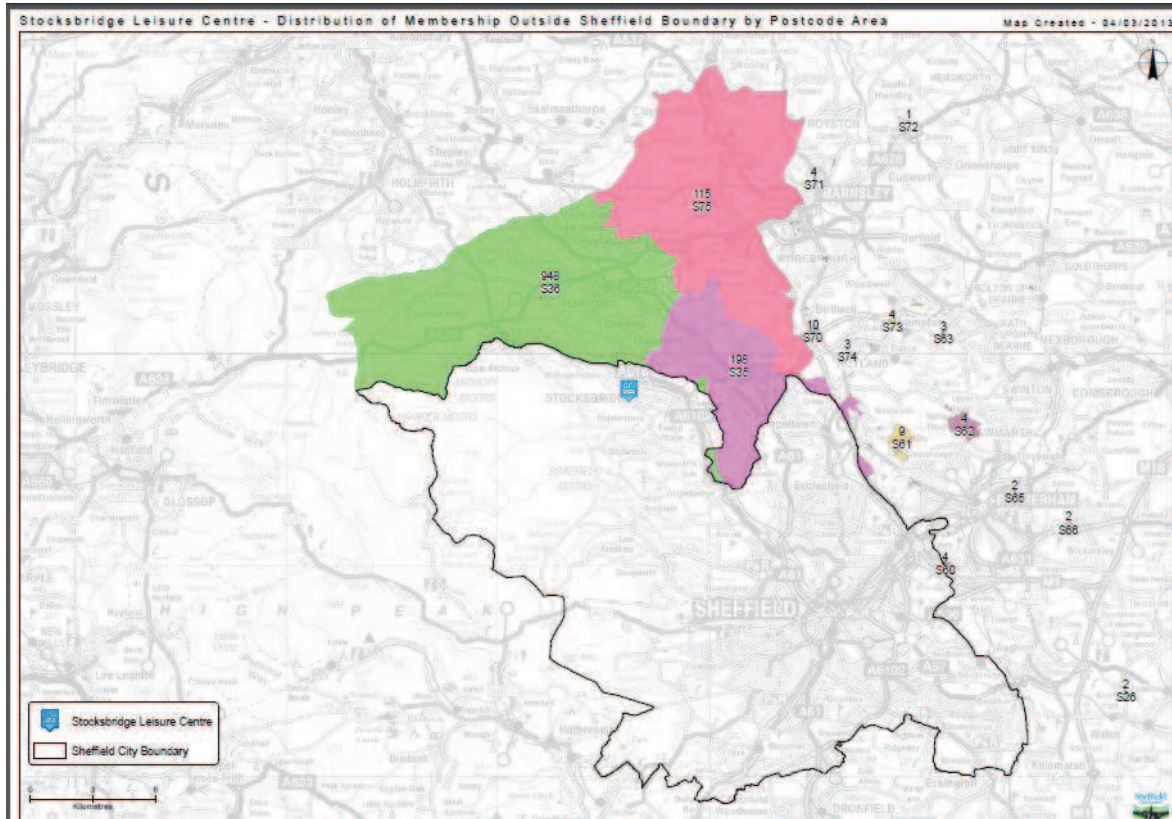
16. In summary and shorthand terms, the City Council decision is based on visitor numbers, demographics and cost comparisons of existing sports centres. Then making decisions on changes in provision based on the least impact on the least residents. Acknowledging explicitly that SCC does not want to reduce sports provision for its residents at all but it has to make savings to balance the City Council budget in 2013 – 2014 and beyond. (Appendix 1 to this report sets out the SCC headlines facts and figures for the comparisons of visitor numbers, costs comparisons and demographics for each sports and leisure centre in the city).
17. Our independent assessment of the City Council review and data applied does not identify anything which would challenge the City Council assessment – from its city wide responsibilities to all residents. However we do consider there is another perspective and context in which the decisions have an impact and we consider the Stocksbridge perspective does need to be considered alongside the City wide perspective.
18. In summary terms, the City Council assessment is based on comparisons, using consistent data applied to all centres/locations and making choices and decisions based on a balancing of all factors to determine the best way forward, in providing sports and recreational facilities and a service which is beneficial to all residents. Whilst making choices and decisions in any reductions in provision which has the least adverse impact on the least number of residents.
19. The Stocksbridge assessment (to use a collective term for all Stocksbridge groups) is an absolute perspective; it is more than about comparisons and alternative venues. The Stocksbridge assessment is that there is a continuing demand for this facility. Closure of SLC would still leave demands for a local replacement. This in terms of meeting the Stocksbridge demands for the range of facilities provided by SLC. The Stocksbridge views about the alternatives identified by SCC are that: there longer travel times to the alternative venues (especially for those households without a car) than those identified by SCC; the cost of car travel is not factored in, bus trips are at least 2 buses and do not take participants to the actual venues and so the travel times to and back are an under estimate; the programming times for activities at other venues may not be the same as at SLC, plus and probably more importantly, can these other venues absorb the SLC uses in any case. This is particularly the case for swimming club use, lane/fitness swimming and for gymnastics. Finally there are not purpose built/dedicated alternative venues for a particular sport (indoor bowls).
20. It is a practical assessment and view that there is a continuing demand for an indoor sports centre in Stocksbridge and the challenges to travel/reach the alternative venues within the travel times identified. Plus meet the travel cost and time, gain access for the types and range of activities at alternative venues that are provided at SLC. In short it is a local perspective of demand in every sense, coupled with a view about the high occupancy of all the city pools, including in the north of the city, means there are concerns as to whether these pools can absorb the Stockbridge swimming range of uses

21. Our approach has been to consider both perspectives not to arbitrate between them but to assess if there is a local case for a local sports facility to meet the local demands of Stocksbridge. Local centre for local purposes not a district wide centre which serves a local catchment. There has to be a demand case identified – type and scale of core facilities - on which to base the options and then determine how it can be provided.
22. In a measured study our approach to establishing whether this demand exists would be to consider hard evidence findings and then undertake structured local consultations to review hard evidence findings alongside local consultations and assessment. To understand what the hard evidence is saying and then review alongside the local perspective – what the demands are, the types of uses of the centre, costs, programming, access, barriers and motivations to increase sports participation and physical activity. Then provide through hard evidence projections of future trends in demographics and sports participation what the future sports facility demands are – define a future core facility types, scale and location. This is the demand assessment case before defining the project brief content.
23. This overall approach takes quite a time and is outside the remit of this study but we have had the opportunity to meet with the user groups of the SLC, the Stocksbridge Town Council and the 4 SLC organisation. Plus there are representatives of the 4 SLC on the project group for the independent study which provides the local perspective.
24. In order to try and achieve some balanced assessment within our study we have reviewed the key headline findings from both the City Council and Sport England hard evidence on sports facility demands. Then reviewed these findings against the commentary from the local Stocksbridge perspective.
25. The City Council has made it clear that they wish this study to ensure this wider perspective is reviewed and tested. The objective being to see if we can identify an evidence case for a local sports facility in Stocksbridge. Most importantly if there is then does this have to be met by the SLC, or, could it be met by increasing access to what already exists in Stocksbridge and at other venues. The outcomes of this assessment are then developed into specific options which are then appraised.

SLC Membership and postcode locations of members

26. One message we have received very clearly from the Stocksbridge groups is that the SLC is a local centre for local people – from an historical, funding and customers of the centre perspective. One way of assessing the extent of SLC as a local centre is to plot the home location of the SLC membership by postcode. This has been undertaken and is shown in maps 1 and 2 below. Map 1 is the postcode location for the SLC membership distributed within Sheffield and Map 2 is the postcode location of the SLC membership outside the SCC boundary.
27. Overall within the Sheffield boundary there are about 2353 members and approximately 1404 from outside the Sheffield boundary. As map 1 show there is indeed a main cluster of membership immediately within the location of the SLC itself and this does predominate. There is then a smaller cluster of members in the Oughtilbridge area and still within the Stocksbridge and Upper Don Ward. There are also smaller clusters of members within the Stannington and Hillsborough wards.

Map 2: Stocksbridge Leisure Centre Distribution of Membership by Postcode outside the Sheffield City Boundary



Assessment of need for swimming pools

- 30. In 2012 Sport England undertook an assessment of the supply and demand for swimming pools across Sheffield and the wider area of local authorities which border Sheffield, acknowledging that some users of Sheffield's pools will be from outside the city and vice versa some Sheffield residents will use pools in neighbouring authorities.
- 31. The overall summary of the Sport England supply and demand assessment is that the pools available for community use have a combined capacity (or supply) of 50,000 visits in the weekly peak period.
- 32. The total peak period demand for pool usage in Sheffield is estimated to be 36,650 visits in the same weekly peak period. Based on these figures, the estimate is that 70% of swimming pool space is being used - in short the Sheffield pools are busy, but with some limited spare capacity. This is higher than both the regional figure (66%) and the national figure (64%).

How full are the swimming pools?

33. When looking at individual pools the amount of pool space used varies depending on each pool's location, size, attractiveness and the character and size of population within their catchment. The effect of this is that across Sheffield, three pools, Westfield, Springs Leisure Centre and Heeley Baths, are estimated to be operating at near to 100% capacity. However, the capacity of these pools is limited as they are small pools and in the case of Springs and Westfield have restricted opening hours. They cannot, therefore, accommodate as many visits as the larger, more modern pools.
34. Of the remaining nine public/voluntary sector pools, seven are estimated to be operating at 70% or over of their capacity and so are considered to be busy/very busy. Only Stocksbridge Leisure Centre is operating well below its capacity; it is estimated that some 46% of its available capacity is used. From a review of SCC throughput data on existing pools the figures do correlate. In summary there is an agreement that the Sheffield city pools which have public use are busy and experience high demand and usage, with the exception of SLC, which has the lowest annual throughput and is decreasing.
35. (Our comment) based on this city wide assessment, which is undertaken applying a consistent methodology across all the pools in the city, where there is community use, is there is a case for not retaining the SLC, IF and this is the important point, its comparative low usage can be accommodated at other pools. Despite the remaining pools already being busy and based on the City Council rationale of having to make savings which have the least impact on the least number of residents.
36. Sport England subsequently assessed if the SLC pool was not available how would this impact on the supply and demand for swimming pools which are accessible to the Stocksbridge area, notably Hillsborough and Chapeltown pools, It is acknowledged that Stocksbridge is comparatively isolated and there is limited choice of other accessible pools (more on access in the next section).
37. The findings on these supply and demand assessments are that most of the impact is felt at Chapeltown where the percentage of the pool space which is used at peak times rises from 88% to 99% so the pool is virtually full. At Hillsborough the percentage of pool space used increases to 82% of total pool capacity – so it is also very full.
38. (Our comment) we have reviewed and agree with the Sport England assessment. The comparative low usage of the SLC pool in comparison to other pools in the city means that it is valid in the light of all the other factors that the City Council has to consider to accommodate the SLC swimming use and programmes at other pools.
39. However, it is very important to note the Sport England assessment that the other pools are already estimated to be busy and the re-distributed SLC pool usage makes these other pools even busier. So whilst the usage can be accommodated the other pools are then effectively full. Furthermore, there are particular types of use which have to be accommodated, notably more pool time for club use. If the pools are

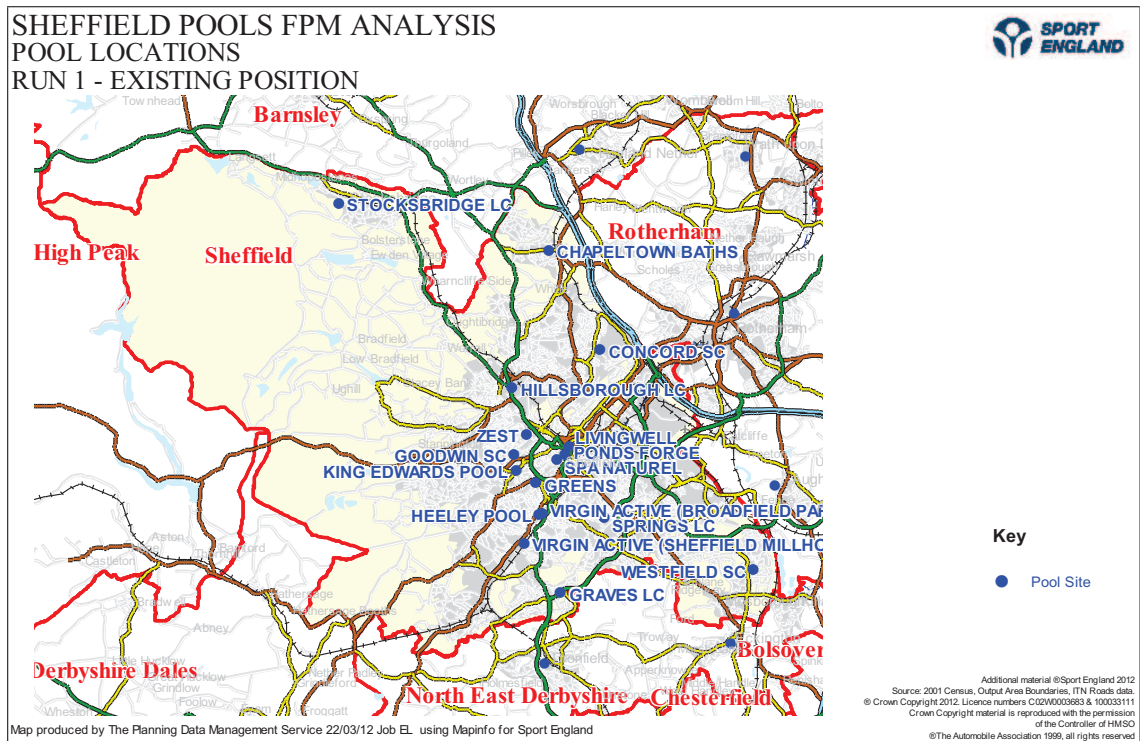
40. effectively full then the scope to change the programming to accommodate more specific uses is very difficult
41. Also it does not allow any headroom for increases in swimming participation at these other venues and does restrict the scope and capacity to change the programmes at other pools. It is a particular concern of the Stocksbridge groups as to whether these other pool venues can accommodate the Stocksbridge pool usage not just in capacity terms but in terms of programmed time for swimming club usage, access to lane swimming at peak times and swimming lessons. The findings from this assessment do give support to that view and ideally therefore a replacement local pool in Stocksbridge would be desirable. The City Council has already acknowledged the capacity assessment via its announced investment in the south of the city at Graves and the emerging analysis around a strategic district facility in the north of the city.

Access to other swimming pool venues

42. Again it has been said to us many times by the Stocksbridge groups that for a variety reasons the alternative pool venues are not accessible. We understand and agree with the SCC view that the Hillsborough, Chapeltown and Hoyland pools are accessible to the majority of Stocksbridge residents, based on a 20 minute drive time catchment(20 minutes is the nationally accepted measure of travel time to swimming pools based on car travel by Sport England). Also that access to cars by households in the Stocksbridge area is much higher than the city average of access to cars. Plus the majority of visits to swimming pools are undertaken by car (Note: City Council statistics are set out in Appendix 1).
43. We also understand this is very much contested by Stocksbridge residents as to whether these pool locations are accessible by car in 20 minutes. Also the presumption appears to be that cars themselves are accessible for swimming trips and this is most likely now precluded given the drive times to/from other pools and the other uses of a car by a one car owning family. Plus there is the cost of travel to other pools.
44. In terms of public transport, the Stocksbridge view is that the time/cost/number of bus changes to access the other venues, plus the overall trip time with the actual use of the pool included means that the alternative venues are not accessible by public transport.
45. We have tried to asses these differing views – how accessible are other pools to Stocksbridge residents and how does this compare to access to pools for other areas of the city?
46. Car travel is the predominate choice of travel to pools and this is supported by extensive research by Sport England which can be applied to the population of any area and the number of households that have access to a car. The Sport England estimate is that across Sheffield some 66% of all visits to pools are by car, 15% are by public transport and 20% are by walking. SCC data and evidence is that car ownership in Stocksbridge is 10% above the city average that means that 74% of households in Stocksbridge have access to at least 1 car. The Stocksbridge ward has the 9th highest car ownership rate out of the City's 28 wards. Plus, it is relevant to note that 35% of households in the Stocksbridge ward have 2 or more cars, compared to the city average of 24.5%

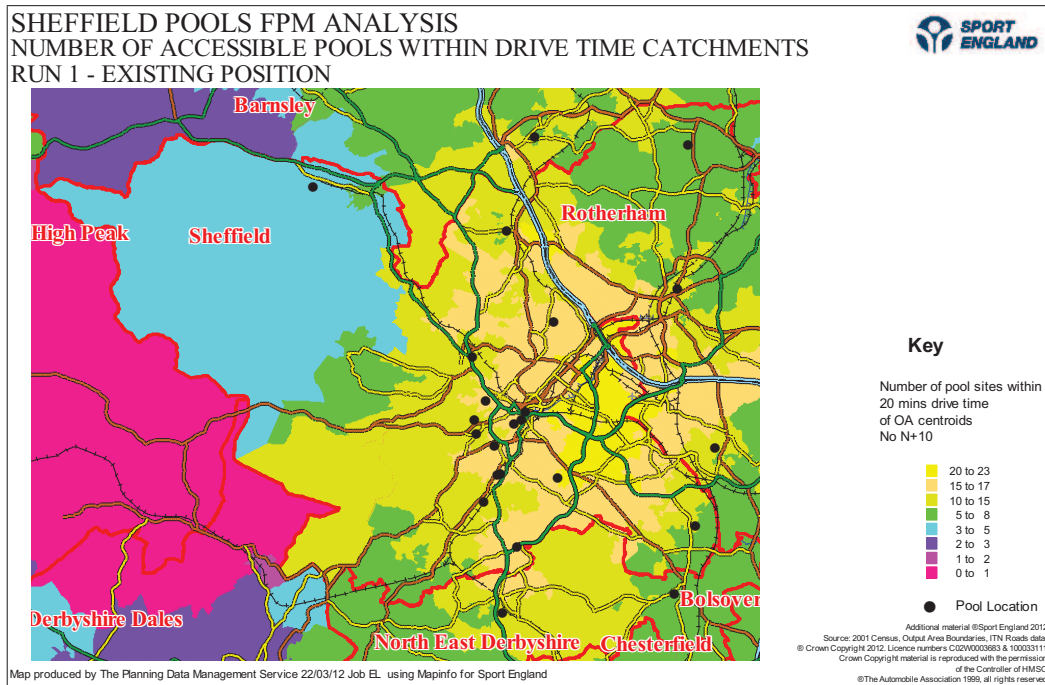
47. Sport England has mapped the location and access to swimming pools by car travel. Map 3 below shows the location of the swimming pools in Sheffield and it is noticeable that the Stocksbridge pool location is isolated in comparison to other pools in the city, with the exception of Chapeltown in the north and Westfield in the south.

Map 3: Location of swimming pools with public use in Sheffield 2012



48. Map 4 below shows the outcomes of the accessibility analysis of comparing where pools are located and based on their 20 minute drive time catchment area how many pools residents of Sheffield can access. The colour coded key for the number of pools which are accessible is on the right hand side of the map.

Map 4: Number of accessible swimming pools based on a 20 minute drive catchment area for pools with community use in Sheffield 2012



49. The areas shaded green through to the two shades of yellow are the areas with the highest accessibility to pools ranging from between 5 – 23 pools which are accessible based on a 20 minute drive time catchment area (not all pools are within the City Council boundary) The areas shaded red - to purple - to blue are the areas with the least access to pools with between 1 – 2 pool (red) to 3 pools (purple) to 3 – 5 pools (shaded blue) based on car drive time catchments. The black dots are the swimming pool locations.
50. As can be seen from map 4 the areas of Sheffield with the highest access to the most number of pools are located in the eastern and southern sides of the City. The north of the city has overall lower accessibility, and for Stocksbridge, there are 3 alternative pools within the travel time of 20 minutes. There is not mapped data/evidence on accessibility to swimming pools by public transport.

Summary of findings on the review of the demand assessment for swimming in Stocksbridge

The comparative analysis of swimming pool catchment areas, accessibility and capacity of the pools does show that closure of the Stocksbridge pool would require the City Council to consider at least a strategic district pool solution for the north of the city and consider a local pool solution for Stocksbridge.

The overall assessment is that there is demand for a local swimming pool in Stocksbridge because the existing pools in the city are busy and will become very busy in the absence of a future district solution for the north. Closure of Stocksbridge will push the pool space used at other venues to very high levels. Plus the ability to absorb the SLC swimming programme of use at other venues will be challenging in terms of pool capacity to absorb club swimming, swimming lessons and casual swimming use from SLC.

Resulting from closure of the SLC, the percentage of the pool space used at peak times increases at both Chapeltown and Hillsborough. In the absence of a new district pool solution for north of the city, then at Chapeltown the estimate is that it rises from 88% to 99% of pool space used. At Hillsborough the estimate is that 82% of swimming pool capacity is used. Some SLC swim usage will also relocate to Hoyland LC.

Finally there is the Stocksbridge perspective that access to other pools is limited – less number of pools and further away than for other areas of the city - so reduced access for Stocksbridge residents. The Stocksbridge view is that it is also impractical to reach these three other pools in the travel times identified. Plus there is the time and cost of travel and can these venues accommodate the swimming programmes in any case. The demand assessment reflects and supports these views.

The way forward is for a local pool of a scale which meets the local needs of Stocksbridge. The City Council view is that the north area of the city also needs a strategically located district facility to serve the wider area. However there is also the demand for a local pool in Stocksbridge to serve the local demand and of a scale required for Stocksbridge. Such provision will reduce the operating subsidy and the economic performance of such a pool should be comparable to other pools in other areas of the city. In short the right size pool in the right location to meet a local demand.

The scale of swimming pool to meet this local demand is a 25 metre x 4 lane tank some 210 sq metres of water. This is however much smaller than the SLC main pool of 313 sq metres of water and the learner pool of 100 sq metres of water.

Finally, the significant factor and overriding these supply/demand and accessibility findings is however the cost of maintaining the SLC. The level of overall subsidy at the centre is budgeted at £400,000 for 2012/13 and the cost per visit is £3 per visit, compared with 50p at Hillsborough and around £1 at Concord. These financial factors are the key factors and have to be overcome to ensure compatibility between supply/demand, access and finance – to ensure a swimming pool can be retained and or a new one developed and which is viable in Stocksbridge.

This challenge is taken forward under the options appraisal - to develop a swimming pool option which meets this demand but is also viable and sustainable in terms of financing and operation. It has to be achievable in financial term as well as meet the assessment of demand case. The complete package is required.

Assessment of demand for the SLC sports hall

51. The other two main sports facility types at SLC are the sports hall and indoor bowls hall. The sports hall is a 5 badminton court size main sports hall and the indoor bowls hall is a 4 rink bowls halls.
52. The sports hall can accommodate the full range of indoor hall sports at recreational and community level of activity. Sport England unlike with the swimming pools assessment, did not undertake a specific assessment of need for sports halls in Sheffield in 2012. However Sport England do undertake a national supply and demand assessment for sports halls across England and this national assessment does produce an evidence base for sports halls in every local authority, produced each year for every local authority.
53. The basis of the analysis is to compare the supply of sports halls above 3 badminton court size which are available for public use to the demand for community level sports participation by residents across the full range of indoor hall sports and activities. The extract of the key findings for Sheffield based on the 2012 supply and demand analysis for sports halls are set out below in table 1.

Table 1: Headline findings on the 2012 supply and demand for sports halls in Sheffield

Supply of Sports Halls	Sheffield
Number of sports halls in Sheffield with some community use	53
Supply of badminton courts for public use in peak hours	170.9
Supply of total hall space in visits in the weekly peak period	34612
Demand for Sports Halls	Sheffield
Population	562500
Demand for sports halls in visits per week in the weekly peak period	26994
Equivalent in courts	166.63
Satisfied Demand for Sports Halls	Sheffield
Total number of visits which are met	24540
% of total demand satisfied	90.9
% of demand satisfied who travel by car	66
% of demand satisfied who travel by foot	19.9
% of demand satisfied who travel by public transport	14.2
Unmet Demand for Sports Halls	Sheffield
Total number of visits in the peak, not currently being met	2454
Unmet demand as a % of total demand	9.1
Equivalent in badminton courts	15
% of Unmet Demand due to ;	
Lack of Capacity -	4.7
Outside Catchment -	95.3
Used Capacity of Sports Halls	Sheffield
Total number of visits used of current capacity	25870
% of overall capacity of sports halls used	74.7
% of visits made to halls by walkers	18.8
% of visits made to halls by road (car and public transport)	81.2
As a % of used capacity	88

54. Table 1 shows that the total supply of the 53 sports halls across Sheffield which have some community use is 34,600 visits (rounded) in the weekly peak period. The total demand for sports halls in the same weekly peak period is 27, 000 visits (rounded). So supply is greater than demand by some 7,600 visits.
55. Of this total demand some 91% is located within the catchment area of a sports hall and there is enough capacity at the sports halls to meet the demand within the catchment area (known as satisfied demand).
56. There is some 9% of the total demand which is unmet demand and this totals 15 badminton courts. Unmet demand is defined as either the sports halls are too full to accommodate all of the demand and there is a lack of capacity (which is shown as 5 % of the unmet demand and is in the sub table 4). Or the demand is located outside the catchment area of a sports hall and is then classified as unmet demand (the sub table 4 shows this to be 95% of the unmet demand, or, put another way some 14 of the 15 badminton courts which are unmet demand).
57. How much of the available sport hall space for public use is used? This is defined as used capacity and sub table 5 shows this to be some 75% of the total sports hall space is used capacity.
58. In summary, the Sport England 2012 analysis is showing that across Sheffield there are enough sports halls and space within the sports halls to meet the demand for sports halls by Sheffield residents – across the city. There is an unmet demand for 15 badminton courts and Sheffield has 171 badminton courts available for public use in 2012. Furthermore 14 of these courts/unmet demand is because the demand is located outside the catchment area of a sports hall, it is not because of lack of capacity at the sports halls, this amounts to 1 badminton court city wide. In terms of how full the sports halls are, the estimate is that the sports halls are on average across the city some 75% full, so there is some spare capacity.
59. The caveats to this analysis are that:
 - It is an estimate which is prepared by Sport England each year. It is however based on the same methodology applied to all local authority areas at the same time – so it is consistent by time and method and is based on the population and hall sports participation rates applied to the local population in each area. It is not some notional nationally applied standard.
 - There will of course be variations to this city wide assessment and there will be examples of individual sites where the use profile and sports hall capacity does vary from this city wide average of 75% full. The estimate for the SLC sports hall is that 38% of the sports hall space is used at peak times. The estimate of the used capacity of the sports hall at Stocksbridge High School for the hours it is available for public use is 39% of the capacity is used. However this, to repeat is an estimate and should be used as the start point for local assessments. Plus if and when there are any free hours of community use available at the High School and at what cost.
60. As with swimming pools, these hard evidence city wide findings have also to be considered alongside the evidence findings from the Stocksbridge perspective. The

actual programming of the SLC sports hall shows that it is programmed for use by badminton 2 clubs on 1 weekday night using the full sports hall. There are then casual activities programmed for basketball, five a side football and table tennis. The bowls hall is used for gymnastics, tang so do and jujitsu all year round and for indoor bowls from the end of September through to March.

61. Total casual use attendance figures for the first 10 months for the 2012 – 13 total 19,100 visits (rounded) with the peak attendance months being period 7 – 10, over the winter months. Casual usage includes indoor bowls in the bowls hall and is the main contributory factor in the period 7 – 10 increase.
62. The coached activity use of the sports hall is for trampolining, this attendance data also includes gymnastics but this is usage in the bowls hall. Attendances for both trampolining and gymnastics were recorded under lessons from period 6. The coached and lesson activity visit numbers total 7,000 (rounded) and peak in periods 7 - 10 in the 2012 – 13 year to date.
63. Other activities programmed for the sports hall are for club use which is predominately the badminton clubs, junior football club training and model car club use, all of which total 6,100 visits rounded.
64. There is then schools use of the sports hall which totals 1,000 visits and occurred in the first 3 monthly period of 2012 – 13.
65. So, in summary, the total visit numbers for the sports hall, bowls hall and squash courts for the first 10 months of the 2012 – 13 year from all uses are 33,200 visits (rounded). This compares with a projected annual throughput for the SLC sports hall based on the Sport England model of 29,500 visits but for the full year and is for the main sports hall. The SLC sports hall would appear to be performing in line or slightly better than the Sport England assessment of its estimated projected annual throughput.
66. This will increase the used capacity of the sports hall projected and identified by Sport England above the 38% of capacity used. However even with another 2 months to be added to the actual visit numbers for 2012 – 13 and if this is at a pro – rata rate, it provides a projected annual throughput of around 38,600 visits across the indoor dry side facilities. This could increase the used capacity based on the Sport England assessment to around 50% of the total sports hall capacity being used. This does mean there is still considerable unused capacity of the SLC sports hall.

Summary of findings on the review of the needs assessment for a sports hall in Stocksbridge

The Sport England 2012 analysis is showing that across Sheffield there are enough sports halls and space within the sports halls to meet the demand for sports halls by Sheffield residents – across the city. There is an unmet demand for 15 badminton courts and Sheffield has 171 badminton courts available for public use in 2012. Furthermore 14 of these courts/unmet demand is because the demand is located outside the catchment area of a sports hall, it is not because of lack of capacity at the sports halls, this amounts to 1 badminton court city wide. In terms of how full the sports halls are, the estimate is that the sports halls are on average across the city some 75% full, so there is some spare capacity.

The local assessment of the programme of use at the SLC shows that the numbers for the sports hall for the first 10 months of the 2012 – 13 year from all uses and including the bowls hall and squash courts are 32,200 visits. This compares with a projected annual throughput for the SLC based on the Sport England model for the sports hall of 29,500 visits but for the full year. The SLC sports hall would appear to be performing in line or slightly better than the Sport England assessment of its estimated projected annual throughput.

The level of use for the full 2012 – 13 year will increase the used capacity of the sports hall projected by Sport England above the 38% of capacity used, to around 50% of the total sports hall capacity being used. This does mean there is still considerable unused capacity of the sports hall based on both the Sport England assessment and the usage profile figures and profile of activities at the SLC sport hall and other indoor dry side facilities.

The challenge is if the SLC sports hall remains open is there scope to increase the range of activities and sports played - across ALL types of use and with a broader based programme so as to significantly increase the take up of the sports hall space and make it more cost effective and viable. For this to happen it can only be progressed through the option of retaining the SLC as is and this is developed as one of the options in the next section of this report

The alternative is can the existing programme of activities be met by provision elsewhere? We understand that discussions are underway to establish alternative local venues for the range of indoor hall sports activities. Of note (although in the time available it has not been possible to investigate) is that the Sport England assessment of the community hours of use at the Stocksbridge High School is 39% of total sports hall capacity is used. IF this is correct then there is scope to accommodate more community use in a modern sports hall at an accessible location.

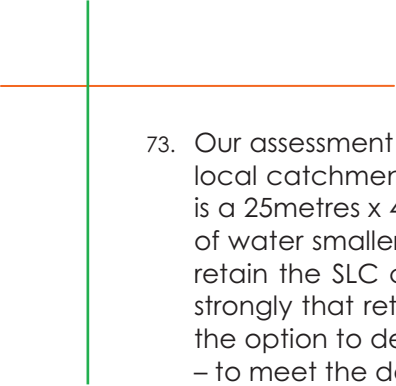
Overall in reviewing all aspects of the sports assessment of the SLC sports hall, the level of projected use, the range of activities and programmers means that the way forward is to pursue the (1) the option of retaining the sports hall as an integral part of the SLC under a new business case and model or (2) the option of developing this programme of use at alternative venues, if the option of retaining the SLC is not viable in every sense.

Assessment of need for the indoor bowls hall

67. There is not a published evidence base from Sport England for indoor bowls as there is for swimming pools and sports halls. It is not the remit of this study to generate its own evidence base for indoor bowls. It is possible to do this assessment based on other Sport England planning tools and techniques. We understand there are no purpose built indoor bowling venues which are accessible to Sheffield itself let alone Stocksbridge. We understand the nearest alternative purpose built venues for indoor bowls are in Doncaster and Mansfield. The club at SLC has an extensive programme of use with over 15 other indoor bowling clubs from the local area. In addition, the programme of club competition does attract teams for seasonal competitive fixtures from other parts of the city.
68. We also understand the indoor bowls hall is used for other sports and activities. There are coached activities for gymnastics, yoga, martial arts, and young at heart fitness classes. In short whilst being a purpose built venue for indoor bowls it also meets the specific needs of several other sports and activities. It has a comparable and possibly broader based programme of use than the sports hall. We also understand the importance of the venue for social, recreational and creating a healthy lifestyle for the bowling community.
69. In effect there are no purpose built alternatives to the indoor bowling venue at SLC. We understand that alternative venues for indoor bowling are being considered at both long mat options at Concord Sports Centre (11 miles from Stocksbridge) and Hillsborough Leisure Centre (8 miles from Stocksbridge). We do understand the limitations of this alternative offer – in all terms, the types of use, access to the venues, time and costs of travel.
70. In summary there is not an existing hard evidence base assessment as the start point for the demand assessment for indoor bowling, as there is for swimming pools and sports halls. It is not possible in the time or remit of this study to develop this assessment.
71. There are two options for the indoor bowls hall venue. It is either as retention as part of the overall SLC, which is considered as one of the options in the options appraisal. If this is not a viable option to retain the complete SLC then it is the access and use of the alternative venues identified. It is understood completely that these are not purpose built indoor bowls venues. Plus there is the time and cost of travel to these alternative venues.

Overall summary of findings on the assessment of demand

72. The assessment of demand has within the scope, remit of the study and time available tried to review the hard evidence findings for the main sports facility types located at SLC. This has focused on where there is a hard evidence base which is specific to the Sheffield population and is externally produced by Sport England. The demand assessment has then tried to overlay these hard evidence findings with the Stocksbridge perspective. We have listened to the views expressed in consultation with the Stocksbridge groups and tried to assess these views against the hard evidence findings, especially in terms of travel times, catchment areas, access to alternative venues and realistic use of the alternative venues.

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73. Our assessment is that there is a demand for a local swimming pool facility to meet a local catchment area of Stocksbridge. Our assessment is that the scale of this facility is a 25metres x 4 lane pool, which is 210 sq metres of water and is some 200 sq metres of water smaller than the combined SLC main pool and learner pool. If the option to retain the SLC centre is achievable then the assessment of demand would suggest strongly that retaining the main pool is the preferred option – in terms of demand. If the option to develop a new swimming pool is achievable then the pool requirement – to meet the demand is as we say a 25mtere x 4 lane pool.
74. In terms of the sports hall the assessment of demand is that there is not a strong case for a main sports hall of 4 – 5 badminton court size. The hard evidence data for Sheffield shows the sports halls to have an estimated high level of usage but there is some unused capacity. The SLC centre has a lower level of used capacity than the City average, albeit higher than the Sport England estimate would project. The range of programmed activities is not extensive.
75. If the option to retain the SLC centre is achievable then the focus for the sports hall is to increase the range of activities and sports played to develop a more rounded programme of use. From our local consultations there is a view that there is a latent demand for a more extensive range of indoor hall sports activity. The assessment of demand shows there is considerable scope to achieve that in terms of sports hall capacity.
76. Finally these assessment of demand findings have to be placed in the context of the start point of our study and the given, namely that the City Council has decided to withdraw funding support for the SLC in the financial year 2013 -14. The options appraisal takes this start point and the assessment of demand findings into the identification and assessment of each option.

Options Appraisal – Facility Provision

77. The options appraisal has been informed by the supply and demand assessment which has identified a latent demand for some local wet and dry sports provision to serve the needs of the Stocksbridge community.
78. It is our view that much of the dry side demand can be met from within alternative existing facilities, if the first option to assess of the complete SLC under local management is not progressed. This would be primarily at Stocksbridge High School which has a refurbished sports hall and gymnasium and a new dance studio. This would allow most dry side users to continue to use facilities in the town. The school is unlikely to be able to accommodate all the dry side users from SLC and some usage will need to relocate to the Venue and to facilities outside of Stocksbridge. This should be possible as according to the Sport England facility planning model assessment sports halls in Sheffield are not operating at full capacity.
79. There would also remain the demand for a small community pool (25 metre 4 lane) and a fitness facility of circa 40 stations within Stocksbridge.
80. There are proposals to secure a commercial 'budget' gym operator as part of the Fox Valley development in the town. If this went ahead it would meet much if not all of the latent demand for fitness within the town and remove the need to provide a separate publicly funded community gym, as a budget gym would be considered affordable and have similar pricing to the current SLC fitness offer. However it should be noted that the income generated from the provision of fitness in a community facility can help offset the running costs of a swimming pool and hence a pool only solution will find it harder to cover its operating costs.
81. The appraisal has identified five options for future community leisure provision within Stocksbridge that could meet the identified local latent demand in addition to the Council's current option:
 - The current option of closing SLC completely and decanting users to other leisure centres elsewhere in the town and within Sheffield;
 - The retention of the wet side facilities at SLC and the decommissioning of the dry side facilities and decanting of provision to the existing sports facilities at Stocksbridge High School and elsewhere;
 - The closure and decommissioning of SLC and the development of a new swimming pool extension to the existing sports facilities at Stocksbridge High School;
 - The closure and decommissioning of SLC and the development of a new swimming pool as part of the commercial development proposed in the Fox Valley Development in Stocksbridge
 - The closure and decommissioning of SLC and the development of a new swimming pool extension to the Venue in Stocksbridge

- The development of a new swimming pool on the site of the existing SLC

82. A summary of each option together with the pros and cons and financial implications of each is set out in Appendix 2.

Option One – Close SLC and relocate users elsewhere

83. The current option would consist of the closure, decommissioning and demolition of SLC with current users being decanted to surrounding leisure centres, including Stocksbridge High School, Hillsborough, Concord, Hoyland and Chapeltown. This option is the only one which would not require any ongoing financial support from any organisation, other than the City Council's one off decommissioning costs associated with staff redundancies and demolition.

84. Whilst the demand analysis has indicated that most displaced dry side demand can be accommodated locally, there is likely however to be a negative impact on Stocksbridge residents who swim. This is because alternative swimming pools are towards the limits of accepted drive times for car users and public transport for those without a car to these pools is restricted. Furthermore there are very real concerns as to whether all the current swimmers could be accommodated within existing pools for the full range of uses (club swimming, fitness/lane swimming and casual pay as you swim participation), given the identified alternative pools at Hillsborough, Hoyland and Chapeltown would move towards capacity if SLC swimmers relocate.

85. As a result of these concerns other options have been identified and considered that would retain some swimming provision within Stocksbridge itself. This would address the issues of access to other already busy pools by providing a facility scaled to meet local needs in the form of a 25 metre four lane pool. This should also be seen in the context of the potential for a strategic district facility serving the north of the city.

86. The community in the form of 4SLC have expressed an interest in operating community leisure facilities within Stocksbridge, both existing and any new provision. This issue is dealt with later on in under the management and options section. We would suggest that prior to any final decision to proceed with Option One the community is given time to consider taking over the management and operation of those facilities proposed for closure, on the understanding that there would be no ongoing financial support from the City Council and any facility retained buildings liabilities. Preferably, the venue would continue to operate during this period; as a fallback, the City Council should consider a mothball option to safeguard the opportunity for a future re-opening. Our view is that it will be very difficult if not impossible to operate the current SLC on a community basis but it seems prudent to first explore whether there viable proposals and/or solutions emerging from the community or sports clubs.

Option Two – Retain some swimming provision at SLC and demolish the dry side

87. The first alternative option considered is the scope to retain some of the current wet side provision and decommissioning the dry side provision. This option could be the cheapest alternative solution as it would not involve any new build. However it would still require some ongoing revenue support and capital investment to address backlog maintenance and repairs and ensure the pool could continue to operate safely for the foreseeable future.

88. The original figure for backlog works was estimated to be just under £1.1m. This is broken down over a three year period of works, with £431,000 in year 1, £255,000 in year 2 and £410,000 in year 3. It is not set out as to what works are considered essential and to what degree they would extend the life of the pool although it would appear that much of the proposed spend would have long term impact. Essential maintenance over anything less than 5 years is unlikely to offer value for money.
89. The likely net revenue costs of a pool only option would range from £130K-£180k per annum depending on the operating model used and scale of future provision. There may be scope for the community to fund the ongoing revenue costs through a rise in the Town Council Precept of between £12.50 - £22.50 per annum (based on 8,000 residential properties). The potential Town Council contribution could be up to £100,000 per annum, but this is likely to need the support of local people via a referendum.
90. The disadvantages of this option are that it would only be a relatively short to medium term solution, the costs of essential works and refurbishment are uncertain, the facility would still retain some major design constraints in terms of it being more than 40 years old with poor disabled access and energy efficiency. Also there would be an interim period of 3-6 months when the pool would be unavailable during refurbishment.
91. There is an option to redevelop the wet side accommodation to create a new fitness suite and dance studio alongside the main pool at a cost of c£500k. The initial figures suggest that such a development would reduce the net running costs of Option Two to around £40k - £92k (including servicing the financing costs of the investment). This would require a significant reduction in staff numbers and ideally a change in the staff operating model. This would make this option much more financially sustainable and raise the prospects of a community funded facility operating without any financial support from SCC. However, the budget gym proposal at Fox Valley, if it proceeded, would make the fitness development unviable as there is insufficient latent demand to support two fitness facilities. It should also be recognised the considerable location advantages a gym in the Fox Valley project would enjoy.

Option Three - Build pool extension to Stocksbridge High School

92. Option Three consists of creating a larger dual use sports centre at Stocksbridge HS by adding a pool extension to the existing sports hall. This option has been explored previously and there is an outline design for a pool that indicates that a pool could fit onto the site.
93. The estimated costs of a pool extension are c£3m (based on the Sport England Affordable Pools Model) which would incur a financing cost of c£192k¹ per annum. We estimate that a pool in this location would have a net revenue cost of £50k - £100k per annum, based on a very low level of staffing and a highly energy efficient building. This would mean a net cost including financing of £242k - £292k per annum.

¹ Based on a 25 year PWLB loan at 4% on an annuity basis

94. A pool extension at the school has the advantages of being a little closer to the town and hence more accessible (albeit it is not currently on a bus route) and dual use can be a very efficient form of provision.
95. The disadvantages of this option are that public access can be constrained during the school day and some users are less inclined to use facilities perceived to be school assets. Parking is also restricted, especially during the school day. From the outline designs we have seen with some amendments to the car parking provision it should be possible to increase provision to closer to 100 parking spaces outside of school hours. This is still less than ideal, given the topography of the location (at the top of a steep hill) which may discourage non-car users.

Option Four - Build new pool as part of Fox Valley development

96. The opportunity has arisen to include a community pool within the retail elements of the Fox Valley development. Initial designs indicate that a small 25 metre four lane pool could be accommodated within a unit below a budget gym operation. We have assumed the build costs would be less than Sport England's affordable pool model and the costs of a new pool would be circa £2.5m.
97. If capital funds were available, the Council would have the option of funding the construction costs through traditional staged payments or a turnkey option. However, we understand the Council currently has no capital funding available. The developer is also offering a rental option whereby it would fund the upfront construction costs of the pool in return for a 30 year rental fee. The indicative rental cost is £165k per annum for a 25m 4 lane pool which based on a yield of 6% and a cost of capital of 6% would suggest a build cost of around £2.3m. In addition there would be a service charge of around £30k per annum to cover the maintenance and upkeep of the external areas.
98. Given the proposed budget gym above the pool any dry side provision has been excluded from this option given the advantage of the capital cost being met commercially. Whilst eliminating the upfront capital costs, it would impact on the net revenue costs. We estimate that a pool in that location would have a net revenue cost of £50k - £100k per annum, based on a very low level of staffing and a highly energy efficient building. Together with the rental costs this would mean a net cost of £245k - £295k per annum.
99. The advantages of a pool in the Fox Valley Development are that this would be the most prominent and accessible location within the town with ample parking, and hence is likely to generate the most visits as the development has a catchment extending well beyond Stocksbridge. Although for retail purposes, as distinct from more infrequent destination trips, the developer has identified a tighter 15 – 20 minutes drive time catchment, which corresponds for drive time catchments for swimming pools for the majority of car travel to pools.
100. The developer would be able to offer significant economies of scale and savings in the construction costs as is suggested by the rental costs. There may also be scope to offer synergies with the budget operator around joint memberships and some shared services. A new pool here could be delivered relatively quickly (around 2 years from commitment) and design, construction and delivery risk would be transferred to the developer.

101. The disadvantages are that it will require a long term commitment from the Council or other partner such as the Town Council by way of a 30 year lease, plus there would be ongoing service charges to cover the shared areas. The lease would have five yearly upward only reviews so there is a degree of risk in terms of future rental costs rising above inflation. However given a pool would have a life well beyond 30 years then any new pool is seen as a long term commitment anyway.

Option Five - Build new pool linked to the Venue

102. The existing Venue in Stocksbridge offers another accessible town centre site with parking provision. The option would be to add a 25m 4 lane pool extension to the building either at the front or rear of the existing Venue building.
103. This option has the advantages of shared management and staffing arrangements, assuming it would be operated by STEP who currently manage the Venue and which would bring some efficiency savings and could deliver a revenue neutral pool operation (£0 - £50K). There would not be any site acquisition costs.
104. The net revenue and financing costs would be similar to those as the school extension option, with an efficiency saving from a shared management and reception function. We estimate a net cost including financing of £192k-£242k per annum.

Options Appraisal – Management and Operations

105. In addition to the options for future facility provision within Stocksbridge, there are a number of potential management solutions to consider that will have a major bearing on the affordability and viability of any future facility.
106. The main issue to contend with in our view is that of staffing levels and costs. Staffing accounts for more than the income generated at SLC and needs to be reduced significantly (as a proportion of income) if any future option is going to be viable. Given all the proposed facility options involve a significantly scaled down level of provision, income is likely to reduce considerably and therefore staffing will inevitably have to be reduced.
107. At the moment the majority of SLC staff are former SCC employees who TUPE'd over to SIV when they started to operate the centre. The staff remain on SCC terms and conditions which are significantly better than those of SIV or typically any other commercial leisure operator, in terms of pay, benefits and pension arrangements. SIV would employ any new staff on their own terms and conditions and over time as the original staff left the overall costs of staffing would fall. To give an indication of the potential scale of savings from moving staff onto SIV terms and conditions, SIV estimated that it would save around 18% on current overall staff costs.
108. Changes to staff terms and conditions are allowed for economic, technical or organisational (ETO) reasons, provided it is not linked to a TUPE transfer. It could be argued that the decision to remove SCC funding and reduce the scale of facilities creates an ETO case that the staff terms and conditions need to be changed.
109. Given the affordability gap of the proposed alternative options it a change to staff contracts is essential in trying to deliver a viable scheme. This would help save a

considerable number of the current SLC posts, as without a viable solution emerging the centre will close and all the staff will lose their jobs anyway. To avoid linking the ETO rationale to a TUPE transfer the changes to contracts need to be made prior to any alternative operator coming on board.

SIV/Seven Hills

110. SIV (via its operating arm of Seven Hills) currently operate SLC under a management agreement with SCC. As an experienced leisure operator with good track record in the City they would appear to be a safe, low risk option for managing any future leisure provision within Stocksbridge. They also offer a tax efficient structure and as a not for profit offer scope to access funds not available to SCC.
111. However given the scale of savings required to be achieved to bring any future facility within a reasonable affordability envelope, it is uncertain as to whether they would be the most appropriate long term operator. For instance SIV do not currently use volunteers and have no plans to do so therefore this option would not be available as an efficiency measure. Furthermore given the local community nature of any future facility there may be less need for the level of corporate support and associated costs in areas such as marketing, branding, ICT, etc.
112. In the very short term however it may be sensible to continue with SIV if they are willing and able to make the personnel changes required to deliver a leaner, more efficient operation prior to transferring the staff to another operator. However, SIV has made it clear that any strategic change to staff terms and conditions at SLC, would have to be replicated across the company and this would pose major and possibly insurmountable challenges.

4SLC

113. The local community have recently established a charitable trust with the aspiration of taking over SLC by way of a community asset transfer. This is a fairly common model in the UK in response to proposals from local councils to withdraw funding from community leisure facilities, usually swimming pools.
114. There is clearly a high level of community support for retaining SLC (in some form or another) and the progress made in setting up the group and submitting initial proposals is admirable. It is sensible to harness this support and energy although there are obvious concerns about the experience and capacity of a community group such as 4SLC to run a leisure facility. However 4SLC could outsource the direct operational management to an experienced leisure operator.
115. The management and operation of any leisure facility within Stocksbridge would be tax efficient if set up correctly. The use of volunteers could reduce paid staff costs (lifeguarding, reception, coaching, etc).

STEP

116. STEP is a locally established social enterprise which manages other community assets within Stocksbridge, such as the Venue. STEP is an organisation who, with community backing, could take over the running of a scaled down SLC facility and are working closely with 4SLC. There is scope for them to operate SLC on behalf of 4SLC and this

model has been applied elsewhere in the UK and can be an extremely tax efficient structure (in terms of NNDR and VAT).

117. STEP as a social enterprise would have scope to access other funds available to promote community assets transfers and mutual management. It is unclear how much leisure management experience STEP has and there would have to be a confidence that they have sufficient financial capacity and robustness.

Stocksbridge High School

118. The school currently manage their sports facilities which are made available to the community outside of school hours. They could continue with this approach with much of SLC's current dry side provision decanting to the school. However, discussions with the Headteacher confirm that there will need to be further consideration of the management and budgetary impact of a major shift in usage to the school

119. Whether they would wish to operate a new pool (if it was on their site) would have to be determined. There are examples of schools managing quite large wet and dry dual use centres directly. There could be concerns over capacity and experience but again they could outsource the operational management to another organisation.

120. There would be TUPE considerations if remaining SLC staff transfer back to the Council (particularly around the harmonisation of T&Cs including pensions). This alone may make a directly managed school leisure centre unviable given the need to make the operations more efficient.

Funding Issues

121. Table 1 set summarises the costs of each of the alternative options. None of the alternative options can operate without some form of on-going revenue subsidy and an upfront capital investment. Only the full closure option would offer the scale of savings sought by the Council.

Table 2 – Costs of alternative pool solutions

	Option 2 – retain existing main pool	Option 3 – High School	Option 4 – Fox Valley	Option 5 – the Venue
Operational Costs ²	£130k -£180k	£50-£100k	£80k-£130k	£0-£50k
Financing/Rental Costs	£77k	£192k	£165k	£192k
Net Costs	£207k-£257k	£242k-£292k	£245k-£295k	£192k-£242k

² Includes all management fees and service charges

122. However the alternative options would deliver a local community leisure facility that, in terms of direct operating costs, compares well in net cost terms to other SCC pool-only facilities. On that basis, putting aside financing/rental costs, there is an argument that a smaller appropriately scaled local facility operating at a greatly reduced subsidy would offer good value for money to local taxpayers. Therefore it would seem sensible for the revenue costs to be financed locally either through the council tax and/or the town council precept.
123. Funding the required capital for the alternative options poses a real challenge given the financial constraints the Council faces. A small community facility by its nature cannot generate sufficient revenue to cover its operating costs and the financing costs of investment.
124. External funding is limited and the Council has been given a clear steer that the most likely source of funding (Sport England) would not support a local facility project in Stocksbridge at this time. This view may change in time as a community led scheme that removes the need for significant ongoing public revenue subsidies is an innovative and replicable solution.
125. There may be scope to secure funding associated with supporting community asset transfers and social enterprises, although this is likely to be limited to short term revenue to support set up costs.
126. The existing site of the leisure centre is unlikely to have significant development value. There may be scope, subject to a view from planning, for some residential development. However once demolition costs are taken into account the net receipt is unlikely to exceed £500k.
127. The potential for community share ownership has been considered. This would involve the public and community groups being offered shares in a social enterprise that would own the leisure centre. The model allows people to buy up to £25k in shares and each shareholder has an equal vote in how the enterprise operates. The shares carry a small dividend, usually around 3%-5%, and the organisation can buy back the shares after a period (usually at least three years) to allow individuals to withdraw their investment. The community shares model does carry a degree of risk for investors as it operates outside FSA regulations, the dividend is not guaranteed and investors may lose some or all of their investment.
128. The community shares model has been used to successfully raise funds for a range of community based ventures, such as local renewable energy schemes. There is also a successful leisure scheme where FC United of Manchester recently raised £1.7m to develop a new community stadium.
129. To fund a new swimming pool a community share offer would need to raise c£3m which would equate to each household in Stocksbridge buying £375 of shares. In order to pay just a dividend of say 3% the pool would need to generate a net surplus of at least £90k. A share buyback of say 5% a year would add another £150k of costs. We cannot therefore foresee a scenario whereby a community run asset with user charges set at current levels would be able to generate a net surplus of £90k per annum to allow it to pay a dividend.

130. A community shares model is only likely to be viable as part of a wider funding package whereby grants and public sector funds were the primary sources of funds. Community investment could only be a minor source of funding in order to keep any dividend payment at a viable level. Given a significant operating surplus is unlikely it may be more realistic and efficient for community investment to be raised by way of charitable donations in order to benefit from tax relief.

Way Forward

131. Potential solutions are emerging which offer scope to deliver a value for money solution to meet a clear local community demand for local wet and dry sports facilities within Stocksbridge. However it has to be emphasised that it is highly unlikely that any of the alternative options could be delivered at no cost to SCC. There may be scope for Stocksbridge residents to fund much of the costs of any future local facilities (though user charges and/or the local tax precept) but some may consider it unreasonable and inconsistent for the local community to carry all of the costs including those associated with capital investment, given the history of the centre and how other SCC community facilities are treated. Further work is required to confirm the costs of refurbishing SLC as a wet side only facility but it is unlikely to offer value for money in the long term compared to a purpose built, energy efficient new pool elsewhere in the town.

132. Therefore a potential solution could be to continue to operate the current SLC until a new pool can be developed within the town. This may require a period of mothballing prior to a potential re-opening to allow a new management solution and business plan to be developed and to allow for any necessary refurbishment. The existing main pool could be managed as standalone facility by SIV at a cost of up to £180k per annum excluding redundancy and any costs associated with moving entrances and reception areas. SIV would no longer operate the dry side facilities (sports hall, gym and bowls rink) and these would be expected to close allowing SIV to make significant savings on staff and premises costs.

133. However whilst much of the dry side programme could relocate to Stocksbridge High School (which may well result in a need for investment in better storage and parking provision) we would expect there to be some residual demand to remain that could or would not wish to relocate elsewhere.

134. We would suggest that prior to permanent closure the community and/or sports clubs are given an opportunity if they so wished to take over responsibility for the dry side facilities on the basis that no revenue or capital funding would be made available to support continued usage of these facilities and that continued use could be done so safely and securely. There would need to be an agreement between any user groups to pay SIV a fee to cover any premises costs (such as heating and lighting).

135. The pool only option would be a short term (up to 6 months) solution (either via continued operation or mothballing) by which time a decision could be taken on whether any of the refurbishment or new build options is deliverable, how they would be funded and who would be the preferred future operator. Assuming there is a viable option a decision would need to be taken as to the future operation of the remaining SLC facilities in the 18-24 month period until a new pool opened, on the basis that SCC would withdraw or at least reduce its financial support.

Appendix One: Summary of key factors relating to the Stocksbridge Leisure Centre from Sheffield City Council

Comparative low visit numbers to SLC, some 142,000 in 2012, compared to similar size facilities. At the Concord Centre, 400,000 visits and the Hillsborough Centre 650,000 visits. Also there has been a downward trend in visit numbers at SLC in recent years.

There is a comparatively high cost of subsidy at SLC of £300,000 - £400,000 in 2012/13 when compared with other centres. The subsidy is £3 per visit at SLC, compared to 50p at Hillsborough and around £1 at Concord. Also the SLC needs around £1m capital investment over next 3 years to maintain the centre.

There is a comparative low impact of closure_(based on the City Council equalities assessment) from closure of SLC on less people than alternative venue closures. This results from the comparatively lower visitor numbers at SLC and the comparatively small catchment population served by the SLC when compared to other centres. For example, there are 3,700 households within 1 mile of the SLC compared to: 7,800 households within a mile of Chapeltown; 15,000 households within a mile of Concord sports centre; 8,700 households at Graves; 20,000 households at Heeley; 16,000 households at Hillsborough; 20,000 households at Ponds Forge; 19,000 households at Springs; 24,000 households at Upperthorpe and 8600 households at Westfield.

The greatest impact of any facility closure is on those households without a car (least mobile). A relatively small number of non-car households will be affected by the proposed closure of SLC because car ownership/access is high and for those with a car which is 74% of households in the Stocks ward and above average households with 2 or more cars, there will remain alternative sports facilities within a reasonable drive time

Schools swimming - over current school year (Sept 12 - July 13) has a city average number of classes per pool (excluding Stocksbridge) = 20.7. The average falls to 19.5 if the Stocksbridge pool is included. The number of classes at SLC this year is estimated at 8

The Stocksbridge ward is comparatively mobile. Car ownership is 10% above the City Average that is 74% of households have access to at least 1 car (9th highest out of the City's 28 wards)

Appendix Two – Summary of Facility Options

Stocksbridge Leisure Centre

Option	Financials	Pros	Cons	Interim	Affordability
1 - Close SLC and relocate users elsewhere	Net savings of c£200k in 13/14 including £120k redundancy allocation and £80k demolition costs and £400k thereafter.	Delivers highest tangible saving Majority of users in theory can go elsewhere Creates opportunity to better utilise other assets (school, venue, etc) for sport Creates development site or brings back park	Impact on those without access to a car especially swimmers FPM suggests relocated users will not easily access other sites which are operating at capacity hence argument for retaining a local facility Wider economic impact on town of loss of a significant business	Would need to find space at other centres to cater for displaced users and clubs - especially swim club and swim school at other pools. Is this possible?	Will generate the largest tangible financial saving
2 - Demolish dry side and refurbish wet side with new gym/studio	Pulse fund gym and with staff restructuring would result in a net revenue subsidy of £40k-£70k per annum. Excludes £1m costs of pool refurb (c£64k per annum). Scope to hand dry side over to another operator otherwise demolition costs to factor in addition to redundancy costs.	Retains main pool and provides new gym so site has a medium - long term future. Cost ratios would be similar to other SCC community venues Retains wet side provision in town and allays concerns about capacity elsewhere	Loss of sports hall and bowls but capacity exists elsewhere in town and beyond Refurbishment of 40 year old centre has inherent design constraints and VFM issues. Loss of learner pool. Temporary pool closure (min 6 months) Will need an ongoing revenue subsidy and a capital injection	Interim period – close pool for 6 months for gym investment and ideally pool refurbishment Decant some of swim programme to other pools Remaining staff costs during closure?	Probable c£106k per annum subsidy requirement could be financed through Town Council precept (c£13 pa).
3 - Build pool extension to Stocksbridge High School sports centre	Create new 25m pool plus fitness at cost of c£3-£4m. Indicative net revenue costs	Integrated new wet and dry centre Retains pool Dual use efficient form of	Constrained site with lack of parking (60-100 spaces) could restrict access. Leisure centre	Scope to keep pool open on skeleton provision until new centre built (c2 years)	Assuming £100k limit on Town Council precept funding means up to

Option	Financials	Pros	Cons	Interim	Affordability
	of £30k-£60k per annum excluding any financing costs.	provision	will have poor visual presence Will need revenue subsidy and capital	or immediate closure	£3m funding shortfall or £192k per annum
4 - Build new pool as part of Fox Valley development.	Create 25m pool plus fitness and studio at cost of £3m-£4m. Revenue costs c£20k-£40k (excluding finance costs)	Likely to be cheapest build option (part of bigger contract). Scope for commercial funding but higher finance costs Transfer construction and operation risk Busy football location	Will require long term commitment (25 year lease) plus ongoing site management fees Will need revenue subsidy and capital	Scope to keep pool open on skeleton provision until new centre built (c2 years) or immediate closure	
4 - Build new pool linked to the Venue	Create 25m pool plus fitness and studio at cost of £3m-£4m. Revenue costs c£30k-£60k (excluding finance costs)	Integrated facility brings efficiency savings. Town centre location with parking	Is site suitable? Will need revenue subsidy and capital funds	Scope to keep pool open on skeleton provision until new centre built (c2 years) or immediate closure	

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APPENDIX B



**Proposal to Maintain Sport and Leisure Facilities
for the Community in Stocksbridge**

**Prepared for Sheffield City Council and Sport
England**

26th February 2013

Introduction

This proposal has been prepared by the 4SLC Committee on behalf of the community of Stocksbridge to support Sheffield City Council (SCC) and Sport England (SE) in their future decisions regarding sport and leisure facilities in the Stocksbridge area.

This proposal was presented at the meeting between SCC, SE, 4SLC and Step Development Trust (STEP) that took place on 26th February 2013 at Stocksbridge Leisure Centre.

Executive Summary

The future of the sporting and leisure facilities in Stocksbridge is an emotive issue and the community care passionately about having appropriate facilities available for their use at a reasonable cost and travelling distance. The debate since the announcement was made in January 2013 has become increasingly political and difficult for all parties to resolve.

4SLC, as a non-political organisation that represents the community of Stocksbridge is ready to work with all parties on finding a sustainable solution that meets the needs of the community. It is recognised that this may involve a shorter-term option of continuing the operation of the existing facilities whilst the parties work upon a more sustainable longer-term option.

Closure of the existing Stocksbridge Leisure Centre would result in a loss of participation in sport by the Stocksbridge community, as there are no suitable alternatives available as a result of travelling time, cost or physical space at other facilities within Sheffield or Barnsley. It will be difficult to regain the current level of participation in sport if the current facilities are simply closed on 30th April 2013.

Consequently, in the short term it is believed by 4SLC that it is in the best interests of the community of Stocksbridge to maintain the existing facilities in operation, with every effort made to decrease the subsidy required to operate. This will provide the time that all parties require to undertake due diligence and build a financially sustainable plan for sport and leisure facilities in the Stocksbridge area.

Given the deadline on 30th April 2013 it is unlikely that a new operator would be able to undertake the necessary due diligence and complete the legal process before the closure date. Therefore it is recommended that SiV/7 Hills Trust continue to operate the facilities for the foreseeable future, with input from 4SLC to improve the current viability resulting in a reduced subsidy requirement from SCC.

4SLC recognise that the longer-term option may involve operating the existing Stocksbridge Leisure Centre on a different and financially viable basis or other alternative options such as a new facility in Stocksbridge. As the voice of the community of Stocksbridge 4SLC seek the opportunity to be part of these discussions and to work in partnership with all parties to achieve this.

Background

Stocksbridge Leisure Centre was established in 1970 on land bequeathed to the people of Stocksbridge and surrounding areas to be used for leisure activities. The facility is currently operated by Sheffield International Venues and is part funded by Sheffield City Council.

In January 2013 Sheffield City Council revealed it was withdrawing £400,000 of funding from SIV's 2013 / 14 budget, and this funding would be withdrawn specifically from Stocksbridge Leisure Centre. As a result, they announced that the site would close on 31st of March 2013.

This provoked a passionate response from the users of Stocksbridge Leisure Centre, who organised a protest in support of the Leisure Centre to call for this funding decision to be reversed. Sheffield City Council announced they would extend funding for the site by one extra month in recognition of this strength of feeling and community desire to retain the leisure centre.

4SLC was founded by the residents of the North Sheffield area who recognise the vital part Stocksbridge Leisure Centre plays in the health and wellbeing of our isolated community.

About 4SLC

4SLC is an open membership community group representing the views of the residents of Stocksbridge and the Upper Don Valley.

The aim of the Group shall be to continue to provide facilities for Sport and Leisure in the valley for the wider community by keeping Stocksbridge Leisure Centre open as a vibrant facility.

4SLC has a broad membership of c. 60 local individuals, an approved Constitution, a Committee and a number of dedicated working groups that focus on particular themes such as fundraising, communications, legal and finance. To date a significant number of hours (probably in the thousands) have been volunteered to support the aim.

The Committee on behalf of the community group has formed a Company Limited by Guarantee with Charitable Status and is seeking Registered Charity Status.

4SLC are ready and able to be part of finding a solution for the long-term sustainable future for sport and leisure facilities in Stocksbridge. 4SLC will work with all interested parties to ensure that the needs of the community are met.

Context

Stocksbridge Leisure Centre is used by the residents of North Sheffield and West Barnsley. Local schools are dependent on the centre to provide curricular mandatory swimming lessons to their pupils. The nearest alternative public leisure facility in Sheffield is Hillsborough Leisure Centre, over 10 miles away.



Map of Stocksbridge Leisure Centre and locations of alternative public leisure facilities

The remote location of Stocksbridge Leisure Centre makes it ideally situated to serve outlying towns on the North Sheffield / West Barnsley border and is a vital leisure facility in an otherwise deprived area.

Usage figures

Even with minimal marketing activities, Stocksbridge Leisure Centre still attracts 148,315 visits per annum. This is despite the local catchment area of Stocksbridge and Deepcar having a population of ~ 15,000.

The wet side of the Leisure Centre attracts 68,419 visitors per annum. Of these visitors, 29,626 are lessons and school visits. Without a local alternative pool in such a remote catchment area there would be no viable alternative for children to learn these vital skills, or for schools to fulfil their obligations to provide swimming lessons.

The dry side of the Leisure Centre attracts 79,231 visitors per annum from a range of different user groups. From gymnastics to 5-a-side, martial arts to racket sports, Stocksbridge Leisure Centre hosts a diverse range of sporting activities. The remote catchment area the centre serves, coupled with poor public transport links to credible alternatives will result in the current users of the Leisure Centre having no feasible alternative, leading to a decrease in sport and wellbeing activities and the inherent social and physical impact this will have on the populace.

Many of the user groups currently based at Stocksbridge Leisure Centre have made investigations of alternative facilities for post closure. They have identified that even if they had the money to pay for travel and the time to travel there are no physical places available at other facilities for activities such as gymnastics or swimming lessons. Therefore closure of the current facilities is likely to lead to an immediate reduction in the participation in sport.

Challenge

4SLC is working to ensure the continued provision of Leisure Facilities for Stocksbridge and the surrounding areas. We have been challenged to develop a business case to run the centre within two months. It is unrealistic to expect that any new organisation could complete the necessary financial and legal due diligence in order to be in a position to accept a transfer of the centre by 30th April 2013 and therefore more time is required.

The budget provided by SiV supports the claim that SLC is run at an annual deficit of £400,00 p.a. However, SiV has only provided budget forecasts for 2012/13 with no supporting actual spending. We recognise that there is a budget deficit that is unsustainable and seek to engage with SCC and SiV to construct a full and feasible business case to ensure this vital sport and leisure facilities can be retained in Stocksbridge.

4SLC on behalf of the community are ready to work in partnership with SCC, SiV, STEP, SE and any other relevant parties to develop new alternative options that will continue to provide sport and leisure facilities in our area.

We recognise the SCC commitment to sport as demonstrated by investment in world-class facilities and we know SCC recognise the importance and understand the benefits sport brings to creating healthy thriving communities. The National Centre for Sport and Exercise Medicine (£10m 2012 Olympic Legacy Project) demonstrates the commitment by SCC, Sheffield Teaching Hospitals Trust (STHT) and the two city universities, and recognises the impact that sport and exercise can have on health outcomes.

Steve Brailey, Chief Executive of Sheffield International Venues, which operates 19 sport, leisure and entertainment venues in Sheffield and North Derbyshire, said: "This is a hugely important project for the people of Sheffield. I don't think it could happen in any other city in the country. It builds on the unique strengths Sheffield has in all aspects of sport and exercise and we are genuinely excited at the prospect of working with our health care, local government, academic and business partners to create a truly meaningful legacy from London 2012."

Extract from STHT announcement 10th July 2012
<http://www.sth.nhs.uk/news/news?action=view&newsID=399>

4SLC believe there is the potential in Stocksbridge, given the right encouragement, linking better with the schools and particularly community sports users to maintain a vibrant and financially sustainable sport and leisure centre in Stocksbridge. This will impact positively on sport participation and health outcomes including the current high levels of cardio-vascular disease and obesity within this community.

However, if the facility is closed, it will be gone forever and prevents any chance of us developing the current sport base within the community or increased participation in sport.

We also believe full closure does not make economic sense - not just because there is a local affinity with the building, but;

- a. The cost of mothballing or closure will be very expensive (min £200k - £300k)
- b. The cost of demolition and remedial works will be high (£200k redundancy, £100k immediate closure costs plus demolition £100's k)

4SLC believe that it is in the best interest of all parties for SLC to remain open for the foreseeable future to allow time for the community and other parties to establish a robust and viable business plan and for all of the alternatives to be fully explored. In that way that current level of participation in sport can be maintained, whilst the future plans are worked upon.

Ambition

4SLC aim to engage in a dialogue with Sheffield City Council, SiV, SE, STEP and any other relevant parties to create a sustainable and financially viable leisure facility for Stocksbridge. It is critical that the community of Stocksbridge are allowed their views to be considered and to have the opportunity to input into the future plan for sport and leisure facilities in Stocksbridge.

4SLC wish to undertake further financial and legal due diligence on Stocksbridge Leisure Centre based on the full financial accounts and other information to produce a detailed and feasible business plan. This will take longer than the closure deadline of 30th April 2013, hence the request for the centre to continue in operation for the short term beyond the planned closure date.

This would require SiV continuing to operate the Centre on an interim basis, but working closely with 4SLC on a managed reduction of unviable services (days, opening times, availability of facilities) to enable a reduction in costs, particularly staffing & energy to be achieved – working towards a break even position. Through working 4SLC it may be possible to identify other income generating or maximising opportunities, as there are large parts of the existing schedule with little or no activity taking place at the centre.

This would safeguard the operation of the existing facilities, ensure we did not lose the existing users and allow time to develop other strategies to achieve a net increase in sport participation, as the precursor to establishing a stronger business case for capital investment in either the current facilities or a new build facility within Stocksbridge.

We believe we have the skills within our group to do this - we have many professionals within our group covering Financial and Management Accountancy, HR, IT, Law, Marketing and Publicity skills from a variety of sectors (Public/Private/VCS) - many of whom are experienced managers in organisation, development and business planning - and all of whom are willing and able to devote time and energy to this process.

Proposal

There are a number of long-term options available for the continued provision of leisure facilities in the Stocksbridge area. These range from the continued operation of Stocksbridge Leisure Centre in a financially viable capacity to the development of a new purpose built leisure centre.

We accept given all the deficiencies of the current building (*due to condition, age, poor disabled access, energy inefficient, no lift*) that the ideal longer term solution may be a new build and more financially sustainable facility in Stocksbridge – based on a much higher level of users and a stronger business case. This will require making any future long-term option attractive to current non-users and to work with the NHS and other agencies to achieve this.

In the interim period we propose Stocksbridge Leisure Centre is operated on a reduced cost basis – potentially keeping the wet side open and operating a more limited dry side with reduced staffing. During this period every effort should be made to retain current users of the Centre and to attract new users.

Information provided by Stocksbridge Leisure Centre estimate this would reduce overheads by ~ £200,000 per annum. We have identified further potential savings based on the actual energy bills against budgeted energy bills of c. £30k to £40k and believe there is further potential for cost savings to be made.

Operating the Centre on a reduced cost basis for a short-term period would therefore cost less than the current basis and would be a significant saving against the forecasted costs of mothballing and demolishing the site.

During this period 4SLC will generate a full business plan with any other interested parties, supported by a full release of actual costs and information from Stocksbridge Leisure Centre. Our longer-term goal would be to run this to attempt to operate the Centre as a community facility, fully independent of Sheffield City Council and SiV. In tandem 4SLC will work with all relevant parties to establish the potential viability of developing a new facility in Stocksbridge in the event that this may be the more financially viable option.

This would ensure that the people of Stocksbridge and surrounding areas continue to enjoy sport and leisure facilities so vital to our area. These facilities are integral to the on-going plans for the regeneration of our area, the development of new housing estates and the health and wellbeing of current and future generations.

APPENDIX C

Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

Name of policy/project/decision: Potential closure of Stocksbridge LC

Status of policy/project/decision: New

Name of person(s) writing EIA: Paul Billington

Date: March 2013

Service: Culture and Environment

Portfolio: Place

What are the brief aims of the policy/project/decision? To inform a potential decision on the proposed closure of Stocksbridge LC - part of the budget saving measures 2013/14

Are there any potential Council staffing implications, include workforce diversity? No. However, there may be staffing implications for our partner SIV. They will follow their procedures for this.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Negative	Low	Some impact on a small number of local primary schools who currently use SLC. Plus impact on swimming lessons. Also some impact on bowlers who tend to be older people.
Disability	Neutral	-Select-	No specific impacts - the centre is not currently fully accessible and major works are identified as part of the centre's major investment plan (subject to funding)
Pregnancy/maternity	Neutral	-Select-	No specific impacts
Race	Neutral	-Select-	No specific impacts
Religion/belief	Neutral	-Select-	No specific impacts
Sex	Neutral	-Select-	No specific impacts
Sexual orientation	Neutral	-Select-	No specific impacts
Transgender	Neutral	-Select-	No specific impacts
Financial inclusion, poverty, social justice cohesion or carers	Negative	Low	Some potential impact on low income families living close to SLC - who would be required to travel further to their next nearest facility. However, Stocksbridge

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			and Upper Don ward is above the city average for household income
Voluntary, community and faith sector	Negative	Low	A number of sports clubs will be affected by the proposed closure.
Other/additional: Mobility/accessibility	Negative	Low	The proposal is based on the relatively low numbers of people using the centre and the relatively low number of households being served by the centre - therefore the impact of the closure being less than alternative closures. The core catchment (within 1 mile) includes 3700 households (HH) compared to for example 7800 HH within a mile of Chapeltown, almost 15,000 HH within a mile of Concord SC and 16000 for Hillsborough etc. In particular, we recognise that the greatest impact of any facility closure is on those households without a car. Our assessment shows that a relatively small number of non-car households will be affected by the proposed closure of Stocksbridge and for those with a car (74% of HH), there will remain alternative facilities within a reasonable drive time
Other/additional:	-Select-	-Select-	

Overall summary of possible impact (to be used on EMT, cabinet reports etc):

Fundamentally this proposal is equality neutral, impacting most people the same regardless of age, sex, race, faith, disability, sexuality, etc. However, there are some potential negative impacts in relation to age (young and elderly), plus voluntary groups and financial inclusion. Mitigating actions for these impacts include working closely with those groups/organisations affected (e.g. schools and sports clubs) to find alternative provision/opportunities - where possible within Stocksbridge.

In summary, the wider impacts can be summarised as follows:-

1. visitor impact - there are fewer visits affected by closure of SLC - compared to alternative closures required to achieve the same level of saving, which would have an impact on visit levels that are 3 or 4 times greater
2. population impact - relatively low number of households being served by the centre. For example, low number of households living within the core catchment of the centre

3. schools impact - fewer primary schools use SLC for swimming than primary school usage of other city pools. High School GSCE usage of pool and sports facilities is optional
4. the number of least mobile households - the greatest impact of any facility closure is on households without a car. A relatively small number of non-car households will be affected by the proposed closure - compared to alternative closures
5. mobility - car ownership (74% of HH) in the Stocksbridge and Upper Don ward is 9th highest in the city and so choice remains for the majority of households to travel to other facilities within a reasonable drive time. In addition, 35% of households in the ward have 2 or more cars, compared to the city average of 24.5%

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

Review date: 20/03/13 **Q Tier Ref** / **Reference number:** /

Entered on Qtier: Yes **Action plan needed:** Yes

Approved (Lead Manager): Paul Billington **Date:** March 2013

Approved (EIA Lead person for Portfolio): Ian Oldershaw **Date:** March 2013

Does the proposal/ decision impact on or relate to specialist provision: no

Risk rating: Low

Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
Age	Primary schools - work with affected schools to offer suitable alternative pool space Work with bowlers to identify suitable alternative venues. Offer alternative options for swimming lessons and explore options for other opportunities for older people activity programmes	SCC - working with pool and venue providers with monthly reviews
Financial Inc	Review alternative SCC and community provision of physical activity in Stocksbridge to offer opportunities to low income HH - including for older people and people with disabilities	SCC - monthly reviews
Other	Mobility and accessibility - identify alternative venues and conduct independent study to examine options for alternative swimming and sports provision in the town. Re-examine public transport options	SCC - study complete by early March monthly reviews thereafter

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
VCF	A number of sports clubs will be affected by the proposed closure. SCC and SIV will work with clubs to discuss next best alternative venues. We recognise there is a particular challenge with the swimming club and detailed discussions are already underway to examine options. We recognise the club may not find the same level of access to an alternative pool	SCC and SIV - monthly reviews
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		

Approved (Lead Manager): Paul Billington Date: March 2013

Approved (EIA Lead Officer for Portfolio): Ian Oldershaw Date: March 2013

APPENDIX D



Outline Business Plan for the Continued Operation of Stocksbridge Leisure Centre

Prepared for Sheffield City Council

25th March 2013

4SLC For Stocksbridge Leisure Centre Trust
(A Company Limited by Guarantee with Charitable Status – Company Number 08413664)

EXECUTIVE SUMMARY

The options appraisal report prepared by Neil Allen Associates on behalf of Sheffield City Council and Sport England showed a need and demand for an indoor Sports and Leisure facility within Stocksbridge. It particularly stated the need for a swimming pool facility to be maintained in Stocksbridge whilst noting that a pool of the size presently available in Stocksbridge was needed in North Sheffield. The only option not fully explored was of keeping the present Leisure Centre open in its entirety even though the conclusions reached by that report's authors indicate this to be a viable option. Exploration of the findings of those authors indicate that the retention of the existing Stocksbridge Leisure Centre appears to be the most viable solution with operating costs similar to other options but with an approximate £1million spend on maintenance and enhancement over the next three years to give the Leisure Centre a further life in excess of ten years. A new build facility would be a very basic small swimming pool at an immediate capital cost in excess of £3million.

Keeping the present Stocksbridge Leisure Centre would negate the need for a new build large swimming pool elsewhere in North Sheffield; however operational costs would need to be drastically reduced. It is argued, though, that rather than reduce services an emphasis should be placed on retrieving those lost patrons and then increasing patronage by investing in the maintenance and enhancement of the facility and by providing a programme of activities wanted by the community.

This outline business plan is intended as a springboard for further development dependent on the provision of more detailed and accurate information, on an audit and analysis of the needs and desires of present and potential users of the leisure centre, and of a relatively small investment in the viability of the structure of the existing Leisure Centre.

The community of Stocksbridge want to maintain "their" leisure centre and there is nothing in the Neill Allen report that indicates that this should not be a viable option. Indeed some of the costs identified as a short to medium term requirement for keeping Stocksbridge Leisure Centre open appear to be dramatically overstated.

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INTRODUCTION

This report has been prepared as the first step in producing a viable business plan for the operation of Stocksbridge Leisure Centre as a Community managed facility on behalf of the people of Stocksbridge and surrounding area. It does not set out to be a fully detailed and extensively researched document but lays the foundation for such a document. The timescales involved and lack of detailed historical and pertinent information means this has to be the case. Nevertheless the objective is to provide a substantial vehicle to aid the continuation of Stocksbridge Leisure Centre.

It is recognised that Sheffield City Council has to find savings in its budget and it is the Council's opinion that to remove its current subsidy approximating to £400,000 annually is the "least worst option" for the residents of the City of Sheffield. However the people of Stocksbridge feel unfairly treated by such a decision, which would effectively close the Leisure Centre, as they feel no consideration had been taken into account in that determination of the remote and rural location of Stocksbridge and its consequent poor transport links, especially by public transport. Map 3 on page 11 of the recently published report by Neil Allen Associates on behalf of Sheffield City Council and Sport England indicates the location of swimming pools in Sheffield, many of which have attached dry sports facilities like Stocksbridge, which clearly demonstrates the remoteness of Stocksbridge.

The community feel strongly that the sports and leisure facilities presently on offer should not be diminished and are determined to work with all interested parties to ensure sustainability of such facilities for the indefinite future. As a minimum it is expected that Sheffield City Council support the continuing operation of Stocksbridge Leisure Centre to allow for an alternative business structure to be developed.

BACKGROUND

News was leaked in January 2013 that as one of many options for budget savings in the 2013/14 financial year the subsidy estimated by Sheffield International Venues to approximate to £400,000 annually for Stocksbridge Leisure Centre should be removed. The subsidy removal would result in closure of the Leisure Centre. Subsequent discussions between representatives of the Stocksbridge Community, Sport England, SIV and SCC resulted in a study being commissioned by SCC and Sport England to determine the options or alternatives to the course of action proposed by SCC. This study was completed by Neil Allen Associates whose report was presented on 11th March 2013. In the meantime an SCC budget meeting on 1st March 2013 ratified the decision to remove the subsidy to SIV which they apportioned to Stocksbridge Leisure Centre from 30th April 2013.

The community of Stocksbridge will not accept that its Leisure Centre must close and are actively engaged in providing a solution to prevent such closure.

It is anticipated that the planned Sheffield City Council meeting for April 10th should change this decision.

NEILL ALLEN ASSOCIATES REPORT

The report presented on 11th March provides some interesting conclusions but quite naturally there could be no rigour in testing these conclusions due to the extremely tight timescale.

There were many findings from the report which did not appear to be fully reflected in the conclusions when the options were considered.

The swimming pools' capacity was utilised at just 46% thereby justifying their replacement with a "local" facility of a single 25m, 4 lane pool. The utilisation of such a pool would therefore exceed 75% (loss of two lanes and the small pool) and would also be unable to cope with the proposed increase in population following current development proposals. Further the report states that North Sheffield requires a "district pool" of 25m and 6 lanes with a proposal that a new one is built in Chapeltown. It seems rather bizarre to decommission a serviceable "district" pool in Stocksbridge when Chapeltown is already served by a "local" pool and is less than five miles distant from Concord Sports and Leisure Centre which has a 6 lane, 25m pool.

The sports hall is estimated to be used at 50% capacity which is above Sport England's assessment for the use of such facilities nationally. Again it seems bizarre to decommission a facility with usage above the national average.

The report also states that there are no purpose built alternatives to the bowls hall provision locally with the nearest in Doncaster and Mansfield, which are both not in areas under SCC control, and not considered of a similar high quality.

The report submitted five options:

1. Close Stocksbridge Leisure Centre and decant all users to other facilities.
Costs incurred would be for demolition and for staff redundancies.
2. Retain the main pool (possibly still managed by SIV), decommission the small pool and decant all dry side users to other facilities.
Costs incurred would be for demolition of dry side, relocation of fitness suite, decommissioning of small pool, and for staff redundancies. Some further injection of finance would be needed to tackle the neglected maintenance issues.
3. Build a 25m 4 lane pool as an extension to Stocksbridge High School, close SLC and decant all users to this and other facilities.
Costs incurred would be as for option 1 and the Capital new build cost.
Further consideration would be the limited availability to the general public of the facilities and of the staffing and parking implications.
4. Build a 25m 4 lane pool as part of the Fox Valley development, close SLC and decant all users to this and other facilities.
Costs incurred would be as for option1 and the capital new build cost.
Further consideration would be the capacity to absorb the proposal within the scheme and on whether a commercial return was required from the investment.

5. Build a 25m 4 lane pool alongside The Venue, close SLC and decant all users to this and other facilities.

Costs incurred would be as for option 1 and the capital new build cost.

Further consideration would be the removal of substantial parking on the present site to accommodate the new build.

The capital investment for each of options 3, 4 and 5 has been stated as approximating £3.5million. It is suggested this estimate might be low. It is also known that there will be no Sport England funding available for any new build in Stocksbridge.

The costs for decommissioning the present Leisure Centre have been estimated as £250,000. A figure closer to £2million is suggested for demolition and reparation of the site.

The investment needed to remedy the backlog of maintenance works and to ensure a further extended lifespan for the present wet side facilities is estimated at £1million over the next three years. It is suggested this estimate is high.

The estimates made for running costs for options 2, 3, 4 and 5 are similar.

Much is made of the higher than average car ownership rates in and around Stocksbridge. Factor in the isolated location of the town and the poor public transport provision then such a situation is not surprising.

Page 6 of the report details how Neill Allen Associates would conduct a “measured study” by establishing hard evidence findings of demand and then undertaking structured local consultations to test those hard evidence findings. With this evidence and projections of future trends in demographics and sports participation a future core facility type, scale and location can be defined. “This is the demand assessment case before defining the project brief content”. The report goes on to state “this overall approach takes quite a time and is outside the remit of this study”.

It can only be concluded that as this approach was not adopted then the conclusions reached and recommendations made by Neill Allen Associates are seriously flawed. There appears to be total acceptance of the financial figures proposed by SCC/SIV with no questioning of the current situation, reasons behind it, or regard for potential development or growth.

THE COMMUNITY PROPOSAL

The Neill Allen Associates report indicates a need for a “district” swimming pool in North Sheffield. It states that one already exists.

The Neill Allen Associates report indicates a level of expectation for the use of a sports hall. It states that the Sports Hall at Stocksbridge Leisure Centre exceeds that level of expectation.

The Neill Allen Associates report indicates that Stocksbridge Leisure Centre's bowls hall is the only viable facility of its kind in Sheffield.

It is known that SCC had allocated £300,000 for remedial and upgrade works to Stocksbridge Leisure Centre in 2012. This money was not spent on Stocksbridge but it is understood that £200,000 was allocated to another leisure centre. It is unknown what happened to the balance.

The one option that the Neill Allen Associates report did not propose was that Stocksbridge Leisure Centre remains open in its entirety. With the statements made within that report and the conclusions made it would appear this was a viable option. By keeping Stocksbridge Leisure Centre open there would then be no need for a new "district" pool to be built in Chapeltown and dependent on the condition of the existing Chapeltown pool there may be no need even to build a new "local" pool in that location.

The proposal is that Stocksbridge Leisure Centre remains open in its entirety with the eventual removal of SIV as the managing agent. On removal of SIV the community would take over management of the facility. It is anticipated this will be achieved within two years. The present aquatic facility should be modernised and enhanced to provide the required "district" facility. The new Chapeltown facility, should it be found to be needed, should be a 25m 4 lane "local" facility.

With the present constraints on both capital and revenue expenditure then this proposal presents the least cost option. It requires approximately £1million expenditure over three years. This figure may be reduced after rigorous analysis of requirements and of the latest condition survey reports for both the buildings and services. There will be a necessity for subsidy although demolition or mothballing costs can be offset.

Rather than reduce services it would be the intention to increase footfall and customer base by use of improvements to those activities and services presently on offer and by adopting a robust and effective marketing plan. Although not ideal a period of reduced operations might be acceptable in order to consolidate a sustainable long term offer.

ADVANTAGES OF MAINTAINING STOCKSBRIDGE LEISURE CENTRE

1. The people of Stocksbridge fulfil their desire to keep a sport and leisure facility.
2. A 6 lane 25m pool facility is maintained in North Sheffield.
3. There is no need to provide a new 6 lane 25m pool facility elsewhere in North Sheffield.
4. There is no necessity to provide an additional 4 lane 25m pool facility elsewhere in North Sheffield.
5. The present pool meets the current need for aquatic activity in and around Stocksbridge.

6. The present pool has enough capacity to cater for the future aquatic activity needs in and around Stocksbridge.
7. The City of Sheffield retains its one and only purpose built indoor bowls hall.
8. An indoor sports facility used in excess of Sport England's guidelines is maintained.
9. The present dry side facilities meet the current need in and around Stocksbridge.
10. The present dry side facilities have enough capacity to cater for the future needs in and around Stocksbridge.
11. Retention of dry side facilities at the Leisure Centre will obviate the need to absorb the present activities with associated access and logistic problems to other local providers.
12. Retention of the present Leisure Centre has been shown by the Neill Allen report to be the lowest cost option in the short to medium term for sports and leisure provision in Stocksbridge.
13. Retention and enhancement of the present Leisure Centre may prove to be the lowest cost option in the long term.
14. Retention of Stocksbridge Leisure Centre allows a strategy to be developed for new replacement sports and leisure facilities on a planned basis with full consultation with all interested parties and stakeholders.

ACTION PLAN

2013/14

Commission a full and detailed buildings survey with full and detailed fault reporting, budget costings for repair, time constraints for repair and on risks for failure to implement those repairs. Include within that report any evidence of asbestos if a previous asbestos audit cannot be located.

Complete those tasks identified on the Mechanical and Electrical Services report identified as energy saving measures, will extend the life of existing equipment, will enhance efficiency and effectiveness of operations or are necessary to comply with present and imminent legislation.

Conduct a survey of present and potential users as a basis for determining an effective and efficient event programme for both wet and dry side activities.

Commission an independent leisure centre operator to review the present activity programmes and, with regard to the results of the user survey, propose a more effective activity programme.

Develop a staffing structure based on that programme.

Negotiate with utility suppliers in order to reduce utility bills where possible.

Renegotiate all service and supplies contracts with existing or alternative suppliers.

Develop a planned maintenance programme for plant, equipment, buildings and grounds to minimise risk of critical resource failure and maximise use of all resources.

Develop a volunteer programme.

Develop relationships with local Community Enterprises to promote commonality of suppliers where appropriate to achieve financial economies of scale.

Develop relationships with local Community Enterprises.

Develop a training programme.

Maintain the present customer base ensuring loyalty and ensure improvement on it.

Ensure present quality assurance procedures are appropriate and investigate alternatives if appropriate.

Develop quality assurance procedures for volunteer programme.

Continue to develop the Business Plan as further information, more detailed information and more accurate information is made available.

2014/15

Maintain all the initiatives developed in the previous year.

Investigate the viability of installation of energy conservation measures.

Investigate the viability of installation of energy generation measures.

Review legislation for DDA compliance and make appropriate building and access modifications.

Review all community services provided for the people of Stocksbridge and its surrounding area.

Develop any required replacement or enhancement at SLC and explore other synergistic activities.

2015/16 onwards

Maintain all the initiatives developed in the previous years.

Ensure awareness of the changing local demographic.

Ensure awareness of changes in both the local and national economic outlook.

Ensure awareness of changes in both the local and national strategies for sport and leisure provision.

Start the consultation and planning process for a replacement sports and leisure centre in Stocksbridge.

It is likely that a further Mechanical and Electrical Plant survey will be needed around 2012 and a Buildings survey in 2023.

MARKET

The existing market includes all residents of Stocksbridge and surrounding areas. This will also include those that are not Sheffield residents and will include those from neighbouring authorities such as Barnsley and Kirklees. The market will also include local schools and some cross border schools as well as specific sports clubs and societies.

Over recent years user numbers have declined probably due to lack of investment in both the maintenance and enhancement of the facilities and a lack of marketing activity. Additionally the programme offered has not adapted to meet the need of the modern demographic.

With the present uncertainty over the future of the Leisure Centre further losses of patronage is inevitable and sports clubs using the centre are reporting loss of membership.

Once the future of the Leisure Centre is secured an effective marketing plan can be developed to increase market share for all activities. It must be recognised it could take a considerable time (estimated at in excess of 12 months) just to overturn the effects of the recent closure announcements. Thereafter it is suggested use of the Leisure Centre will increase and an estimated increase in turnover year on year of 10% is envisaged.

Further pockets of unmet demand have already been identified that would drive participation up if incorporated.

OPERATIONS

The Leisure Centre is open from 7.00a.m. until 10.00 p.m. Monday to Friday and from 8.00a.m until 2.00p.m at weekends with the swimming club having exclusive use from 2.00p.m until 4.00p.m. and monthly use by the sub-aqua club after this time.

The pools have a high proportion of non-programmed activities resulting in high levels of over capacity with consequent loss of income. Research has shown that to maximise revenue a full programme of scheduled activities is required. It is suggested that a review of the present programme is undertaken and a new one developed by an independent sports and leisure provider. As an addition to this review would be the development of a staffing rota to administer the proposed programme.

Funding has already been sourced to allow an appraisal of the present activity programme at the Leisure Centre to be independently assessed and for one with a greater revenue generating capacity to be proposed.

It is bizarre that the Leisure Centre is unavailable to the public at the times when they are most able to use it. Weekend opening hours will need to be extended and negotiation will need to take place with user groups in order that they should, where possible, use "off peak" times for their specific activities.

There are guidelines for the operation of swimming pools. It is anticipated that Normal Operating Procedure, Emergency Action Plan and activity specific risk assessments presently in operation will remain in force. Further guidance is to be found in HSE document HSG179 Managing Health and Safety in Swimming Pools.

STAFFING

The present staffing numbers and structure are unavailable but projected direct costs for 2012/13 are £450,572 with a 12.78% supplement for employment charges giving total staffing costs of £508,172. The present staff are employed on long standing SCC contracts of employment. Transfer to SIV contracts and conditions would result in a saving of 18% (as stated in the Neill Allen report) of £91,471.

For operation of a swimming pool it is a requirement that it is observed by correctly and adequately trained lifeguards. Numbers of lifeguards is dependent on the activity within the pool, the relevant risk assessment and the number of participants. It is also good practice that lifeguards, at the very least, change stations every 30 minutes. The statutory pool manning requirement will dictate staffing numbers.

Investigations at another Leisure Centre which has two pools like those at SLC, two sports halls, a bowls hall, three squash courts, a 60 station fitness suite and sauna and steam rooms indicates an operational requirement of three leisure attendants and one supervisor/manager per shift. These three front line staff are supplemented according to the programme on offer in various parts of the complex.

Swimming teachers would need to be employed for all swim teaching activities either as part of the schools programme or as part of programmed activities. Although not good practice teachers who are also lifeguard trained can perform lifeguard duties whilst teaching.

In the interests of reliability it is suggested that core lifeguard cover should be by paid employees. Volunteers could be used for ancillary tasks such as reception, cleaning, administrative support and general and grounds maintenance.

Dry side activity staffing should ordinarily be minimal. Fitness suite equipment induction is the only envisaged requirement. Activity leaders might be required for school holiday programmes and

possibly occasional weekend programmes. A large amount of volunteer labour could be used for these additional activities.

Investigations with other leisure centre operators have shown staffing costs to be less than 50% of income. The 2012/13 projections for Stocksbridge Leisure Centre indicate income of £501,715 with staffing costs of £508,172 which is 101%. Savings of over £257,000 should be achievable but will require contract changes for all staff. Such savings will be helped by the use of volunteer labour wherever appropriate.

It is essential that any new management regime starts with no legacy of previous employment regimes. All present staff will need to have their present contracts terminated with the consequent costs of such termination borne by Sheffield City Council.

BUILDINGS

The latest known building survey was conducted in 1997. That report detailed a number of defects to the building fabric which it must be assumed have been addressed. Not to have done so is likely to have seen serious degradation of the building fabric. Unless a buildings survey, which should be somewhat more detailed than that of 1997, has been carried out within the last five years and any recommendations addressed, then it would be imperative to commission a buildings survey as a matter of urgency.

The buildings were constructed in the 1970s when standards of thermal insulation were much lower than those which are specified today. The buildings were constructed in such a fashion to allow for many energy conservation and energy generation measures to be introduced. Such measures should provide a relatively short payback for any capital expenditure due to the operation of a swimming pool being a relatively energy intense activity.

The results of any asbestos surveys have been requested. Although there has been no response to such request it is probably unlikely to indicate the presence of asbestos as none was highlighted in the 1997 buildings survey or the more recent mechanical and electrical survey. There is, though, still a possibility there may be some present.

The Neill Allen Associates report indicated a requirement for an approximate £1million spend over the next three years which it will be assumed is for both buildings and for Mechanical and Electrical Services. With the budget costs associated for M and E Services to approach £0.5million it would be assumed that £0.5million had been allocated to building repairs. There is presently no detail to assess the accuracy of the present budget forecast.

MECHANICAL AND ELECTRICAL SERVICES

It is assumed the latest known Mechanical and Electrical survey was completed in 2012. The survey indicates that in general the services are in reasonable condition with service items subject to maintenance contracts operated by SIV.

The report states that the fire alarm system within the building is obsolete and recommends replacement at a budget cost of £18000. A further recommendation is that the emergency lighting system be replaced with a modern and current legislation compliant system although the present system is perfectly adequate and likely to remain so for some time. Other recommendations for the electrical equipment appear as contingency items which result in a budgeted expenditure of £175,870 over the next five years. The budget attached to the survey has apportioned an expenditure of £109,870 over the next three years. It is felt that only some of this expenditure is absolutely necessary and the necessary expenditure can be spread over five years. No item should be removed from the budget that will compromise safety, effective and efficient operations or be in contravention of existing and future legislation.

The report also makes recommendations that consideration be given to replacement mechanical services within the next five years. The budgeting for such replacements has been front loaded to the next two years. Most of the budgeted £300,033 can be deferred for at least five years. Again such deferment must not compromise safety, effective and efficient operations or be in contravention of existing and future legislation.

A further observation on the Mechanical and Electrical Services budget is the inclusion of a 10% uplift for preliminaries, a 10% uplift for contingency and a 12.5% uplift for fees. Removal of these uplifts could see a potential saving on the budget figures of £116,793.

On the assumption that Neill Allen Associates had access to this recent Mechanical and Engineering Services report it would be understandable that the headline figures as presented in the summary budget spreadsheets would be taken as a true representation. These costs should have been interpreted, in the main, as contingencies with the majority unlikely to be needed in the next five years. With the removal of a vast amount of these costs the viability of retaining the present Stocksbridge Leisure Centre increases.

UTILITIES

There is little scope to make savings in the electricity budget. Changing provider may see some small savings which are likely to be offset as wholesale oil price rises and should sterling continue its fall against the dollar. Any scope for savings will be by automation of lighting with the installation of time switches and light and motion sensors. The recent Mechanical and Electrical Services report has also indicated that as pumpsets become due for renewal they should be replaced by more energy efficient units.

As with electricity there may be some saving to be gained by changing gas provider. As gas is the power source for both water and space heating, gas consumption and therefore cost is very much dependent on climate and therefore impossible to accurately forecast. Savings will be achieved by the adoption of building related energy saving measures such as the installation of cavity wall insulation and by replacement of glazed areas with double (or even triple) glazing.

It is understood Sheffield City Council investigated the implementation of renewable energy measures approximately two years ago and concluded they would prove to be uneconomic. With energy costs rising and such measures now more affordable they should be reconsidered. Whilst not limiting any further feasibility study to just solar energy Stocksbridge Leisure Centre has already been identified for a possible research project by Sheffield and Durham Universities entitled "Solar Energy in Future Societies". In parallel to this initiative it would be intended to liaise with bodies such as Carbon Trust and Energy Saving Trust to secure funds for such energy saving schemes.

Water usage will increase with the increase in Leisure Centre usage. It may be possible to offset some of this extra usage by the use of more sophisticated swimming pool maintenance procedures.

QUALITY ASSURANCE

There are quality assurance protocols and procedures specifically developed for the operators of sports and leisure facilities. It is understood that one of the major schemes is QUEST. It is unsure whether SCC or SIV subscribe to this scheme or another similar scheme. In either case it would be the intention to continue with the present scheme if there is one in place.

It would also be appropriate to invest in those schemes which enhance the reputation of the Leisure Centre such as "Investor in People" and any other particularly regarding volunteer programmes and management.

GOVERNANCE AND ACCOUNTABILITY

Governance of the business operations of Stocksbridge Leisure Centre is still to be developed. The exact details will be determined when the future of Stocksbridge Leisure Centre is secured, an action plan agreed and the type of funding sought for the Leisure Centre determined.

4SLC has been formed as a grass roots community body with the sole intention of safeguarding leisure and sports facilities for Stocksbridge and surrounding districts.

It is a company limited by guarantee (company no 08413664) and has also applied for charitable status.

It has an open community membership of around 150 and rising, and has nominated eleven members to serve on its Management Committee. The Management Committee has a nominated

Chair, Vice Chair, Secretary and Treasurer, and has established a company bank account. The Chair and Vice Chair of 4SLC are currently the Directors of 4SLC Trust, and the Secretary of 4SLC is currently the Secretary of 4SLC Trust.

The committee is supported by a variety of working groups covering Legal Matters, Finance & Business Planning, Fundraising and Events, Marketing & Publicity (including IT services). Support thus far has been received from STEP Development Trust in so far as the current Chair of STEP Trustees serves as a Committee member and Chairs the Business Planning Group and the STEP CEO serves on the Business Planning Group.

All services are provided on a purely voluntary basis - there are currently no paid officers.

Looking forward the support of STEP Development Trust would be seen as being a positive advantage in so far as they have experience of managing community buildings, a track record of successful community development and can act as a vehicle to access funding via LOCALITY, (the national body created following the merger of The British Association of Settlements and Social Action Centres (BASSAC) and the Development Trusts Association (DTA).

4SLC has an agreed constitution which was voted on and accepted by the full membership and conducts itself in accordance with that constitution.

With regard to the future operational management of SLC, we concur with Neil Allen Associates regarding this being continued by SIV for the foreseeable future but with a view to 4SLC taking over this responsibility as a community owned facility at a future date.

In the meantime, 4SLC will actively investigate the potential for another experienced operator to provide this service for an agreed period, with a view to 4SLC ultimately doing this itself, once it is confident it can do so. It is envisaged that 4SLC will at some point be in a position to oversee the governance of the Leisure Centre operations and management.

It is likely such governance could be heavily influenced by the experiences of STEP Development Trust and the two organisations could work closely with each other on this. The co-operation and involvement of STEP should be actively encouraged.

FINANCIAL INFORMATION

With limited information forthcoming it is difficult to understand the business operation and costs presently associated with Stocksbridge Leisure Centre. The information that has been made available has often been found to be insufficient (e.g. staffing), incomplete (attendance), inconsistent (financial reports) or conflicting (floor areas, energy costs). With such deficiencies it is impossible to provide an accurate financial forecast. Many assumptions had to be made in developing the 5 year financial forecast as detailed in Appendix 1. It is intended that the forecast be remodelled as accurate information becomes available.

Income is assumed to be directly related to footfall with the projections for 2012/13 as a base with no uplift on numbers for 2013/14 but with an annual 10% increase thereafter. Introduction of new and different income generating activities could well see a further increase.

With staffing being the most significant cost some research has been undertaken to determine how it can be reduced. Other institutions have staffing costs of lower than 50% of revenue leading to the use of this figure for the staffing forecast for 2014/15 onwards. For 2013/14 a ratio of 60% has been used to allow for some transition. Use of unpaid volunteers to supplement the core staff would have considerable impact on reducing staffing costs.

Given the information available and researched the only other areas for which reasonably accurate forecasting could be achieved was for Utilities and for the Mechanical and Electrical Services. Deduced information was used for the Buildings budget forecast.

All other areas of the five year forecast, by necessity, had to be calculated estimates. It would be hoped that many of these costs could be minimised by implementing , for instance, energy efficiency measures already identified by SIV where there is potential for some “quick wins , by using low energy lighting and variable speed drives on the pumps”. Other cost saving measures would include the review of current suppliers with renegotiation of terms and conditions.

FUNDING

As with virtually all leisure centres some funding will be necessary over and above that generated by its normal sports and leisure provision. It is envisaged that as time progresses and the “offer” from the Leisure Centre more closely matches what the public want then that subsidy will reduce.

All avenues of funding will be investigated from local fundraising events through to local, national and EU grants. Organisations and their initiatives already identified as possible sources of finance are Sport England’s Improvement Fund and Inspired Facilities Fund, BiG Lottery Awards 4 All and Reaching Communities Fund, NHS Health and Wellbeing Trust, Carbon Trust and Viridor Tax Credits. It is envisaged that some level of subsidy, although much lower than the present annual £400,000 will need to be realised from Sheffield City Council.

The Neill Allen Associates report makes reference to the possibility of raising capital via a community share issue but dismisses the option as the ability to pay a share premium would be unlikely. This conclusion was made on the basis of trying to raise £3million to build a new pool. With the retention of the present pool and the plan to undertake the life extending upgrading at a much lower capital cost (under £1million) then raising a smaller level of capital contribution via a community share issue may have real merit and will be pursued.

The Neill Allen report also suggests raising funds by way of an addition to the Stocksbridge Town Council precept. Although discounted as it is felt it would not receive support from all residents discussions continue to be held with the Town Council to explore other ways in which they can provide funding.

4SLC have the ability to access sources of funding which SCC and, in many cases SIV, cannot around Community Asset Transfer such as The Social Investment Business for pre-feasibility grants up to £10,000 (for internal capacity building) and feasibility grants up to £100,000 (mix of capital/revenue for investment), and the Adventure Capital Fund.

CONCLUSION

A major factor in deciding that it should be Stocksbridge Leisure Centre that should close was that its subsidy per participant was the highest of all leisure centres in Sheffield. Analysis of the operations and costs of Stocksbridge Leisure Centre and comparisons with other similar and dissimilar operations indicate that costs are out of control and the management regime ineffectual. The activity programme presently on offer is uninspiring and is also one that does not seek to maximise revenue.

Reducing staffing costs closer to the industry norm are shown to halve the subsidy (£1.34 per visit in 2013/14) even without an increase in visitor numbers. The impact of increasing visitor numbers dramatically decreases this subsidy and it becomes similar to both Hillsborough and Concord Leisure Centres. With no current definitive schedule for building maintenance requirements estimates have been included in the forecast process which might impact on that subsidy (positive or negative).

The Neill Allen Associates report prepared for Sheffield City Council and Sport England found a demand for sport and leisure facilities in Stocksbridge and in particular it identified that there was a definite need for a swimming pool. The conclusions drawn from the information detailed in that report appear to be flawed leading to incongruous recommendations. In the present economic climate it seems perverse that a perfectly serviceable Leisure Centre is recommended for closure and demolition, to be replaced by facilities offering less to the users, and in locations already better served with alternative facilities than for the people of Stocksbridge.

The recommendations that emanate from this report are:

1. Keep Stocksbridge Leisure Centre open in its entirety.
2. Install a more effective management regime.
3. Reduce staff numbers and costs.
4. Investigate whether Chapeltown actually needs a 6 lane 25m “district pool” and build appropriately.

It is envisaged that some level of subsidy, although much lower than the present annual £400000 will need to be realised from Sheffield City Council.

The people of Stocksbridge have made it quite clear that they wish to retain “their” leisure centre and this report indicates that there is no reason why they shouldn’t.

APPENDIX 1 - FIVE YEAR FINANCIAL FORECAST

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	projection	forecast	forecast	forecast	forecast	forecast
Footfall	148,315	148,315	163,147	179,461	197,407	217,148
INCOME						
General admissions	138,066	138,066	151,873	167,060	183,766	202,142
Coached admissions	169,313	169,313	186,244	204,869	225,356	247,891
Discount cards	789	789	868	955	1,050	1,155
Life cards	5,507	5,507	6,058	6,663	7,330	8,063
Merchandise	5,849	5,849	6,434	7,077	7,785	8,564
Till surplus	45					
Revenue grant	2,660					
Fitness memberships	101,769	101,769	111,946	123,140	135,455	149,000
Area hire	52,808	52,808	58,089	63,898	70,287	77,316
Equipment hire	615	615	677	744	819	900
SIV staff use	273					
Vending sales	24,038	24,038	26,442	29,086	31,995	35,194
INCOME TOTAL	501,732	498,754	548,629	603,492	663,842	730,226
EXPENDITURE						
Sponsorship	18					
Member/discount card	510	960	1,056	1,162	1,278	1,406
Merchandise	2,662	2,250	2,475	2,723	2,995	3,294
Membership charges	3,213	3,004	3,304	3,635	3,998	4,398
Vending & catering	13,530	13,463	14,809	16,290	17,919	19,711
Catering hire	1,200					
Cleaning	9,392	1,342	1,500	1,500	1,500	1,500
Credit card charges	1,548	1,548	1,703	1,873	2,060	2,266
Cash collections	2,113	2,113	2,113	2,113	2,113	2,113
Office equipment	2,905					
Office equipment hire	5,371	5,371	5,371	5,371	5,371	5,371
Sport equipment	15,974	10,000	10,000	10,000	10,000	10,000
Staffing	508,172	299,252	274,315	301,746	331,921	365,113
Spa	129					
First Aid	144	144	158	174	192	211
Pool consumables	1,273	1,273	1,400	1,540	1,694	1,864
Licences	3,379	3,379	3,379	3,379	3,379	3,379

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	projection	forecast	forecast	forecast	forecast	forecast
Marketing	8,002	8,000	8,000	8,000	8,000	8,000
Telecommunications	3,300	2,500	2,500	2,500	2,500	2,500
Computer maintenance	10,500	10,500	10,500	10,500	10,500	10,500
Computer software	2,092					
Computer hardware	543					
Meetings	456	400	400	400	400	400
Postage	206	200	200	200	200	200
Stationery	1,045	1,000	1,000	1,000	1,000	1,000
Subscriptions	644	644	644	644	644	644
Building maintenance	18,808	100,000	100,000	100,000	100,000	100,000
Electrical maintenance	8,586	19,800		29,700		
F&F maintenance	2,631					
Grounds maintenance	182	182	182	182	182	182
Mech maintenance	11,830	3,300	14,300			138,600
Security maintenance	414	414	414	414	414	414
Electricity	60,205	60,205	60,205	60,205	60,205	60,205
Gas	96,188	96,188	98,112	100,074	102,075	104,117
Water	11,657	11,657	11,890	12,128	12,371	12,618
Uniforms	1,566	1,566	1,500	1,500	1,500	1,500
Training	1,664	1,664	1,500	1,500	1,500	1,500
Payroll	1,141	1,141	1,000	1,000	1,000	1,000
Occupational health	560	560	250	250	250	250
CRB checking	484	300	300	300	300	300
Travel	3,328	2,000	2,000	2,000	2,000	2,000
Staff rewards	765					
Insurance	17,980	17,980	17,980	17,980	17,980	17,980
Professional fees	300					
Bank charges	2,020	2,020	2,020	2,020	2,020	2,020
Rates	11,816	11,816	11,816	11,816	11,816	11,816
Head office recharge	53,752					
EXPENDITURE TOTAL	904,198	698,136	668,297	715,819	721,277	898,372
PROFIT/LOSS	-402,466	-199,382	-119,667	-112,327	-57,436	-168,146
SUBSIDY PER VISIT	2.71	1.34	0.73	0.63	0.29	0.77

APPENDIX 2 - BUILDINGS

With no definitive information of how the present estimates for buildings expenditure has been determined the £0.5million estimate will be apportioned equally across five years.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/2024
Buildings	100000	100000	100000	100000	100000	0
TOTAL	100000	100000	100000	100000	100000	0

APPENDIX 3 - MECHANICAL AND ELECTRICAL SERVICES

The following is a budget forecast for those items identified in the Mechanical and Electrical Services report assumed to have been conducted in 2012. The timescales identified take account of the recommendations made but accept that much of the report identified contingencies rather than definite need.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/24
ELECTICAL						
Pool						
LV distribution			15000			
Lighting						25000
LV power						10000
Emergency lighting						18000
Fire alarm	10000					
Dry side						
LV distribution			12000			
Lighting						25000
Emergency lighting						17000
Fire alarm	8000					
Sub Total	18000		27000			95000
MECHANICAL						
Pool						
Upgrade water inlet	750					
Specialist clean DHWS PHE					500	
Thermal insulation	1500					
Replace AHU					75000	
Space heating systems						45000
Extract fan replacement		3000				
Water services system					25000	
Refurbish disabled change area		2000				
Dry side						
Upgrade water inlet	750					
Specialist clean DHWS PHE					500	
Space heating system						40000
WC ventilation		2000				
Replace WC extraction		3000				
Replace general extraction		3000				
Water services system					25000	
Sub total	3000	13000			126000	85000
Contingency 10%	2100	1300	2700		12600	18000
TOTAL	23100	14300	29700		138600	198000

APPENDIX 4 - OUTLINE JOB DESCRIPTIONS

Leisure Centre Manager: strategy, profit and loss, personnel, pool programme, dry side programme, health and safety, training, volunteer programme, security, communication to include public relations, marketing, contract preparation and negotiation, staff development, volunteer development, quality assurance.

Shift Manager/Supervisor: staffing, customer relations, pool safety, dry side safety, first aid, staff qualification, volunteer training, volunteer deployment, volunteer retention.

Leisure Attendant: lifeguard qualified (STA or RLSS), customer safety, customer relations, customer education, volunteer education, site cleanliness, dry side set up.

Aquatics Teacher: as for Leisure Attendant plus ASA Level 2 or STA equivalent teaching qualification, national aquatics teaching strategies, progression routes for participants.

Gym Instructor: advances in gym equipment, advances in accepted techniques, progression routes for participants, customer safety, customer relations, customer education, volunteer education, site cleanliness, dry side set up.

Dry side Instructor: as for Gym Instructor, specific sports and activities strategies, progression routes for participants.

Receptionist (probably a majority volunteer role): customer safety, customer relations, customer education, site cleanliness, administration.

APPENDIX 5 - SPECIMEN PROGRAMME

MAIN POOL	SMALL POOL	DRY SIDE
Monday		
0730-0930 - lane swim		1000-1700 - badminton
0930-1200 - public swim	0930-1200 – family fun	1000-1200 – junior gym
1200-1400 - lane swim		1200-2200 - bowling
1400-1600 – over 50s	1400-1600 - aquamed	1700-2000 – gymnastics
1600-1830 – junior lessons	1600-1900 – junior lessons	2000-2200 – 5-a-side
1830-2030 - pentaqua	1900-2000 – FU aqua	1930-2030 – bodypump
2030-2200 – public/lane swim	2000-2100 – Aqua Zumba	
Tuesday		
0730-0930 – lane swim		1000-1800 – 5-a-side
0930-1200 - schools	0930-1200 – schools	1000-2200 – bowling
1200-1400 – lane swim		1800-2200 - trampolining
1400-1600 – ladies only	1400-1600 – aquababies	1930-2030 – pilates
1600-1830 – junior lessons	1600-1900 – junior lessons	
1830-2030 - pentaqua	1900-2000 – adult lessons	
2030-2200 – triathlon/lanes		
Wednesday		
0730-0930 – lane swim		1000-1800 - badminton
0930-1200 - schools	0930-1200 - schools	1000-1200 – junior gym
1200-1400 – lane swim		1200-2200 - bowling
1400-1600 – over 50s	1400-1600 – parent and baby	1800-2200 – circuits
1600-1830 – junior lessons	1600-1900 – junior lessons	
1830-2030 - pentaqua	1900-2000 – Aqua Zumba	
2030-2200 – public/lane swim	2000-2100 – FU aqua	
Thursday		
0730-0930 – lane swim		1000-1800 – 5-a-side
0930-1200 - schools	0930-1200 - schools	1800-2000 - gymnastics
1200-1400 – lane swim		2000-2200 - badminton
1400-1600 – ladies only	1400-1600 - aquamed	1000-2200 – bowling
1600-1830 – junior lessons	1600-1900 – junior lessons	1930-2030 – bodypump
1830-1930 - development		
1930-2030 – adult lessons		
2030-2200 – public/lane swim		
Friday		
0730-0930 – lane swim		1000-1800 – badminton
0930-1200 – public swim	0930-1200 – family fun	1000-1200 – junior gym
1200-1400 – lane swim		1200-2200 – bowling
1400-1600 – over 50s	1400-1600 – parent and baby	1800-2200 – 5-a-side
1600-1830 – junior lessons	1600-1900 – junior lessons	1930-2030 – pilates
1830-2030 – pentaqua	1900-2000 – FU aqua	
2030-2200 – public/lane swim	2000-2100 – Aqua Zumba	

Saturday		
0730-0930 - pentaqua		0900-1200 - gymnastics
0930-1200 – junior lessons	0900-1200 – junior lessons	1200-1400 – junior 5-a-side
1200-1400 – lane swim	1200-1800 – family fun	1400-1700 – badminton
1400-1800 – fun swim		1700-2000 – bowling
1800-2000 – sub aqua		
Sunday		
0730-0930 – pentaqua		0900-1200 – trampolining
0930-1030 – rookie lifeguards	0930-1130 – junior lessons	1200-1400 – junior badminton
1030-1130 - development		1400-1600 – circuits
1130-1300 – adult lessons	1130-1600 – family fun	1600-2100 – 5-a-side
1300-1600 – fun swim		0900-2100 – bowling
1600-1800 – private hire	1600-1800 – private hire	
1800-1930 – mainly ladies		
1930-2100 – lane swim		

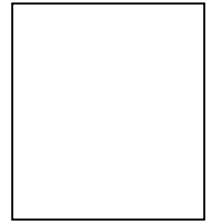
APPENDIX 6 - MEMBERS OF THE BUSINESS PLANNING AND FINANCE GROUP OF 4SLC

CLARKE, Andrew ACIS	Chartered Secretary, Chief Executive, Managing Director, Company Secretary, Special Projects Manager
ECKFORD, Andrew	Chartered Accountant, Board Governor at Barnsley College, Director Wellspring Academy Trust
FOWLER, Trevor B.Sc., D.M.S.	Project Manager, Building and Engineering Services Manager, SME Proprietor; Sports Coach, Official, Administrator
HOUSEDEN, Martyn	Penistone and District Community Partnership, Penistone Leisure Centre Management Committee
ORAM, Michael B.Sc., MRICS	General Practice Surveyor
RALPH, Andrew B.A., NPQH	Teacher, Headteacher, School Governor; Sports Coach, Administrator
SENIOR, Adam Ph.D.	Sales and Development Manager
SILVERWOOD, Graham	STEP Development Trust Chair, East Peak Innovation Partnership Vice Chair, Deepcar Village Community Association Chair
SMITH, Elaine B.A., Cert Ed.	Teacher, Quality Framework Reviewer and Developer, Qualifications Regulation and Awarding Organisations Manager
WILKINSON, Julian	
WILLIAMS, Alison	Chartered Accountant

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SHEFFIELD CITY COUNCIL



Report of: Executive Director Place

Date: April 10 2013

Subject: Stocksbridge Leisure Centre (Oxley Park Trust)

Author of Report: Paul Billington

Summary:

The City Council at a Cabinet Meeting on 10th April 2013 have resolved to withdraw the funding from Stocksbridge Leisure Centre as from 30th April 2013 and to serve notice to terminate its lease of part of the Leisure Centre site.

The City Council has also resolved that, if Stocksbridge Town Council or another organisation is able to produce, by 19th April 2013, a viable business plan that would enable Stocksbridge Leisure Centre to continue operation without recurrent revenue or capital support from the City Council, it would request that Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity, resolve to appoint Stocksbridge Town Council or another organisation as a trustee of the Oxley Park Charity and for the City Council to resign as a trustee of the Charity

If no viable business plan is forthcoming, Cabinet, on behalf of the City Council acting in its capacity as trustee of the Oxley Park Charity are recommended to close Stocksbridge Leisure Centre because the Charity has insufficient funds itself to operate the facility.

Should Cabinet resolve to close the facility, if no viable business plan is forthcoming, on the basis that the Charity does not have any funds to secure the site and in order to reduce the health and safety risk from the building being empty, Cabinet are recommended to request that the City Council arrange and fund the demolition of the Leisure Centre buildings and the carrying out of works to return the site to park land.

Reasons for Recommendations:

The City Council has agreed to remove funding from Stocksbridge Leisure Centre from 30th April 2013. Accordingly the Oxley Park Charity has the responsibility for the buildings but no funding to operate Stocksbridge Leisure Centre or secure the buildings.

The recommendation is, therefore, to close the centre and unless a viable business plan, for the future running of the leisure centre, is put forward, or funding is made available for the security of the buildings following the closure of Stocksbridge Leisure Centre, to request that the City Council arrange and fund the demolition of the Leisure Centre buildings and the carrying out of works to return the site to park land.

Recommendations:

That Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolve:

- a. to close Stocksbridge Leisure Centre from 30th April 2013, unless a viable business plan for the continued running of the Leisure Centre, is forthcoming from the Stocksbridge Town Council or another organisation, prior to that date, that has been approved by the City Council;
- b. to formally request the City Council, in the event that no approved business plan is produced and no funding is made available to the Charity for the security of the buildings following the closure of the Leisure Centre, to fund and arrange for the demolition of the buildings and the restoration of the site as park land;
- c. if a viable business plan is put forward and approved by the City Council, to appoint Stocksbridge Town Council or another organisation (subject to them being properly constituted and suitable to act in that capacity) as a trustee of the Charity and for the City Council to resign as a trustee of the Charity;
- d. if the Leisure Centre buildings are demolished and the site restored to park land, to request a report from a qualified Surveyor (who may be employed by the City Council) on the future use/disposal of the land in such a way as to maximise the charitable objectives of the Trust.
- e. in the event that the disposal of all or part of the land is proposed by such a report, to instruct Legal Services to enter into negotiations with the Charity Commission to obtain a "Scheme" to authorise the disposal and requests that a qualified Surveyor (who may be employed by the City Council) advises upon the best method of disposal and prepares a valuation report for the land that complies with the Charities (Qualified Surveyors Report) Regulations 1992;
- f. to agree to offset the demolition costs (estimated at £105,000) against a future capital receipt for the site, subject to any permissions that may be required from the Charity Commission.

Background Papers:

The Council Budget report for 2013/14

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Paul Schofield
Legal Implications
YES/NO Cleared by: David Hollis
Equality of Opportunity Implications
YES/NO Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
YES/NO
Human rights Implications
YES/NO:
Environmental and Sustainability implications
YES/NO
Economic impact
NO
Community safety implications
YES/NO
Human resources implications
YES/NO
Property implications
YES/NO
Community Assembly(s) affected
North
Relevant Cabinet Portfolio Leader
Cllr Isobel Bowler
Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES/NO

1.0 SUMMARY

- 1.1 The City Council at a Cabinet Meeting on 10th April 2013 have resolved to withdraw the funding from Stocksbridge Leisure Centre as from 30th April 2013 and to serve notice to terminate its lease of part of the Leisure Centre site.
- 1.2 The City Council has also resolved that, if Stocksbridge Town Council or another organisation is able to produce, by 19th April 2013, a viable business plan that would enable Stocksbridge Leisure Centre to continue operation without recurrent revenue or capital support from the City Council, it would request that Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity, resolve to appoint Stocksbridge Town Council or another organisation as a trustee of the Oxley Park Charity and for the City Council to resign as a trustee of the Charity
- 1.3 If no viable business plan is forthcoming, Cabinet, on behalf of the City Council acting in its capacity as trustee of the Oxley Park Charity are recommended to close Stocksbridge Leisure Centre because the Charity has insufficient funds itself to operate the facility.
- 1.4 Should Cabinet resolve to close the facility, if no viable business plan is forthcoming, on the basis that the Charity does not have any funds to secure the site and in order to reduce the health and safety risk from the building being empty, Cabinet are recommended to request that the City Council arrange and fund the demolition of the Leisure Centre buildings and the carrying out of works to return the site to park land unless funding is made available to secure the buildings following closure.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The impact on the withdrawal of funding from Stocksbridge Leisure Centre is detailed in the report to Cabinet recommending the withdrawal of funding

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The Oxley Park Charity cannot afford to operate the Centre without financial support. An opportunity exists for the Stocksbridge Town Council or another organisation to come forward with an alternative business plan that would enable the Centre to continue to serve the community but, as the City Council has resolved to withdraw funding, any plan that is forthcoming will need to address

both the revenue operating costs of the building and the future capital needs.

- 3.2 Although the site is part of the Oxley Park, previous discussions with the Charity Commission are reported as indicating that the site could be disposed of provided any capital receipt was utilised by the Oxley Park charity for the benefit of the people of Stocksbridge, it could therefore contribute to the funding of an alternative economic facility in the area. This opinion will have to be confirmed through new discussions with the Charity Commission as the previous files appear unclear on any final agreement.

4.0 Options for the Oxley Park Charity Trustees

4.1 Background

4.1.1 The Oxley Park Charity was set up to provide recreational opportunities for the people of Stocksbridge and surrounding areas. The Charity has never been formally registered at the Charity Commission, but that does not have any bearing on its status as a charity.

4.1.2 The Oxley Park Charity has no funds of its own, only the assets of the Park and the Leisure Centre. Accordingly it cannot afford to continue to run the Leisure Centre without financial support, nor can it afford to secure the buildings or maintain them in a safe condition in the event of the Leisure Centre closing.

4.1.3 The Stocksbridge Town Council along with other organisations are looking at options for a community based operation and Sport England are funding a short sharp study into the operation to determine if there is any alternative management operation that could be viable

4.2 Proposal

4.2.1 The proposal is that Stocksbridge Leisure Centre be closed to the public on the 30th April 2013 unless arrangements have been made for the running of the Leisure Centre that are not reliant upon funding from the Charity

4.2.2 In addition, it is proposed that, unless there is an alternative arrangement for the running of the Leisure Centre and no funding is made available to the Charity to secure the buildings, then in order to ensure safety the buildings be

demolished as soon as possible following the closure of the Leisure Centre.

4.3 **Benefits**

4.3.1 The benefit of this proposal is that the Oxley Park Charity remains solvent and potentially has a capital receipt that it can apply to alternative provision for the people of Stocksbridge.

4.4 **Risks**

4.4.2 Given the unclear position regarding the Charity Commission requirements and the uncertainties of the property market at present there is a risk that there may not be a capital receipt to offset the demolition costs. There is also a significant risk that, even if a capital receipt could be generated, the Charity Commission would not permit it to be used to offset the demolition costs. As stated under the Legal implications heading, use of part of the park as a leisure centre is in breach of the objects of the Charity and consequently, any scheme obtained to authorise the disposal is likely to specify that the receipt is applied to further the objects of the Charity, rather than be offset against the demolition costs.

4.5 **Financial Implications**

4.5.1 It is essential that Cabinet, as Trustees of Oxley Park Charity obtain and consider advice, from an accountant or other suitably qualified person, explaining the nature and effect of the withdrawal of funding in relation to the continued running of the leisure centre.

4.6. **Legal Implications**

4.6.1 Oxley Park was acquired originally by Stockbridge Urban District Council in two separate conveyances in 1921 and 1925 from Thomas Oxley, which state that the land is held upon trust “for ever for perpetual use by the inhabitants of Stockbridge as a Park or Recreation Ground...”.

4.6.2 The appointment of Stocksbridge Town Council or another organisation as a trustee of the Charity and the resignation of the City Council as a trustee would not require any consents or approvals from the Charity Commission as the objects of the Charity would not be affected and a transfer of the trusteeship is not classed as a disposal.

4.6.3 Use of part of the park as a leisure centre is in breach of these objects and no application has been made to the Charity Commission to amend them. The lease of part of the site to the City Council operates to authorise the use of part of

the site for the purpose of a leisure centre, but the remainder of the buildings are subject to and in breach of the original objects of the Charity. In addition, the City Council have resolved to serve notice to terminate the lease and upon its termination, the whole site will revert to the Charity and be held upon the original objects of the Charity.

4.6.4 The demolition of the leisure centre and the restoration of the site to parkland, as initially proposed, would have the effect of bringing the use of the land back in line with the objects of the Charity. Consequently, no specific permission is required from the Charity Commission to authorise the demolition.

4.6.5 Any proposal to dispose of the whole or part of the leisure centre site would require a formal application to the Charity Commission for a scheme to authorise it. The City Council, as Trustee of the Charity would need to ensure that they were satisfied that any disposal was in the best interests of the Charity. The advice of a Qualified Surveyor would also need to be obtained in relation to the steps to be taken to market the land in order to maximise the capital receipt, who would then compile a report confirming that any disposal negotiated was the best that could be obtained in the current market.

4.7 **Property Implications**

4.7.1 The vacant building would be complex and hard to secure effectively. The option therefore to demolish and potentially dispose of the site requires to be evaluated.

4.8 **Planning Policy implications for future use of the site**

4.8.1 In planning policy terms, the site is designated as Open Space Area in the Unitary Development Plan. Core Strategy policy CS47 safeguards the site as open space and has a presumption against the site's redevelopment for alternate uses unless:

1. as soon as practicable equivalent or better replacement open space would be provided in the area; or
2. the site is identified as surplus to its current open space function, and:
 - a. a proposed replacement would, as soon as practicable remedy a deficiency in another type of open space in the same local area; or
 - b. it could not fulfil other unsatisfied open space needs; or

3. Development would be ancillary to the open space and have a minimal impact on the use or character of the open space.

In the event of redevelopment of the site, the policy would require replacement of the open space with an equivalent area of open space within the same local area.

- 4.8.2 There is a covenant on the site which requires the land to be used for the benefit of the people of Stocksbridge for recreational purposes. This would affect the disposal of the site for alternative land uses as it will not allow the land to be used for alternate uses unless the covenant is transferred to an alternate and equivalent open space in Stocksbridge. The requirement for replacement of open space could also facilitate transfer of the covenant on the land.
- 4.8.3 There is no local planning policy requirement to replace Stocksbridge Leisure Centre. Unitary Development Plan Policy CF2 has a presumption against development that would result in the loss of community facilities, but built leisure facilities such as sports halls, swimming pools and outdoor play areas are not within the definition of 'community facilities' in the national use classes order or local policy and therefore, this policy does not apply.
- 4.8.4 National Planning Policy (paragraph 74) indicates that existing sports/recreational buildings and land should not be redeveloped unless they are surplus to requirements, or would be replaced in a suitable location. The Council's proposal (outlined in paragraph 4.2.3 above) to explore with partners the potential for a new pool in the North of the City may help to meet this national planning policy requirement.
- 4.8.5 In summary, current planning policies would support, though not require, the continued use of the site for leisure purposes. However, it would require retention or replacement of the Open Space Area. This is without prejudice to operational considerations relating to the centre itself.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Stocksbridge Town Council and other organisations have been given the opportunity to produce a viable business plan for the continued running of the Leisure Centre, which the City Council have resolved to give due consideration to.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 Oxley Park Charity cannot afford the operation or upkeep of the building without financial support. The recommendation is

therefore to close the centre and in order to minimise the health and safety risk from the vacant building and for it to be demolished unless a viable alternative can be proposed.

7.0 RECOMMENDATIONS

It is recommended that Cabinet on behalf of the City Council acting in its capacity as Trustee of the Oxley Park Charity resolve:

- a. to close Stocksbridge Leisure Centre from 30th April 2013, unless a viable business plan for the continued running of the Leisure Centre, is forthcoming from the Stocksbridge Town Council or another organisation, prior to that date, that has been approved by the City Council;
- b. to formally request the City Council, in the event that no approved business plan is produced and no funding is made available to the Charity for the security of the buildings following the closure of the Leisure Centre, to fund and arrange for the demolition of the buildings and the restoration of the site as park land;
- c. if a viable business plan is put forward and approved by the City Council, to appoint Stocksbridge Town Council or another organisation (subject to them being properly constituted and suitable to act in that capacity) as a trustee of the Charity and for the City Council to resign as a trustee of the Charity;
- d. if the Leisure Centre buildings are demolished and the site restored to park land, to request a report from a qualified Surveyor (who may be employed by the City Council) on the future use/disposal of the land in such a way as to maximise the charitable objectives of the Trust.
- e. in the event that the disposal of all or part of the land is proposed by such a report, to instruct Legal Services to enter into negotiations with the Charity Commission to obtain a "Scheme" to authorise the disposal and requests that a qualified Surveyor (who may be employed by the City Council) advises upon the best method of disposal and prepares a valuation report for the land that complies with the Charities (Qualified Surveyors Report) Regulations 1992;
- f. to agree to offset the demolition costs (estimated at £105,000) against a future capital receipt for the site, subject to any permissions that may be required from the Charity Commission



SHEFFIELD CITY COUNCIL

Report of: Executive Director Place

Date: 10th April 2013

Subject: Don Valley Stadium and Woodbourn Athletics Stadium

Author of Report: Paul Billington

Summary:

In response to the significant budget cuts facing Sheffield City Council (SCC), and following an assessment of facility options by the Council and Sheffield City Trust (SCT), SCT has decided to close Don Valley Stadium with effect from 30th September 2013. Subsequently, on March 1st 2013, Sheffield City Council set its budget for 2013/14 and this included a consequent reduction in the annual funding to SCT.

This report seeks a Cabinet decision on accepting the closure of DVS and to declare the site surplus to service requirements. It also seeks approval to re-open a refurbished Woodbourn Athletics Stadium as the new home for city athletics.

Reasons for Recommendations:

The City Council has to make savings of £50M in 2013/14, largely as a result of significant reductions in Government funding. The city's sports facilities have to take a share of the cuts and the closure of Don Valley Stadium was recommended and agreed by SCT because of its high cost; its relatively low usage and the availability of an alternative low cost/ high quality athletics facility at Woodbourn Road. The city's athletics clubs have indicated a willingness to relocate outdoor athletics to Woodbourn and the city is already working with Sport England and England Athletics (athletics' national governing body) on a joint approach to its refurbishment.

Work is also underway regarding the relocation of other activities from Don Valley to alternative suitable venues.

Recommendations:

That Cabinet;

1. notes and accepts the Sheffield City Trust proposal to close Don Valley Stadium from the 30th September 2013.
2. approve the demolition of Don Valley Stadium following its closure and to declare the site surplus to service requirements, enabling alternative options for the site to be fully considered.
3. delegates to the Executive Director Place in consultation with the Director of Legal and Director of Finance (and where they relate to property arrangements in consultation with the Director of Capital and Major Projects) the authority to agree such amendments to or consents under the legal arrangements with Sheffield City Trust and Sheffield International Venues as well with the leasing banks as appropriate to achieve the closure and demolition of Don Valley Stadium.
4. notes the proposal to re-open a refurbished Woodbourn Athletics Stadium
5. delegates to the Executive Director Place in consultation with the Director of Legal, Director of Finance and the Director of Capital and Major Projects the authority to enter into such legal arrangements as appropriate to achieve the refurbishment and re-opening of Woodbourn Athletics Stadium
6. notes that a separate capital approval submission will be made for the necessary authority to undertake and procure the proposed works at Woodbourn Stadium
7. delegates to the Executive Director to take such further steps as he thinks appropriate to achieve the outcomes outlined in this report, including entering into arrangements with third parties.

Background Papers:

Sheffield City Council Revenue Budget Report to Council, March 1 2013
Equality Impact Assessment (Appendix A)

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Paul Schofield
Legal Implications
YES/NO Cleared by: David Hollis
Equality of Opportunity Implications
YES/NO Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
YES/NO
Human rights Implications
YES/NO:
Environmental and Sustainability implications
YES/NO
Economic impact
YES
Community safety implications
YES/NO
Human resources implications
YES/NO
Property implications
YES/NO
Community Assembly(s) affected
East
Relevant Cabinet Portfolio Leader
Cllr Isobel Bowler
Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES/NO

1 SUMMARY

In response to the significant budget cuts facing Sheffield City Council (SCC), and following an assessment of facility options by the Council and Sheffield City Trust (SCT), SCT has decided to close Don Valley Stadium with effect from 30th September 2013. Subsequently, on March 1st 2013, Sheffield City Council set its budget for 2013/14 and this included a consequent reduction in the annual funding to SCT.

This report seeks a Cabinet decision on accepting the closure of DVS by SCT. The closure is part of a wider plan to relocate athletics to Woodbourn Stadium and given the budget pressure to close DVS, seek new regeneration opportunities on the Don Valley site. The report therefore seeks approval to re-open a refurbished Woodbourn Athletics Stadium as the new home for city athletics.

.Work will also continue with other sports clubs to find alternative suitable venues for their future use.

2 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

For the athletics community, Woodbourn will offer a dedicated and sustainable home for outdoor athletics in the city. It will also avoid athletics programmes and training being subject to regular disruption due to competing pressures from other activities which is inevitable in a major, multi purpose stadium such as Don Valley.

Whilst there is clearly some concern about the loss of a major sports facility such as Don Valley, alternatives sports facility closures would be worse in terms of impact on sports participation and health. For example, to achieve the same level of saving as closing Don Valley, the city would have to consider the alternative closure of several community pools with a loss in participation many times greater. Therefore, by comparison, the closure of Don Valley and the relocation of athletics to a nearby venue mean that the impact on the people of Sheffield is relatively low.

Unfortunately, Don Valley has not hosted a major athletics event for 5 years and the prospect of regularly hosting major events in the future is low. Therefore the international scale and cost of the venue can no longer be justified within the context of the major and continuing reductions in Council budgets.

3 OUTCOME AND SUSTAINABILITY

Given the budget cuts for 2013/14 and beyond within SCC, it is essential that a more affordable home for athletics be established. The proposed re-opening of Woodbourn Road Stadium offers a

sustainable athletics facility for the city which will accommodate all club and schools programmes and cater for events up to regional and potentially British League standards. An annual budget to support the operation of Woodbourn has been set aside from the Don Valley savings.

SCC has continued to develop its Equality Impact Assessment (Appendix A). This concludes that the proposed closure of DVS would be equality neutral impacting the same regardless of age, sex, race, faith, disability, sexuality etc .i.e. no disproportionate impact on any groups with protected characteristics. This could be compared with potential alternative facility closures in the city where there is a more significant usage by groups with protected characteristics. It also indicates the closure would impact on relatively low numbers of participants, particularly given that the key usage of athletics will be fully relocated to the nearby Woodbourn Stadium.

Work is also underway to identify alternative venues for other users of DVS.

4 CLOSURE OF DON VALLEY STADIUM AND RE-OPENING OF WOODBOURN ATHLETICS STADIUM

Background

As part of the Major Sports Facilities in the city, Don Valley Stadium is owned on a long lease by SCT and operated on their behalf by SIV. The lease specifies minimum operating standards but the operation of Don Valley Stadium is a matter for SCT and SIV. Through a funding agreement that is separate to the lease SCC agrees to fund any operating loss made by SCT and/or SIV. This arrangement covers all the Major Sports Facilities and in relation to Don Valley Stadium SCC has funded SCT/SIV at an average of around £700K in recent years.

In response to the significant budget cuts facing SCC it has had to consider all savings options and that includes its funding and provision of sports and leisure facilities. In addition SCC has had to look at its existing contractual arrangements and has had discussions with many of its partners to agree revisions to those arrangements to allow SCC to make the savings its needs to in these unprecedented times.

Following a joint assessment of facility options with the Council, Sheffield City Trust has agreed to close the Don Valley Stadium with effect from 30th September 2013 so that it will no longer need to call upon SCC for funding under the Funding Agreement. Although precipitated by the SCC budgetary position this was an independent decision of SCT's trustees and was made by them

having regard to the charitable obligations of SCT.

Subsequently, on March 1st 2013, Sheffield City Council set its budget for 2013/14 and this included a recognition of the consequential reduction in the annual funding to DVS.

This report seeks a Cabinet decision on agreeing to release SCT from the minimum operating standards under the lease arrangements. It also seeks approval to re-open a refurbished Woodbourn Athletics Stadium as the new home for city athletics.

Alongside the English Institute, Don Valley is the current base for outdoor athletics in the city and therefore it is desirable to replace this facility. The floodlit track at Woodbourn Athletics Stadium that was mothballed two years ago is of the same technical standard as Don Valley and also has the major advantage of a dedicated throws area. These factors, combined with a commitment to give athletics the priority use of Woodbourn, have meant that the city's key athletics clubs have constructively engaged in the planning of a refurbished stadium. The plan has also received a positive response from Sport England and the athletics' governing body, England Athletics.

Proposal

The proposal is for Don Valley Stadium to close on the 30th September 2013 after the last of the existing pre-booked events and to demolish and clear the site thereafter.

It is also proposed that at the same time the Woodbourn Athletics Stadium re-opens. Prior to that there will be a need to carry out refurbishment works at Woodbourn. To this end, capital funding of £115,000 has been identified within the Culture and Environment budget in 2013-14. In addition, discussions have taken place regarding prospective bids for further capital funds to both Sport England and England Athletics. A Capital Plan for Woodbourn is being finalised which will form the basis of the funding bids and it is planned to deliver total investment of at least £300,000 in the venue.

Discussions are also taking place regarding the options for operating Woodbourn. One option is for an athletics club to take a lease on the site, with grant aid support from SCC to meet core running costs. A business plan for this option is currently being developed. If one club were to operate the site, it would be on the basis of fair and guaranteed access to the city's other key athletics clubs and appropriate community access.

Work has already started to look at post-closure options for the stadium and/or site. This will continue through to the proposed

closure in September. If an affordable and sustainable solution is found to retain the stadium before the end of September, then this would be considered by SCC. If such an option is not forthcoming, then the stadium would be demolished soon after September and proposals for the site would be progressed.

Benefits

There are a number of key benefits from the proposed closure of Don Valley Stadium:-

- achieves significant savings with relatively low impact on sports participation
- helps prevent alternative closures in other sports facilities in the city which would impact on many more people
- offers the opportunity to create a low cost sustainable home for athletics at Woodbourn Stadium
- relieves Sheffield City Trust from an funded liability
- creates a regeneration opportunity on the site after the stadium is closed and demolished

Risks

The closure of Don Valley Stadium poses a risk to the city's reputation as a City of Sport. However, much of the concern expressed so far has been in relation to the loss of a '*national facility*' with a consequent call by some for the Government and/or national sporting agencies to step forward with solutions. It appears this is unlikely to happen. Both Sport England and Lord Coe have acknowledged the Council's difficult decision in relation to Don Valley, but also noted the opportunity arising at Woodbourn.

The support recently offered for Woodbourn by the city's athletics clubs is also a strong indication of the potential it offers to meet the city's long term athletics needs.

A Capital Plan and a Business Plan are both important pre-requisites of a sustainable solution for athletics at Woodbourn. The commitment of all parties to develop and deliver these plans is extremely encouraging. The co-operation of the clubs to potentially operate the venue is also very positive, A Woodbourn Delivery Group now meets regularly to oversee the project and this includes SCC, England Athletics, City of Sheffield AC and Hallamshire Harriers. Sport England is also offering regular advice and support to the group.

Consultation

SCC held citywide public consultation events on the potential budget impact on sports facilities on January 23 and 24. These took place at Sheffield Town Hall. Further information explaining the Council's proposals has been available on the SCC website since January.

SCC has responded to a number of public requests for information and letters of complaint.

Extensive and detailed discussions have taken place with the city's two main athletics clubs. This has involved several meetings since January and dialogue is on-going. Support by the clubs for the redevelopment of Woodbourn Stadium is the key outcome of this consultation. Dialogue is now in the form of regular formal meetings of the Woodbourn Delivery Group.

Further detailed consultation has taken place between the DVS manager/SCC officers and a wide range of DVS user groups to update them on the proposal and to assist them in considering their future options.

Consultation with the local community with regards to opportunities for participation at the re-opened Woodbourn Stadium is planned for the coming weeks.

5. FINANCIAL IMPLICATIONS

By implementing the proposal to close Don Valley Stadium and provide alternative facilities at Woodbourn, the Council will be able to operate within its significantly reduced funding allocation for sport in 2013-14, whilst still providing first class athletics facilities.

Given the high subsidy level required by Don Valley Stadium, its closure also allows the Council to focus its reduced resources on other lower cost and better used community sports facilities such as local swimming pools.

The Council will incur one off redundancy costs of approximately £150k which will be funded from the Council's overall provision for redundancy costs. There may also be some liability for SCT to repay third party funding if Don valley closes and SCC will assist them to look at ways to avoid or mitigate any repayments. Any further one-off costs relating to the closure will be funded from the gross saving from Don Valley. Of course these one-off costs in 13/14 are significantly outweighed by the recurrent annual savings of £700K, which will generate around £3M total savings over the first 5 years.

Don Valley Stadium was built in the early 1990's and financed through the Major Sports Facilities (MSF) funding arrangements. There may be a need to amend some of the detailed provisions in respect of DVS. The Council continually reviews its debt and investment strategy and any changes to the overall MSF arrangements will be the subject of a separate report

The estimated demolition costs of DVS of £250k, and the capital investment at Woodbourn Stadium will be found from the Council's

Corporate Resource Pool and will be the subject of a separate capital approval submission.

The proposal to demolish the stadium is based on the emerging consensus with key partners and national sports bodies that it is uneconomic to remodel the stadium and its retention would incur the upcoming major repair costs of around £1.6M starting in 2014.

If an affordable and sustainable solution is found to retain the stadium before the end of September, then this would be considered by SCC. If not, then beyond the September closure, it is more economic to demolish the stadium than to secure and sustain it in a closed condition over an extended period of time.

6. LEGAL IMPLICATIONS

The Council has the power under s19 Local Government (Miscellaneous Provisions) Act 1976 to provide facilities for sports. This power also allows loans or grants to voluntary organisations to allow them to provide such facilities.

Various other legislation also allows the Council to provide these facilities under a contract for services or to enter into land deals with a third party.

The current agreements between SCC and SCT/SIV are by way of a long lease from SCC to the leasing banks who have granted an under lease to SCT and a funding agreement to cover operating losses at the city's Major Sports Facilities – including Don Valley. These agreements will continue to operate in respect of the other Major Sports Facilities.

Any proposals for investment and operation of Woodburn Stadium will need to follow Council policies and relevant procurement and state aid law.

Any decision will have to have regard to the public sector equality duty.

7. PROPERTY IMPLICATIONS

The property implications from this proposal may be dealt with in a later report as they are tied into the future funding arrangements for the Major Sports Facilities and the wider redevelopment plans for the Lower Don Valley. However it may be necessary to deal with them separately for Don Valley Stadium so a delegation is sought to allow those arrangements to be made.

8. ALTERNATIVE OPTIONS CONSIDERED

Both the City Council and SCT have considered a wide range of options to achieve the necessary budget reductions and both have concluded that this option is the one that has the least impact on

sports participation and health in the city. The alternative would be the closure of several community facilities that would have far higher adverse impact.

Work is on-going to review future options for the stadium and/or site beyond its closure in September.

9. REASONS FOR RECOMMENDATIONS

The City Council has to make savings of £50M in 2013/14, largely as a result of significant reductions in Government funding. The city's sports facilities have to take a share of the cuts and the closure of Don Valley Stadium was recommended and agreed by SCT because of its high cost; its relatively low usage and the availability of an alternative low cost/ high quality athletics facility at Woodbourn Road. The city's athletics clubs have indicated a willingness to relocate outdoor athletics to Woodbourn and the city is already working with Sport England and England Athletics (athletics' national governing body) on a joint approach to its refurbishment.

Work is also underway regarding the relocation of other activities from Don Valley to alternative suitable venues.

10. RECOMMENDATIONS

It is recommended that Cabinet:

1. notes and accepts the Sheffield City Trust proposal to close Don Valley Stadium from the 30th September 2013.
2. approves the demolition of Don Valley Stadium following its closure and to declare the site surplus to service requirements, enabling alternative options for the site to be fully considered.
3. delegates to the Executive Director Place in consultation with the Director of Legal and Director of Finance (and where they relate to property arrangements in consultation with the Director of Capital and Major Projects) the authority to agree such amendments to or consents under the legal arrangements with Sheffield City Trust and Sheffield International Venues as well with the leasing banks as appropriate to achieve the closure and demolition of Don Valley Stadium.
4. notes the proposal to re-open a refurbished Woodbourn Athletics Stadium
5. delegates to the Executive Director Place in consultation with the Director of Legal, Director of Finance and the Director of Capital and Major Projects the authority to enter into such legal arrangements as appropriate to achieve the refurbishment and re-opening of Woodbourn Athletics Stadium

6. notes that a separate capital approval submission will be made for the necessary authority to undertake and procure the proposed works at Woodbourn Stadium
7. delegates to the Executive Director to take such further steps as he thinks appropriate to achieve the outcomes outlined in this report, including entering into arrangements with third parties.

Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

Name of policy/project/decision: Don Valley Stadium

Status of policy/project/decision: New

Name of person(s) writing EIA: Paul Billington

Date: Updated March 2013

Service: Culture and Environment

Portfolio: Place

What are the brief aims of the policy/project/decision? To inform a potential decision on the proposed closure of Don Valley Stadium - part of the budget saving measures 2013/14

Are there any potential Council staffing implications, include workforce diversity? No. However, there may be staffing implications for our partner SIV. They will follow their procedures for this.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Negative	Low	Some impact on young people who use DVS. Also some potential impact on bowlers who tend to be older people.
Disability	Neutral	-Select-	No specific impacts
Pregnancy/maternity	Neutral	-Select-	No specific impacts
Race	Neutral	-Select-	No specific impacts
Religion/belief	Neutral	-Select-	No specific impacts
Sex	Neutral	-Select-	No specific impacts
Sexual orientation	Neutral	-Select-	No specific impacts
Transgender	Neutral	-Select-	No specific impacts
Financial inclusion, poverty, social justice cohesion or carers	Neutral	-Select-	No specific impacts
Voluntary, community and faith sector	Negative	Low	A number of sports clubs will be affected by the proposed closure.
Other/additional: Mobility/accessibility	Negative	Low	DVS is used by a citywide customer base which is already largely travelling by car to use the facility.

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			Other customers will travel by tram to the venue.
Other/additional:	-Select-	-Select-	

Overall summary of possible impact (to be used on EMT, cabinet reports etc):

Fundamentally this proposal is equality neutral, impacting most people the same regardless of age, sex, race, faith, disability, sexuality, etc. However, there are some potential negative impacts in relation to age (young and elderly), plus voluntary groups. However, the usage levels at DVS are relatively low compared to other sports facilities and there are a number of mitigating actions summarised below. The overall impact on sports participation and therefore health will be relatively low.

Detailed work will continue before Sept to ensure reasonable relocation of activities

The immediate catchment population surrounding DVS is also relatively low.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

Review date: 20/03/13 **Q Tier Ref** / **Reference number:** /

Entered on Qtier: Yes **Action plan needed:** Yes

Approved (Lead Manager): Paul Billington **Date:** March 2013

Approved (EIA Lead person for Portfolio): Ian Oldershaw **Date:** March 2013

Does the proposal/ decision impact on or relate to specialist provision: no

Risk rating: Low

Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
Age	All outdoor athletics activity, club and schools, will relocate to Woodbourn Other activities will relocate to alternative venues - work is already underway with users to identify suitable venues Consult and work with gymnastics customers	SCC Woodbourn switch by Sept and monthly delivery group meetings Switch other user groups by Sept - joint work by SIV and

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
	and fitness customers on relocation options prior to September Work closely with bowlers to assist in relocation by September	SCC officers
VCF	Working closely with affected clubs - particularly bowling and athletics to manage migration plans	SCC and SIV - monthly reviews
Other	Relocation will involve review of customer travel patterns. Alternative venues will be assessed in terms of access to public transport (including tram) wherever possible e.g. EISS, Woodbourn and Ponds Forge	SCC and SIV - monthly reviews
-Select-	I	
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
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Approved (Lead Manager): Paul Billington Date: March 2013

Approved (EIA Lead Officer for Portfolio): Ian Oldershaw Date: March 2013



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director, Place

Date: 10 April 2013

Subject: Reducing Long Term Empty Properties (LTEs) –
Purchase & Repair Scheme

Author of Report: Christine Rose

Summary:

Sheffield City Council has an important role to play in place shaping and ensuring that Sheffield is a “great place to live”. This means delivering successful places and sustainable, thriving communities, with desirable homes, access to local facilities and services, social and economic activity, and a safe and sustainable transport infrastructure. The quality of life will be high and Sheffield people will feel content with, and proud of, where they live.

One way of helping to deliver this vision is through reducing the number of Long Term Empty (LTE) properties in the City which are impacting upon the success of the City’s neighbourhoods. The regeneration benefits of bringing LTEs back into use are wide ranging, it will help to shape and create safe, sustainable neighbourhoods by reducing the places where anti social behaviour can happen, making use of existing housing stock that would otherwise stand unused often attracting anti social behaviour and providing much needed affordable housing for Sheffield.

The Council has been working with owners of empty homes to reduce the number of LTEs in the City through a combination of targeted support and advice. This has seen the number of empty properties reduce considerably. However, there are a significant number of LTE properties which are unlikely to come back into use without further intervention from the Council. The Purchase and Repair Scheme will provide the Council with an additional and effective tool to bring these homes back into use.

The purpose of this report is to establish a Purchase & Repair Scheme whereby Sheffield City Council will purchase Long Term Empty properties (LTEs) from owners, where the properties have been empty for an average of 2 years across the scheme. The Purchase & Repair scheme will target properties that help the

Council meet its strategic housing objectives, increasing the delivery and range of quality affordable homes, in safe, sustainable places where people want to live.

The Council will refurbish the properties to the Home and Community Agency's Design & Quality Standards and they will become permanent Council housing. They will then provide affordable rented homes for the City and help to reduce the number of LTE properties on the Council Tax register.

This project will have the additional benefit of helping the Council to maximise income generated under the New Homes Bonus (NHB) and the Affordable Homes Bonus (AHB).

Reasons for Recommendations:

- The Council has identified a strategic need to deliver more affordable housing across the City , helping to meet the demand for affordable rented properties across Sheffield.
- It will contribute towards place shaping and the regeneration of neighbourhoods, enabling the Council to improve (sometimes eyesore) properties through refurbishment. This will benefit local neighbourhoods.
- It will bring more long term empty properties back into use and reduce the number of LTEs on the Council Tax register. This will help to maximise the NHB and AHB payable to the Council by government.
- It will help reduce anti social behaviour and the fear of crime that can be associated with LTEs.
- The scheme will provide the Council with increased assets by increasing its housing stock.
- It has the opportunity to deliver many reputational benefits for the Council as the scheme will result in both reduction in LTEs and provision of affordable housing.
- This scheme is an additional tool which can run alongside and compliment the other options the Council have in place help to bring LTEs back into use.

Recommendations:

R1 that approval is given to establish a Purchase & Repair Scheme as described in the report, subject to funding

R2 that approval is given for the use of prudential borrowing against the HRA of £2,260,000.

R3 That Cabinet agrees that for the duration of the funding agreement with the HCA an affordable rent as set in accordance with the terms of the agreement constitutes a reasonable charge for the occupation of properties purchased for this scheme and;

R4 notes that a capital approval submission for the expenditure has been submitted as part of the agreed monthly budget monitoring process to authorise and procure the necessary capital works.

Background Papers:

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: Andrea Simpson
Equality of Opportunity Implications
YES Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
Yes
Economic impact
NO
Community safety implications
Yes
Human resources implications
NO
Property implications
YES
Area(s) affected
City Wide
Relevant Cabinet Portfolio Leader
Cabinet Member for Homes and Neighbourhoods
Relevant Scrutiny and Policy Development Committee if decision called in
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES/NO

Reducing Long Term Empty Properties – Purchase & Repair

1. SUMMARY

- 1.1 Sheffield City Council has an important role to play in place shaping and ensuring that Sheffield is a “great place to live”. This means delivering successful places and sustainable, thriving communities, with desirable homes, access to local facilities and services, social and economic activity, and a safe and sustainable transport infrastructure. The quality of life will be high and Sheffield people will feel content with, and proud of, where they live.

One way of helping to deliver this vision is through reducing the number of Long Term Empty (LTE) properties in the City which are impacting upon the success of the City’s neighbourhoods. The regeneration benefits of bringing LTEs back into use are wide ranging, it will help to shape and create safe, sustainable neighbourhoods by reducing the places where anti social behaviour can happen, making use of existing housing stock that would otherwise stand unused often attracting anti social behaviour and providing much needed affordable housing for Sheffield.

The Council has been working with owners of empty homes to reduce the number of LTEs in the City through a combination of targeted support and advice. This has seen the number of empty properties reduce considerably. However, there are a significant number of LTE properties which are unlikely to come back into use without further intervention from the Council. The Purchase and Repair Scheme will provide the Council with an additional and effective tool to bring these homes back into use.

- 1.2 The purpose of this report is to establish a Purchase & Repair Scheme whereby the Council will purchase properties which have been empty for an average of 2 years across the scheme. It will target properties that help the Council meet its strategic housing objectives, increasing the delivery and range of quality affordable homes, and creating safe places where people want to live.

The scheme will also deliver financial benefits, as reducing the number of LTEs attracts government funding via the NHB. It will also provide the Council with increased assets by increasing its housing stock. Over time these assets will provide a return for the Council.

The properties purchased will be refurbished and then included in the Council’s housing stock as permanent Council housing. They will then provide affordable rented homes for the City and help to reduce the number of long term empty properties on the Council Tax register, by bringing them back into use. We propose that 31 LTE properties will be purchased and brought back into use via this scheme.

This project will have the additional benefit of helping the Council to maximise income generated under the New Homes Bonus and the Affordable Homes Bonus.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 This scheme will bring 31 empty properties back into use to be let as Council housing at an affordable rent and increase the supply of accommodation across the City.
- 2.2 With additional NHB/AHB generated through the provision of more affordable homes, this money can be reinvested into housing and economic regeneration in Sheffield.
- 2.3 Properties which have stood empty for over 2 years often attract anti social behaviour and increase the fear of crime experienced by the community. These types of properties are unlikely to come back into use without significant intervention. This project will help to tackle properties which are impacting negatively on neighbourhoods and contribute towards safe and secure communities.
- 2.4 Properties which have stood empty for long periods of time can often have a detrimental effect on the surrounding neighbourhood and impact on market values and saleability of nearby properties. This scheme will work towards alleviating these issues in areas where properties are purchased.

3. OUTCOME AND SUSTAINABILITY

- 3.1 This scheme will invest in existing homes through refurbishment which will make good use of an existing resource. The carbon footprint will be lower than that of building a new property.
- 3.2 Properties will be refurbished to meet the HCA Design & Quality standards, which focus on ensuring the properties meet adequate space, layout and sustainability standards. This will ensure the properties brought into the Council's stock will be high quality affordable homes that will help sustain long term tenancies.
- 3.3 The scheme will be available in areas where the Council has identified a demand for affordable rented housing.

4. MAIN BODY OF THE REPORT

4.1 Background

The NHB was introduced by Government in March 2011. It was designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. The government will pay the equivalent of one year's Council Tax for 6 consecutive years for each

- Net new home built; and
- Long term empty property brought back into use, based on the total in the October Council Tax returns.

In order to maximise the funding available the Council need to encourage both new build homes and reduce the number of long term empty properties in the City. This scheme is one way of reducing the number of long term empties, by enabling them to be purchased by the Council and then used as affordable rented accommodation in the City. It will sit alongside and complement the wider work being carried out by the Council to reduce empty properties.

4.2 Empty Property Purchase & Repair Scheme

The purpose of this report is to establish a Purchase & Repair Scheme whereby the Council will purchase properties that have been empty for an average of 2 years across the scheme, and rent them out as affordable homes. The scheme will target properties where work with owners has demonstrated they won't come back into use without significant intervention. This will help contribute towards the Council's strategic housing objectives including:

- reducing long term empty properties across the City and the impact they have on our communities
- delivering more affordable housing
- giving a wider choice to people looking for affordable housing including rural housing and larger family homes
- The regeneration and creation of sustainable, safe neighbourhoods where people want to live.

In turn, this will help the Council to deliver on key Corporate objectives such as creating "a great place to live" and "creating safe and secure communities."

Once properties have been purchased, they will be renovated, brought into the Council housing stock as permanent Council housing and let on secure tenancies. Management, maintenance and repairs will be carried out in the same way as all other Council houses in the City. However, due to funding arrangements, HCA guidance dictates that an affordable rent will be charged. Affordable rent is 80% of market rent which is likely to be higher than social rent. Social rent is calculated using a formula which takes into account valuation of the property, number of bedrooms and average regional earnings.

Properties must be refurbished to meet the Decent Homes and HCA Design & Quality Standards. This will help to ensure high quality affordable homes that will help sustain long term tenancies. Decent Homes predominantly focuses on the age and condition of the facilities and component parts of a property, whilst the HCA Design and Quality Standards ensure adequate space, layout and sustainability standards. The primary purpose of the HCA's standard is for new build. Conversely, the HCA acknowledges that given the limited opportunities for redesign within the confines of an existing structure, there will be instances where some shortfall against the performance measures will be unavoidable. Properties which would require extensive and costly refurbishment to meet the standard would not be considered for purchase under the scheme.

Given there is a shortage of affordable housing in all areas of the City, the

Purchase and Repair Scheme will primarily target family houses (3 bed+) in areas where they will be cost effective for the Council to manage. It is likely that these properties will be ex Right to Buy properties in predominantly Council managed areas. This may include leasehold flats in Council owned buildings. However, this is not exclusive and there may be opportunities to purchase properties in other areas which meet our strategic needs and where value for money is achieved. For example, this could include properties in rural areas or 'problem' properties which are negatively impacting upon our neighbourhoods and meet our scheme requirements.

The Purchase and Repair scheme will provide us with another tool to sit alongside existing enforcement measures to deal with problem empty properties.

The scheme will enable the Council to purchase 31 properties between 2013/15. The financial implications of this are shown in paragraph 4.4 below.

We have based our unit purchase price on research carried out for the average market value of a 3 bed property in areas that have a high level of Council properties. This value is around £70k - £75k. The properties purchased through the scheme will be at varying levels of repair however, the amount of money needed to refurbish the unit will be taken into consideration when agreeing the purchase price and final decision to purchase. The Council will carry out the property valuations and prepare the schedule of works. As part of the decision to purchase, the long term maintenance and management implications for the type of property will be carefully considered to ensure costs can be afforded.

4.3 Legal Implications

The Council has the power to acquire properties to use for the purposes of Part II of the Housing Act 1985 under section 17 of the Act. They must ensure that any such properties are used as housing accommodation as soon as reasonably practicable after the completion of necessary works.

It will be necessary to enter into a funding agreement with the HCA and to comply with its terms for the duration of the agreement. In particular, the Council must agree to let the dwellings acquired for this scheme at an affordable rent (no more than 80% of market rent) which must not be increased by more than RPI + 0.5% per annum and which must be reset based on a new valuation each time the property is let to a new tenant.

Section 24 of the 1985 Act provides that the Council may make such reasonable charges as it may determine for the tenancies of its houses. To comply with the HCA agreement it must agree that an affordable rent as set in accordance with the terms of the agreement constitutes a reasonable charge for the occupation of these dwellings.

4.4 Financial Implications

There are upfront capital and ongoing revenue costs associated with the scheme. Ultimately, the scheme will provide the Council with an asset which provides a financial return in the very long term (55 years). However, the

primary reason for the scheme is being able to help deliver the Council's strategic housing objectives as set out above.

Up Front Capital Costs and Initial Prudential Borrowing Against the HRA

A successful bid to the HCA has secured £538,335 of funding, equating to an average grant of £17,366 of grant per property towards purchase and refurbishment costs. The scheme will look to spend between £60k-£80k per unit on purchasing the property, with total costs per unit of £90k. This will include work cost, purchase price, stamp duty, legal and survey costs and fees. The cost of refurbishment will need taking into detailed consideration when finalising a purchase price. The anticipated total upfront costs for the scheme are therefore £2,798,000. Thus the scheme will also require prudential borrowing of around £2,260,000. The capital spend will be the subject of a separate report to Members as part of the monthly capital approvals process.

The breakdown of costs above are estimated guide prices as we will look to purchase properties which meet the schemes targets and strategic aims, whilst ensuring value for money within the budget constraints.

Long Term Revenue Implications

Management and Maintenance Costs

The anticipated revenue running costs of the properties are based on previous experience of managing the Council's housing stock. The estimates allow for periodic refurbishment to maintain the properties at Decent Homes standard.

Rents have been based on affordable rent levels of £95 per week (with future inflation increases linked to inflation plus 0.5%).

Re-Paying the Prudential Borrowing

The upfront borrowing required for the scheme is £2,260,000. This will be repaid over a 30 year period and the repayment and interest costs (at 4.5%) have been factored in.

Key success factor

The scheme assumes that rent will increase annually at a rate 0.5% higher than inflation and this is critical to the scheme repaying the loans by year 30 and breaking even at year 33.

Right to Buy Implications

Once the properties are let as Council housing on secure tenancies they will be subject to the Right to Buy (RTB). This legislation may have implications of financial loss for the Council. However, the Cost Floor rule means that for any RTB applications completed in the first 15 years, the discount must not reduce the purchase price below specified costs incurred in respect of the property, broadly the purchase cost and any other major repair and refurbishment costs incurred by the Council. After the Cost Floor period the discount due to a tenant buying under RTB will not be reduced to take account of the costs incurred, including any outstanding loan repayments on

the property. There would be no further rental income received to cover loan costs. However, current rates of RTB completions are low at around 0.4% of total stock. Currently it is too early to predict what the new levels of take up may be with the new increased discounts. Future predictions of RTB completions across the city are currently 150 sales for 2013/14 and 2014/15 which equates to 0.4 %.

There are claw back provisions in the HCA funding agreement if any property to which it applies is sold under RTB. A maximum of £17, 366 could be repayable per property.

HCA Repayment of grant conditions

There are other circumstances where the HCA will require payback of a grant. Examples include improper use of funds, fraudulent behaviour, demolition of units and under performance on unit completions without prior agreement of the HCA.

New Homes Bonus

Potentially, there will be NHB and AHB generated by bringing 31 LTE properties back into use. This will roughly be the equivalent of 1 year's Council tax per property payable to the Council for 6 consecutive years assuming current government policy stays in place. The table below summarises the expected NHB financial benefits of bring the 31 properties back into use up until 16/17.

NHB Benefits	Yr 1 11/12	Yr 2 12/13	Yr 3 13/14	Yr 4 14/15	Yr 5 15/16	Yr 6 16/17	Total (1 - 6)
15 properties acquired in year 2013/14 and 16 properties acquired in 2014/15	-	-	-	9,000	25,000	34,000	68,000
0.35k AHB per property pa for 6 years	-	-	-	3,000	8,000	11,000	22,000
Total				12,000	33,350	45,000	90,000

*For the purposes of the NHB the reduction in the number of LTE is measured from Oct – Oct, with the NHB funding being paid in the following year. For example a reduction in LTEs between Oct 12 and Oct 13 would be awarded in April 14.

4.5 Environmental and sustainability implications

This scheme will invest in existing homes by bringing them up to the HCA Design & Quality Standards and makes good use of an existing resource. The carbon footprint will be lower than that of building a new property.

Sheffield City Council is in the process of securing early ECO funding for Properties across the City. If successful, the Council will seek to include any eligible measures within the ECO funding in these properties as part of a Purchase and Repair Scheme.

4.6 **Community safety implication**

Organisations such as the Empty Homes Agency confirm that empty homes commonly increase the fear of crime to adjacent occupants. Bringing empty homes back into occupation helps to reduce this fear of crime and increase community safety.

4.7 **HR Implications**

There are no HR implications

4.8 **Equality of Opportunity Implications**

The Equality of Opportunity implications have been explored in the EIA.

4.9 **Risks**

There is considerable financial risk in this project committing the Council to long term borrowing with an uncertain income stream over a very long period of time for little financial return. The primary benefit is helping to deliver the Council's strategic housing objectives, by increasing the number of affordable homes, reducing the number of LTEs and improving the sustainability of the city's neighbourhoods. The Purchase and Repair scheme is an additional tool to help the Council achieve this and will create financial benefit by generating NHB/AHB for the new affordable units created.

Specific risks associated with a Purchase & Repair scheme may be:

Financial – Costs associated with purchasing/improving properties may be higher than estimated which could have an impact on budgets.

This could result in the budget not being able to cover the purchase & repair of all 31 proposed properties

Mitigation – Ensure that all costs are accurately accounted for and factored into budgets. Select properties for purchase that the scheme can afford. This will be determined an individual value for money assessment which considers the long term sustainability of the property, upfront purchase and repair costs and future management and maintenance implications.

Financial – Prudential borrowing against the HRA may be a risk to the HRA if the properties are unable to generate the rent levels estimated in order to pay back the borrowing.

Mitigation – Careful and well informed selection decisions to be made when selecting properties to purchase. Demand and supply information analysed to ensure that tenancies and property types are in demand and sustainable.

Financial – Once the properties are let as Council housing on secure tenancies they will be subject to the Right to Buy (RTB). Once the cost floor period has past, the risk is that the Council may lose financially due to the discounted purchase price and will not fully recoup the money spent on the property including any outstanding loan repayments.

There will also be a financial risk for the Council as the HCA will require their grant funding to be repaid if a RTB completes on one of the acquired properties. However, if within the cost floor period this cost will be recovered in the sale price. With increased discounts for RTB there may be increased take up.

Mitigation – The cost floor rule applies for the first 15 years after the purchase and refurbishment costs have been incurred. Current rates of RTB completions are around 0.5%. Currently it is too early to predict what the new levels of take up may be with the increased discounts.

Financial – There is a risk that the HCA will require the grant funding to be repaid if grant conditions are broken. These include, in addition to sale of the properties, improper use of funds, fraudulent behaviour, demolition, and inability to deliver a unit completion without prior agreement from the HCA.

Mitigation – Ensure that the scheme is managed transparently and effectively with the scheme's performance monitored for targets and progress.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Alternative option: No Purchase & Repair scheme

Outputs:

- No Purchase & Repair scheme will see fewer LTEs brought back into use. Having fewer methods in which to tackle LTEs will potentially mean fewer LTEs brought back into use and that the Council is less likely to deliver its strategic housing objectives as effectively.
- No Purchase & Repair Scheme will also result in a potential resource of affordable housing in the city not being utilised.
- Loss of HCA grant funding

Benefits

- There will be no need to use prudential borrowing to fund the scheme and no risk to the HRA.

Outline costs

- By not having a Purchase & Repair scheme there will be the potential loss of the NHB and AHB that would be payable for the 31 properties bought back into use by this scheme. There would also be no HCA grant funding.
- However, no prudential borrowing against the HRA.

Risks

Without the Purchase & Repair Scheme, the risks may be:

- Strategic, we fail to utilise on a resource to help us meet the increasing demand for housing of all tenures, but especially affordable, across the city.
- Empty properties continue to impact negatively on the success and sustainability of the City's neighbourhoods.

- Financial, it could have a negative impact on the NHB/AHB
- Reputational, an increase in LTEs or lack of methods to deal with them has a detrimental impact on the quality of neighbourhoods

6. REASONS FOR RECOMMENDATIONS

6.1 Preferred Option: Establish a Purchase & Repair scheme aimed at reducing the number of LTEs across Sheffield.

- The Council has identified a strategic need to deliver more affordable housing across the City , helping to meet the demand for affordable rented properties across Sheffield.
- It will contribute towards place shaping and the regeneration of neighbourhoods, enabling the Council to improve (sometimes eyesore) properties through refurbishment. This will benefit local neighbourhoods.
- It will bring more long term empty properties back into use and reduce the number of LTEs on the Council Tax register. This will help to maximise the NHB and AHB payable to the Council by government.
- It will help reduce anti social behaviour and the fear of crime that can be associated with LTEs.
- The scheme will provide the Council with increased assets by increasing its housing stock.
- It has the opportunity to deliver many reputational benefits for the Council as the scheme will result in both reduction in LTEs and provision of affordable housing.
- This scheme is an additional tool which can run alongside and compliment the other options the Council have in place help to bring LTEs back into use.

7. REASONS FOR EXEMPTION (if a Closed report)

N/A

8. RECOMMENDATIONS

8.1 That approval is given to establish a Purchase & Repair Scheme as described in the report, subject to funding

8.2 R2 that approval is given for the use of prudential borrowing against the HRA of £2,260,000.

8.3 That Cabinet agrees that for the duration of the funding agreement with the HCA an affordable rent as set in accordance with the terms of the agreement constitutes a reasonable charge for the occupation of properties purchased for this scheme and;

8.4 notes that a capital approval submission for the expenditure has been submitted as part of the agreed monthly budget monitoring process to authorise and procure the necessary capital.

Author: Christine Rose
Job Title: Interim Programme Director
Date: March 11 2013

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SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Neil Dawson

Date: 10th April 2013

Subject: Corporate Buildings Statutory Servicing & Repairs Contract

Author of Report: Jed Turner
Telephone: 27 34066

Summary:

The current contract for repairs, servicing and maintenance for the corporate estate expires in March 2014. The current provider is Kier Sheffield LLP (the 'LLP').

In addition to the services currently delivered by Kier Sheffield LLP there is a range of additional contracts that provide statutory servicing and testing for the Council. In order to provide economies of scale and reduce contract management interfaces it is recommend that all of these disparate arrangements are packaged together and that the Council goes out to the open market to procure a single service provider to deliver the full range of statutory servicing and repairs for all council managed properties excluding social housing.

The purpose of this Cabinet report is to recommend that the statutory servicing and repairs contract for the corporate estate is procured in the open market to seek a contractor to deliver this service post 2014 for a duration of 2 years with an option to extend by up to 3 years.

A comprehensive options review was carried out to determine the most appropriate delivery model for this service. The outcome is to have in place a 'stand alone' contract as this model provides the best strategic fit for this service to meet key outcomes such as: future flexibility to respond to changing circumstances; ability to compliment the asset rationalisation programme and changing face of public sector providers; provide a single point of contact and provide a service focussed solely on the customer base and client for corporate buildings without the risk of dilution as a result of being combined with other services such as housing.

The contract will include an annual review mechanism supplemented by periodic benchmarking to provide an opportunity for service review and changes. The notional value of this contract will initially be approximately £4m to £5m per annum, but this may reduce in response to the on-going implementation of the asset rationalisation plan and the fact that schools spend is discretionary and not guaranteed.

Indicative Budget Profile

Indicative Budget Profile 2014/15					
Service	P&FM Corporate	Current Schools Spending (not guaranteed and subject to school discretion)**	P&FM KAPS (this element of spend will transfer to P&FM)	School Kitchens	Totals
Statutory Servicing and Testing	£1,086,900		£377,900	£56,000	£1,520,800
Repairs and Maintenance	£1,072,800	£150,000	£1,036,700	£100,000	£ 2,359,500
Minor Works (capital)*	Up to £1,700,000*	£150,000	-	£200,000	£2,050,000
Total	3,859,700	£300,000**	£1,414,600	£356,000	£5,930,300

Table Notes

**The value of minor works is not guaranteed and is up to a maximum of £1.7m. Minor Works is not exclusive and will be subject to a Value for Money (VfM) check.*

***School spend is not guaranteed as it is subject to school discretion.*

The contract will not include any volume guarantees.

The notional value of this contract could reduce by up to a maximum of 20% in value over the next five years in response to the asset rationalisation plan.

The scope of the contract will include:

- Provision of a 24hr Service responding to emergencies to either make safe and secure or provide solutions to maintain service delivery;

- Completion of all Repairs & Maintenance to the Corporate Estate and support SCC in the delivery of a traded service to 3rd party organisations such as schools, trusts and community organisations;
- Delivery of Minor Works schemes up to the value of £100k (subject to VfM check and therefore non-exclusive);
- Undertaking of all Statutory Servicing and Risk Assessments to the Corporate and Civic Estate and supporting SCC in the delivery of a traded service to 3rd party organisations, such as schools, trust community organisations;
- School Kitchens;
- Responsive repairs for footpaths and un-adopted highways (non- HRA land and outside the scope of the Amey Contract).

Reasons for Recommendations:

The current contract for the corporate estate for repairs, servicing and maintenance expires in April 2014 and this service needs to be re-let on the open market to secure a new contract (in accordance with the Council's Contracts Standing Orders and European Union Procurement Rules). The tender process will be competitive and follow the principles of transparency and non-discrimination and delivering value for money.

In addition to the services currently delivered by Kier Sheffield LLP there is a range of additional contracts that provide statutory servicing and testing for the Council. In order to provide economies of scale and reduce contract management interfaces it is recommend that all of these disparate arrangements are packaged together and that the Council goes out to the open market to procure a single service provider to deliver the full range of statutory servicing and repairs for all council managed properties excluding social housing.

The Council needs to maximise value for money and deliver an excellent statutory servicing and repairs service in the context of increasing financial constraints and spending pressures and provide flexibility for the Council for future options.

This service will contribute to making council owned properties (excluding social housing) safe places in which to work and providing buildings that are safe for users and customers who use and have access to our buildings by ensuring that repairs, servicing and maintenance are carried out with due attention to customer care, health and safety and "right first time".

Recommendations:

It is recommended that:

1. The procurement of a single contractor - by way of OJEU competitive tender via restricted procedure, to deliver the services that form part of the corporate statutory and repairs contract from April 1st 2014 to June 3rd 2016 with an option to extend by up to 3 years - be approved.
2. The proposed key attributes that will be contained in the proposed contract as set out in Section 7 of this report be approved.
3. That bidders need to comply with TUPE and with the Code of Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.
4. The contract provides the opportunity for Third Parties (for example School/Trusts/Public Sector bodies accessing the contract outside the 'traded service' provisions) to have a "Call Off" arrangement based on a 2% Procurement Contribution Fee. If Third Parties would like SCC to provide a contract management service this would be subject to further discussion via the 'traded service' provisions and an enhanced fee to reflect the additional support required.
5. Delegated powers are granted to the Director of Commercial Services or his nominated representative in conjunction with the Director of Capital and Major Projects and the Head of Transport and FM, to ensure delivery of the stated objectives, including if required varying the scope of this contract, (subject to being within approved budget limits), accept tenders and award a Contract for this Project.

Background Papers: NA

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Anna Peysner
Legal Implications
YES Cleared by: Lawrence Gould
Equality of Opportunity Implications
YES Cleared by: Phil Reid
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO Cleared by Robert Almond
Economic impact
YES
Community safety implications
NO
Human resources implications
YES – cleared by Cheryl Blackett
Property implications
NO
Area(s) affected
All Community Assembly areas
Relevant Cabinet Portfolio Leader
Cabinet Member for Resources
Relevant Scrutiny Committee if decision called in
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

CORPORATE BUILDINGS STATUTORY SERVICING AND REPAIRS CONTRACT

1.0 SUMMARY

- 1.1 The current contract for repairs, servicing and maintenance for council owned buildings, expires in March 2014. The current provider is Kier Sheffield LLP (the 'LLP').

In addition to the services currently delivered by Kier Sheffield LLP there is a range of additional contracts that provide statutory servicing and testing for the Council. In order to provide economies of scale and reduce contract management interfaces it is recommend that all of these disparate arrangements are packaged together and that the Council goes out to the open market to procure a single service provider to deliver the full range of statutory servicing and repairs for all council managed properties excluding social housing.

The purpose of this Cabinet report is therefore to recommend that a contract is procured in the open market to seek a contractor to deliver the entire statutory servicing and repairs for the corporate estate service post 2014 for duration of 2 years with an option to extend by up to 3 years.

A comprehensive options review was carried out to determine the most appropriate delivery model for this service. The outcome is to have in place a 'stand alone' contract as this model provides the best strategic fit for this service to meet key outcomes such as: future flexibility to respond to changing circumstances; ability to compliment the asset rationalisation programme and changing face of public sector providers; provide a single point of contact and provide a service focussed solely on the customer base and client for corporate buildings without the risk of dilution as a result of being combined with other services such as housing.

The contract will include an annual review mechanism supplemented by periodic benchmarking to provide an opportunity for service review and changes. The notional value of this contract will initially be approximately £4m to £5m per annum, but this may reduce in response to the on-going implementation of the asset rationalisation plan and the fact that schools spend is discretionary and not guaranteed.

Indicative Budget Profile 2014/15					
Service	P&FM Corporate	Current Schools Spending(not guaranteed and subject to school discretion)**	P&FM KAPS (this element of spend will transfer to P&FM)	School Kitchens	Totals
Statutory Servicing and Testing	£1,086,900		£377,900	£56,000	£1,520,800
Repairs and Maintenance	£1,072,800	£150,000	£1,036,700	£100,000	£2,359,500
Minor Works (capital)*	Up to £1,700,000*	£150,000	-	£200,000	£2,050,000
Total	£3,425,000	£300,000**	£1,414,600	£356,000	£5,930,300

Table Notes

*The value of minor works is not guaranteed and is up to a maximum of £1.7m. Minor Works is not exclusive and will be subject to a Value for Money check.

**School spend is not guaranteed as it is subject to school discretion

The contract will not include any volume guarantees.

The notional value of this contract could reduce by up to a maximum of 20% in value over the next five years in response to the asset rationalisation plan.

1.2

- The scope of the contract will include :Provision of a 24hr Service responding to emergencies to either make safe and secure or provide solutions to maintain service delivery
- Completion of all Repairs & Maintenance to the Corporate and Civic Estate and supporting SCC in the delivery of a traded service to 3rd party organisations such as, schools, trusts and community organisations.
- Delivery of Minor Works schemes up to the value of £100k (subject to VfM check)
- Undertaking of all Statutory Servicing and Risk Assessments to the Corporate and Civic Estate and support SCC in the delivery of a traded service to 3rd party organisations such as. schools, trust community organisations:
 - Asbestos (Management Plans, Surveys, effective repair and Analytical)

- Air Conditioning Energy Assessments and F gas compliance
 - Air Conditioning & Air Handling Units Servicing and Repairs
 - Air Source Heat Pumps Servicing and Repairs
 - Ground Source Heat Pumps Servicing and Repairs
 - Automatic Door Servicing and Testing and Repairs
 - Combined Heat & Power Servicing
 - Fire Alarms and Emergency Lighting Testing and Servicing
 - Fire Risk Assessments & Risk Assessment Reviews
 - Fire Appliance Servicing and Replacement
 - Flue/Chimney Servicing and Testing
 - Gas Servicing and Testing (including all other plant servicing e.g. oil)
 - PAT/FAT Servicing and Testing
 - Hardwire Testing Electrical Testing (17th Edition)
 - Lift & Hoist Servicing and Testing
 - Legionella L8 Compliance (Risk Assessments, temperature monitoring, sterilization, purging, water analysis etc). Also includes Water Features (Filtration, chemical dosage)
 - Lightening Protection Servicing and Testing
 - Photo Voltaic & Solar Panel Servicing
 - Green Roof and Grey Water Servicing
 - Working at Height Servicing and Testing (man safe systems/ Latch Wires)
 - Fibre Optic lighting in Barkers Pool /Sheaf Square – Servicing and Repairs
 - Energy Systems – Servicing and Repairs to the TREND BMS
 - School Kitchens (Gas Servicing Testing, Consultancy, Mixer & Refrigeration Servicing, Electrical 17th Edition Hard Wire Testing, FAT and PAT Testing, Fans and Filtration Servicing & Cleaning)
 - Responsive repairs for lighting, footpaths and un-adopted highways (non- HRA land outside the scope of the Amey contract).
- Premise Related “Hard” Security Services: Servicing of Intruder Alarms, Fob Access Systems, CCTV Systems will be non-exclusive and subject to VfM business case in order to provide some future flexibility.
 - Generally, all capital construction and elemental works will be excluded from this contract and will be separately procured through open tender or regional frameworks as determined through procurement strategy reviews in order to

demonstrate on-going best value for the Council.

1.3 The Key Milestones are as follows:

Activity	Date
Cabinet Member Briefings	January/February 2013
Resources Change Board	January/February 2013
Project Board Report Approval	14 th February 2013
EMT Approval	5 th March 2013
CMT/EMT Approval	18 th March 2013
Cabinet Report Approval	10 th April 2013
Issue of OJEU notice	22 nd April 2013
Invitation to Tender	19 th June 2013
Identify Preferred Tenderer	3 rd October 2013
Contract Award	5 th December 2013
Start of new contract	1 st April 2014

1.4 The key outcomes that the Council expects to see from the new contract are:

- The improvement of the existing service (Section 6 provides details of opportunities for service improvements);
- The appointment of a single active contractor responsible for the delivery of all statutory servicing, compliance and repairs across the property portfolio (excluding housing);
- The provision of greater flexibility to respond to changing circumstances and a shrinking property portfolio as the asset rationalisation strategy progresses;
- The on-going provision of employment and training opportunities;
- The embedding of environmental considerations;
- Ensuring that client and constructor interfaces are lean and effective (all data and compliance information is electronically populated into the client's central asset management system);
- The transfer of the management of "Hard" Facilities Management (FM) services of the Council's Civic Buildings from KAPs to SCC's FM team in order to provide the efficiency benefits of a 'one stop shop' service.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

2.1 The Council currently owns approximately 960 buildings. The on-going Asset Rationalisation Programme will result in significant fewer buildings to maintain compared to present requirements enabling finite resources to be much better utilised.

2.2 Providing quality services in challenging economic circumstances remains a priority for the Council. Providing value for money is also a key priority as this will

help to ensure that our buildings are as safe as possible for the people that use and occupy them within the resources available.

The procurement of a single repairs and servicing contract will provide economic advantages through the simplification of contractual and management interfaces thereby reducing the associated delivery cost. This will enable limited resources to be utilised in the best possible manner to maintain facilities that are safe for the people of Sheffield to use.

3.0 OUTCOME AND SUSTAINABILITY

3.1 The proposals in this report are aimed at maximising the quality of service for repairs, servicing and maintenance whilst at the same time:

- providing the lowest price on volume;
- reducing overall costs to SCC;
- complimenting the asset rationalisation programme;
- having an efficient ratio of responsive and planned service;
- providing a single central point of responsibility in terms of Premise related compliance.

3.2 The proposals in this report will also contribute to key corporate priorities such as employment and skills, environmental considerations and the utilisation of local supply chains.

4.0 BACKGROUND

4.1 In 2003 Sheffield City Council (SCC) established an innovative limited liability partnership with the Kier Group called Kier Sheffield LLP (LLP). This is a form of Joint Venture and was established in order to demonstrate long term commitment from the City Council as well as provide a trading platform for Kier to expand the business. The Council has a 19.99% share in the LLP and one Board Member. The LLP has no time restriction on it and can be in place for as long as both parties see value in it.

The Construction and Building Services contract was awarded to the LLP in 2003 and expires in March 2014. This contract covers repairs and maintenance for all Council owned buildings. This includes social housing repairs and maintenance, corporate and civic buildings repairs and maintenance and all capital works across the Council's portfolio.

This focus of this procurement strategy and report is only in relation to the Councils corporate estate i.e. Council owned buildings other than social housing.

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 A number of options were identified and considered. These were:

- Varying the KAPS contract to allow KAPS to procure works. This was

considered as High Risk from a procurement challenge perspective as the original OJEU procurement did not include the “CPV codes” for statutory servicing, testing, repairs and maintenance. As such, competitors could make a claim against the Council for uncompetitive procurement which would present a risk of additional cost and delay to the Council.

- KAPS managing the function following SCC procurement of a two year contract. This was ruled out as it was considered that the market would not respond positively to being managed by another contractor (ie KAPS). There was also a risk that KAPS would not effectively manage the transformation from the current arrangements to where we need to be in 2016 and thereby leave SCC potentially in an exposed position.
- SCC procuring a maintenance contractor for both housing and the corporate portfolio but incorporate a break clause to split out the corporate works in 2016.) This was ruled out due to the complexity of the discussions in relation to Housing and the future vision of P&FM requiring a ‘stand alone’ contract that is unfettered by a combined housing and corporate contract to provide enhanced focus on the maintenance of the corporate estate. This option also carried the risk that the corporate portfolio could become a ‘Cinderella’ service because of the size and scale of the housing operation and result in less client focus on this service and potential impact on performance and innovation. However, there may be some elements of the Housing contract (or in-house service), such as stand-by which P&FM could have the options of buying into if desired and appropriate.
- Early termination of the KAPS contract and allowing SCC to procure full Hard and Soft FM for corporate client portfolio in 2014. This was considered to be unachievable given the timescales and complexities involved at this stage.
- SCC procuring a single repairs and maintenance and statutory compliance and testing contractor for 2014-2016 with an extension provision for up to 3 years and to be directly managed by Property and FM) was the **preferred option** as this carried no risk of challenge, enabled P&FM to manage the contract direct, provided a clean break from social housing and provided future flexibility to be co-terminus with the existing KAPS contract.

5.3 The Preferred Option:

An Options Appraisal exercise was undertaken to assess all of the possible options in detail in order to identify a Preferred Option. Through this assessment, the preferred option identified was to have a separate procurement strategy for the non-housing contract for our civic and public buildings.

The Key reasons for this option are:

- A separate contract for non-housing allows for an opportunity to have in

place a contract that is more focussed on statutory servicing and compliance, opportunity to reduce interface arrangements with KAPS and SCC, provide future flexibility to be co-terminus with existing KAPS contract and respond to changing circumstances, best able to compliment the asset rationalisation programme and changing face of public sector providers, provide a single point of contact and a service focussed solely on the customer base and client for corporate buildings (and not be distracted by other services if this was combined with housing for example).

The benefits that this solution will deliver are as follows:

- Simpler management system for this type of work, enabling one “Service Partner Provider” for delivery of Facilities Management ;
- Clear concise data recorded and held with Technology Forge allowing SCC to manage/mitigate compliance risk and influence investment strategies/decisions;
- Clear reporting for internal and external bodies on statutory servicing and testing programmes;
- Service cost reductions through economies of scale in the compliance contract and by linking the services already provided on sites within “Soft FM” with some of those required within “Hard FM”;
- An integrated approach to FM delivery across all Corporate Properties through the “Intelligent Client “ model;
- Reduction in Health and Safety compliance risks by providing one standard system of delivery that is continually delivered and monitored to an agreed standard.

Risk:

It is recognised that in normal circumstances we would recommend a five year contract, but we have proposed a two year contract, with option to extend by a further three years, in order to align with the first break point of the KAPS contract (June 2016) in order to provides flexibility and offer options to review alternatives at this time. There is a risk that potentially a 2 year contract may not get quite as good price but this risk has been considered and the option to extend by a further three years does provide some certainty for the potential bidders.

6.0 OPPORTUNITIES FOR SERVICE IMPROVEMENT

6.1 The tender provides the opportunity for potential service and infrastructure improvements that will be incorporated into this procurement strategy. These are:

- Having in place an Asset Management Plan for each building.
- Maximising FM arrangements with future Partner, both across the

portfolio and for each building.

- Reducing the number of interfaces so that we don't have a complex triangular relationship between KAPS, SCC and future partner.
- Maximising planned repairs and the only responsive repairs should be safeguarding statutory health and safety requirements.
- Minimise the client (SCC) input and resource into the management of the contract – lean client/active contractor model. Example – simplify payment, ordering, monitoring arrangements etc
- Ensuring that the SCC Intelligent Client Model is fully embedded into the procurement and the future contract management arrangements.

7.0 KEY ATTRIBUTES OF PROPOSED CONTRACT TO PUT TO THE MARKET

7.1 **Exclusivity and Annual Review Mechanism:** Under the new contract it can be expected that the successful provider will have exclusivity over Statutory Servicing & Testing and Repairs & Maintenance type works, although there will be no volume/turnover guarantee. Minor Works will be non-exclusive and be subject to a VfM test.

It is proposed that exclusivity will be “jointly” reviewed/ withdrawn subject to:

- Poor performance or contractual breach.
- VfM assessment, incorporating benchmarking data, TUPE/redundancy cost/implications, and additional procurement/ contract management costs.
- Annual Service Review.

There will be some limited opportunities for business cases to introduce future flexibility (these could include “green deal”, environmental/ estate works or services, and small capital schemes). These works shall be priced on an open book basis, with fixed tendered percentage addition of over-heads and profit. It shall be the Service Provider's responsibility to demonstrate Best Value to the Client. The acceptance of a business case should be at the discretion of SCC.

Contract Length: 2 year contract with an option to extend by up to 3 years (option to agree annual extensions or any combination of extension as long up to a maximum of three years). The contract will include an annual review mechanism to provide opportunity for service review and changes.

Service Centre: A central help-desk will be operated by P&FM within the hours of 8.00am – 5.00pm (Mon- Fri, excluding bank holidays) and any orders shall be placed on Technology Forge. The Service Provider will be responsible for operating a separate telephony system to accept and co-ordinate any emergency repairs outside these hours.

Targeted employment and skills opportunities: The contract will include employment and training outputs. An Employment and Skills Plan will be developed, setting out clear benchmarks for apprentices, work experience, graduate placements etc.

The general employment and skills benchmark is likely to be 1 apprentice per c. £1m spend approx, although there will be the opportunity to review this requirement subject to the risk of any significant future redundancy issues. Benchmarks in terms of work placements and skills/training are yet to be determined.

Pricing Mechanism: Payment will be via monthly consolidated applications for completed works (stage payment shall only be released for orders greater than £10,000 in value). For the purpose of the price framework there shall be the following work-streams & pricing proposals:

- **Standby/ Out of Hours** – Standard tendered out of hour's emergency 'call-out' charge that includes travelling to and from site plus responsive rate price plus tendered adjustment for out of hour's service.
- **Responsive Repairs** - A composite flat rate price for any repair carried out within normal working hours requiring less than 1 labour day to complete. This rate includes all costs, excluding plant and materials that will be invoiced at actual cost plus tendered % OH&P uplift. This mechanism will significantly simplify the specifying of materials pre-contract, enabling works to be specified to match existing.
- **Cyclical Maintenance** - This shall include all legislative testing, inspections and/or certification works where a tendered price per service/ inspection shall operate. This shall be payable on receipt of the required certification. There shall be no allowance within these rates for repairs, which will be priced in accordance with the responsive repair or minor works framework. Whilst it is acknowledged that some of these services will be undertaken by Specialist Sub – Contractor, the main service provider will be asked to price this work and bear any financial risk associated.
- **Minor/ Planned Works (Up to £100k):** This applies to any works that are not covered by the responsive flat rate or the servicing/ cyclical maintenance rates. The Constructor will be requested to provide an estimate based on an agreed number of hours multiplied by the relevant hourly rate and materials, plant & specialist "sub-contractors" being priced at supplier's quotes plus a tendered profit, preliminaries and indirect overhead percentage. At the client's discretion these works shall be subject to a value for money check that shall be assessed using the relevant BCIS database of rates with appropriate adjustments.

The Contractor will be required to provide costing information to the Council on an 'Open Book' arrangement so that the Council is able to analyse cost data and also how this compares to the fixed cost prices.

Performance Price Mechanism: A key requirement will be that all appointments and orders are completed on time. Where this is not the case there will be a series of financial penalties applied for each breach on a

ratcheting scale (i.e. the level of penalties applied depends on the lateness of the particular order).

A series of incentivized KPIs will also be used to monitor performance in relation to customer satisfaction, complaints, quality and provision of information whereby the Service Provider will suffer performance related deductions where they fail to meet an agreed target (based on the current performance benchmarks).

Deductions will be taken on a monthly basis with no allowance for seasonal variations, albeit that waivers will be applied in extenuating circumstances and those outside the Service Providers Control.

Premium Arrangements – Goodwill, Annual Payments, Super Profit, Turnover guarantee etc: It is proposed that all premium arrangements & “claw-back” provisions are excluded from this contract given the contract timescale and in order to ensure that the Council achieves the best value from the market.

Inflationary Uplift Mechanism: It is proposed that we have a fixed price for two years. Any extension option will be subject to contractor evidence of costs against BCIS.

The annual review will serve as a mechanism to review cost, prices, process and specifications in order to deliver on-going efficiencies. Part of this review will also include benchmarking and applications of the “value for money” model (whereby exclusivity may be withdrawn).

Pensions: We need to close off the current pension pot provisions and any other pension issues under the current contract. The new contract needs to be simpler and ensure compliance with the Statement of Principles of Good Employment Practice. Section 8.2 and 8.3 provides further detail on the Council’s approach to pensions.

ICT: Investment is required with regard to planning, programming and scheduling of works to meet the service improvement suggestions. The Client has procured and will manage the Technology Forge System that will be used as the central assets management system, and the service provider will be responsible for ensuring the system is populated with accurate status and completion data (including details or repairs undertaken & any relevant certification). The Client will provide “standards” for data input, to facilitate monitoring and progress reports to be provided by the contractor.

PDA’s (or similar) should be available to operatives and supervisors to assist in job planning, real time invoicing and reducing job processing costs.

Specification Review: The specification to provide for statutory compliance will be updated to reflect current best practice.

Manor Lane: Property & Facilities Management (P&FM) are to undertake further feasibility work for the various options for Manor Lane, including consultation with Planning. However, initial investigation suggests there may currently only be very limited options available. With this in mind it is likely that the site will be offered to the new service provider(s) at a fair rental value, although options to split the site will need to be explored.

Future use of Manor Lane will need to factor in the on-going use of the Construction Training Centre which is managed by the Children, Young People and Families Portfolio. The Training Centre is a fixed building which has ERDF funding, and there is a condition with the ERDF that the facility is available for 20 years. The last grant claim was March 2008. If we dispose of this asset before March 2028, we would need to inform DCLG and we could be subject to grant clawback if the facility is no longer available.

TUPE/Residual Costs: Bidders to include an allowance within their rates over the life of the contract.

Contract Management Arrangements: To operate within the Intelligent Client Model framework (i.e. Client required to undertake robust Technical Quality Assurance Role). The Quality Assurance Framework needs to reflect the SCC Intelligent Client Model with regard to client, contract management, and constructor responsibilities. A key aspect of the new contract is to define the requirements of what we would want from an active asset management partner; values, culture, roles and responsibilities.

Evaluation Criteria: Price 70%/ Quality 30%

8.0 FINANCIAL ASSUMPTIONS AND RISKS

8.1 There are some inherent transitional and general risks that can be summarized as follows:

- Restructuring and potential redundancies post TUPE transfer (Current LLP and Council Staff / Operative) as a result of the change from a Repairs and Maintenance (R&M) service to more emphasis being placed on H&S compliance/ testing, assets reduction, removal of duplication and simplified contract management arrangements. The impact of these changes is over a period of time and the City Council will continue to review client side arrangements to ensure maximum efficiency and optimum performance. The successful contractor will be expected to manage any restructuring/skills alignment and take this into account in their tender bids.
- Issues relating to the potential breakup of the LLP, including SCC potential liability of 19.9% of any losses after expiry of current C&BS contract and apportionment of support and indirect staff (finance, stores, HR etc). Kier LLP has to date (during the C&BS contract duration) managed and funded all redundancies itself but the current contract is silent in terms of an exit

strategy, which means there is a potential risk that if there is a redundancy scenario post April 2014 for LLP employees who are not eligible for a TUPE transfer SCC may be liable for 19.9% of the redundancy costs. The Council is engaging with Kier to try and mitigate as much as possible this risk and if there is a potential financial liability on the Council post April 2014 this would need to be managed at this time.

- Potential complex TUPE transfer from multiple organisations, possibly with differing T&Cs. This is likely to affect the cost of providing these services and the prices received. Risk considered low because TUPE unlikely to apply to most service and testing contract arrangements.
- Currently there is only limited data available in terms of a full assets & stock condition register, which would enable a robust procurement/ negotiation exercise to be currently carried out. Consequently this may lead to prices that include a risk allowance for the period March 2014 – June 2016. However, this period provides an opportunity to capture this data for a robust re-tender in 2016.
- When the LLP was awarded the C&BS Agreement, the LLP also entered into an Admissions Agreement with SYPF allowing those employees who TUPE transferred to the LLP to remain in the SYPF. As an “Admitted body” the LLP is obligated to pay to SYPF all contributions and payments as required by the pension fund regulations. On commencement of the C&BS Agreement the LLP assumed responsibility for the funding of the SYPF fund in relation to those employees transferring to the LLP. The LLP is responsible for ensuring that the SYPF fund is fully funded during the duration of the C&BS agreement. A final actuarial valuation will be prepared six months prior to termination, and the LLP is responsible for funding any deficit position. To achieve this, the LLP can call on the “Pension Pot”, failing that the deficit falls to the LLP and failing that to Kier Group.

8.2 In terms of Pensions the current provider (Kier) has a contractual commitment at the end of the C&BS contract to balance any pension liability. Therefore, this should not present a risk at the point of transfer.

8.3 Under TUPE Regulations, employees cannot insist that the existing SYPA arrangements are made available to them (The National Code of Practice on Workforce matters in public sector contracts has now been withdrawn).

However, under the Council’s “Transfer of Employees to other Employers – A Code of Good Practice” the Council will expect a new employer to take up Admitted Body status in the Local Government Pension Scheme. Where this is not possible the matter will be the subject of consultation with the Trade Unions within the established consultation processes. The new employer must demonstrate that the alternative pension scheme to be provided will be broadly comparable in all material respects. Where the new employer is not part of the LGPS the minimum acceptable provision will be a scheme certified as broadly comparable by the Government Actuary’s Department.

In respect of pension arrangements for new employees, the new employer will be required to provide the following:

- Membership of a good quality employer pension scheme; either a contracted-out, final salary based defined benefit scheme, or a defined contribution scheme which is broadly comparable to the LGPS in all material respects. The scheme must be certificated as broadly comparable to the LGPS by the Government Actuary's Department.

Where a subsequent transfer is envisaged by the transferee organisation to a new employer, the Council will impress upon the transferee organisation the need to comply with TUPE and with the Code of Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.

9.0 HUMAN RESOURCE IMPLICATIONS

9.1 TUPE, potential redundancy liability issues and pensions are covered in paragraphs 8.1, 8.2, 8.3 above. The Council will impress upon the transferee organisation the need to comply with TUPE and with the Code of Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.

10.0 LEGAL IMPLICATIONS

10.1 It is acknowledged that the Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply and, if that is the case, staff employed under the existing contract would transfer over to the successful tenderer. Corporate policies and procedures in this respect will be followed as the project progresses.

10.2 Officers are mindful of the importance of putting into place appropriate arrangements to secure the desired outcomes, ensure compliance with all legal requirements and protect the Council's position.

10.3 The Council's Contracts Standing Orders, including the European Union Procurement Rules, will be adhered to throughout the procurement. The tender process will be competitive and follow the principles of transparency and non-discrimination, and facilitate the achievement of value for money.

10.4 The successful tenderer will be required to enter into a formal written contract with the Council which will provide for effective service delivery at levels which accord with the Council's requirements.

11.0 ENVIRONMENTAL & SUSTAINABILITY IMPLICATIONS

11.1 This contract will be designed taking cognisance of Sheffield City Council's Sustainable Development Strategy and the following will incorporate the

following:

- a) The contract will be formulated to ensure that the successful Contractor complies with the current statutory requirements regarding Noise and Pollution Control, Site Waste Management, Environmental Protection and Landfill. All works will be undertaken to the latest workmanship standards using materials meeting the contract specification and therefore will take cognisance of all current legislation governing material production and their impact on the environment. All timber for the project must be obtained from a FSC certifiable source. The WRAP (Waste & Resources Action Programme) initiative will be incorporated into the contractual requirements in order to ensure waste is minimised and to ensure materials are used in a sustainable and efficient way.
- b) The procurement of this contract will be via the Official Journal of the European Union (OJEU) which will mean it is open to companies from all Member States to express interest in the opportunity. The nature of the works will require the successful bidder to establish a local site base and because it is a TUPE transfer (in the event that the current provider does not win the contract), this will give opportunities for the employment of local people.
- c) SCC's Employment and Skills requirements will be included into this contract. These will define the requirements of the successful contractor in relation to employment and skills.

12.0 EQUALITY OF OPPORTUNITY IMPLICATIONS

- 12.1 An Equality Impact Assessment has been completed and is attached. It concludes that, for most groups, this project will have little or no impact.

No negative equality impacts have been identified.

13.0 REASONS FOR RECOMMENDATIONS

- 13.1 The current contract for the corporate estate for repairs and maintenance expires in April 2014 and this service need to be re-let on the open market to secure a new contract in accordance with the Council's Contracts Standing Orders and the European Union Procurement Rules (which will be adhered to throughout the procurement). The tender process will be competitive and follow the principles of transparency and non-discrimination, and delivering value for money.
- 13.2 The Council needs to maximise value for money and deliver an excellent statutory servicing and repairs service in the context of increasing financial constraints and spending pressures, and provide flexibility for the Council for future options.
- 13.3 This service will ensure that SCC meet their responsibilities regarding statutory

obligations with respect to Health and Safety in and around buildings and ensuring that repairs and maintenance are carried out with due attention to customer care, health and safety and 'right first time'.

14.0 RECOMMENDATIONS

It is recommended that:

- 14.1 The procurement of a single contractor - by way of OJEU competitive tender via restricted procedure, to deliver the services that form part of the corporate statutory and repairs contract from April 1st 2014 to June 3rd 2016 with an option to extend by up to 3 years - be approved.
- 14.2 The proposed key attributes that will be contained in the proposed contract as set out in Section 7 of this report be approved.
- 14.3 That bidders need to comply with TUPE and with the Code of Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.
- 14.4 The contract provides the opportunity for Third Parties (for example School/Trusts/Public Sector Bodies accessing the contract outside the "traded service" provisions) to have a "Call Off" arrangement based on a 2% Procurement Contribution Fee. If Third Parties would like SCC to provide a contract management service this would be subject to further discussion via the 'traded service' provision and an enhanced fee to reflect the additional support required.
- 14.5 To grant delegated powers to the Director of Commercial Services or his nominated representative in conjunction with the Director of Capital and Major Projects and the Head of Transport and FM, to ensure delivery of the stated objectives, including if required varying the scope of this contract, subject to being within approved budget limits, accept tenders and award a Contract for this Project.



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director, Place: Simon Green

Date: 10th April 2013

Subject: Construction and Building Services Re-Tender for Social Housing Repairs and Maintenance

Author of Report: Jed Turner
Telephone: 27 34066

Summary:

The current contract for repairs and maintenance and other construction work for all council owned buildings expires in March 2014. The current provider is Kier Sheffield LLP (the 'LLP').

The purpose of this Cabinet report is to recommend that the Housing Revenue Account (HRA) Repairs and Maintenance service is procured in the open market to seek a contractor to deliver this service post April 2014 for a duration of 3 years with an option to extend by up to a further 2 years depending on a value for money assessment. The key requirements for this recommendation are:

- Provide an opportunity to develop further an integrated Housing and Repairs Service
- Provide improved efficiencies
- Allow the risks associated with equal pay and restructuring to be managed out and mitigated in order to allow for a future in-sourcing of the service
- Maintains and improves the service

The contract will include an annual review mechanism to provide an opportunity for service and performance review and the ability to make changes.

It is proposed that the tender process will allow bidders an opportunity to provide both a mandatory bid for a three year duration with a two year extension option and a variant bid of 5 years with extension an option of two years in order to assess the difference in prices and assessment of Value for Money.

The Council will invite bidders to set out in their method statements how they propose to deliver the key requirements of this contract. Bidders would need to take cognisance of employment law and TUPE obligations in relation to how the service is to be provided by their workforce.

The value of this contract is approximately £33m per annum on current spend. The scope of the contract includes:

Service Area	Approx Spend Based on 2014/15 Projections (£m)
Responsive Repairs*	13.90
Vacant Repairs (including security, vacant inspections, cleaning & clearing)	8.10
District Heating * (including servicing and repairs to boiler houses, dwellings, laundries, dry risers, potable water, non-domestic properties & legionella)	1.70
Gas Servicing (including servicing, repairs, high value repairs, reinstates & solid fuel servicing)	4.60
Lift & Stair-Lift Servicing (including servicing & repairs to lifts & non-Stannah stairs lifts. In addition refurbishment of lifts could also be included (but exclude adaptations and specialist lifts).	1.20
Electrical (Including servicing & repairs to fire alarms, landlords lighting, landlords supply fixed wire testing, door entry repairs, domestic testing & electrical domestic repairs)	2.50
Communal Painting	1.00
Domestic Heating Renewals (Emergency Non-Working Breakdowns Only)	0.90
Footpaths, Car Parks & Un-Adopted Highways	0.20
TOTAL	34.10

**Some flexibility to be retained to remove exclusivity for District Heating and Repairs to Garages if wider business needs require.*

HRA External Block Lighting will also be considered for inclusion within the scope identified above.

It is proposed that the following service areas do not form part of the future housing repairs and maintenance service and are instead delivered either via a separate external tender route (adaptations, asbestos removal) or via a different delivery model outside of the scope of the re-tender (City Stewardship Scheme). The volume of doors/windows/kitchen units going through Sharrow Industries will be negligible following the expiry of the Decent Homes contract and therefore will not be a requirement of this new contract. However, further work will continue to take place with Kier to see if any alternative options can be considered.

The contract would include for some limited opportunities for business cases to introduce future flexibility (these could include “green deal or ECO” and small capital schemes). These works shall be priced on an open book basis, with fixed tendered percentage addition of over-heads and profit. It shall be the Service Provider’s responsibility to demonstrate Best Value to the Client. The acceptance of a business case should be at the discretion of SCC.

All capital construction and elemental works are excluded and will be sourced through a separate open tender or regional frameworks.

There will be no volume guarantees in the contract.

Reasons for Recommendations:

The current contract for the housing repairs and maintenance expires in April 2014 and this service needs to be re-let on the open market to secure a new contract (in accordance with the Council’s Contracts Standing Orders and European Union Procurement Rules). The tender process will be competitive and follow the principles of transparency and non-discrimination, delivering value for money.

The Council needs to maximise value for money and deliver an excellent repairs and maintenance service in the context of a changed and challenging housing financial regime and the current difficult economic climate.

This service will contribute to making neighbourhoods a great place to live by ensuring that repairs and maintenance are carried out with due attention to customer care, health and safety and “right first time”.

Recommendations:

It is recommended that:

1. The procurement of a contractor - by way of OJEU competitive tender via restricted procedure, to deliver the services that form part of the housing repairs and maintenance contract (as detailed in paragraph 1.2) from April 1st 2014 to March 31st 2017 with an option to extend by up to 2 years subject to a value for money assessment - be approved.
2. It is proposed that the tender will allow bidders an opportunity to provide for both a mandatory bid and a variant bid of 5 years plus option to extend by two years in order to assess the difference in prices /fees for such a service. The decision as to whether to accept a variant bid of 5 years plus 2 to be subject to a value for money assessment. Delegated powers to be granted to the Director of Commercial Services, Executive Director of Place and Executive Director of Resources in consultation with the Cabinet Member for Homes and

Regeneration to agree which option to proceed with in terms of providing overall best value for money.

3. The proposed key attributes to be contained in the proposed contract as set out in Section 6 of this report be approved. The Council will invite bidders to set out in their method statements how they propose to deliver the vision and service and infrastructure improvements set out in Section 6.
4. The statutory leaseholder consultation required by Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002) is adhered to and approved.
5. That bidders need to comply with TUPE and with the SCC Code of Good Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.
6. The contract should provide the opportunity for Third Parties (for example City Region/Regional Local Authorities/Registered Social Landlords) to have a "Call Off" arrangement based on a 2% Procurement Contribution Fee.
7. That the Council undertakes an independent and concurrent quality assurance review of the process majoring on how best to minimise risk and to ensure we deliver the desired outcome.
8. Delegated powers are granted to the Director of Commercial Services or his nominated representative in conjunction with the Director of Resources and Director of Housing, to ensure delivery of the stated objectives, including if required varying the requirements of this contract in relation to the outcome of the independent quality assurance review, (subject to being within approved budget limits), accept tenders and award a Contract for this Project.

Background Papers:

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Anna Peysner
Legal Implications
YES Cleared by: Lawrence Gould
Equality of Opportunity Implications
YES Cleared by: Phil Reid
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO Cleared by Robert Almond
Economic impact
YES
Community safety implications
NO
Human resources implications
YES – cleared by Cheryl Blackett
Property implications
NO
Area(s) affected
All Community Assembly areas
Relevant Cabinet Portfolio Leader
Cabinet Member for Homes and Neighbourhoods
Relevant Scrutiny Committee if decision called in
Safer and Stronger Communities Scrutiny Board
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

CONSTRUCTION AND BUILDING SERVICES RE-TENDER FOR SOCIAL HOUSING REPAIRS AND MAINTENANCE

1.0 SUMMARY

1.1 The current contract for repairs and maintenance and other construction work, for all council owned buildings, expires in March 2014. The current provider is Kier Sheffield LLP (the 'LLP').

The purpose of this Cabinet report is to recommend that the HRA Repairs and Maintenance service is procured in the open market, seeking a contractor to deliver this service post 2014 for a duration of 3 years with an option to extend by up to 2 years subject to a value for money assessment.

The key requirements are:

- Provide an opportunity to develop further an integrated Housing and Repairs Service
- Provide efficiencies
- Allow the risks associated with equal pay and restructuring to be managed and mitigated
- Maintain and improves the service

The contract will include an annual review mechanism to provide an opportunity for service review and changes.

It is proposed that the tender process will allow bidders an opportunity to provide for both a mandatory bid as above and a variant bid of 5 years plus 2 in order to assess the difference in prices /fees because of the Council's desire for a future service requirement to 'manage out' all the liabilities and risks associated with equal pay and restructuring, putting in place service and infrastructure improvements.

The Council will invite bidders to set out in their method statements how they propose to deliver the vision and service and infrastructure improvements set out in Section 6. Bidders would need to take cognisance of employment law and TUPE obligations in relation to how the service is to be provided by their workforce.

1.2 The scope of the contract includes:

Service Area	Approx Spend Based on 2014/15 Projections (£m)
Responsive Repairs*	13.90
Vacant Repairs (including security, vacant inspections, cleaning & clearing)	8.10
District Heating * (including servicing and repairs to boiler houses, dwellings, laundries, dry risers, potable water, non-domestic properties & legionella)	1.70
Gas Servicing (including servicing, repairs, high value repairs, reinstates & solid fuel servicing)	4.60
Lift & Stair-Lift Servicing (including servicing & repairs to lifts & non-Stannah stairs lifts. In addition refurbishment of lifts could also be included (but exclude adaptations and specialist lifts).	1.20
Electrical (Including servicing & repairs to fire alarms, landlords lighting, landlords supply fixed wire testing, door entry repairs, domestic testing & electrical domestic repairs)	2.50
Communal Painting	1.00
Domestic Heating Renewals (Emergency Non-Working Breakdowns Only)	0.90
Footpaths, Car Parks & Un-Adopted Highways	0.20
TOTAL	34.10

**Some flexibility to be retained to remove exclusivity for District Heating and Repairs to Garages if wider business needs require.*

HRA External Block Lighting will also be considered for inclusion within the scope identified above.

It is proposed that the following service areas do not form part of the future housing repairs and maintenance service and are instead delivered either via an external tender route (adaptations, asbestos removal) or via a different delivery model outside of the scope of this re-tender (City Stewardship Scheme). The volume of doors/windows/kitchen units going through Sharrow Industries will be negligible following the expiry of the Decent Homes contract and therefore will not be a requirement of this new contract. However, further work will take place with Kier to identify if any alternative options can be considered.

There will be some limited opportunities for business cases to introduce future flexibility (these could include “green deal or ECO” and small capital schemes). These works shall be priced on an open book basis, with fixed tendered percentage addition of over-heads and profit. It shall be the Service Provider’s responsibility to demonstrate Best Value to the Client. The acceptance of a business case should be at the discretion of SCC.

There will be no volume guarantees in the contract.

All capital construction and elemental works are excluded and will be sourced through a separate open tender or regional frameworks.

There will be no volume guarantees in the contract.

- 1.3 A comprehensive options review was carried out to determine the most appropriate delivery model for this service post April 2014. The review focussed on considering an internal (to the Council) integrated delivery model for social housing repairs. It set out the costs, benefits, opportunities, risks and mitigations, together with a comparison of how this option would compare to an externally tendered service provider. The review included financial modelling for both the in-sourced option and the external tender option against agreed assumptions and design principles. The initial outcome of the modelling demonstrated no significant differentiation between the two routes in terms of costs, risks, mitigations and benefits/opportunities.
- 1.4 The outcome of the options review revealed that there is little appreciable difference in total cost over a ten year period between the Internal and External Integrated Delivery scenarios. However, this position changed significantly when the Major Financial Risks and Operational/Management Changes required were taken into account.

The key differentiator is the risk of equal pay claims against the Council which is a General Fund risk and could have a potential cost implication of at least £2.8m for SCC and a further £2.8m for Schools.

It also needs to be acknowledged that the in-sourced option would require significant Operational and Management change in order to drive through establishing a new organisation, putting in place service improvements and efficiency savings and managing a significant reduction in employee numbers (approximately 200 over the first five years).

This issue was considered at length in a further options review. All options were considered and legal advice taken. Options included consideration of a Wholly Owned Company (WOS) and this option was dismissed as the feedback from Legal Counsel was that the Council could still be considered as an associated employer (determined by the level of control imposed by the Council on the direct employer) and therefore the risk of Equal Pay (EP) claims still existed. Further work took place on a number of models (all of which would involve a procurement exercise) for a period of 5 years whereby the risk of Equal Pay could be mitigated:

1. External Tender for a maximum of 5 years
2. Halfway House - Management within Council & Operatives employed by another
3. Joint Venture Company

An assessment of each of these options took place against criteria and weightings.

Based on this analysis, the recommendation is to pursue an external tender route for the future delivery of this service, but structure the contract in a way that allows for a future option to in-source the service by managing out the risk of equal pay. The following key findings of the review will all be incorporated into our requirements for the new contract:

- improving the existing service (Section 6 provides details of opportunities for service improvements)
- providing greater flexibility to respond to changing circumstances
- enhancing customer engagement
- providing local variance
- supporting the future asset investment strategy by maximising efficiency opportunities
- providing employment and training opportunities, such as apprenticeships and workplace experience for 14-16 year olds
- maximising Sheffield based local supply chain
- embedding environmental considerations
- ensuring that client and constructor interfaces are lean and effective
- to unlock the potential for increased capacity and empowerment from front line staff by focusing remuneration and performance on better outcomes for customers, for example by introducing a competence-based remuneration scheme as an alternative to a Standard Minute Value (SMV) bonus incentive scheme

The Council will invite bidders to set out in their method statements how they propose to deliver the vision and service and infrastructure improvements set out above and detailed in Section 6. Bidders would need to take cognisance of employment law and TUPE obligations in relation to any impact on 'ways of working' for their workforce.

Bidders would be asked to submit their proposals to modernise the existing remuneration system in order to incentivise staff and operatives to offer better outcomes for tenants (e.g. reward multiskilling, increased tenant satisfaction, one job completions etc.). Bidders would also be required to set out implementation timescales of how and when they would undertake such a pay and grading review. This would be part of any future performance review.

Method Statements submitted by Bidders will be assessed against the evaluation criteria and awarded marks. Bidders will be awarded more marks if they are able to demonstrate that they are able and prepared to undertake a full review of remuneration which includes a fundamental review of pay and grading to deliver better service outcomes. If a Bidder has not demonstrated that they are able or willing to 'modernise' the workforce they will receive less marks and if they score below a certain threshold on the Council's 0 - 5 scoring system (2.5) they can be disqualified from the tender process. The Method Statements of the successful Bidder will become fully incorporated into the Contract and will therefore become a contract obligation.

The above steps will ensure that there is a contractual commitment to 'modernise the workforce and introduce new remuneration methods'. The Council then needs to ensure this is delivered via robust contract and performance management mechanisms:

- Ensure the issue remains a top priority for the Council and is an agenda item on all key meetings with the contractor, such as the Strategic Partnership Board and Management Board;
- Making delivery of this a KPI for the contract;
- Ensure that the annual review mechanism takes full cognisance of progress on this issue;
- Contract extension opportunities are linked to progress on this issue.

However, in order to provide further assurance the Council will undertake an independent review of the proposed approach including a risk analysis regarding the feasibility of whether the desired outcome of ultimately creating an integrated and in-house social housing repairs and maintenance team could be achieved bearing in mind the existing advice regarding internal / external differing staff terms and conditions. Legal advice has indicated that there is no guarantee that the desired outcome can be achieved but that through a well written brief / specification and subsequent financial and robust contract management instruments built into the contract as detailed above can lower the risk attached to it.

It is therefore recommended that the Council undertakes an independent quality assurance review to assess if the proposed external procurement will provide assurance that the service would provide a seamless transfer at the end of the contract to a future insourcing of the service free of any risks or liabilities. The findings of which will be fed into the subsequent brief / specification to ensure we minimise the risk to ensure we deliver the desired outcome of a future in-house social housing repairs and maintenance service.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The Council owns approximately 41,500 homes and has over 48,000 tenants. In addition, approximately 2,100 leaseholders also receive services under the present contract. Repairs and Maintenance is a key service to tenants and leaseholders who expect to receive a quality service that is responsive within agreed category times, as far as possible 'right first time', operatives that are respectful and polite when in tenants' homes and a service that ensures health and safety is paramount at all times.
- 2.2 Providing quality services in challenging economic circumstances remains a priority for the Council. Providing value for money is also a key priority, so that the maximum number of repairs can be carried out within the resources

available.

3.0 OUTCOME AND SUSTAINABILITY

3.1 The proposals in this report are aimed at maximising the quality of service to tenants for repairs and maintenance whilst at the same time:

- providing the lowest price on volume;
- reducing costs to tenants/leaseholders;
- maximising the investment in our homes;
- having an efficient ratio of responsive and planned services.

3.2 The proposals in this report will also contribute to key corporate priorities such as increasing employment and skills, environmental considerations and the utilisation of local supply chains.

4.0 BACKGROUND

4.1 In 2003 Sheffield City Council (SCC) established an innovative limited liability partnership with the Kier Group called Kier Sheffield LLP (LLP). This is a form of Joint Venture and was established in order to demonstrate long term commitment from the City Council as well as provide a trading platform for Kier to expand the business. The Council has a 19.99% share in the LLP and one Board Member. The LLP has no time restriction on it and can be in place as long as both parties see value in it.

The Construction and Building Services contract was awarded to the LLP in 2003 and expires in March 2014. The original contract expiry date was March 2013, but the contract was extended to March 2014 in order to align timescales with the 'Council Housing - Planning the Future' Project. Cabinet approved this extension on the 15th June 2011.

The current contract covers repairs and maintenance for all Council owned buildings. This includes social housing repairs and maintenance, corporate and civic buildings repairs and maintenance and all capital works across the Council's portfolio.

4.2

2011/12 - HEADLINE DATA (HOUSING ONLY)		
SCALE OF SERVICE	Housing Stock	41,314
	Gas Services Carried Out	38,257
	Responsive Repairs Completed	172,437
	Appointments Made	52,989
	Vacant Properties Repaired	3,805
	Calls to Repairs Service Centre	248,694
OPERATION SIZE	Number of Direct Operatives	352
	Number of Direct Support Staff	109
	Number of Indirect/ Overhead Staff	146
	Number of Vehicles	285

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 Six broad options were identified. These were:

Option 1 – Single Strategic Partnership – similar set up as now i.e. covers responsive repairs and some capital works and all Council buildings (Housing and Non-Housing)

Option 2 – A responsive repairs contract for all Council buildings (Housing and Non-Housing) – but all capital works to be procured separately.

Option 3 – Separate Housing and Non-Housing Contracts for responsive repairs, servicing and testing. All capital schemes separately procured.

Option 4 – Geographically based contracts.

Option 5 – Strategic Alliance between contractor and housing management organisation.

Option 6 – Deliver the housing repairs service in-house

5.2 These six options were reviewed in more detail setting out the advantages and disadvantages of each option. They were then scored against 10 key project drivers and objectives.

The 10 key project drivers are:

- To get the lowest prices on volume, reducing costs to tenants/leaseholders and maximising the investment in homes, whilst maintaining a high quality service and delivering an efficient ratio of responsive to planned services
- To ensure client and constructor interfaces are lean, effective and efficient in line with Council's Intelligent Client Model and that cost effective and robust contract management arrangements are in place
- Is able to be strategic and flexible (e.g. be able to have a long term strategic relationship but have short term commitments to be able to scale up down to changing volumes of work and respond to future unknown policies)
- Is able to improve the repairs service in terms of performance and customer engagement
- Is able to minimise all potential risks and liabilities on the Council
- To be able to contribute to key corporate priorities such as employment and skills, environmental considerations and the utilisation of the local supply chain
- To be able to respond to local variance (e.g. the 7 different Community Assemblies set up in the City)
- Is able to best support the future asset investment strategies
- Is able to align and interface with the future direction of KAPS and Corporate Client arrangements
- Impact of set up costs and timescales to achieve preferred outcome, e.g. procurement or in-house service.

5.3 The Preferred Option:

Following the scoring (and input from the officer working groups and the Member Task and Finish Group) the preferred option to be examined in more detail was **Option 3** i.e. separate arrangements for housing repairs and maintenance and **not** including any capital or elemental schemes (which should be procured on a scheme by scheme basis) and having a separate procurement strategy for the non-housing contract for our civic and public buildings. With regard to the housing repairs and maintenance, Members wanted further work carried out to determine if the service should be in-sourced or not.

Key arguments for following Option 3 are:

- Post 2014 there are no large programmes of work (such as Decent Homes) which have historically benefitted from a single strategic partner
- The existing contract is too large and at times loses focus on core services and demonstration of VfM
- The assumption in the HRA Self Financing Strategy that work is best delivered and procured on elemental work stream basis. This would achieve improved VfM as the procurement is focused on specialist contractors (such as a roofing contractor or heating contractor) and therefore we would not have to pay prime contractors' fees/overheads for managing specialist sub-contractors.
- A separate contract for non-housing allows for an opportunity to have in place a contract that is more focussed on statutory servicing and compliance, provides an opportunity to reduce interface arrangements with KAPS and SCC and provide future flexibility to be co-terminus with existing

KAPS contract.

- 5.4 A further options review was carried out to determine the best way of delivering this service post 2014. The review focussed on considering an internal integrated delivery model for social housing repairs, setting out the costs, benefits, opportunities, risks and mitigations and how this option compares to an external tender route. The review included financial modelling for both the in-source option and the external tendered option against common assumptions. The design principles and the outcome of the modelling attempted to show if there are any significant differentiation between the two routes in terms of costs, risks, mitigations and benefits/opportunities.
- 5.5 The outcome of the options review revealed that there is little appreciable difference in total cost over a ten year period between the Internal and Externally delivered Integrated Delivery scenarios. However, this position changed significantly when the Major Financial Risks and Operational/Management Changes required were taken into account.

The key differentiator is the risk of equal pay claims against the Council which is a general fund risk and could have a potential cost implication of at least £2.8m for SCC and a further £2.8m for Schools.

It also needs to be acknowledged that the in-source option would require significant Operational/Management change order to drive through establishing a new organisation, putting in place service improvements and efficiency savings and managing a significant reduction in employee numbers (approx 200 over the first five years).

Based on this analysis the recommendation is to pursue an external tender route for the future delivery of this service, but structure the contract in a way that allows for a future option to bring the service back in house by managing out the risk of equal pay. However, the key findings of the review of improving the existing service (see section six below), will all apply to this new contract.

6.0 OPPORTUNITIES FOR SERVICE IMPROVEMENT

- 6.1 The Options Review resulted in a clear vision and scope for service and infrastructure improvements that the Council would want the successful contractor to deliver. The Council will invite bidders to set out in their method statements how they propose to deliver the vision and service and infrastructure improvements set out below. These are:

Vision:

A service provider that works in partnership with Sheffield City Council to do jobs right first time, working to local priorities, providing an efficient tenant-centered service, seamlessly 'joined up' with other services for better outcomes and cost savings – quality service for tenants, savings for the Council, and job satisfaction for the workforce.

Service and infrastructure Improvements:

- Potential for increased capacity and empowerment from front line staff by focusing remuneration and performance on better outcomes for customers.
- A competence-based remuneration scheme as an alternative to a Standard Minute Value (SMV) bonus incentive scheme
- An appropriate regime of authorisation, inspection and checking
- Culture of 'customer first', 'can do', 'continuous improvement' and 'value for money'
- Multi-trade – complete jobs in one call where possible
- Handyman service – help for vulnerable residents
- Single point of contact for repairs ordering and status checking – meeting CFP objectives
- Eyes and ears for the Council on estates and in homes to meet the safeguarding agenda
- Co-location and integration with the Housing Service (build on the current partnership working model) for flexibility, speed and adaptability
- Use of customer insight information for planning
- Central role in governance arrangements for tenants to inform targets, agree priorities and provide scrutiny
- Improved job allocation and data transfer
- Visibility and availability of present and future work to front line staff (via PDA or similar)
- Infra-structure and supply chain development and support to achieve increased levels of 'first time fix'
- Allocation of operative resources based on actual repairs demand and geographical spread
- Flexible working arrangements to manage the variable levels of demand
- Potential 'added value' through improved supply chain arrangements
- Use of responsive repairs data - together with the knowledge and experience of front line staff - to inform asset management
- Review the allocation of financial resources to take advantage of any potential increased capacity of directly employed front line and support staff
- Revise the financial monitoring arrangements to include the actual end-to-end costs associated with the HRA Repairs and Maintenance service
- Condense and/or streamline the ICT business information systems to reduce duplicated effort and back office processes
- Ensure current measures of performance to respond to and reflect 'what matters to customers'
- Develop and supplement the demographic profile and skills base of managers, support staff and the current workforce to deliver the Repairs and Maintenance service

7.0 KEY ATTRIBUTES OF PROPOSED CONTRACT

7.1 **Exclusivity and Annual Review Mechanism:** Under the new contract it can be expected that the successful provider will enjoy exclusivity over Repairs & Maintenance type works, although there will be no volume/turnover guarantee

It is proposed that exclusivity will be “jointly” reviewed/ withdrawn subject to:

- Poor performance or contractual breach.
- VFM assessment, incorporating benchmarking data, TUPE/redundancy cost implications, and additional procurement/ contract management costs
- Annual Service Review

There will be some limited opportunities for business cases to introduce future flexibility (these could include “green deal or ECO”, environmental and estate works/services, and small capital schemes). These works shall be priced on an open book basis, with fixed tendered percentage addition of over-heads and profit. It shall be the Service Provider’s responsibility to demonstrate Best Value to the Client. The acceptance of a business case should be at the discretion of SCC.

Contract Length: 3 year contract with an option to extend by up to 2 years. The contract will include an annual review mechanism to provide opportunity for service review and changes. However, a variant bid of 5 years plus 2 year extension will also be considered to assess overall Value for Money.

Future of service Centre: It is proposed that the Service Centre is operated as part of the Customer First Programme Call Centre within the hours 8.00am – 6.00pm (Mon- Fri, excluding bank holidays). The Service Provider will be responsible for operating a separate telephony system outside these hours. Relevant Liberata staff to TUPE Transfer to SCC. There will be some opportunity for the Service Provider’s Work Planners to be co-located with Call-Centre Operatives at Howden House.

Targeted employment and skills opportunities: The contract will include employment and training outputs. An Employment and Skills Plan will be developed, setting out clear benchmarks for apprentices, work experience, graduate placements etc. The City Stewardship scheme (which focuses on 16-19 year olds who are in the NEET classification) will be reviewed to determine the best model post 2014. The options include whether or not there is an opportunity for a city wide scheme for 16-19 year olds rather than just a housing-focussed scheme. Should it be delivered via a contractual route or whether it is best to focus entirely on apprenticeship schemes which can demonstrate a more tangible outcome in terms of qualifications and opportunities for permanent employment. The Life-long Learning and Skills Team will be fully involved in this process.

The general employment and skills benchmark is likely to be 1 apprentice per c. £1m spend approx, although there will be the opportunity to review this requirement subject to the risk of any significant future redundancy issues. Benchmarks in terms of work placements and skills/training are yet to be determined.

Localism: The Service Provider will be required to provide services that balance the local dynamics within the Housing Area framework with the need for an appropriate degree of consistency whilst supporting the local agenda. This will be provided through a range of approaches including:-

- Service planning with local tenants and residents forums re local priority setting using customer insight information.
- Local scrutiny and accountability of service performance and delivery through governance structures.
- Some service delivery based on local demand whilst maintaining the core repairs function e.g. vacant standard, cyclical maintenance (painting and communal works)
- Handy person service tailored to local needs meeting SCC safeguarding agenda.
- Contractor to appoint local SME's as part of the supply chain
- Strong links with other service providers in the community e.g. housing area teams.
- Working in partnership supporting health services, charities, voluntary sector and social enterprise.

Performance Price Mechanism: It is proposed that a robust penalty driven mechanism is implemented, whereby a series of financial penalties will be applied where performance fails to meet the agreed target (based on the current performance benchmarks). Penalties will be applied monthly with no allowance for seasonal variations, albeit that waivers will be applied in extenuating circumstances and those outside the Service Providers Control.

Premium Arrangements – Goodwill, Annual Payments, Super Profit, Turnover guarantee etc: It is proposed that all premium arrangements & “claw-back” provisions are excluded from this contract given the contract timescale and in order to ensure that the Council achieves the best value from the market.

Pricing Mechanism: It is proposed that the New Price Framework for Housing is largely retained, but simplified and developed further where required (i.e. increase use of flat/ composite rates). Within this framework, generally any volume increase/decrease is at the client's risk.

Heating, Mechanical & Electrical annual servicing work shall continue to largely be priced on an Facilities Management basis, but where possible increasing the level of inclusively within these arrangements and avoid having additional prices for related work.

Any, incidental costs (restructuring, undertaking of pay & grading review etc.) will be at the Service Providers risk and factored into the rates over the contract duration

Budget Envelope and Inflationary Uplift Mechanism: It is proposed that the BCIS maintenance cost index is used but capped within 0-2.75% increase each year. However, this is subject to a trigger when the index indicates an annual

increase of more than, say, 5%. Any uplift would then be based on a business case type approach. Any additional increase above this figure would need to be justified on the basis of a business case, where the service provider was required to evidence actual cost increase between the previous proceeding years.

The annual review will serve as a mechanism to review cost, prices, process and specifications in order to deliver ongoing efficiencies. Part of this review will also include benchmarking and applications of the “value for money” model (whereby exclusivity maybe withdrawn).

The HRA self-financing business plan makes the following assumptions and the Service Provider will be expected to operate within this budgetary envelope:

- Initial efficiency saving of 2% (2014/15)
- 2.75% inflationary uplift each year (Ongoing)

Pensions: The pension pot provisions and any other pension issues will need to be closed off once the current contract comes to an end. Because of the complexities involved, this issue is most appropriately dealt with as a corporate issue and aligned with service strategies going forward. Ideally the new contract will be simpler and ensure compliance with the Statement of Principles of Good Employment Practice.

ICT: Investment is required with regard to planning, programming and scheduling of works to meet the service improvement suggestions. Further work is required to explore if both contractor and client systems are required. However the Client will still need to hold all asset database information, and this must be updated following completion of any works.

PDA's (or similar) should be available to operatives and supervisors to assist in job planning, real time invoicing and reducing job processing costs.

Specification Review: Work is ongoing to align specifications and update assets management systems, which should assist the Service Provider in managing vans, stock etc. The specification to provide for statutory compliance will be updated to reflect current best practice.

Integrated supply chain/store options: It is proposed that we consider entering into a supply chain partnering agreement with Wolseley to introduce a single supplier for stores/materials distribution via procure plus. This arrangement would introduce a direct relationship with the ‘merchant’ and provide an efficiency saving as this would not attract a prime contractor fee to manage the stores system. This service may result in improved service levels by introducing a planned timeslot delivery service coupled with van stock management and mobile working which will ensure higher fix call rates and reduction of ad-hoc collections thus reducing operative’s downtime. Emergency requirements by way of extended delivery cover and emergency out of hours cover will be provided. In order to reduce purchase to pay process there is the potential to make e-commerce and IT interfaces more effective with the view of

becoming paperless. This will lead to improved tenant satisfaction.

Manor Lane: Property&Facilities Management are to undertake further feasibility work for the various options for Manor Lane, including consultation with Planning. However, initial investigation suggests there may currently be only very limited alternatives for Manor Lane. With this in mind it is likely that the site will be offered to the new service provider at a fair rental value, although options to split the site may be explored.

It is likely that the co-location model of Sheffield Homes staff working alongside Kier at Manor Lane will continue to be operated with whoever wins this new contract.

Future use of Manor Lane will need to factor in the ongoing use of the Construction Training Centre which is managed by the Children, Young People and Families Portfolio. The Training Centre is a fixed building which has ERDF funding, and there is a condition with the ERDF that the facility is available for 20 years. The last grant claim was March 2008. If we dispose of this asset before March 2028, we would need to inform DCLG and we could be subject to grant clawback if the facility is no longer available.

TUPE/Residual Costs: Whatever the final delivery route is, it will need to take into account employee implications, in particular regarding pensions and TUPE/residual cost implications.

The external tender route would require bidders to include an allowance within their rates whereby SCC would fund these rates over a deferred period via the life of the contract.

Contract Management Arrangements: To operate within the Intelligent Client Model framework (i.e. Client required to undertake robust Technical Quality Assurance Role). The Quality Assurance Framework needs to reflect the SCC Intelligent Client Model with regard to client and constructor responsibilities. A key aspect of the new contract is to define the requirements of what we would want from an active asset management partner; values, culture, roles and responsibilities.

Evaluation Criteria: Price 70%/Quality 30%. The quality criteria will include aspects such as how a new contractor will mobilise for a new service delivery and how they will deliver the Council's vision for modernising the workforce by focussing remuneration and performance on better outcomes for customers.

8.0 TENANT AND LEASEHOLDER CONSULTATION.

- 8.1 Sheffield Homes have regularly and systematically consulted tenants through Action Planning Groups, Local Housing Forums and through the CityWide Investment & Repairs Partnership Group on their key issues and priorities for the repairs service and investment in their homes and communal areas. The most recent specific consultation was through the Investment Repairs Partnership Group on 21st June 2012. Many of the service improvement ideas detailed in

section 6 above have emanated from this process.

- 8.2 Tenants and leaseholders would be involved in the evaluation of the tendering process as they were previously when Kier were selected and when other contractors were selected to do Decent Homes and other investment work.
- 8.3 All statutory leaseholder consultation is required by Section 20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002; the procedure is set out in the Service Charges (Consultation Requirements) (England) Regulations 2003.

There are two strands to section 20 consultation:

- Entering into a qualifying long-term agreement under which the service charge to any leaseholder may exceed £100 in any year;
- Carrying out qualifying works which may result in any leaseholder being charged more than £250.

Thus if qualifying works are to be carried out under a qualifying long-term agreement, two consultations are required (one for the agreement, one for the works).

If the appropriate consultation requirements are not complied with then the maximum that any affected leaseholder may be charged is the limit for that consultation, so a failure to carry out agreement consultation means a maximum service charge of £100 even if the subsequent works consultation is done properly. If the failure does not apply to all leaseholders then the full amount can be demanded from those leaseholders we got right, but not those we got wrong.

9.0 FINANCIAL ASSUMPTIONS

- 9.1 The contract would ensure that the contractor would need to operate within the assumptions set out in the HRA 30 year Business Plan i.e. budget increase of 2.75% per annum and provide a 2% efficiency improvement in the first year (£665k).
- 9.2 It is proposed that the BCIS maintenance cost index is used but capped within 0-2.75% increase each year. However, this is subject to a trigger when the index indicates an annual increase of more than, say, 5%. Any uplift would then be based on a business case type approach, and any additional increase above this figure would need to be justified on the basis of a business case, where the service provider was required to evidence actual cost increase between the previous proceeding years.

The annual review will serve as a mechanism to review cost, prices, process and specifications in order to generate ongoing efficiencies. Part of this review will also include benchmarking and applications of the “value for money” model (whereby exclusivity maybe withdrawn).

The HRA self business plan makes the following assumption and the Service Provider will be expected to operate within this budgetary envelope:

- Initial efficiency saving of 2% (2014/15)
- 2.75% inflationary uplift each year (Ongoing)

9.3 607 employees have been identified as currently working on R&M activity (although some individuals may not work 100% on R&M and therefore the workforce resource transferred could be greater than what is required).

Initial estimates suggest that 212 employees could face redundancy over five years at a potential cost of £6.24m.

Bidders would need to take into account the TUPE transfer list and assess in their bid what resource would be required to deliver the service, whilst also ensuring they are able to manage the HR angle of delivering compliance with employment legislation.

9.4 In addition to the direct redundancy risk detailed above for the repairs and maintenance service, there is also a wider LLP issue in relation to risk which would apply whatever route we choose. After the expiry of the current C&BS contract, SCC would become liable indirectly for 19.99% of any losses incurred by the LLP. Therefore, if there are any LLP staff who are not transferred to other providers via TUPE (and as a consequence are facing redundancy if alternative work cannot be found) SCC may need to share that redundancy liability of 19.99%. Current estimates suggest that up to 347 LLP staff may not have an option to TUPE across to SCC because there is no / reduced work available or through changing requirements post April 2014. This could affect staff working on Decent Homes, City Stewardship Supervisors, Projects Team, Third Party Work etc.

- The maximum risk is 100% - 347 @ £30k = £10.4m; and
- The minimum risk is 20% (20% stakeholder in LLP) – 347@20%= 69 @£30k = £2m

A 60% assumption of redundancy as been reflected in model options - 208 @ £30k equals £6.24m.

Work is currently taking place to mitigate this number as far as possible - and the 347 employees is a maximum risk. This number could reduce, depending on how we manage - for example - the end of the Decent Homes contract, or any new work that Kier may win in competitive tender to offset the potential redundancy scenario, or any employees leaving Kier prior to the end of March 2014.

The HRA Business Plan has included a contingency risk in the event that this risk should materialise.

9.5 In terms of Pensions the current provider (Kier) has a contractual commitment at

the end of the C&BS contract to balance any pension liability. Therefore, this should not present a risk at the point of transfer.

- 9.6 Under TUPE Regulations, employees cannot insist that the existing SYPA arrangements are made available to them (The Code of Practice on Workforce matters in public sector contracts has now been withdrawn).

However, the Council's 'Transfer of Employees to other Employers – A Code of Good Practice' the Council will expect a new employer to take up Admitted Body status in the Local Government Pension Scheme. Where this is not possible the matter will be the subject of consultation with the Trade Unions within the established consultation processes. The new employer must demonstrate that the alternative pension scheme to be provided will be broadly comparable in all material respects. Where the new employer is not part of the LGPS the minimum acceptable provision will be a scheme certified as broadly comparable by the Government Actuary's Department.

In respect of pension arrangements for new employees, the new employer will be required to provide the following:

- Membership of a good quality employer pension scheme; either a contracted out, final salary based defined benefit scheme, or a defined contribution scheme which is broadly comparable to the LGPS in all material respects. The scheme must be certificated as broadly comparable to the LGPS by the Government Actuary's Department.

Where a subsequent transfer is envisaged by the transferee organisation to a new employer, the Council will impress upon the transferee organisation the need to comply with TUPE and with the Code of Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.

10.0 HUMAN RESOURCE IMPLICATIONS

- 10.1 TUPE, potential redundancy liability issues and pensions are covered in paragraphs 9.3, 9.4, 9.5 and 9.6 above.

11.0 LEGAL IMPLICATIONS

- 11.1 It is acknowledged that the Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply and, if that is the case, staff employed under the existing contract would transfer over to the successful tenderer. Corporate policies and procedures in this respect will be followed as the project progresses.
- 11.2 Officers are mindful of the importance of putting into place appropriate

arrangements to secure the desired outcomes, ensure compliance with all legal requirements and protect the Council's position.

- 11.3 The Council's Contracts Standing Orders, including the European Union Procurement Rules, will be adhered to throughout the procurement. The tender process will be competitive and follow the principles of transparency and non-discrimination, and facilitate the achievement of value for money.
- 11.4 The successful tenderer will be required to enter into a formal written contract with the Council which will provide for effective service delivery at levels which accord with the Council's requirements.

12.0 ENVIRONMENTAL & SUSTAINABILITY IMPLICATIONS

- 12.1 This contract will be designed taking cognisance of Sheffield City Council's Sustainable Development Strategy and the following will be incorporated:
- a) The contract will be formulated to ensure that the successful Contractor complies with the current statutory requirements regarding Noise and Pollution Control, Site Waste Management, Environmental Protection and Landfill. All works will be undertaken to the latest workmanship standards using materials meeting the contract specification and therefore will take cognisance of all current legislation governing material production and their impact on the environment. All timber for the project must be obtained from a FSC certifiable source. The WRAP (Waste & Resources Action Programme) initiative will be incorporated into the contractual requirements in order to ensure waste is minimised and to ensure materials are used in a sustainable and efficient way.
 - b) The procurement of this contract will be via the Official Journal of the European Union (OJEU) which will mean it is open to companies from all Member States to express interest in the opportunity. The nature of the works will require the successful bidder to establish a local site base and because it is a TUPE transfer (in the event that the current provider does not win the contract), this will give opportunities for the employment of local people.
 - c) SCC's Employment and Skills requirements will be included into this contract. These will define the requirements of the successful contractor in relation to employment and skills.

13.0 EQUALITY OF OPPORTUNITY IMPLICATIONS

- 13.1 An Equality Impact Assessment has been completed and is attached. It concludes that, for most groups, this project will have little or no impact. No negative equality impacts have been identified.

14.0 REASONS FOR RECOMMENDATIONS

- 14.1 The current contract for housing repairs and maintenance expires in April 2014

and this service need to be re-let on the open market to secure a new contract in accordance with the Council's Contracts Standing Orders and the European Union Procurement Rules (which will be adhered to throughout the procurement). The tender process will be competitive and follow the principles of transparency and non-discrimination, and facilitate the achievement of value for money.

- 14.2 To maximise value for money and deliver an excellent repairs and maintenance service in the context of a challenging housing financial regime and current economic climate.
- 14.3 To provide a future opportunity to in-source this service a develop a fully integrated Housing and Repairs Service
- 14.4 This service will contribute to making neighbourhoods a great place to live by ensuring that repairs and maintenance are carried out with due attention to customer care, health and safety and 'right first time'.

15.0 RECOMMENDATIONS

It is recommended that:

- 15.1 The procurement of a contractor, by way of a competitive tender advertised in OJEU via the restricted procedure, to deliver the services that form part of the housing repairs and maintenance contract as detailed in paragraph 1.2 from April 1st 2014 be approved.
- 15.2 It is proposed that the tender will allow bidders an opportunity to provide for both a mandatory bid and a variant bid of 5 years plus option to extend by two years in order to assess the difference in prices /fees for such a service. The decision as to whether to accept a variant bid of 5 plus 2 years to be subject to a value for money assessment. Delegated powers to be granted to the Director of Commercial Services, Executive Director of Place and Executive Director of Resources in consultation with the Cabinet Member for Homes and Regeneration to agree which option to proceed with in terms of providing overall best value for money.
- 15.3 The proposed key attributes to be contained in the proposed contract as set out in Section 6 of this report be approved. The Council will invite bidders to set out in their method statements how they propose to deliver the vision and service and infrastructure improvements set out below.
- 15.4 The statutory leaseholder consultation by Section 20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002 is adhered to and approved.
- 15.5 That bidders need to comply with TUPE and with the SCC Code of Good

Practice on Workforce Matters in Local Authority Service Contracts. The transferee organisation (primary service provider) will be responsible for the observance of the Code by the new employer.

The contract should provide the opportunity for Third Parties (for example School/Trusts/Registered Social Landlords) to have a "Call Off" arrangement based on a 2% Procurement Contribution Fee.

- 15.7 That the Council undertakes an independent and concurrent quality assurance review of the process majoring on how best to minimise risk and to ensure we deliver the desired outcome.
- 15.8 To grant delegated powers to the Director of Commercial Services or his nominated representative in conjunction with the Director of Resources and Director of Housing, to ensure delivery of the stated objectives, including if required varying the requirements of this contract in relation to the outcome of the independent quality assurance review, (subject to being within approved budget limits), accept tenders and award a Contract for this Project.

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SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Simon Green, Executive Director of Place

Date: 10th April 2012

Subject: An Economic Growth Strategy for Sheffield

Author of Report: Diana Buckley (0114 2232378)

Summary:

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies and the core city at the heart of the Sheffield City Region.

Since the Sheffield Economic Masterplan was published in 2008, the UK has experienced significant economic and political change. The last few years have been about making progress in tough economic conditions, which remain challenging today – with low growth forecast nationally, less public and private money available and higher unemployment.

Yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that. It will refresh the 2008 Masterplan, keeping its ambition yet refocus its strategy towards economic interventions which will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

The strategy sets out the 2020 vision for Sheffield's economy:

'Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.'

The strategy provides a framework for meeting this vision and making the right investment decisions to deliver our economic objectives; distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

Reasons for Recommendations:

By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and businesses.

Recommendations:

That Cabinet endorses the Economic Growth Strategy as a statement of the city's economic priorities.

Background Papers:

**Bigger Economy, Better Business, Faster Growth
Sheffield's Economic Strategy**

Equality Impact Assessment

Category of Report: OPEN

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
NO Cleared by: Janinne Scarborough
Legal Implications
YES Cleared by: Andrew Bullock
Equality of Opportunity Implications
YES Cleared by: Ian Oldershow
Tackling Health Inequalities Implications
YES
Human rights Implications
NO
Environmental and Sustainability implications
YES
Economic impact
YES
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
All areas of Sheffield
Relevant Cabinet Portfolio
Cllr Leigh Bramall
Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
YES
Press release
YES

An Economic Growth Strategy for Sheffield

1.0 SUMMARY

- 1.1 Sheffield is a creative, inventive and energetic city. Since the Sheffield Economic Masterplan was published in 2008, the UK has experienced significant economic and political changes. The new strategy is set against a background of reduced availability of both public and private sector finance and a challenging economic climate, yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that.
- 1.2 The strategy sets out the 2020 vision for Sheffield's economy: *'Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.'*
- 1.3 The strategy provides a framework for meeting this vision by making the right investment decisions to deliver distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and local businesses.
- 2.2 The strategy supports the delivery of the Corporate plan, detailing key actions which contribute to the Council's four aims; being a business friendly city, focusing on jobs, supporting and protecting communities and standing up for Sheffield.

3.0 OUTCOME AND SUSTAINABILITY

- 3.3 This strategy is focused on developing and delivering economic interventions that will drive growth in the short to medium term and improve Sheffield's economic foundations to secure its long term competitiveness and economic prosperity. Delivering the key actions in the strategy will deliver the following outcomes for the city:
- Improved city competitiveness
 - Increased gross value added (GVA) per head
 - More private sector knowledge jobs
 - Higher gross annual wages
 - Improved employment rate

4.0 AN ECONOMIC GROWTH STRATEGY FOR SHEFFIELD

4.1 Background and Introduction

Sheffield's economy has significantly transformed over the last 20 years. Much of this change has come from the diversification of the business base, moving from a declining post-industrial city to a growing knowledge-based economy with a wide range of business sectors. Over the last 20 years substantial improvement has been made across a range of economic indicators: gross value added (GVA) has increased; employment and skills levels have improved; and the city has developed some sector strengths. The look and feel of the city, and its quality of life and place has never been stronger.

However, Sheffield is not yet fulfilling its economic potential. The strength and productivity of our sectors and businesses are below national average and, whilst the city experienced a period of strong private sector expansion from 2000-2005, job growth has been too heavily reliant on the public sector pre recession. Sheffield's 'prosperity gap', first calculated in 2008, identifies the shortfall between what Sheffield does produce and what it could produce. In the latest available data this gap stands at £1.63 billion.

To close this gap the city needs to:

- Attract and start up more businesses and support our indigenous businesses to growth
- Improve the productivity of our sectors and businesses
- Support the growth of 'knowledge' and 'GVA driving' sectors which create economic value and increase our competitiveness.
- Harness skills to support private sector growth and ensure that our skilled people are fully utilised by Sheffield businesses
- Ensure local people have the opportunity to connect to economic growth and see the benefits in more jobs and improved incomes.
- Ensure Sheffield is a place where businesses can grow by identifying and delivering critical infrastructure projects to facilitate growth.
- Build Sheffield's profile to secure economic benefits.

4.2 Development and Consultation

Extensive consultation has been carried out on the priorities set out in the strategy. As well as being discussed with the Sheffield Executive Board, Sheffield's Business Advisor Panel, Sheffield Hallam University, The University of Sheffield, Sheffield City Region Local Enterprise Partnership and the department for Business, Innovation and Skills, the strategy went out to public consultation between September 2012 to October 2012. Over 40 responses were received from a variety of stakeholders including key businesses, stakeholder groups and members of the public.

The consultation responses have been used to reshape the strategy, making it a stronger document which the city's partners are committed to delivering.

4.3 Priorities

The strategy is structured around six economic objectives which will help us to achieve Sheffield's 2020 vision. To summarise, the objectives and strategic approach are outlined below:

Objective 1: Distinctive and high performing sectors built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness.

Strategic Approach:

- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing sector initiatives

Objective 2: A dynamic private sector with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses

Strategic Approach:

- Making Sheffield an enterprising and business friendly city
- Harnessing the energy and potential of our SMEs
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Attracting businesses to locate and grow in the city

Objective 3: A skilled and productive workforce that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow.

Strategic Approach:

- Improving educational attainment
- Up-skilling the current workforce
- Developing a business focused skills system
- Cultivating and utilising high level skills

Objective 4: Future proof infrastructure that delivers critical connectivity, development and sustainability to support economic growth, enabling businesses to grow and attracting people to live and work here.

Strategic Approach:

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield – Rotherham Don Valley
- Ensuring that Sheffield is well-connected
- Building a sustainable, low carbon city
- Facilitating development - housing, employment sites and premises

Objective 5: An inclusive economy that supports people to achieve their full potential and take part in the economic and social life of the city.

Strategic Approach

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the root causes of poverty
- Building a resilient local economy

Objective 6: A high profile city brand, that showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit.

Strategic Approach:

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's Major Events programme
- Enhancing the city's reputation for doing business

To underpin our objectives and strategic approach, we have also identified key actions to 2015 for each economic objective. These key actions represent the city wide initiatives which will be delivered or progressed to 2015. They are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in the document to respond to the ever changing economic context and new opportunities which arise.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

4.4 Measuring Progress

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance. The performance framework identifies the core economic outcomes and associated

targets against the economic vision. These are underpinned by a set of progress measures which relate to the economic objectives we want to achieve in the city.

4.5 Partnerships

Highly effective partnerships have been central to the production of this strategy and will be critical to its implementation. By working together, the potential of organisations across Sheffield to deliver change and achieve the economic vision is strengthened.

While Creative Sheffield will take overall responsibility for implementation and monitoring of the strategy, responsibility for delivery of the priority actions sits across a number of partners in the city including the private sector, the Sheffield Executive Board, the Sheffield City Region Local Enterprise Partnership, Sheffield Hallam University, the University Of Sheffield, The Sheffield College, government departments, other public sector agencies, and voluntary and community sector representatives.

4.6 Financial Implications

There are no direct financial implications for Cabinet to consider in approving this strategy. However, the strategy does set the framework for where we will invest our resources and how we prioritise our activity in economic development to 2020.

Any direct financial implications in relation to the projects highlighted within this strategy will be considered outside of this Cabinet report through appropriate financial approvals on an individual basis as and when required.

4.7 Legal Implications

This report seeks Cabinet's endorsement of the Economic Growth Strategy as a statement of the city's economic priorities. Where the Council itself takes steps in the future to implement this strategy, the legal implications arising from specific proposals will have to be addressed when these are worked up in detail, in consultation with officers in Legal Services.

However, it is likely that in implementing the strategy reliance will be placed on the 'general power of competence' (the 'GPC') conferred on the Council by Section 1(1), Localism Act 2011. Section 1(1) came into force on 18th February 2012 and has replaced the Council's previous statutory power to promote economic, environmental and social well-being. It provides that, "*A local authority has power to do anything that individuals generally may do.*" This is clearly a very broad power. It is not, however, carte blanche for the Council to act in any way it pleases. As one example of this, Section 2(1) provides that, "*If exercise of a pre-commencement power of a local authority is subject to restrictions, those*

restrictions apply also to exercise of the general power so far as it is overlapped by the pre-commencement power.”

The Council's Sustainable Community Strategy ('The City Strategy') prepared pursuant to Section 4 of the Local Government Act 2000 forms part of the Council's 'policy framework'. Accordingly, the Council's Executive is required to discharge its functions in a manner consistent with the City Strategy. It is believed that endorsing the Economic Growth Strategy would be consistent with the City Strategy which has as one of its aims promoting a successful local economy in furtherance of the City Strategy's central vision that by 2020 "*Sheffield is a city of global significance, distinctive, successful, inclusive, vibrant and sustainable. A great city where people from across the world want to live, learn, work, invest and visit*".

Whenever measures to support business are proposed, it is necessary to be mindful of the rules regarding 'State Aid'. The potential for State Aid implications of any initiatives taking forward the Economic Growth Strategy will be assessed on a case by case basis as and when required.

Whenever it exercises its discretion, the Council needs to be mindful of the Public Sector Equality Duty ('PSED') contained in Section 149 of the Equality Act 2010. This is the duty to have due regard to the need to:-

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This includes having due regard to the need to:-

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;
- (d) tackle prejudice; and
- (e) promote understanding.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race; religion or belief, sex and sexual orientation.

The PSED needs to be considered by Cabinet in deciding whether to endorse the Economic Growth Strategy, and in subsequent decisions regarding its implementation. (See paragraph 4.8 below.)

4.8 Equal Opportunities Implications

By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long terms economic success to the benefit of Sheffield residents and businesses. No negative equality impacts have been identified in the EIA, a copy of which is attached.

4.9 Tackling Health Inequalities Implications

The links between health and the economy are well recognised, with relative poverty being shown as a major health determinant. In his review of health inequalities in 2010, Sir Michael Marmot concluded that reducing health inequalities would require action on six policy objectives, one of which was to 'create fair employment and good work for all'.

This strategy contains priority actions to achieve an inclusive economy which supports people to take part in the economic and social life of the city. The strategy links into other activity taking place in this area, such as the Employment Strategy, Health and Well Being Strategy and the Fairness Commission.

4.10 Environmental Sustainability Implications

The strategy recognises both the impact the environment and climate change can have on the economy and the impact the economy can have on the environment.

The strategy considers climate change issues throughout the document under three broad areas: encouraging businesses to improve their green efficiency (energy, waste and emissions), investing in sustainable and low carbon infrastructure; supporting the growth of low carbon industries. The strategy identifies key actions, to; ensure that the Sheffield economy is resilient to climate change and ensure that Sheffield businesses can exploit new opportunities arising from the move to a low carbon economy.

4.11 Economic Implications

The strategy's framework is designed to achieve Sheffield's 2020 vision for the economy. It focuses on delivering economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity. By taking this approach, the economic implications arising from this strategy will be substantial and will be felt across the city in different sectors and communities.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The difficult economic climate has many social, environmental and economic impacts and economic growth is essential to addressing these impacts on the city's wellbeing, both in the present and future. In the face of reduced availability of both public and private sector finance the city must have a clear economic strategy to enable partners to prioritise activities. Without an economic strategy, partners could not combine their collective strength to effectively address the right issues to drive growth – causing delivery to be uncoordinated and for the city to miss new opportunities.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long term economic success to the benefit of Sheffield residents and businesses.

8.0 RECOMMENDATIONS

- 8.1 That Cabinet endorses the Economic Growth Strategy as a statement of the city's economic priorities.

Bigger Economy Better Business Faster Growth

Sheffield
Economic
Strategy



Bigger Economy Better Business Faster Growth

Executive Summary

Introduction

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies with internationally recognised, leading edge talents in manufacturing, engineering and design. The city's authentic and independent character is reflected in an aptitude for generating bright ideas, an inquisitive and innovative spirit, and a deserved reputation for getting things done.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force for growth across the wider economic area. The city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains. The economic prosperity of Sheffield and the wider city region is of critical importance to secure long term competitiveness and sustainable economic growth.

A Refreshed Strategy

This economic growth strategy for Sheffield is a refresh of the 2008 Masterplan, retaining its ambition yet refocusing its strategy towards economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

The City's Economic Challenge

Sheffield is not fulfilling its economic potential. A prosperity gap of £1.6billion persists in comparison to the national average. This represents the difference between what the Sheffield economy does produce and what it could produce. To close this prosperity gap we need to:

- Strengthen the city's private sector and rebalance growth so that both Sheffield's public and private sector are productive, strong and growing.
- Increase the pipeline of new businesses and increase the number of high performing – high value businesses. Harness the growth potential of our Small and Medium Sized Enterprises (SMEs).
- Improve the overall competitiveness and productivity of the existing business base, and secure higher growth in knowledge intensive sectors.
- Continue to improve the city's skills base to make skills a future differentiator for the city's economy. Connect our highly skilled people into the business base to stimulate innovation and growth.
- Support job creation and ensure that the benefits of economic growth are shared across the city, with local people seeing the benefits in more jobs and improved incomes.

Executive Summary

The Economic Strategy

This strategy prioritises support for the factors that drive growth in our economy and create the right conditions in the city for long-term economic success. It sets out the city's economic priorities to 2020 and provides a framework to guide activity, resources and investment over that period.

A new framework

We have set a new vision, and have identified six economic objectives for the city. Achieving these objectives will deliver growth in the short and medium term and will strengthen the city's economic foundations, improving Sheffield's long term economic competitiveness (see page5).

For each of our economic objectives the strategy highlights the key challenges, strategic approach and a number of actions to be delivered (summarised in the following table on page 6).

Strategic Approach

We have identified a planned approach to achieving each economic objective, responding to the evidence and challenges highlighted. This sets out the direction and scope for our actions over the long term. It highlights the critical success factors we need to consider to meet our economic vision.

Deliverables

Under each economic objective we have identified a number of key actions that will be developed, progressed or delivered by 2015. We will co-ordinate these actions into an economic programme of activity for the city.

The actions set out are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects as the economy develops and new opportunities arise.

Progress towards Sheffield's economic vision

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance and progress towards the 2020 economic vision. The performance framework identifies the core economic outcomes and associated targets against the economic vision (see table below).

These are underpinned by progress measures that relate to our six economic objectives. The measures enable us to compare performance against national averages and the core cities, and to identify if we are effecting the changes we want to see in the economy. (See Appendix A1).

The 2020 vision for Sheffield's Economy is:

Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.

Our six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
A Skilled and Productive Workforce	that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow
Future Proof Infrastructure	that delivers critical connectivity, development and sustainability to support economic growth
An Inclusive Economy	that supports people to achieve their full potential and take part in the economic and cultural life of the city
A High Profile City Brand	that showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit

2020 Economic Vision	Core economic outcomes	Current Performance	2020 Target
Sheffield will be a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city will be known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.	Improved overall City Competitiveness	241 / 379 ²	Top 175
	Increased GVA per head	£17,752	£20,200
	More private sector knowledge jobs	20%	23.5%
	Higher gross annual wages	£24,328	£27,600
	Improved employment rate	64.1%	67.9%

² Taken from Professor Huggins, UK City Competitiveness Index

Executive Summary

Strategy Overview. Six economic objectives, strategic approach and key actions.

Our six Economic Objectives

Strategic Approach

Page 219

Distinctive and High Performing Sectors

- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing initiatives

A Dynamic Private Sector

- Making Sheffield an enterprising and business friendly city
- Harnessing the energy and potential of our SMEs
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Attracting businesses to locate and grow in the city

A Skilled and Productive Workforce

- Improving educational attainment
- Upskilling the current workforce
- Developing a business focused skills system
- Cultivating and utilising high level skills

Future Proof Infrastructure

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield-Rotherham Don Valley
- Ensuring Sheffield is well connected
- Building a sustainable, low carbon city
- Facilitating development

An Inclusive Economy

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the route causes of poverty
- Building a resilient local economy

A High Profile City Brand

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's major events programme
- Enhancing the city's reputation for doing business

Develop and implement sector growth strategies

- The Sheffield City Region Enterprise Zone
- Innovation Centre for Healthcare Technologies
- Academic Health Science Network
- National Centre for Sport and Exercise Medicine
- Digital Innovation
- NAMRC Centre for Procurement
- Green Automotive Technologies

Key Actions to 2015

- Extend the Made in Sheffield Curriculum
- Introduce University Technical College education
- Launch the AMRC Training Centre
- Develop Skills Made Easy
- Establish the SCR Skills and Employment Partnership
- RISE, improving graduate utilisation in our SMEs
- University and business collaboration

- Sheffield's Local Plan
- City Centre Masterplan (NRQ, Moor Markets, St Pauls Place)
- Sheffield-Rotherham Don Valley Masterplan
- Fast, efficient and sustainable public transport
- Streets Ahead PFI
- Maximising the benefits of HS2
- City wide flood management
- Local energy generation and distribution networks
- Digital Region
- Green Deal

- Deliver Sheffield's Employment Strategy
- Sheffield City Council's employability programme
- Sheffield 100 apprenticeship programme
- Improving financial capability
- Early years development and educational attainment
- The living wage
- Supporting social enterprise
- Connecting local businesses to procurement opportunities

- 2015 Marketing Plan
- Tourism Business Improvement District - Early Adopter
- Destination Management Plan
- Major Events Programme
- Conference Ambassador Programme
- Unlocking the economic value of culture

Our vision is forward looking and ambitious, just like our city. The 20 things below are all happening in Sheffield now (and there are plenty more). Imagine where we will be in 2020.

1. **Unrivalled quality of place**
Sheffield offers an exceptional quality of life, vibrant culture, outstanding open spaces, relatively low cost living. The city is home to energetic and inventive businesses and universities, innovative thinking and a skilled workforce and economic infrastructure that supports success.
2. **Cultural assets that bring vibrancy to the city region**
Sheffield is home to the largest theatre complex outside London, large performance venues (City Hall and Sheffield Arena) and high quality sport and leisure assets including international competition standard swimming and driving facilities at Ponds Forge and the English Institute of Sport. The city boasts a diverse range of museums and galleries and the Showroom Workstation complex which includes one of the largest independent cinemas in Europe. These assets attracted over 200,000 visitors last year which generated circa £100million for the local economy.
3. **Low Carbon Industries**
Across Sheffield City Region, this sector comprises over 300 companies, employing approximately 10,000 people, and contributing £570 million in GVA. Our potential in this area is enhanced by our expertise in advanced manufacturing where there are specific opportunities to develop new products that form part of the supply chains for sub-sectors like nuclear, wind and tidal power and geothermal.
4. **Streets Ahead**
Over the next five years Sheffield's roads will be transformed into some of the best roads in the UK, through a £2billion programme of investment.
5. **Two world class Universities**
The University of Sheffield and Sheffield Hallam University - are a source of competitive advantage for Sheffield City Region's knowledge economy and are an integral part of the city's economic infrastructure. They contribute to the growth and competitiveness of the city through the creation and transfer of knowledge – producing world class research that attracts investment, leading edge scientific and technological development to drive innovation and quality graduates to bring fresh talent to the city's businesses.
6. **Advanced Manufacturing**
Businesses in this sector serve many international markets. They have specialist and multi-disciplinary expertise in areas including advanced casting, forging, machining, joining, coating and fabrication of special steel, nickel and titanium alloy products - providing unique engineered solutions where high levels of precision, quality and reliability are paramount, and supply demanding international markets such as aerospace and defence, power generation and supply, automotive, medical and oil and gas. The manufacturing industry in Sheffield City Region employs over 82,000 people and contributes £3.5 billion to GVA.
7. **Major Events**
We have developed high profile, high content events and festivals such as MADE, Global Manufacturing Festival, Doc/Fest, Off the Shelf, Tramlines, the Food Festival and Galvanize. All command audiences in the thousands and attract visitors from across the UK and internationally.
8. **Advanced Manufacturing (UTC)**
Businesses in this sector serve many international markets. They have specialist and multi-disciplinary expertise in areas including advanced casting, forging, machining, joining, coating and fabrication of special steel, nickel and titanium alloy products - providing unique engineered solutions where high levels of precision, quality and reliability are paramount, and supply demanding international markets such as aerospace and defence, power generation and supply, automotive, medical and oil and gas. The manufacturing industry in Sheffield City Region employs over 82,000 people and contributes £3.5 billion to GVA.
8. **University Technical College (UTC)**
2013 will see the doors open to the city's new UTC. Focusing on Advanced Engineering and Manufacturing and Creative, Digital and Media industries the college represents an innovative new step for education in Sheffield.
9. **Creative and Digital Industries**
Sheffield has a developing cluster of creative and digital companies, characterised by an abundance of high performing home-grown businesses, micro start-ups and freelancers, combined with key inward investment from international market leaders. A vibrant CDI sector is crucial to the creativity and cultural diversity of the city. It has a positive impact on the city's image and boosts related industries in culture, tourism and leisure. Our CDI industry is one of the highest value sectors in Sheffield (measured by GVA per job of £53,00 GVA) and is set to grow significantly by 2020 in both GVA and employment.
10. **Sheffield City Region Combined Authority**
The Sheffield City Region Local Enterprise Partnership (LEP) is known as one of the strongest LEPs in the country. We are working to establish a SCR Combined Authority to enable the city region to take advantage of more devolution and shape its economic future locally.
11. **National Centre for Sports and Exercise Medicine**
Sheffield has been highlighted as one of three network hubs that will form the National Centre for Sports and Exercise Medicine - an Olympic Legacy Project. This project will invest £10million to develop revolutionary exercise/medical facilities and support an ongoing £5million programme to improve health through exercise.

12. Enterprise Zone

We negotiated with Government to secure Enterprise Zone status for key sites across the city region, including at the Advanced Manufacturing Park, Sheffield Business Park and Outokumpu, all strategically important business employment sites for Sheffield. We are one of only a few cities to have Enhanced Capital Allowances, which act as a significant incentive for investment in the area.

13. Export led growth

Exports to growing markets like the Middle East, Asia and South America have been expanding by 10% year on year. This shows the international nature of our business and is a future source of growth and resilience.

14. Healthcare Technologies

Sheffield City Region is at the forefront of developments in user-centred healthcare solutions. Our strengths in research and development, human-centred design, rapid prototyping, precision manufacturing and assistive technologies, and our businesses' ability to produce, quality assure and distribute new products, make Sheffield City Region one of the premier locations for healthcare technology.

15. 100 years of Stainless Steel

Sheffield's Harry Brearley is credited with the invention of stainless steel in 1913, transforming the manufacturing industry. The city is celebrating the centenary with a year long programme of events, including two exhibitions; Rustless and Designed to Shine.

16. Growing knowledge services

Sheffield has seen an expansion in its knowledge economy, particularly the business, professional and financial services sector. For example, Sheffield is currently home to blue chip companies (Aviva, Capita Group, Virgin Media, BT, DSGI, PWC, HSBC, Sky, HBSOS and Carillion) and a growing number of national and local companies with international reach (Bond Bryan, Lambert Smith & Hampton, Barber Harrison Platt, BDO, Grant Thornton). These companies have shared service centres, contact centres and business process outsourcing centres, across a range of specialisms in Sheffield including sales and customer services, pensions and life administration, accountancy and finance and IT development and service support. There is also a strong legal sector within the city, with many firms operating at an international level including DLA Piper, Irwin Mitchell, Hill Dickinson, HLW Keeble Hawson, Taylor & Emmet LLP, Nabarro and Kennedys.

17. Regional Growth Fund

In partnership with Sheffield City Region we have recently secured £25million to invest in our local businesses. Our first call for investment proposals identified 150 great projects, showing the calibre of the city's SMEs.

18. City Deal on Skills

Sheffield's City Deal secured the biggest devolution in skills funding of any other city (over £25million), to support the creation of 'Skills Made Easy' a new skills initiative that will support businesses to take on apprentices and up-skill their workforce. By 2015 we will deliver 4000 apprenticeships and 2000 up-skilling opportunities.

19. Sheffield City Region Investment Fund

We are leading work with the Sheffield City Region to establish the Sheffield City Region Investment Fund. This will create a single investment pot – made up of a variety of local and nationally sourced funds to enable strategic economic investments that will unlock future growth.

20. Talent

Our city is full of interesting businesses going interesting places, and bright new talent – entrepreneurs, apprentices and graduates. As we continue to improve our skills base, the city's talent will become a key differentiator for the city, drawing people and businesses into Sheffield from across the world.

Our vision is forward looking and ambitious, just like our city.

Bigger Economy Better Business Faster Growth

Sheffield's Economic Strategy

- 1 2020 Economic Vision**
 - 1.1 Introduction
 - 1.2 Economic Vision
- 2 The Case for Refreshing Sheffield's Economic Priorities**
- 3 The Scale of the Challenge**
 - 3.1 Key Challenges for Growing Sheffield's Economy
- 4 A Strategy for Economic Growth**
 - 4.1 Framework for the Strategy
 - 4.2 Strong Economic Leadership and Governance
 - 4.3 New Financial Tools for Growth
 - 4.4 Effective Partnerships
- 5 Delivering Sheffield's Economic Objectives**
 - 5.1 Distinctive and High Performing Sectors
 - 5.2 A Dynamic Private Sector
 - 5.3 A Skilled and Productive Workforce
 - 5.4 Future Proof Infrastructure
 - 5.5 An Inclusive Economy
 - 5.6 A High Profile City Brand
- 6 Delivering the strategy**
 - 6.1 Sheffield's Economic Programme
 - 6.2 Progress measures

Appendix A

- A1 Performance Framework
- A2 Sheffield's Prosperity Gap
- A3 Key Economic Challenges
- A4 Future Trends

2020 Economic Vision

1.1 Introduction

1.2 Economic Vision

1.1 Introduction

Sheffield is a creative, inventive and energetic city. It is one of the UK's major city economies with internationally recognised, leading edge talents in manufacturing, engineering and design. The city's authentic and independent character is reflected in an aptitude for generating bright ideas, an inquisitive and innovative spirit, and a deserved reputation for getting things done.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force of growth across the wider economic area. The city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains.

2020 Economic Vision

1.2 The 2020 vision for Sheffield's Economy

Sheffield is a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city is known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.



2 The case for refreshing Sheffield's economic priorities

- 2.1 Refresh
- 2.2 Recession
- 2.3 Refocus

The case for refreshing Sheffield's economic priorities

2.1 Refresh

The first Sheffield Economic Masterplan was published in 2008 and set out an ambitious programme of change for the city. It was predicated on over 10 years of unbroken growth, which had seen Sheffield's economy make the transition from a struggling post industrial city to a modern, diversified and growing economy. The period 2000-2005 saw transformational growth in the city with the expansion of private sector knowledge services particularly the business, professional and financial service sector.

Based on this economic trajectory the 2008 Masterplan majored on making the changes in the economy which would enable this growth to continue – focusing on removing potential breaks on growth such as congestion, lack of office space, insufficient energy supplies and lack of executive housing.

The strategy was less focused on economic interventions that would drive growth, as economic forecasts and expectations were that the powerful growth trajectory the city and indeed the UK was experiencing would continue.

2.2 Recession

It was less than a year after the Masterplan's publication that the financial crisis halted UK growth, pushing the economy into a deep recession. The economic, political and financial landscape has now changed significantly and the national economy is unlikely to return to pre recession levels of growth for some time. The last few years have been about withstanding recession and making progress in tough economic conditions, which remain challenging today – a struggling global economy, less public and private money available and higher unemployment.

2.3 Refocus

Yet major opportunities exist and the city must position itself to take full advantage of them. This strategy sets out to do exactly that; it will refresh the 2008 Masterplan, keeping its ambition yet refocuses its strategy towards economic interventions that will drive economic growth in the short and medium term, whilst continuing to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

Refocus to drive growth

3 The scale of the challenge

3.1 A Stronger Economy

3.2 Key Challenges for Growing Sheffield's Economy

3.1 A Strong Economy

Over the last 20 years substantial improvement has been made across a range of economic indicators: gross value added (GVA) has increased; employment and skills levels have improved; and the city has expanded into knowledge and high value sectors. Over the course of the recession Sheffield has tracked the UK trend on output and unemployment, showing that Sheffield's economy has improved in resilience and strength. The look and feel of the city, and its quality of life and place has never been stronger. However, Sheffield is not yet fulfilling its economic potential.

3.2 Key challenges for growing Sheffield's economy

A prosperity gap of £1.6 billion² persists in comparison to the national average. This represents the difference between what the Sheffield economy *does* produce and what it *could* produce. Economic analysis (see appendix A2) points to a clear set of evidence-based priorities for closing this prosperity gap and improving the long term competitiveness of the economy:

- The city experienced a period of strong private sector expansion from 2000-2005. However, since 2005 job growth has been too heavily reliant on the public sector. Sheffield needs to strengthen its private sector and rebalance growth so that both Sheffield's public and private sector are productive, strong and growing.

The scale of the challenge

- Strengthening the private sector economy will require a pipeline of new businesses and more high performing and high value businesses. The overall competitiveness and productivity of the existing business base will also need to improve. This is at the heart of the city's economic challenge for 2020. A final push to further commercialise the economy and anchor it in the dynamism and energy that a strong private sector can bring will see Sheffield's economic potential unlocked.
- The strength and productivity of our sectors is below national average, therefore we need to improve the productivity of the sectoral base and secure growth in knowledge and high value sectors.
- Sheffield's skills base is improving, however continuous improvement is needed if skills are to be a future differentiator for the city's economy. Continuous improvement in skills is needed if Sheffield is to compete with the best UK and European cities. Furthermore the power of this talent must be integrated into the business base to stimulate growth in knowledge based sectors and deliver long term competitiveness.
- A significant number of economically inactive people remain outside of the labour market in Sheffield. To improve prosperity and equality in the city, local people must have the opportunity to connect with economic growth and see the benefits in more jobs and improved incomes.

² latest analysis available (2009) and shows that Sheffield's GVA stands at £9,578 billion against its 'potential prosperity', GVA of £11,212 billion, giving a prosperity gap of £1.63 billion.

4 A strategy for economic growth

- 4.1 Framework for the Strategy
- 4.2 Strong Economic Leadership and Governance
- 4.3 New Financial Tools for Growth
- 4.4 Effective Partnerships

A strategy for economic growth

4.1 Framework for the strategy

This strategy is focused on securing a bigger economy, better businesses and faster private sector growth to achieve the city's vision and core economic outcomes:

- Improved city competitiveness
- Increased gross value added (GVA) per head
- More private sector knowledge jobs
- Higher gross annual wages
- Improved employment rate.

To deliver these outcomes we will need to tackle the city's economic challenges by focusing our efforts and actions on the six objectives below. These objectives form the framework for this strategy.

Achieving these objectives will not only deliver growth in the short and medium term it will also strengthen the city's economic foundations, improving Sheffield's long term economic competitiveness.

To meet our economic objectives we will harness strong economic leadership and governance, new financial tools for growth and effective partnerships.

These core economic outcomes represent the impact we want to see in Sheffield's economy and for our business and people.

Fig.1 Six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
A Skilled and Productive Workforce	that sets Sheffield apart from other cities, underpinned by a business focused skills system that provides the skills that the economy needs to grow
Future Proof Infrastructure	that delivers critical connectivity, development and sustainability to support economic growth
An Inclusive Economy	that supports people to achieve their full potential and take part in the economic and cultural life of the city
A High Profile City Brand	showcases the city's vibrant culture, creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit

A strategy for economic growth

4.2 Strong Economic Leadership and Governance

To meet our ambitious economic vision and objectives, Sheffield and the wider city region needs fit-for-purpose governance arrangements that are ready to meet the challenge of devolution. Over recent months Sheffield and the wider city region have demonstrated to Government, through the Sheffield City Deal and the Enterprise Zone negotiations that we are an ambitious, forward thinking and capable city region. The SCR LEP is known as one of the strongest LEPs in the country and the speed at which local authority leaders are working towards Combined Authority status is a clear sign that Sheffield City Region is serious about shaping its economic future locally.

In developing this strategy we have worked closely with Sheffield City Region (SCR) partners, to prioritise a range of actions that will be delivered through partnership working at SCR, as well as things that we will progress as a city.

Sheffield is the core city at the heart of the Sheffield City Region and is committed to being a driving force for growth across of the wider economic area. As the city's economic geography stretches across Barnsley, Bassetlaw, Bolsover, Chesterfield, Doncaster, Derbyshire Dales, North East Derbyshire and Rotherham, through its workforce and supply chains. The economic prosperity of Sheffield and the wider city region is of critical importance to secure long term competitiveness and sustainable economic growth.

Lower Don Valley and Waverley Advanced Manufacturing Park: an important employment area, focused on advanced manufacturing, with sports and leisure complexes (including Meadowhall). The area includes Enterprise Zone sites.

Sheffield: the 4th largest city in England, and a major centre of engineering, creative and digital industries, with a wide variety of culture and retail facilities.

Chesterfield: One of the region's key market towns and the sub-regional economic centre for northern Derbyshire, with a high quality urban core and opportunities for further growth in the A61 and Staveley corridors.

North East Derbyshire: a rural area, with the population concentrated in the four towns, with the potential for growth along the A61.

Peak District National Park: an important tourist attraction with more than 10 million visitors a year, contributing to a significant visitor offer, within the SCR.

Derbyshire Dales: includes much of the Peak District National Park, providing the area with a high quality of life, thriving small businesses and attractive market towns with opportunities for growth.

Barnsley: Growing economy, creating an M1 economic corridor, thriving town centre and outstanding cultural heritage

Deerne Valley: has undergone recent major transformation, providing jobs, training and education through its environmental vision. The area includes Enterprise Zone sites.

Doncaster: a high-quality urban centre, attractive retail opportunities and excellent rail links, that contribute to its multimodal logistics offer.

Rotherham: developing strengths in new economic sectors, as part of SCR's wider regeneration agenda, with a specialism in advanced manufacturing.

Robin Hood Airport Doncaster Sheffield: provides an international gateway and attracts aero related employment and training

Retford: benefits from access to the national railway network and strong economic links to Nottingham, Lincoln and Newark.

Workshop: a town developing a diverse economic base, with a number of key visitor attractions such as Clumber Park and Sherwood Forest.

Markham Vale: an area recently developed with plans to establish itself as a major employment hub, supporting activity elsewhere in the City Region. The area includes Enterprise Zone Sites.

Bolsover: a rural area with the need and ability to accommodate significant economic growth in key settlements taking advantage of access to the M1

When it makes economic sense to do so, where there are shared interests, more effective delivery and more successful economic outcomes we will not hesitate to lead work on behalf of and in partnership with the SCR.

4.3 New financial tools for growth

The challenging economic conditions and tighter public sector finance demands the ability to make critical investment decisions based on a clear set of economic priorities (outlined in this strategy) to achieve our vision and deliver the outcomes we want for the city's businesses and residents.

Whilst real financial pressures exist, the Government is beginning to devolve more powers and finance for delivery and greater flexibilities at city and city region level. The European Regional Development Funds and transport investment funds continue to provide opportunities for investment. In addition, a number of new funding opportunities to support growth in the economy have been introduced, including Regional Growth Fund and Growing Places, along with new financial instruments such as New Development Deal and Community Infrastructure Levy.

To maximise the impact of these new funding streams and lever in further devolved funds, we are working at Sheffield City Region level to establish the Sheffield City Region Investment Fund. This will create a single investment pot to fund strategic economic investments that will unlock future growth.

4.4 Effective partnerships

Highly effective partnerships have been central to the production of this strategy and will be critical to its implementation. By working together, the potential of organisations across Sheffield to deliver change and achieve the economic vision is strengthened.

Whilst Creative Sheffield will take overall responsibility for implementation and monitoring of the strategy, responsibility for delivery of the priority actions sits across a number of partners in the city including the private sector, the Sheffield Executive Board, the Sheffield City Region Local Enterprise Partnership, Sheffield Hallam University, the University Of Sheffield, Sheffield Chamber of Commerce, The Sheffield College, Sheffield Culture Consortium, government departments, other public sector agencies, and voluntary and community sector representatives.

5 Six economic objectives

- 5.1 Distinctive and High Performing Sectors
- 5.2 A Dynamic Private Sector
- 5.3 A Skilled and Productive Workforce
- 5.4 Future Proof Infrastructure
- 5.5 An Inclusive Economy
- 5.6 A High Profile City Brand

A strategy for economic growth

How the strategy is set out

For each of our identified economic objectives we have articulated our key challenges, our strategic approach to tackling these issues and a number of actions to be delivered.

Priority Actions - The actions set out in the strategy highlight the city wide initiatives which will be delivered or progressed to 2015. We will co-ordinate these actions into an economic programme of activity for the city.

The Challenge - For each objective we give an overview of the key challenges and evidence. We highlight areas for improvement and the main barriers to success.

The actions set out are not a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in this document to respond to the ever changing economic context and new opportunities that arise.

Strategic Approach - In this section we develop a planned approach to achieving each economic objective, responding to the evidence and challenges highlighted. It sets out the direction and scope for our actions over the long term. It highlights the critical success factors we need to consider to meet our economic vision.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

Fig. 2 Six economic objectives

Distinctive and High Performing Sectors	built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness
A Dynamic Private Sector	with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses
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5.1 Distinctive and High Performing Sectors

Economic Objective:

Distinctive and high performing sectors built on Sheffield's market leading businesses and strong local supply chains that will drive growth and innovation to transform the city's long term competitiveness.

The Challenge³

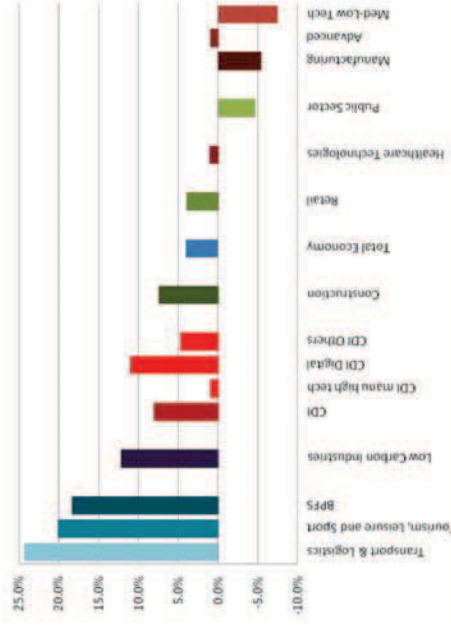
Pre-recession Sheffield's job growth benefitted from the expansion of the public sector and a significant amount of jobs were created (over half) in the health, education or public administration sector. Looking to 2020 the city needs to improve its economic resilience, diversifying and rebalancing growth across a broader range of sectors.

Within this diversification we need to maximise the potential of the knowledge economy in Sheffield. Currently Sheffield has fewer businesses in higher value, higher skilled sectors than other major UK cities, which will suppress the level of GVA being produced in Sheffield.

Fig.3 Identifying GVA drivers - GVA per job



Fig.4 Identifying Job drivers - Employment forecasts to 2020



³ Please note that all data is based on SCR geography reflecting the natural economic geography of our sectors.

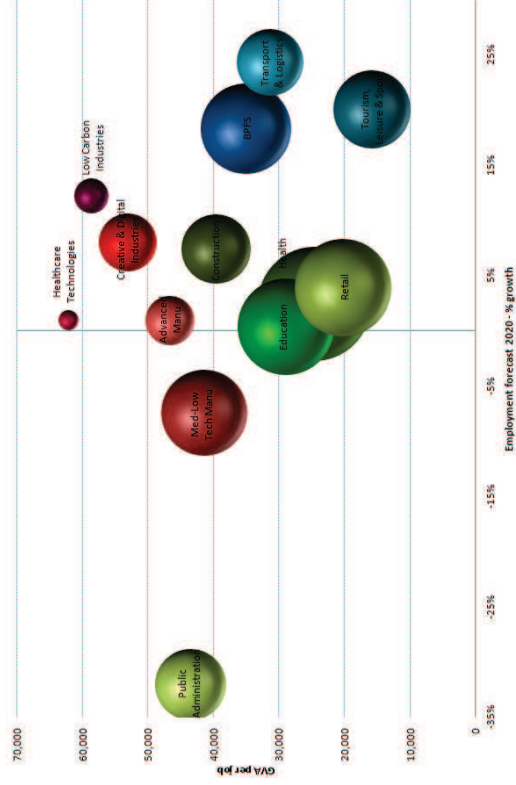
The Challenge

We also recognise that there are other sectors that will drive job growth in the economy. The graph below charts employment growth forecasts in key sectors across the economy to 2020. It highlights that 'GVA drivers' are not large job generators and so we must also seek to maximise the growth potential of the business, professional and financial and services, tourism, leisure and sport, transport and logistics sectors as drivers of future jobs – all these sectors are forecast to grow in employment terms by more than 18% by 2020.

The city has an opportunity to increase productivity and economic value by realising the growth potential of GVA driving sectors such as manufacturing, creative and digital industries, healthcare technologies and low carbon industries. These are also sectors where Sheffield and the wider city region has distinctive capabilities and key assets which we need to harness. Promoting and supporting growth in these sectors will help to improve the productivity of our economy and boost demand for other knowledge intensive sectors in the supply chain.

There are also underpinning 'support' sectors that have a critical role in the economy. These tend to be the largest employment sectors and do generate significant GVA - they are retail, construction, other services (wholesale and real estate) and the public sector. They provide the infrastructure, support services and supply chains that the economy needs to function. Whilst these sectors contribute to GVA and job growth at a lower rate, they remain a large and important part of the future economy.

Fig.5 Sector roles in the economy



GVA drivers

- Manufacturing
- Creative and Digital Industries
- Low Carbon Industries
- Healthcare Technologies

Job Drivers

- Business and Financial Services
- Tourism, Leisure and Sports
- Transport and Logistics

Large Employers

- Retail
- Public Sector
- Construction

The diagram shows the different roles play in the economy. The size of the bubble highlights the current size of the sector in terms of employment. The larger green bubbles are the job drivers and the red bubbles are GVA drivers.

5.1 Distinctive and High Performing Sectors

Strategic Approach

We recognise the different economic roles and functions different sectors fulfil and the interactions and supply chain linkages between them. We will focus on realising the growth potential of our GVA driving sectors. We will maximise the growth potential within our job driving sectors and put in place the wider economic conditions that will help our support sector to flourish.

We will work across the city region boundaries, recognising that businesses in these sectors are clustered across the wider city region. We will engage with existing networks and support the Local Enterprise Partnership sector groups. We will work collaboratively with businesses, universities and the public sector to identify the key strategic initiatives and underpinning support that will accelerate growth and deliver our core objectives for each sector.

Our approach focuses on:

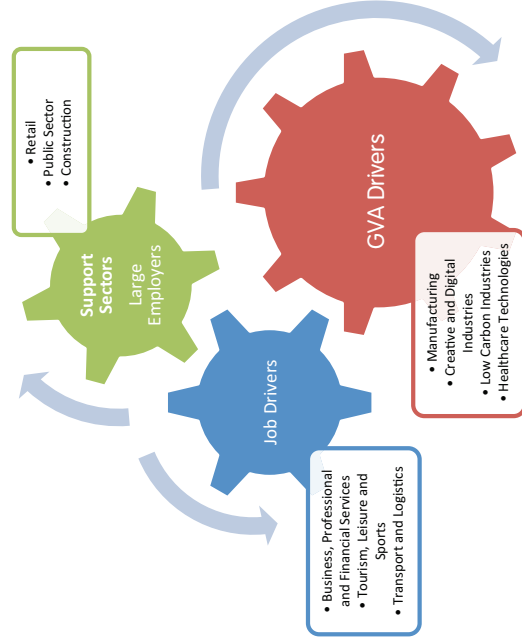
- Realising the growth potential of GVA driving sectors
- Promoting our USPs and sector strengths
- Driving innovation, collaboration and supply chain interactions
- Championing game-changing sector initiatives

Realising the growth potential of GVA driving sectors

We will seek to drive up productivity and improve our performance in the knowledge economy by supporting and promoting our distinctive GVA driving sectors. Although 'GVA drivers' are not mass direct job creators, the CDI sector and low carbon industries will generate significant jobs up to 2020, and by their nature these four high value sectors drive demand and stimulate supply chain linkages throughout the rest of the economy, particularly BPFs and transport and logistics.

GVA driving sectors drive demand and stimulate supply chain linkages throughout the economy.

Fig 6 GVA driving sectors stimulate growth



Promoting our USPs and sector strengths

We know that most major cities are pursuing growth in key sectors and so our approach will focus on showcasing Sheffield's distinctive strengths that differentiate our offer from other cities and highlight where we have a competitive edge.

Our distinctiveness comes from our market leading sector shaping businesses, and strong supply chains and networks that reach across Sheffield City Region. The city also has key 'attractors' that act as a magnet to draw people into our city region, for example the Advanced Manufacturing Park, the city centre and its cultural and retail offer, Meadowhall and our two universities – The University of Sheffield and Sheffield Hallam University.

We will work with SCR LEP sector groups to develop sector profiles and key mechanisms that will promote our distinctive and high performing sector across the world. We will grow activities such as the Global Manufacturing Festival and MADE, Doc/Fest to showcase the city region's capabilities internationally. Working with the LEP we will develop a proactive inward investment sector strategy to leverage our sector strengths and bring in new investment.

Driving innovation, collaboration and supply chain interactions

We believe that the synergy and collaboration between our distinctive and high performing sectors differentiates us from many other places. The city region's strength in innovation, design, digital technologies and precision manufacturing underpins all our sectors – and this cross fertilisation drives our competitive advantage.

The collaborative model at the heart of the Advanced Manufacturing Park and the University of Sheffield's Advanced Manufacturing Research Centre with Boeing is recognised as world class. The public sector, business and university expertise have worked in partnership to create an unrivalled asset for the Sheffield City Region and the UK, translating theoretical research and academic expertise into a competitive, commercial edge, a proposition which attracts global companies into Sheffield.

We will deepen our collaboration and identify key actions which will enable us to cross-fertilise the underpinning capabilities and technologies of our high value sectors. This will provide fertile ground, opening opportunities in new markets across key sectors, including nuclear technology, healthcare technology, creative and digital industries and renewable energy.

Championing game-changing sector initiatives

We see 'game changing initiatives' as strategic investment opportunities that are of significant size and scale to accelerate growth locally, and improve Sheffield's global position and profile in our key sectors. Sheffield City Region has a great track record to developing and delivering initiatives of this scale; The Advanced Manufacturing Park is a world class example, which has attracted many world-leading manufacturing and engineering companies and enabled the city region to secure major investment in world leading research and development facilities.

More recently the Sheffield City Region has secured Enterprise Zone status, for key sites across Markham Vale, the Sheffield –Rotherham Don Valley and Barnsley Junction 36, to form a Modern Manufacturing and Technology growth area.

Strategic Approach

Innovation, design, digital technologies and precision engineering underpin our sector

Distinctive and high performing sectors - Key action to 2015

1. Develop and implement sector growth strategies

We will work with the SCR LEP and the sector groups to develop and implement sector strategies, which will accelerate growth in our distinctive and high performing sectors and showcase our economic strengths and unique offer to the world.

2. National Centre for Sports and Exercise Medicine

Sheffield has been highlighted as one of three network hubs taking part in this major Olympic Legacy initiative - The National Sports and Exercise Medicine Centre of Excellence. This centre brings together leading universities, hospitals and high profile partners to tackle some of the country's most serious health issues, including chronic long-term conditions, obesity and musculoskeletal disorders.

Sheffield is to receive £10m in funding to develop its own

centre of excellence and to build facilities to bring together research, education and NHS services. The

centre will aim to translate research into innovative and improved services that will help transform the country's health. The centre provides an excellent opportunity for the city's growing healthcare technologies sector to bring forward new innovations

working in partnership with our universities, education and NHS services.

3. Innovation Centre for Healthcare Technologies

Led by the city's universities, key healthcare institutions and leading companies we will work to develop an Innovation Centre for Healthcare Technologies. Building on the success of the growing medical technologies companies in the Sheffield City Region and experience of the Advanced Manufacturing Research Centre (AMRC), this centre will enable companies to trial innovations. It will harness partnerships with expert institutions and NHS Trusts, helping them to develop innovative healthcare solutions and bring them to market quickly and efficiently.

4. Academic Health Science Network

The Academic Health Science Network(AHSN) for Yorkshire and the Humber will create and harness a strong, purposeful partnership between patients, health services, industry, and academia to achieve

a significant measurable improvement in the health and wealth of the population. It aims to transform the quality and efficiency of health services in the network through supporting the development, testing and rapid adoption of effective service innovations whether developed internally or outside the NHS. This represents a new opportunity to generate growth by stimulating innovation in partnership with medical technologies, digital health, pharmaceutical and other commercial enterprises.

5. The Sheffield City Region Enterprise Zone

The Enterprise Zone will accelerate the development of modern manufacturing and technology businesses in the Sheffield City Region, already one of the largest concentrations of advanced engineering and manufacturing in the UK. It will support growth in related technology based sectors, including energy, environmental and low carbon industries, creative and digital technologies.

The Sheffield Enterprise Zone is focused on the Lower Don Valley near J33/34 of the M1. It is the most central and largest site of a number of connected sites in the city region, together comprising approximately 145 hectares. It includes development sites at Tinsley Park, the Europa Link, the AMP/Waverley and Templeborough. All businesses will benefit from a simplified planning regime and superfast broadband,

with key areas eligible for enhanced capital allowances and business rate relief. By 2020 the zone is expected to create over 7,000 additional jobs in areas of the Sheffield-Rotherham economic corridor eligible for business rate relief, and over 8,400 jobs in the city region in total.

6. Digital Innovation

Led by our leading private sector entrepreneurs, we are working to create 'Cloud City Sheffield', which has the potential to make a dramatic impact on the city region's economy. Cloud City Sheffield will make Sheffield City Region the laboratory in which new public sector solutions, developed collaboratively with private sector and academic expertise, are trialled to improve the effectiveness and efficiency of public services. We will capitalise on the existing superfast broadband infrastructure in the sub-region along with our land, power and green energy resources, and look to lever major private sector investment to develop the next generation of green data centres needed to deliver the Government's Cloud Strategy.

7. NAMRC Centre for Procurement

We are seeking to develop a National Centre for Procurement based around Sheffield City Region's Nuclear Advanced Manufacturing Research Centre. This will co-produce with Government a 'roadmap' for growing the nuclear advanced manufacturing supply chain. Our aim is to boost growth in the emergent nuclear advanced manufacturing market in the UK by linking demand for complex manufacturing products to innovators in the advanced manufacturing and nuclear supply chain. We will work with Government and industry from major multinationals like Rolls-Royce, Boeing, British Aerospace, Westinghouse and Areva, to city region based manufacturers such as Sheffield Forgemasters, and a wide network of local and national SMEs.

8. Green Automotive Technologies - The Proving Factory

The Proving Factory is a £22million manufacturing initiative between Tata and low-carbon vehicle engineering firm Productiv, to take low-carbon vehicle technologies designed by small high-tech British companies and university research departments and prove their viability in production to increase their chances of being adopted by major motor manufacturers. It will take new automotive technologies through the industrialisation process from prototype through to production, producing 10,000 to 20,000 units a year per product. The initiative gives small companies access to the resources and facilities needed to develop manufacturing processes without having to secure the large investments necessary to do this individually.



5.2 A Dynamic Private Sector

Economic Objective

A dynamic private sector with a productive, competitive and growing business base that harnesses the energy and potential of our SMEs and creates a strong pipeline of new businesses

The Challenge

Building a bigger and better business base is at the heart of the city's economic challenge for 2020. Sheffield's business density is low compared to other UK cities, as is the overall productivity of our sectors and businesses, meaning we lag behind other cities in terms of overall competitiveness. The sector profile of our business base is under-represented in 'knowledge' sectors, particularly high value business services.

Although the level of micro business start-ups (mainly sole traders) in Sheffield has improved in recent years, too few of these businesses are growing beyond the VAT threshold⁴. This is compounded by the recession which has seen start up numbers falter, and survival rates fall. Small and medium sized enterprises (SMEs) are the foundation of Sheffield's economy; they make up the majority of the business base (99%) and contribute around half of the employment and turnover produced in the local economy.

We know that in periods when the SME business base is expanding, jobs have followed. Whilst job creation is not the primary purpose of starting a business, it is a vital economic outcome that flows from a dynamic and growing business base.

To reach the city's economic potential we need more businesses and we need to increase the competitiveness and productivity of the existing business base. This is at the heart of the city's economic challenge for 2020. A final push to further commercialise the economy and anchor it in the dynamism and energy that a strong private sector can bring will see Sheffield's economic potential unlocked.

Strategic Approach

Strategic Approach

A strong, vibrant business sector is vital to the economic growth of the city, generating wealth and prosperity for the people that live here. It brings money into the local economy through exports, drives innovation and enterprise, attracts new investment into Sheffield, creates new markets and acts as a stimulus for entrepreneurial ambition in young people.

Our approach focuses on:

- Making Sheffield an enterprising and business friendly city
- Accelerating the growth potential of our high performing businesses
- Supporting the city's large employers
- Harnessing the energy and potential of our SMEs
- Attracting businesses to locate and grow in the city

Making Sheffield an enterprising and business friendly city

Our strategy is to make Sheffield an enterprising and business friendly city for all our businesses, ensuring that businesses looking to locate here or start up here have all the help they need and that we put in place the things that they value; accessibility, high quality and accessible business support, excellent transport infrastructure, a skilled and productive workforce, unrivalled quality of place and a vibrant city offer.

The business support landscape has changed dramatically in recent years, and although there is still support available nationally, it is not comprehensive. We will take this opportunity to shape business support provision locally.

We will put in place a front door for any business looking for start up support, excellent advice, guidance and signposting and access to council business facing services. We believe that every business should have a clear first point of contact if they are looking to access support.

Accelerating the growth potential of our high performing businesses

To maximise economic impact we will offer bespoke and flexible support to accelerate growth in our high performing businesses with the greatest growth potential. This will involve working intensively with a small number of businesses. Our aim is to increase the number of high growth businesses in Sheffield who can contribute significantly to economic growth and support and champion the next generation of leading businesses in Sheffield. Showcasing these businesses will help to inspire a new generation of entrepreneurs and encourage the business community at large to drive up standards, productivity and competitiveness so Sheffield businesses can succeed in global markets.

	Size	No. firms	% firms	% jobs*	%turnover*
Large	250 plus	125	1%	52%	49%
SME	Less 250	15,975	99%	48%	51%
(subset)	Less 50	15310	95%	34%	35%

*based on regional averages

⁴ 2009 data – Based on start up analysis at sole trader, PAYE and VAT registration levels.

Building a bigger and better business base is at the heart of the city's economic challenge for 2020.

5.2 A Dynamic Private Sector

Supporting the city's large employers

Sheffield is home to a number of internationally significant large employers, although they represent only a small part of the business base, they account for over half of the city's employment and are hugely significant to the Sheffield economy. We will work proactively with these businesses to ensure they remain committed to Sheffield, supporting them to grow and reinvest here and assisting them with their investment plans to ensure a maximum impact for Sheffield and the wide city region.

Harnessing the energy and potential of our SMEs

We know that we have over 6,000 businesses in Sheffield which are of critical size where we estimate there is the potential to create sustainable growth, create jobs and strengthen the business base. These businesses can be in any sector and include vibrant social enterprise businesses that play a key part of the city's business base.

To realise this growth we will build the broader capacity and capabilities SMEs need to help them grow. Evidence highlights that there are common issues SMEs face which can prevent or slow a business's growth potential. We will develop and deliver a range of support packages for SMEs, focused on removing these barriers to SME growth, and giving businesses the tools they need to become more productive and competitive. (see diagram below)

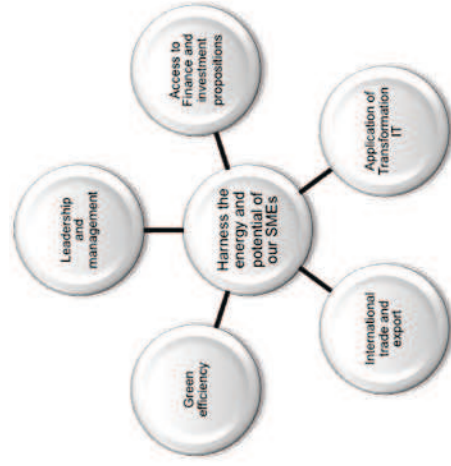
Attracting businesses to locate and grow in Sheffield

We will execute proactive inward investment plans to attract businesses to locate and grow in the city. We will also promote the city's complete offer as an unrivalled quality of place - excellent transport links, skilled workforce, choice of homes, open spaces, leisure and cultural facilities and a vibrant culture.

Attracting businesses into Sheffield from elsewhere brings clear benefits in terms of jobs and adds to the pipeline of businesses in Sheffield. It can also enhance the city's profile and assets and create supply chain opportunities. To maximise these benefits we will adopt a targeted approach to attract inward investment projects that can act as a catalyst for local growth by unlocking sector opportunities or strengthening our leadership position and bringing in new businesses with a genuine fit with the city's supply chains, sectors and skills offer.

We will champion the next generation of leading businesses in Sheffield. We will provide support to accelerate growth in our ambitious and innovative businesses.

Fig. 7 Harnessing the growth potential of SMEs



A Dynamic Private Sector Key Actions to 2015

1. Business Friendly City

We are setting out a clear commitment – we will demonstrate, through everything we do, that we want businesses to succeed in Sheffield.

We will continue to engage with the business community through the city's Business Advisory Panel and Business Summits to ensure that the city is listening and responding to the needs of the business community. We will do all we can to move the city's infrastructure forward to meet business needs, ensuring that transport improvements and appropriate office space is available. We will cultivate a highly competitive and enabling planning regime through a 'can do' approach to processing applications quickly and smoothly.

2. Encouraging Enterprise

We will continue to work in partnership to transform enterprise education so that starting, running and growing a business is a compelling option for any young person from any background. We will translate this into improved start up performance by inspiring young people to look beyond self-employment, convincing them that they can turn their good ideas into innovative products and grow successful businesses.

We will invest in an Enterprise Gateway which all business can use to access all aspects of business support, including business-facing Council services such as licensing, health and safety and planning, signposting to nationally available provision and to local business advisors, mentoring support, access to accountants, lawyers and other professional and technical experts.

We will deliver a package of support to individuals looking to start a business including access to group coaching workshops, support with research and business information, events on key business topics, drop-in sessions with advisors and business experts and mentoring support.

3. Sheffield Business Growth Programme

We will work with 1,000 SMEs with the potential to achieve sustainable growth by 2015 to build their capacity and capability to take advantage of future growth opportunities.

The programme will provide SMEs with experienced business account managers who will work with businesses to understand their ambitions, pressures, and the barriers they might be facing. It will draw in support from business mentors, and coordinate access to accountants, lawyers and other professional and technical experts, to provide support in finance, international trade, product development, innovation, leadership and management, human resources and skills.

4. Develop an open – innovation culture

We will develop with the SCR LEP and key partners an 'open innovation' model to drive innovative capacity in our SMEs. This simply means innovating in partnership, involving and co-operating with people outside of the business – such as suppliers, customers, end users, universities, to co-develop and implement ideas. This model can work well for SMEs as it is not dependant on scale or large investments. Our approach will be to work with the LEP to establish a 'collaborative community' for our SMEs to access and use the developing open innovation model to foster a culture of continual improvement and invention in our business base.

5. Digital Technologies for business growth

Digital technologies can be a powerful growth tool for any business, providing access to new markets, new customers and improving the efficiency of the business. In 2013 we will help 100 SMEs to utilise digital technologies to transform their business by investing in support that helps businesses identify and implement the optimal IT solutions for their businesses, delivering bottom line results.

From 2014 we will seek to secure further investment to support the application of digital technologies in SMEs through the new European funding programme.

Key Actions 2015

6. Strengthening leadership and management skills

We will work proactively to encourage businesses to recognise leadership and management training as a critical tool in improving business performance, productivity and growth. We will make good use of the assets within our universities, particularly the city's business schools, and the newly developed Sheffield City Region Leadership Programme. In addition we will identify new ways to help SMEs improve their leadership and management capacity, and explore how networking and mentoring from high performing companies can support other local businesses with growth ambitions.

7. Cultivation of the next generation of leading businesses

In 2013 we will develop and launch a two year programme to support and champion the next generation of leading businesses in Sheffield. It will work with 25 of our highest potential businesses aspiring to rapid and sustainable growth in turnover and jobs. These companies are driven by the entrepreneurs behind them, and as a city we want to invest in these leading businesses to support and accelerate their success and secure their long term commitment to Sheffield.

We will develop this initiative with business and will aim to provide bespoke interventions including top level mentoring, access to funding opportunities, international master classes and innovation and collaboration focused networking.

8. International trade

A new international trade strategy will be developed in 2013 to refocus our international relationships at city level to deliver economic benefit. Our aims will be to help more businesses to start trading internationally and to encourage those businesses who do export to look to expanding markets for new business opportunities. We will build on our current relationships within Europe and China, and explore new trade opportunities which support the growth of our distinctive and high performing sectors and where that businesses tell us are important to them.

We will create an International Trade Partnership to focus on increasing the number of exporters across Sheffield and the wider city region.

comprising of Sheffield Chamber of Commerce, UK Trade and Industry, HMRC, Creative Sheffield and South Yorkshire International Trade Forum to deliver a stronger, cohesive and complementary offer to businesses. Working in this way will enable us to deliver a powerful combination of support; from events and awareness raising, advice and training, trade delegations and grant funding.

2013 will also see a new export pilot to deliver bespoke export support to 30 businesses. If successful we will seek to expand and integrate this into a wider offer for export support.

9. Access to finance

We will work to ensure that a range of finance options are available for businesses with start up or investment plans, working with banks and local intermediaries, Finance Yorkshire, South Yorkshire Investment Fund and Yorkshire Association of Business Angels.

Sheffield City Council has supported the SCR LEP to secure £25million in RGF funding and identify over 150 businesses with investment projects. In 2013 we will work with these businesses on their investment propositions and will invest the full £25million in the Sheffield City Region economy to boost jobs and growth locally. We will also secure further funding from Regional Growth Fund round 4 to ensure we can support the full range of businesses coming forward with investment propositions.

In 2013 we will develop and launch an innovative Micro Business Loan Fund of up to half a million pounds, aimed at providing flexible finance to Sheffield's micro businesses looking for between £10,000 - £20,000 in growth finance.

We will seek to deliver over 100 start-up loans for young people through a Government Pilot we have secured for Sheffield. Following this pilot we will pursue further finance to integrate this funding as a longer term start up finance option in the city.

10. Green efficient businesses

We want to support Sheffield businesses to manage their energy and waste so that they have the lowest cost, streamlined operations possible and stay ahead of regulators. We want Sheffield businesses to be resilient to increasing energy and raw materials costs and be as productive and efficient as possible.

Through our Enterprise Gateway we will signpost businesses to key initiatives and resources such as WRAP, a Government funded scheme providing information on waste reduction and CO2 Sense, a not for profit organisation who work with businesses to cut energy, waste and other resources. We will also support and encourage businesses to access the Government's Green Deal initiative for businesses when available.

We will look for new opportunities, like the upcoming European programme, to enable us to develop a more ambitious approach that will help hundreds of businesses to develop and execute a low carbon plan for their business, covering energy, water, waste, product design and procurement.

11. Attracting businesses to locate and grow

In partnership with the Local Enterprise Partnership (LEP), Sheffield is investing in an inward investment team to proactively target inward investment in high value sectors important in the city region. This proactive resource is tasked with lead generation and works with investment teams in local authority areas to ensure that these leads and enquiries are converted into new businesses and jobs for the Sheffield City Region.

We will also continue to promote Sheffield and identify investment opportunities through our well developed networks of intermediaries such as location consultants, property agents, lawyers, accountants and professional service providers.

We will work with the SCR LEP to maximise the inward investment potential of the Modern Manufacturing and Technology Enterprise Zone to deliver a step change in the number of businesses moving into the city. This is a major initiative with significant benefits for manufacturing and technology based business, including capital allowance for investment in plant and machinery or business rate relief.



5.3 A Skilled and Productive Workforce

Strategic Approach

Economic Objective

A skilled and productive workforce that sets Sheffield apart from other cities, underpinned by a business-focused skills system that provides the skills that the economy needs to grow.

The challenge

The strengthening of Sheffield's economy and its increasing diversification into knowledge industries is driven and supported by improving skills levels. Knowledge sectors create demand for higher level skills and 'knowledge occupations' such as managers and professionals and technical occupations. An impressive 43.2% of workers in Sheffield are classed as 'knowledge workers'. Furthermore, Sheffield's skills profile has improved significantly since 2005 and compares well with the national average and other core cities.

Our challenge is to turn this good performance into our differentiator, improving the skills and productivity of our workforce and stimulating our employers to invest more in workforce training until we are among the best in the world.

Meeting the skills challenge means continuing the drive to improve the learning outcomes of those leaving school and college, where we still under-perform in comparison with statistical neighbours. In so doing we will ensure that our young people have the opportunity to secure well paid jobs and businesses have the opportunity to benefit from a new generation entering employment with the skills, aptitude and job-readiness that employers need for success.

We cannot stop there: 70% of the city's 2020 workforce is already of working age and, as the average skills levels required in all types of employment continues to rise, the need to focus on adult training will be at least as important as the focus on the educational achievement of our young people.

With public funding for training set to fall by a quarter over the lifetime of the Coalition, the expectation of government is that employers must contribute much more to the costs of workforce development. For them to do so, businesses will need to be confident that they will be investing in high quality training tailored to meet business need. In preparation for this, Sheffield needs more employers to be persuaded of the value of investing in more apprenticeships and more workforce training, but it also requires the city's training provider network to continue to improve its offer of responsive and flexible training that meets the highest standards.

Analysis also shows that although Sheffield, by national comparison, has a well skilled workforce, the private sector does not always benefit from this to the extent that will be required if the economy is to be rebalanced. Sheffield benefits from two highly reputable universities that together produce approximately 20,000 graduates annually in a wide range of disciplines. However, too few of these graduates are employed in the city's SME's (only 18%). We need to better connect two of the city's greatest economic assets, our businesses and our highly skilled people, to ensure that our improving skills profile is exploited to full effect in our economy.

Our approach focuses on:

- Improving educational attainment
- Up-skilling the current workforce
- Cultivating and utilising high level skills
- Developing a business focused skills system

Strategic Approach

Skills are a vital component of delivering the city's economic vision and are an essential building block for growth, driving both productivity and participation. We want the talent in our workforce to be our differentiator, so we need to continue to produce, attract, retain and utilise skilled people in our economy.

Our approach focuses on:

- Improving educational attainment
- Up-skilling the current workforce
- Cultivating and utilising high level skills
- Developing a business focused skills system

Improving educational attainment

Education, skills and the economy are inextricably linked. Just as many of Sheffield's current workforce was educated in the city, those young people in Sheffield's schools, colleges and universities today will form the basis of its future workforce. To ensure that this prospective workforce is capable of meeting the rising skills levels required by the economy, we need to improve educational attainment in Sheffield more rapidly.

To achieve this we will ensure that the education system is producing young people with the knowledge, skills and work readiness that the economy requires and which our employers value. To do this we will work both with our schools, academies and colleges and the city's employers to strengthen education –business links and in so doing to shape a curriculum that delivers the essential skills for work that new entrants to the labour market will need. By working together, we want our teachers and our employers to design and deliver a curriculum from primary, through secondary and into tertiary education that continues to improve teaching and learning, that delivers better outcomes for our students and which properly prepares our young people for working life.

Up-skilling the current workforce

It is essential that businesses have a sufficient supply of employees equipped with the technician-level skills that we know will be needed to facilitate growth. This will mean more employers taking on apprentices, others focusing on up-skilling the existing workforce and many doing both. We need to support employers to replace talent as people retire and to maximise the skills and knowledge of the older workforce as people work longer by providing re-skilling opportunities and flexible working arrangements. We believe this is best achieved by giving employers real choice and purchasing power within the skills system. To this end the city, its Region and the Local Enterprise Partnership that represents it, made a proposal to Government that resulted in the City Deal for skills. This deal means that Sheffield City Region is the only part of the country to date where mainstream skills funding has been transferred from central government to the LEP so that employers can properly drive our strategy for skills, recruit more apprentices and invest more in adult training.

In support of this, employers will be able to call upon skills brokers who will help them navigate the complexities of the skills system, reduce the burden of bureaucracy and help them to choose the provider and the training package that is right for them.

We need to harness the city's skills to transform Sheffield's long term competitiveness and secure economic growth

5.3 A Skilled and Productive Workforce

Key Actions 2015

Cultivating and utilising high level skills

The city's two universities - The University of Sheffield and Sheffield Hallam University - are a source of competitive advantage for Sheffield city region's knowledge economy and are an integral part of the city's economic infrastructure.

They contribute to the growth and competitiveness of the city through the creation and transfer of knowledge - producing world class research that attracts investment, leading edge scientific and technological development to drive innovation and quality graduates to bring fresh talent to the city's businesses.

The city needs to continue to harness the economic power that connecting these assets into businesses can bring to the economy. Over the last few years Sheffield's universities have worked well with the city to help define, develop and deliver the mechanisms needed to cultivate University - Business collaboration. However, we now need to scale up our joint projects and attain to more and better collaboration.

We will develop city wide collaborative programmes, building on successes like Innovation Futures to better connect businesses with the innovation and knowledge within our universities. We will also seek to improve graduate utilisation within the local business base, particular SMEs where graduate employment is low (only 18%).

Developing a business focused skills system

The education and skills system is an integral part of the city's infrastructure and involves a complex matrix of schools, academies, colleges, training providers and public agencies. Learner choice is important if young people are to maintain their motivation and aspiration and if adults are to continue to value and see the relevance of lifelong learning but this needs to be better balanced by learning provision that also meets the needs of the economy. Without this balance, skills gaps and shortages can occur impeding growth and blunting competitiveness.

To make sure the balance is redressed we need to:

- Establish a strategic partnership between the city's businesses and its education community so that provision is of the type, level and volumes needed in key sectors of the economy
- Simplify the skills system and make it more responsive so that businesses, particularly SMEs, get training of the type, in the place and at the time that they need it.

A Skilled and Productive Workforce - Key Actions to 2015

1. Extend the Made in Sheffield curriculum

The *Made in Sheffield* initiative brings teachers and businesses in key sectors together to co-design a curriculum for the primary and secondary phases, as well as Further Education, that can reshape learning, drive up attainment and equip young people with broad range of knowledge, skills and attitudes that they will need for life and work in the twenty-first century. The programme equips children and young people with the numeracy, literacy, employability and transferable skills that employers tell us they need.

The programme had its origins in a partnership of the Cutlers Company, schools, academies and the City Council established to strengthen the teaching of science, technology, engineering and maths. It does this through cross-curricular, project-based learning focused on real world problems set by local businesses, led by talented 'young ambassadors', supported by business mentors and endorsed in a skills passport where every participating learner records those experiences, achievements and skills that employers value. Subsequently, this curriculum model has been embraced enthusiastically by the Sheffield Teaching Hospitals Trust and another set of schools that are now working in the wide range of sectors that support the health service.

Our aim is to extend this curriculum development and these new ways of learning to encompass other key sectors of the economy and even more schools with a view to harnessing the talent of our strongest teachers, the opportunities of work-related learning and the experience of the strong role models from the city's businesses to create a distinctive Sheffield learning system better able to develop the talented and well-qualified workforce of the future.

2. Introduce University Technical College education

The city's new University Technical College (UTC), opening in September 2013, adds to the range of choice available to 14-19 year olds by offering those with aspiration to pursue careers in manufacturing or the creative and digital industries with an opportunity to pair a rigorous academic curriculum with technical training in two of the city's most distinctive and high performing sectors.

Sponsored by the Sheffield College and supported by Sheffield Hallam University, the Chamber of Commerce and the City Council, this new learning institution will take an innovative approach to learning with industry standard equipment and a work environment and opening hours that reflect the adult working day. The city's employers have regularly called for the learning system to better prepare young people for working life in the new economy.

The introduction of the UTC approach, along with that of the schools forging the *Made in Sheffield* curriculum, represent two important elements in the city's response to this challenge and ones that will be extended in future years. These initiatives are helping to create the foundations on which the city is striving to build both a learning system where students, parents, carers and employers can expect to benefit from educational excellence and a distinctive curriculum that combines academic rigour and the broader skills set that our employers tell us they value.

3. Careers Guidance

The city already has ambitious plans to ensure that young people and the adults who influence their choices have access to thorough and independent on-line labour market information. Every school and academy has been supplied with U-xplore - an on-line tool designed to help teenagers and their teachers to learn about different jobs and learning pathways and then to make the right career choices. Our ambition will be to work with the education community and employers from key sectors in the local economy to ensure that these promising developments are fashioned into a single, attractive and effective programme that allows young people to make the right choices and to benefit from the opportunities in growth sectors of the local.

4. Launch the Advanced Manufacturing Research Centre (AMRC-TC)

The AMRC Training Centre will provide advanced apprenticeship and higher-level skills for high-value manufacturing. It will be based in a new 5,500 sq m building on a site next to the Advanced Manufacturing Park and will open in autumn 2013.

The Training Centre will provide the practical and academic skills that manufacturing companies need to compete globally, from apprenticeship through to doctorate and MBA level, plus continuing professional development.

The partnership will be

closely connected to the LEP, the provider network and key agencies including the Education Funding Agency, the Skills Funding Agency, Jobcentre Plus and the National Apprenticeship Service. The partnership will work with and through them to develop a long term action plan for employment

and skills that supports LEP priorities for growth, reshapes the education and training system and seeks to ensure that all of the city's residents have the opportunity to benefit from the good quality jobs and sustainable employment that is the aspiration of the city and its region.

The vision for RISE is that:

- Sheffield businesses value and employ graduate talent to support future growth
- Employing a graduate becomes the norm not the exception
- Our universities are leaders in producing the most employable, enterprising and work-ready graduates



The Centre will link with both Sheffield universities for higher-level education and with the new UTC, providing a full progression in engineering training for the first time in the region.

5. Establish the SCR Skills and Employment Partnership

We will create new a partnership in the city, where skills providers and businesses can work together to build high quality, business responsive training programmes. This new partnership will seek to shape the local learning and skills system such that it better prepares young people for the jobs of the future, gives businesses the confidence to invest more in workforce training and supports those facing barriers to work with the training and pathways to sustainable employment that they need.

6. RISE - Improving graduate utilisation in our SMEs

RISE is an ambitious new project that celebrates the talented, energetic and driven individuals behind Sheffield's SMEs and seeks to connect them with new talent – the city's highly skilled graduates.

RISE is a citywide project, co-created by Sheffield City Council, Sheffield Hallam University and University of Sheffield, with support from the private sector and key stakeholder organisations such as Graduates Yorkshire. It is supported by a four year framework between city partners, which is designed to embed new collaborative approaches to support business growth through the development and utilisation of graduate talent in the city's business base.

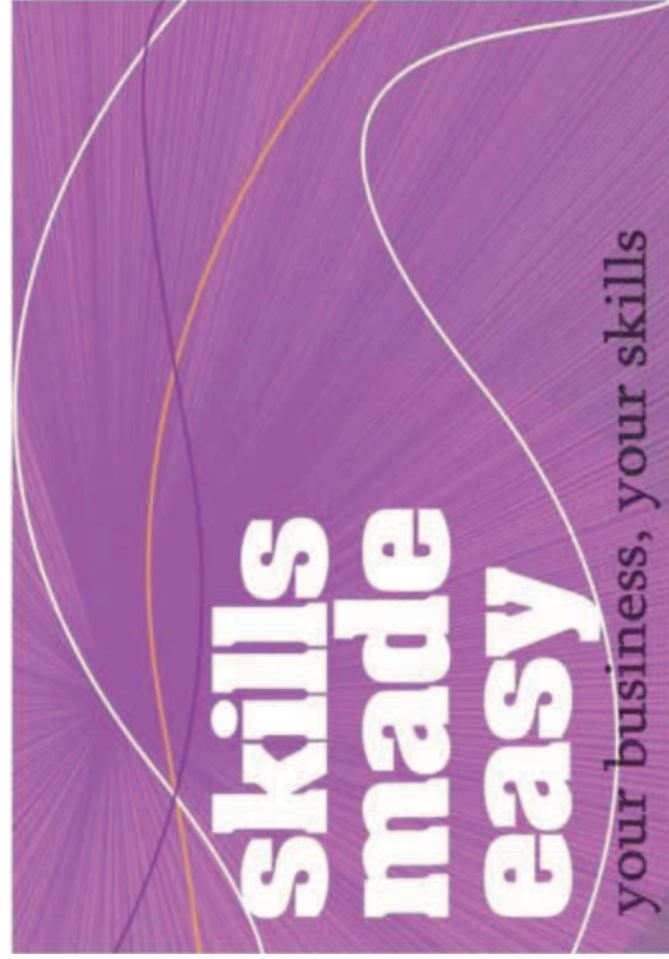
7. University & Business Collaboration

We will develop city wide collaborative programmes, building on our current successes to better connect businesses with the innovation and knowledge within our universities. In partnership with the SCR LEP we will identify new opportunities to scale up our joint working and successful projects, as well as developing new initiatives. We will look to take advantage of the European programme as an opportunity to deliver programmes of scale across the city region.

8. Develop Skills Made Easy

Skills Made Easy is a £28 million programme designed to test the proposition that the city and its region will be better able to create a more responsive skills system if purchasing power, and therefore choice, is placed firmly in the hands of employers, particularly those small and medium size companies that make up the majority of our businesses. Skills Made Easy will operate through a range of brokers tasked with working with companies to ensure that they get the type of high quality, timely training they need with maximum choice and the minimum of bureaucracy.

Over three years, the programme seeks to work with employers to create 4,000 additional apprenticeships and 2,000 opportunities for the adult workforce to further develop the skills that their employers need. When proof of concept is established the intention will be to seek a more extensive devolution of the skills system with more choice and decision making placed in the hands of local employers under the auspices of the LEP.



5.4 Future Proof Infrastructure

Economic Objective:
Future proof infrastructure that delivers critical connectivity, development and sustainability to support economic growth.

The challenge

The quality of Sheffield's infrastructure has a direct impact on the city and wider city region's economic growth potential by creating routes to market and employment, ensuring businesses and people have affordable, sustainable utilities, enhancing the environment, quality of life and place and encouraging new investment across the SCR economy.

Over the past 5 years the financial challenge and associated austerity has restrained the normal financial mechanism to support medium and large-scale infrastructure projects. However, a pause in this type of investment now could put future economic growth and the city's overall competitiveness at risk.

Our challenge is to continue to drive priority infrastructure and development projects forward, working together to understand and prioritise existing and future infrastructure needs, co-ordinate activities to make the most of new funding mechanisms (NDD, Jessica, SCRIF) and ensure that projects provide return on investment.

Strategic Approach

The City's Local Plan⁵ (previously called the Local Development Framework), outlines these key challenges and provides the spatial narrative that will shape the city's continuing evolution over the period to 2020 and beyond. It highlights two themes that will be at the heart of the city's infrastructure investment; transformation and sustainability. These are integral to delivering the economic vision set out in this strategy.

We will lead on an Infrastructure Development Plan to transform the city's transport networks, utilities, housing, buildings, land and digital infrastructure to create the conditions for development.

Our approach will focus on:

- Delivering a fit for purpose 21st century city centre
- Unlocking the investment potential of the Sheffield Rotherham Don Valley
- Ensuring that Sheffield is well-connected
- Building a sustainable, low carbon city
- Facilitating development - housing, employment sites and premises

Delivering a fit for purpose 21st century city centre

Sheffield's city centre is vital to the future success of the city region, providing high quality retail, a strong cultural offer, a centre for knowledge based, professional services, creative and digital industries and an effective transport interchange.

Over the past 15 years Sheffield has pursued a consistent set of masterplans to bring quality, vitality and new investment to the city centre, which has created new confidence and a strong identity. The Heart of the City, Digital Campus and the impressive new public spaces have collectively helped to put the city centre on track, however the task is not yet complete.

The recent recession has fundamentally changed financial markets, putting a sharp halt to the speculative development that has supported the city centre pre recession.

Reflecting this change, we will refresh our City Centre Masterplan, retaining the spatial principles identified in 2008 (shown below) but reassessing the pace, prioritisation and delivery approach around the following themes;

- Retail – Securing the New Retail Quarter remains the highest priority, to expand the scale and quality of our mainstream retail offer as well as providing mixed-use space to grow a new generation of independent retailers and support other creative activities.
- Grade A offices - We need to bring forward the delivery of the Central Business District to support the expansion of knowledge and business services in the city. There is currently no Grade A space available in the Central Business District. We will also enhance provision in the Riverside Business District as well as key sites around Sheffield station.

• Castlegate – We will create a vision for the transformation of the Castlegate quarter and attractions.

- City centre living - We will look to widen the type of housing available around the city centre, to encourage new city centre neighbourhoods.
- Transport – We need to improve the attractiveness of public transport to further encourage modal shift to public transport, walking and cycling.
- Cultural offer - The Surrey Street building containing the Central Library, Library Theatre and the Graves Gallery is the next priority for cultural capital investment, alongside the refresh of the Cultural Industries Quarter. We need to support the visitor economy, by providing events and animation, entertainment, retail choice and accommodation. We will strengthen the 'Steel Route' from The Moor to Victoria Quays and Wicker to better connect our cultural assets and city centre offer.

Fig.8 City Centre Masterplan



⁵ <https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/sdf.html>

5.4 Future Proof Infrastructure

Unlocking the investment potential of the Sheffield Rotherham Don Valley

The Sheffield-Rotherham Don Valley remains the home of world class engineering companies and the Advanced Manufacturing Park. It is a large employment area and has a significant number of sites for investment as well as a growing number of sports, retail (Meadowhall) and cultural assets. The future economic success of the area will provide an economic engine of growth for the whole of the Sheffield City Region. However, in the past 10 years momentum has slowed and development is now severely constrained by the lack of appropriate infrastructure in areas such as transport, flood management, energy and green space.

In order to unlock the investment potential within the Sheffield-Rotherham Don Valley (SRDV), a partnership between Sheffield and Rotherham local authorities and the SCR LEP is developing a new SRDV masterplan, which will take an integrated approach to regeneration and priority setting.

We will focus on improving capacity on the highway network in the S-RDV by developing additional routes to re-direct local traffic away from congested locations, as well as strengthening the range of travel and public transport options available. This will release the current constraints on development sites enabling them to be brought forward for new employment and residential uses.

The Sheffield-Rotherham Don Valley also forms a key part of the Sheffield City Region Enterprise Zone, identified as a Modern Manufacturing and Technology Growth Area. We will work with the LEP and relevant landowners to accelerate the development of key sites within the Enterprise Zone.

The SRDV will also see the city's first Business Improvement District (BID). Run in conjunction with Sheffield Chamber of Commerce, this will install and maintain flood defences along the valley.

Ensuring that Sheffield is well-connected

Investment in transport and highways supports economic growth through the creation of commuter and business linkages between key places in an efficient and cost effective way. Connectivity essentially allows the economy to function, enabling people to access employment and leisure opportunities and providing businesses with bigger markets for labour, supply chains and customers.

To future proof the city's infrastructure we will adopt a complementary strategy that improves both inter-city connections and intra-city (and city region) linkages in a sustainable way.

We will improve inter-city connections with other cities and key transport exchanges like motorways, rail stations, airports and ports to remain competitive internationally as a place to do business. However this must be coupled with strong and efficient intra-city (and city region) linkages that ensure places within the city region are well connected, particularly key business and employment areas like the city centre and the Sheffield Rotherham Don Valley.

Ensuring that the city's infrastructure is sustainable is an integral part of the city's transport strategy. We will encourage a much greater proportion of travel via walking, cycling and public transport, to reduce carbon emissions and air pollution, release road space and provide for those without access to a car.

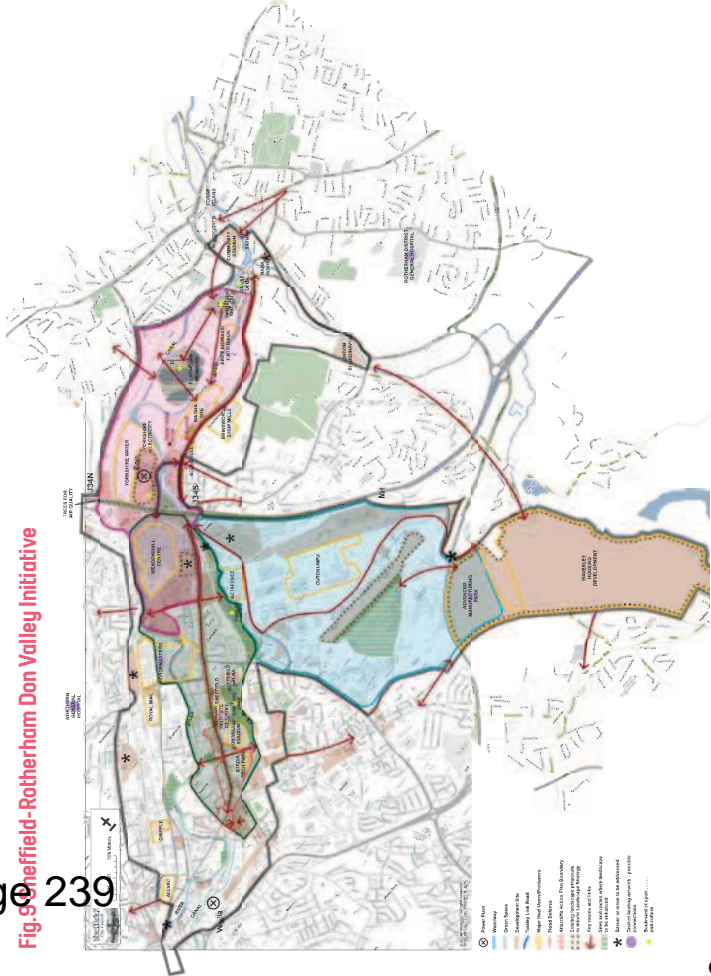
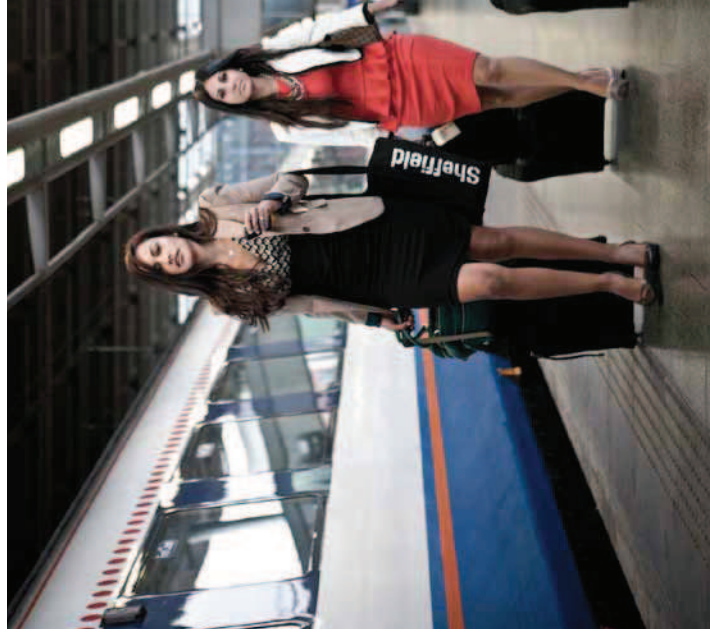


Fig.9: Sheffield-Rotherham Don Valley Initiative

Strategic Approach

To deliver these improvements the Sheffield City Deal saw SCR successfully negotiate with Government to devolve major scheme transport funding to SCR level. This will guarantee 10 years of transport funding, enabling longer-term planning and allowing more flexibility in how the money is used. This arrangement forms the basis of the Sheffield City Region Investment Fund (SCRIF) and allows SCR local authorities with the SYPTE and private sector led LEP to develop a single infrastructure fund to take forward critical infrastructure interventions linked to SCR economic priorities.

Over the long term, Sheffield has been named as a station location for the preferred route on High Speed 2 network, illustrating the importance of Sheffield as a key northern city, alongside Leeds and Manchester. HS2 will reduce journey times from Sheffield to London to 75 minutes and provide faster rail journeys to other city centres in the UK, for example, 25 minutes to Leeds. This opens up access to wider markets and support growth of businesses across Sheffield City Region as well as creating regeneration and job opportunities.



5.4 Future Proof Infrastructure

Building a sustainable, low carbon city

We will ensure that Sheffield's growth is sustainable by investing in the city's energy supply, water, waste, telecommunications and flood management systems to ensure they are resilient to the impacts of climate change and provide low carbon solutions and local energy generation. Improving and strengthening the city's supporting infrastructure in this way will deliver a stronger, more sustainable and balanced local economy.

Sheffield City Council's Climate Change Adaptation Strategy will set out a framework to ensure that Sheffield is more resilient to the impacts of climate change, both in the present and the future. In the last ten years Sheffield has experienced major flooding events, heat waves, strong winds and snow and ice events, all of which caused disruption to the city and brought with them an economic cost. At the same time, climate change can bring opportunities and if Sheffield is on the forefront of managing the risks associated with climate change, this will prove attractive to inward investment. The Council will work with Sheffield's businesses and organisations to help businesses identify and respond to the risks and opportunities presented by climate change and extreme weather, particularly flooding, over-heating and drought.

Facilitating development - housing, employment sites and premises

Enhancing Sheffield's quality of life offer, so that it remains attractive to businesses and people as a location of choice, means ensuring that we have the right mix of development sites, business premises, green spaces and quality and stock of housing.

Sheffield has a portfolio of fit-for-purpose sites and premises that provide opportunities for businesses to expand and grow. This includes small scale 'incubator' provision for new businesses to large scale developments sites, many of them in and around the new Sheffield City Region Enterprise Zone. Vacancy rates and relatively low costs suggest that there is not a general lack of commercial property in the city⁶. However, some small and medium sized firms report difficulties in finding the right workspace. We are currently reviewing the stock and quality of the city's managed workspace to ensure we have a pipeline of quality, affordable space for young or start up businesses.

The Local Plan identifies the Upper Don Valley (UDV) as a key employment area. We will look to facilitate development in the UDV by pursuing investment to improve access and infrastructure to open up dormant sites for commercial use. Parkwood springs offers a future opportunity for mixed use development, providing recreational, residential and commercial use.

In terms of housing provision, our short-term priorities will be stimulating housing development and ensuring the quality, affordability and suitability of the city's housing stock. We have a major opportunity through the new Local Housing Company that will build 2,300 homes over 15 years as well as providing long-term business opportunities and additional jobs. The city's new housing strategy⁷ also highlights the need to help younger, older and vulnerable people to live independently through the type and location of housing we build and the quality of our neighbourhoods. We want to ensure that people live in attractive neighbourhoods that are safe, clean and sustainable, and have well-managed and maintained green spaces.

Investing in the city's infrastructure will deliver stronger, more sustainable growth

Key Actions 2015

Future proof infrastructure - Key Actions 2015

1. Sheffield's Local Plan

Sheffield's Local Plan plays a key role in allocating employment sites and identifying the infrastructure needed to support growth. It is made up of two parts; the Core Strategy which provides the spatial strategy for Sheffield, and the City Policies and sites document which sets out specific sites for particular land uses and details policies about landuse, design, environment and transport. These documents will be submitted to Government by September 2013 for public examination and adoption in 2014.

2. City Centre Masterplan

We will develop, consult on and launch a new city centre masterplan in 2013 which will identify the key actions city partners need to take in the short term to 2015 and beyond to 2020, to deliver our ambition for a fit for purpose 21st century city centre.

Our priorities to 2015 will include:

- New Retail Quarter (NRQ)
- We need to deliver a competitive retail offer, securing and delivering the NRQ. We have successfully secured new innovative tools to help drive forward this investment - the New Development Deal - which allows upfront investment in the City Centre's infrastructure to be repaid using the uplift in future business rates.
- Moor Markets – We will complete the Moor Market developments and see it open for trading in 2013.
- No.3 St Paul's Place - This is the final site of the Heart of the City project and delivers much needed grade A office supply for the city centre. The site is cleared for development and we will investigate the use of new funds like JESSICA, or the SCRIF in partnership with a developer to bring this investment forward in 2013.

3. Sheffield – Rotherham Don Valley Masterplan

We will continue to work with partners to develop and launch the Sheffield-Rotherham Don Valley Masterplan in 2013. This will establish a framework for integrating, coordinating and prioritising future activity in order to remove obstacles to business growth and inward investment in the Sheffield-Rotherham Don Valley area. Priorities will include key transport infrastructure – namely Bus Rapid Transit schemes in the North and South on the Don Valley, accelerating development at Sheffield Business Park and Outokumpu Enterprise Zone sites and developing Attercliffe as a 'growth zone' through housing market renewal. In conjunction with Sheffield Chamber of Commerce we will run the city's first Business Improvement District (BID) to install and maintain flood defenses along the valley.



⁶ Advancing Ambitions: Creating a sustainable economic future for Sheffield, Centre for Cities, 2011
⁷ The housing strategy was approved by Cabinet on 15 Feb and can be downloaded from the following hyperlink: <http://meetings.sheffield.gov.uk/council-meetings/cabinet/agendas-2013/agenda-13th-february-2013>

4. Protecting business through effective city wide flood management

A partnership between Sheffield City Council, Rotherham MBC, SCR LEP, the Environment Agency, DEFRA, Yorkshire Water, Sheffield Chamber and key businesses will work together to secure funding for and deliver comprehensive flood defences across the city's key economic areas - through the Sheaf and Porter Valleys in the city centre, and through the Sheffield-Rotherham Don Valley (including the Upper Don Valley).

This will give existing companies confidence to grow and expand and give potential investors the confidence to come to base themselves in the area instead of in other locations. Protection from flooding gives the local economy a strong and secure foundation.

5. Digital Region

Ensuring that our businesses and household have access to high quality and high speed internet access is critical in today's e-economy. The Digital Region project has delivered superfast broadband connectivity to 80% of South Yorkshire. To 2015 we will seek to further this infrastructure connecting more homes and businesses into the network. This high level of coverage also makes Sheffield an ideal test-bed for new models of delivering services such as tele-medicine and e-government.

6. Local energy generation and distribution networks

We will develop plans and identify key funding to extend the existing city centre district heating network and develop new heat networks in the Sheffield - Rotherham Don Valley (including the Upper Don Valley) to create one of the largest combined heat and power networks in Europe. This will provide sustainable, low carbon, reduced cost energy for Sheffield businesses.

7. Green Deal

Government have launched the Green Deal, which enables people to make energy-saving improvements to their homes (the business scheme will come later in 2013) without having to pay all the costs up front. Households can make real energy saving improvements including insulation, eg loft or cavity wall insulation, heating, draught-proofing, double glazing and renewable energy technologies, eg solar panels or wind turbines. Once the improvements are made, it is paid off via instalments through energy billing.

We will ensure that Sheffield residents have information and access to the Green Deal, and support Sheffield companies to become Green Deal assessor and providers, and form part of the local supply chain to ensure that the city maximises the local benefits of the scheme.

8. Maximising the economic benefits of HS2

Government has announced that Sheffield is on the HS2 preferred network, securing future economic benefits and competitiveness for Sheffield over the long term, connecting us to Europe as well as London is a much faster, efficient way. It is important to the future success of the economy that we do all we can now to secure maximum economic benefits from this future investment. We will ensure that the high speed rail station is located where it has the maximum growth potential for the Sheffield City Region economy, that connectivity to the station into the wider Sheffield City Region is prioritised as part of our future investment plans; and that Sheffield's business, professional and financial service sector can take advantage of the business benefits HS2 can deliver.

9. Streets Ahead

Sheffield City Council has invested in what is the largest highways Private Finance Initiative (PFI) programme in the UK, in a £2bn deal with private sector contractor Amey, who will bring Sheffield's highways network up to a significantly high standard within the first five years and then maintain that standard for the remaining 20 years. The Streets Ahead PFI will see the condition of Sheffield's roads move to the top of the league tables, helping to transform the look and feel of the city.

10. Fast, efficient and sustainable public transport

Partners across the Sheffield City Region are working to realise a series of strategic integrated transport projects that deliver fast, efficient and sustainable public transport links for the SCR. These schemes are at different stages of funding / delivery cycle and we will work together to see the benefits if these schemes secured and delivered for the SCR. Major schemes include:

- Improved access and journey times between Sheffield and Doncaster-Sheffield Airport through the Farningley and Rossington Regeneration Route Scheme (FARRS).

• Bus Rapid Transit (BRT) scheme

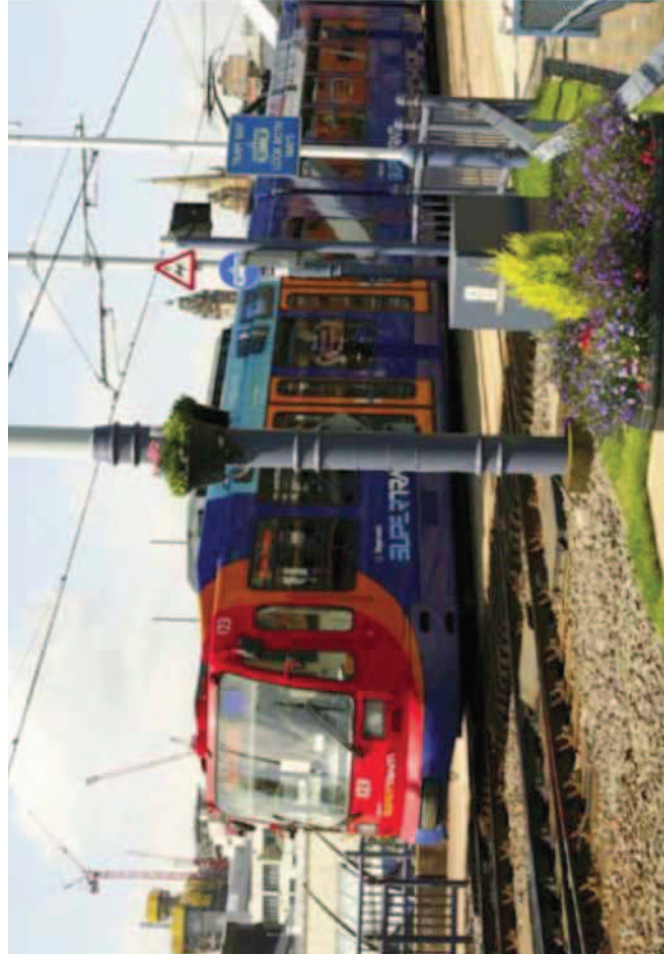
improving links between Sheffield and Rotherham and access to important regeneration and employment sites. The BRT North route will enable development opportunities that bring in over £200m of investment into the local economy.

- Investment in the completion of the 'Northern Hub' cluster of rail enhancements and capacity upgrades which will see faster journey times between Sheffield and Manchester as well as to Hull, Newcastle and the North East.

• A revolutionary 'Tram Train'

on the rail and tram networks between Sheffield and Rotherham centres and a ground-breaking Sheffield Bus Agreement with bus operators that will see many passengers paying lower fares for journeys as well as a more flexible and convenient network supported by investment of £8 million from Government over the next five years.

- Electrification of the Midland Mainline from Sheffield through to London by 2019.



5.5 An Inclusive Economy

The Challenge

Economic Objective:

An inclusive economy that supports people to achieve their full potential and take part in the economic and social life of the city.

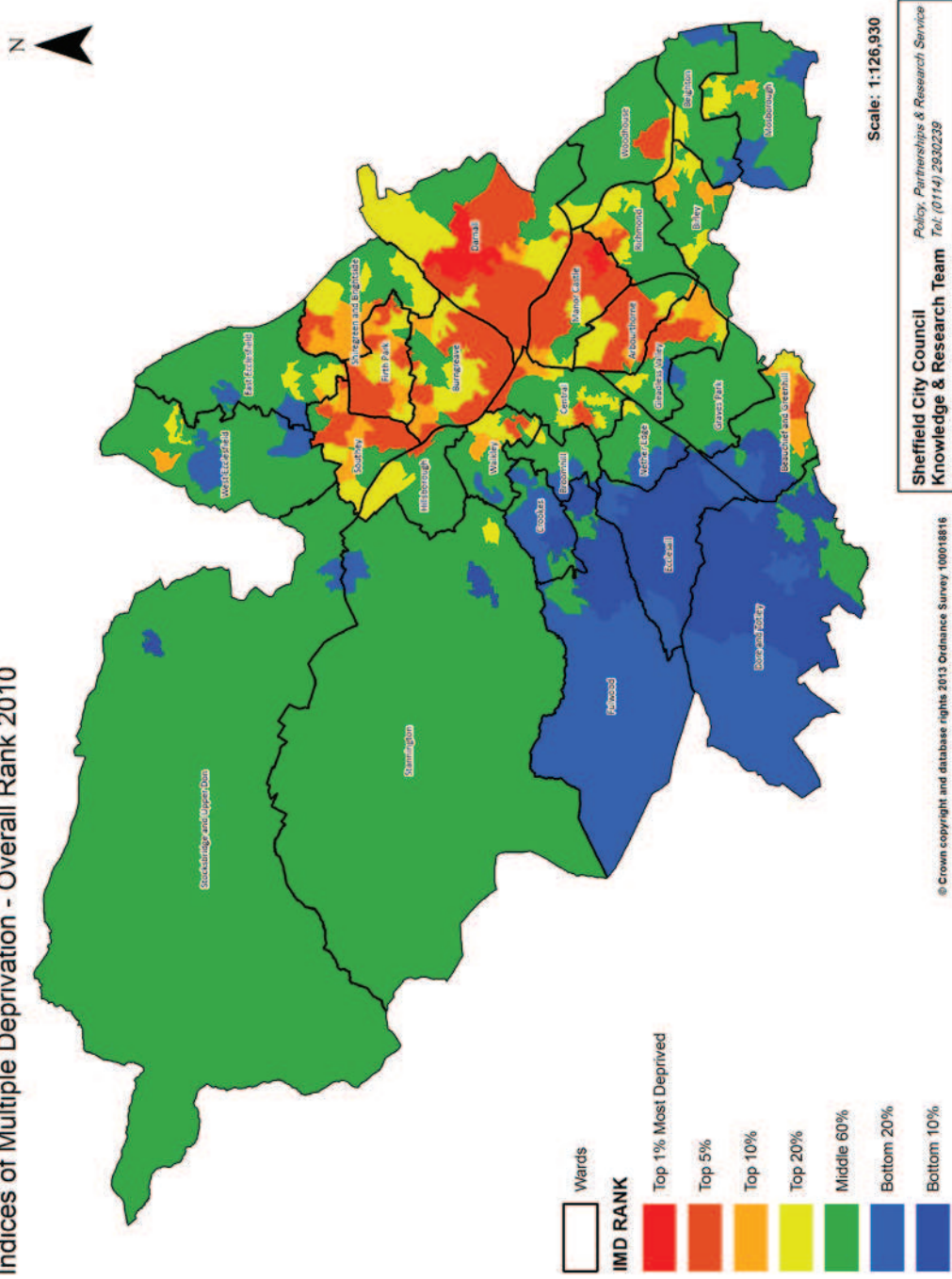
The challenge

Overall deprivation levels in Sheffield compare favourably to other cities, with around 34% of Sheffield's population living in areas of high deprivation, compared to over 50% of the populations of Manchester, Liverpool, Birmingham and Nottingham. However, this still equates to almost one quarter of households – approximately 58,500 households - living in poverty. Furthermore, the gap between the richest and poorest across Sheffield has increased over the course of the recession. This perhaps reflects the large increases in unemployment which every city across the UK has experienced.

In Sheffield Job Seeker Allowance (JSA) claimants have increased from around 8,000 pre – recession to over 17,000 currently, with young people aged 16-24 being particularly affected. Although this is generally in line with the national trend and compares well to other cities, it represents a significant issue for the city, especially when coupled with the significant number of people who are long term unemployed.

Approximately 48,000 are claiming out of work benefits such as incapacity benefits / employment support allowance or lone parent income support. Current labour market conditions mean that many more of these 65,000 unemployed people may be out of work for longer periods or have to take lower income jobs, this can lead to long term increases in poverty and inequality, and so act as a potential break on future economic growth.

Indices of Multiple Deprivation - Overall Rank 2010



5.5 An Inclusive Economy

Strategic Approach

Strategic Approach

The focus of this strategy is to create and support opportunities for economic growth in the short and medium term and to continue to strengthen the city's economic foundations to secure Sheffield's long term competitiveness and economic prosperity.

To ensure the city's long term competitiveness we have to act now to mitigate against the impacts of the recession, to connect local people into economic growth and to close the gap between the richest and poorest in the city by supporting people out of poverty.

Our approach focuses on:

- Promoting fairness and equality
- Connecting people to training and jobs
- Tackling the root causes of poverty
- Building a resilient local economy

Promoting fairness and equality

We know that there are groups of people who are more likely to be unemployed and in poverty, and have more barriers to overcome to enable them to reach their potential. For example, people with low skill levels, lone parents, individuals who have suffered from domestic abuse or substance misuse, people from ethnic minorities, migrants, ex-offenders, homeless individuals, people with physical disabilities or sensory impairments and those with learning disabilities or mental health conditions. These groups often have multiple and more complex needs, which without the targeted support they need can become excluded, unable to participate fully in the social and economic life of the city.

For these reasons, the city has established a Fairness Commission to consider the nature, extent and impact of major inequalities on the City of Sheffield, making recommendations for tackling them. The Commission has recently published its report⁸, detailing the evidence it has reviewed and its recommendations. We will support the Fairness Commission in its recommendations, as they will inform the long term measures that are required to reduce economic and environmental inequalities in Sheffield.

Connecting people to training and jobs

Providing opportunities for unemployed and workless people to work, fundamentally demands more jobs, however jobs alone will not be enough. Individuals who have been out of the labour market for a significant amount of time will have complex barriers to work and often need support that equips them with the skills and confidence they need to reengage with the labour market.

Even when basic factors (CVs, careers advice, job search) are in place to support unemployed people into work, barriers to work like the lack of recent or relevant work experience, physical or mental health issues, low skill levels, the cost or lack of realistic travel and childcare options can significantly affect their chances of employment.

The city's employment strategy highlights these problems and identifies six priority areas for delivery. To deliver against these priorities we need to utilise our local partnerships working on this agenda, to stimulate more collaboration and action, and ensure that Government initiatives like the Work Programme or National Apprenticeship Service are working well for Sheffield people - and where they don't, we will propose new and innovative ways of securing the outcomes we need for the city.

Tackling the root causes of poverty

Connecting people to work is one of the most powerful ways to increase people's incomes and life chances. However, poverty is not just about unemployment. It is also about education and skills, financial capability and health. We need to ensure that people's life chances are not determined by poor education, debt or ill health. We also need to equip people with skills for life, which build resilience, helping people to cope if their circumstances, income, health or family life change.

Evidence⁹ has demonstrated the crucial importance of early years development and education attainment in improving child poverty and outcomes for children and young people, particularly those from disadvantaged backgrounds. In education terms, we know that by the age of 7 the life chances of children are beginning to diverge and they continue to widen as children progress through school and college. For the city's young people and the future success of the Sheffield economy, we need to make significant improvements in education.

National changes to the benefits system will impact on the financial position of individuals. Incremental changes to key benefits leading up to the introduction of Universal Credit will impact on people's ability to meet their rent liabilities, affect their choice of and access to affordable housing and could increase indebtedness amongst a cohort of residents who are already financially vulnerable.

We will work in partnership across Sheffield City Council, Jobcentre Plus and the local third sector advice network to provide timely benefits advice and support.

We will focus on removing the barriers which trap people in poverty, like financial exclusion, distress and debt as well as tackling the wider route cause of poverty, such as child poverty, early years development and educational attainment.

We will support the Fairness Commission recommendation that "the city continues to support and strengthen the provision of general and specialist advice across a number of themes including debt, housing, threats of violence, immigration, and benefits."

Building a resilient local economy

To be a resilient and inclusive city, we need to go further than supporting individuals, and take responsibility for shaping the conditions and environment in the wider economy and in our communities to ensure that everyone in Sheffield can have a good quality of life. Communities with high concentrations of deprivation often have multiple and interconnected barriers that can make it more difficult for people to succeed in education and employment, and participate in the social and economic life of the city.

We want Sheffield to be a city that has successful places and sustainable communities with access to high quality housing, local services, shops, and jobs, as well as having excellent parks, streets and other physical infrastructure. The decisions that are made on a range of issues in the city have the potential to affect spatial and community based inequalities and to help to connect people to work. For example, how neighbourhoods are planned and regenerated, the strength of the voluntary and community sector, the location of economic investment and initiatives to

connect people to it will all have an impact on the local economy. We will seek to deliver the right number of desirable homes in the right places to cater for people's needs, ensuring that there is a mix of housing that reflects the needs and aspirations of the local community. We want local communities to thrive, and will support local businesses in our communities and social enterprises as they are a key part of our fabric of city and an important source of jobs and wider economic benefit for the district and local centres around Sheffield.

We will seek to deliver the right number of desirable homes in the right places to cater for people's needs, ensuring that there is a mix of housing that reflects the needs and aspirations of the local community. We want local communities to thrive, and will support local businesses in our communities and social enterprises as they are a key part of our fabric of city and an important source of jobs and wider economic benefit for the district and local centres around Sheffield.

To secure the city's long term competitiveness we need to ensure local people are connected into growth

⁸ <http://www.sheffield.gov.uk/fairnesscommission>
⁹ <http://webarchive.nationalarchives.gov.uk/201110120090128/http://povertyreview.independent.gov.uk/media/20254/poverty-report.pdf>

An inclusive city - Key actions 2015

1. Deliver Sheffield's Employment Strategy

The city's employment strategy, and the Employment and Skills Task Force set up to deliver it, will guide actions to address barriers to employment. It focuses on six priority areas for action:

- Improving employer involvement in developing initiatives to tackle worklessness and to dispel myths about recruiting people who are not in work.
- Harnessing economic development and business growth initiatives, connecting people to opportunities that arise from major developments, inward investments and large scale public sector contracts.
- Removing and managing health barriers to work¹⁰, tackling the main health conditions which are causing worklessness and sickness in Sheffield and preventing newly unemployed people becoming long term unemployed due to developing health conditions.
- Providing skills for work and progression through an integrated approach to employment and skills and tackling the low skills levels of many benefits claimants.
- Supporting vulnerable groups and workless families, improving their work opportunities and life chances and tackling labour market disadvantage.
- Increasing work and progression opportunities for young people, through creating more apprenticeship, training, work experience and job opportunities.

2. Improving financial capability

We will work to improve people's financial capability and ensure that everyone is able to access appropriate financial services (banking, affordable and responsible credit), and that there is citywide access to advice and debt services. We will work with organisations such as the Credit Union, Financial Inclusion South Yorkshire, Citizens Advice Bureau and other third sector organisations.

3. Early years development and educational attainment

We will support the recommendations outlined by the Fairness Commission to enable all Sheffield children to have a good early years experience.

The Fairness Commission recommendations are:

- Sheffield should prioritise proven Early Years interventions which support parenting and provide a high quality Early Years experience for all children.
- The city should provide access to affordable, high quality, culturally sensitive childcare from a range of providers in the maintained, community and private sectors which places the child at the heart of the service
- Sheffield should focus especially on understanding the causal factors and needs of the bottom 20% of children at Foundation stage and use this information to inform interventions to improve their attainment
- Sheffield should increase the focus on the communication and personal, social and emotional development skills of children and families.

4. The Living Wage

In response to the Fairness Commission recommendation, Sheffield City Council has implemented the Living Wage for all council employees in the city. The Living Wage (currently £7.45) represents an acceptable minimum standard of living, required to be able to pay for physical needs like food, heating and clothes, as well as to participate in a minimum level of social activity. The Fairness Commission's aspiration is that the public sector (including the employees of contractors) should look to do this as soon as possible and show substantial progress by 2015, with all employees in the whole of the city included by 2023.

5. Connecting local businesses to procurement opportunities

Public sector partners have been working together to improve access to public sector contracts; ensuring that our larger contracts have local subcontracting opportunities, encouraging consortia bids, simplifying our procurement process, running 'meet the buyer' summits and providing guidance on public sector tender processes. Whilst this is important work, with which we will continue, we want local businesses, particularly SMEs to have the procurement and tendering skills that allow them to win business across any sector and in any place – bringing business into Sheffield. As such we will identify and support 30 SMEs in a 'growth through procurement' project, which will increase tendering capacity, helping the businesses to increase their tendering activity and the amount of business they win.

6. Sheffield City Council's Employability Programme

Sheffield City Council invests over one million pounds annually through its employability programme which directly supports people who are out of work. It is commissioned in line with the city's employment strategy and focuses on providing support to those furthest away from the labour market and/ or those who have significant barriers to work. This complements other national programmes that will focus on those closer to the labour market. The employability programme is commissioned in a way which encourages local third sector organisations to bid for delivery, acknowledging their skills and links into the local community, which are an integral part of the success of the employability programme.

7. Sheffield 100 Apprenticeship programme

Sheffield's 100 apprenticeship programme is in its second year of delivery and by the end of 2013 will have supported 200 young people into apprenticeships in local businesses. The innovative programme focuses on young people who are not in education, employment and training (NEETS), supporting them through pre-apprenticeship training to secure the skills employers are looking for. The Council provides a wage subsidy of 50% to businesses who provide additional support to the apprentices whilst on placements. The 100 apprenticeship programme sits alongside national provision through the National Apprenticeship Service and the city's new apprentice hub – Skills Made Easy (pg 43).

8. Supporting social enterprise

Sheffield's third sector and social enterprises are an integral part of the city's economy and an important source of jobs and wider economic benefit. We want to encourage innovation within our social enterprises, enabling these key organisations to develop and build longer term, sustainable business models. In 2013 we will deliver a Social Enterprise Accelerator project, designed to work with 40 existing or start up social enterprises. The project will provide tailored growth support, working with social enterprises to put in place 3 year growth and investment plans. We will also provide enabling finance to help to implement innovation and new projects with the social enterprises.



¹⁰ <http://www.sheffield.gov.uk/caresupport/contactus/health-wellbeing-board/joint-health-and-wellbeing-strategy.html>

5.6 A High Profile City Brand

Economic Objective:

A high profile city brand, showcasing the city's creativity and energy, promoting Sheffield and the wider city region as a great place to live, work, invest and visit.

The challenge

Sheffield is competing on a global scale to capture a bigger share of external markets, increase its level of investment and business relocations, attract and retain talented people, encourage business and leisure visitors to the city, and host major events, conferences and conventions. As one of the UK's major cities, we will enhance Sheffield's reputation, challenging out-dated perceptions of Sheffield and ensuring that the world understands of what the city has to offer the UK and international economy.

The development of the 'Sheffield' brand has played a vital role in doing exactly this in recent years. Its distinctive visual look and 'authentic and independent' values reflect the city's creative and inventive spirit and reputation for getting things done. We have developed and promoted the city's impressive cultural credentials, our theatres, museums, galleries, sport and music venues, creative workspaces, networks of artists and creative entrepreneurs and our major events programme.

These assets and activities have attracted millions of visitors to the city each year, feeding our growing Tourism, Leisure and Sport sector – which accounts for over 50,000 jobs across the SCR (over 16,000 Sheffield).

Our challenge is to take the Sheffield Brand, underpinned by the city's cultural assets and amazing events, and combine them cohesively to make Sheffield and the wider city region a high profile destination to do business, to visit, to live and work.

Strategic Approach

We have always celebrated the culture, creativity and inventiveness at the heart of Sheffield, but in order to harness the economic potential of the city's reputation and culture sector we need to reposition it as a serious and sustainable source of economic growth.

City partners, with the wider city region need to work together to align marketing resources around a coherent brand platform and a clear set of 'sales' messages, as well as seeking out new opportunities and mechanisms, to deliver a step change in cultural development and investment.

This will ensure that the city has both the cultural content and the strategic mechanisms to deliver on its ambition.

Our approach focuses on:

- Maximising the impact of the Sheffield Brand
- Unlocking the economic value of culture
- Growing the city's Major Events programme
- Enhancing the city's reputation for doing business

Strategic Approach

Maximising the impact of the Sheffield Brand

The city's marketing strategy determines how and where we sell Sheffield, it is the main mechanism for telling the world about the type of city Sheffield is and aspires to be.

A priority in the 2008 Economic Masterplan was to develop a coherent brand identity for the city. Marketing Sheffield led this activity on behalf of the city and we now have a strong 'Sheffield' brand that is distinctive, and underpinned by values that reflect the city's character - 'authentic' and independent.

Under the Sheffield brand, we have identified Trade, Talent and Tourism as the main audiences for the way we sell the city:

- **Trade** – To establish Sheffield as a leading UK business destination, enhancing the city's reputation in our distinctive and high performing sectors and as a location for inward investment.
- **Talent** – To raise Sheffield's profile as a city of talent, drawing in talented individuals and entrepreneurs by showcasing the diverse, inventive and energetic nature of the city and its businesses.
- **Tourism** – To build on our strong cultural, sporting and events offer and our distinctive urban-rural location to attract more UK and international visitors into Sheffield to boost the city's visitor economy.

This has provided a solid framework for establishing the brand. We will need to go further and use it to build a coherent and co-ordinated approach across city partners to establish a strong, memorable and consistent story about Sheffield and the wider city region.

We need to come together to identify the key messages, 'attack' brands, products/assets and events which we can promote under each of these audiences, but more importantly we need to identify the new things we want to bring to or develop in Sheffield to help propel the city's reputation for Trade, Talent and Tourism internationally to 2020.



5.6 A High Profile City Brand

Unlocking the economic value of culture

Culture and the creative economy are providers of jobs, drivers for the visitor economy and are vital in shaping the city's identity and positioning it alongside other competitor cities across Europe.

We want to capitalise on our distinctive urban/rural location and range of quality assets, by building on our relationships with national bodies such as Visit Britain and Visit England and with regional tourism bodies such as Visit Peak District and Welcome to Yorkshire. The tourism, leisure and sport sector and Cultural Consumption are key partners to ensure that Sheffield successfully competes with other major cities as a hub for culture and creativity and has a growing visitor economy.

We will continually develop our cultural offer - investing in the city's cultural assets and delivering fresh content, events and ideas. This includes investing in the physical infrastructure that underpins our cultural offer. For example, the Surrey Street building containing the Central Library, Library Theatre and the Graves Gallery is the next priority for cultural capital investment, alongside the refresh of the Cultural Industries Quarter. These assets will be the focus of both creative production and consumption in the city. We need to ensure that we strengthen the 'Steel Route' from the Moor to Victoria Quays and Wicker to better connect our cultural assets and city centre offer.

Positioning the city as a major cultural player demands the city to work and invest together to develop a strategic approach to sustain and grow the city's cultural infrastructure and organisations - developing the systems, partnerships, financial mechanisms and infrastructure to unlock the economic value of culture.

We will support the sector to explore commercial models that harnesses the economic benefits of a strong culture sector and sees them reinvested to do more and better things in the city to further propel the cultural offer and Sheffield's profile. We will work with the sector to find the right mechanisms for Sheffield, such as Business Improvement Districts and Tourism Business Improvement Districts, which will put the city's marketing and culture offer on a new trajectory for 2020.



Sheffield is home to Doc/Fest, the UK's largest documentary event. Last year the festival attracted audience numbers of over 20,000, and over 2,700 UK and international industry delegates from over 65 countries each year.

Sheffield Doc/Fest brings the international documentary family together to celebrate the art and business of documentary making for five intense days every June. Sheffield is fast becoming known as one of the top places in the world for people from the documentary and digital industries to get together - to meet, to screen their work, share knowledge, do business, make new contacts and discuss innovations and challenges they are facing in the ever changing media landscape.

The festival includes showing of 120 films from dozens of countries, 300 speakers from the digital and docs sector and over 150 buyers and decision makers from 20 countries participate in the marketplace. Over £25 million worth in film and television deals have been struck in the Sheffield Doc/Fest marketplace since the festival started.

Growing the city's Major Events programme

Sheffield has a well established events programme that epitomises the city's independent and authentic identity - born out of and showcasing the creative, entrepreneurial, innovative and energetic spirit that runs through the city.

Major events and festivals such as MADE, Global Manufacturing Festival, Doc/Fest, Off the Shelf, Tramlines, the Food Festival and Galvanize all command audiences in the thousands and attract visitors from across the UK and internationally.

The city is host to major international events - last year Sheffield was a host city for the London 2012 Olympic Torch relay, we are the long term home for the World Snooker Championships and we hold a number of other high profile national sport events each year. In 2014 will host the globally significant Tour De France.

To meet our 2020 vision we need to continue to sustain and grow our events programme, building the stature and profile of our strongest events and festivals and working to identify, develop and attract new major events which will support the marketing and profile of the Sheffield brand. The city will work together to identify new models of financial support, including sponsorship opportunities, income generation that is driven by return on businesses' commitment to corporate social responsibility.

Enhancing the city's reputation for doing business

Sheffield and the wider city region has a strong offer for businesses looking to locate and grow. The internationally recognised 'Made In Sheffield' mark on the city's manufactured products acts as a symbol of the city's ongoing commitment to quality and excellence and support Sheffield's reputation as a city that makes things.

We have developed two major trade events which now form part of the city's annual events, attracting key target audiences to the city: The Global Manufacturing Festival and MADE. These events are an important element of promoting Sheffield as a good place to do business as well as having a direct impact on the city's economy in terms of attracting decision-makers and visitors into the city.

Global Manufacturing Festival: Sheffield

The Global Manufacturing Festival showcases Sheffield City Region's position at the heart of the UK supply chain in advanced manufacturing and materials and is designed to connect SMEs in the UK's materials based engineering supply chains with major international customers and high value markets like aerospace, renewable energy, medical and nuclear.

Strategic Approach

MADE

The Entrepreneur Festival: Sheffield

MADE: The Entrepreneur Festival is the UK's premier festival for enterprise and entrepreneurship. Supported by partners including Business, Innovation and Skills and UK Trade & Investment (UKTI), the festival provides an opportunity for the exchange of ideas to inspire the next generation of business leaders as well as putting Sheffield on the map as a place that is creative, innovative and forward-thinking.

We will establish Sheffield's reputation as a leading UK business location. We will do more to attract UK and international investors to the city and support our indigenous firms to access new opportunities in emerging markets. We will work with partners to raise the city's profile among key decision-makers in target markets, sectors and firms, build confidence in the city as a place where businesses can succeed, thrive and grow and enhance Sheffield's reputation as a good place to do business.

5.6 A High Profile City Brand

A high profile city brand - Key Actions 2015

The TBID would enable the local tourism, leisure and sport and culture sectors to take responsibility for the development and marketing of culture in Sheffield and the wider city region. It gives the partnership at the heart of the TBID the control to determine locally the city's sales and marketing campaigns, visitor services, festivals and events, information guides and ultimately capital investment to fund infrastructure projects.

1. Building on the Sheffield Brand – 2015 Marketing Plan

The city needs to unite behind a coherent marketing plan that delivers the right messages to the right audiences, and promotes the expertise and USPs of the city and the city region.

We will develop a 2015 marketing plan to deliver an over-arching city branding, marketing and communications campaign to promote Sheffield at a global level to our three target audiences, led by Marketing Sheffield in collaboration with key partners across the city including

businesses, universities, the Cultural Consortium and the City of Sheffield, Leisure and Sport sector. We will identify the key messages, 'attack' brands, products/assets and events that we have or want to get to help propel Sheffield's reputation for Trade, Talent and Tourism internationally.

2. Tourism Business Improvement District – Early Adopter

Sheffield will pursue the options of being an early adopter city for the pioneering financial mechanism TBIDs. Working in partnership and undertaking in-depth consultation with the businesses and operators which would be part of the TBID's binding partnership.

3. Major Events Programme

We will continue to develop the city's major events programme, working in partnership with the private sector to harness new opportunities and develop new events.

We will look to identify new major events that will bring in significant investment in the local economy. In 2013 we will celebrate 100 years of Stainless Steel through a programme of events over the course of the year and key exhibitions like Rustless and Designed to Shine.

In 2014, Sheffield will host part of the Tour De France route. We will start work now to ensure that we maximise the economic benefits of this catalyst event for the city, and use it as an opportunity to develop and test new funding and partnership models with the private sector.

4. Destination Management Plan

There are opportunities for city region partners to work more closely together to attract greater numbers of UK and overseas visitors by promoting Sheffield as a destination for business and leisure tourism, conferences and major events.

To create a successful and sustainable visitor economy for Sheffield, all the components that make a successful destination need to be managed in an integrated and long-term way, with a clear focus on the needs of residents, businesses and visitors. Stakeholders in the city have a key role to play in contributing to a vibrant city experience.

Building on our current partnerships we will bring stakeholders together to develop a Destination Management Plan, to increase collaboration and coordination and to take strategic approach to destination management, working to the common purpose of making Sheffield a high profile city, known for its creativity and energy – and the talented people, businesses and cultural assets that make the city an amazing place to be.

5. Conference Ambassador Programme

We will continue to grow our conference ambassadors' programme to bring major conferences and events into the region by harnessing our strong relationships with business and academia.

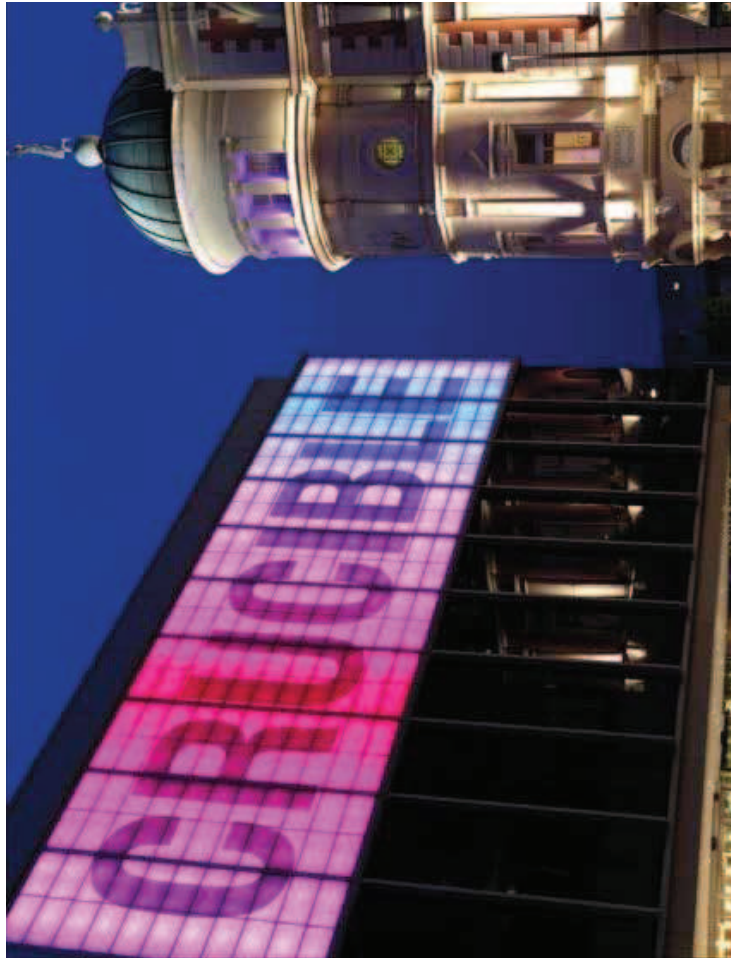
Key Actions 2015

We will support the cultural sector to secure investment in key development projects over the next decade. Sheffield Industrial Museums Trust will deliver a £1.5m project to develop Sheffield's industrial heritage sites by 2016 and position Sheffield as a national centre for heritage engineering expertise. Museums Sheffield plan to build on the success of the award winning Weston Park Museum with an extensive display refresh programme during 2014-15.

Sheffield Theatres Trust plan to refurbish the Lyceum to ensure that its facilities meet with 21st century audience expectation. Sheffield Theatres Trust is through to the second stage of a £1m Arts Council bid and if successful will deliver £2m of improvements by 2016.

The Surrey Street building, containing the Library, Library Theatre and Graves Gallery, is a priority for cultural capital investment. Surrey Street and the refresh of the CIQ are major contributors to city vibrancy and national profile.

6. Unlocking the economic value of culture
Working in partnership with the Cultural Consortium and the Tourism, Leisure and Sport LEP sector group we will develop a strategic approach and future vision for the cultural sector across the Sheffield City Region, developing the systems, partnerships, financial mechanisms and infrastructure to enable us to identify and drive forward new opportunities and unlock the economic value of culture.



6 Delivering the strategy

Delivering the strategy

6.1. Sheffield Economic Programme to 2015

This strategy prioritises support for the factors that drive growth in our economy and create the right conditions in the city for long-term economic success. It sets out the city's economic priorities to 2020 and provides a framework to guide activity, resources and investment over that period.

The priority actions identified in the strategy represent the city wide initiatives which will be delivered or progressed to 2015. We will co-ordinate these actions into an economic programme of activity for the city, which will be used to guide critical investment decisions. The economic programme will include a more comprehensive action plan that sets out lead delivery partners, key milestones and specific outcomes for each priority action.

The actions set out are not to be seen as a static list or inclusive of all activities undertaken by city partners. We will continue to develop new projects in line with the economic objectives and strategic approach set out in this document to respond to the ever changing economic context and new opportunities which arise.

The priority actions will be refreshed in 2015 to form a second phase economic programme 2015-2020.

6.2. Progress towards Sheffield's economic vision

The strategy identifies a set of economic measures to enable effective monitoring of the city's economic performance and progress towards the 2020 economic vision.

The performance framework identifies the core economic outcomes and associated targets against the economic vision. These are underpinned by a set of progress measures which relate to our six economic objectives. These progress measures will enable us to compare performance against the national average. (See Appendix A1)

Economic Programme of Activity

Appendix A

- A1 Performance Framework
- A2 Sheffield's Prosperity Gap
- A3 Key Economic Challenges
- A4 Future Trends

A1 Performance Framework

Fig.11 Core Economic outcomes and targets

2020 Economic Vision	Core economic outcomes	Current Performance	2020 Target
Sheffield will be a strong, sustainable, international economy driven by enterprise, innovation and knowledge. The city will be known for its distinctive and high performing sectors, its unrivalled quality of place and its highly skilled workforce.	Improved overall City Competitiveness	2411 / 379 ¹¹	Top 175
	Increased GVA per head	£17,752	£20,200
	More private sector knowledge jobs	20%	23.5%
	Higher gross annual wages	£24,328	£27,600
	Improved employment rate	64.1%	67.9%

Fig.12 Progress measures

Economic Objective	Progress measures
Distinctive and high performing sectors	No. of people employed in 'GVA driving' sectors GVA produced in 'GVA driving' sector Increase in employment in 'Job driving' sectors
A Dynamic Private Sector	No. of additional businesses (No of closures) No. of start ups Productivity – GVA per job across economy
A Skilled and Productive Workforce	No. of people with level 3 and 4 skills No. Apprenticeships No. people with level 2 skills
Future Proof Infrastructure	Carbon emissions (tonnes per capita) Hectares of land developed (office, non-office business, industrial) Rental values (manufacturing, grade A office, retail) Rail journey times
An Inclusive Economy	Index of multiple deprivation Unemployment, including youth unemployment Reduce the number of people with no skills
A High Profile City Brand	No. visits to cultural venues Volume and Value of tourism Hotel Occupancy

¹¹ Taken from Professor Huggins UK City Competitiveness Index

A2 Sheffield's Prosperity Gap

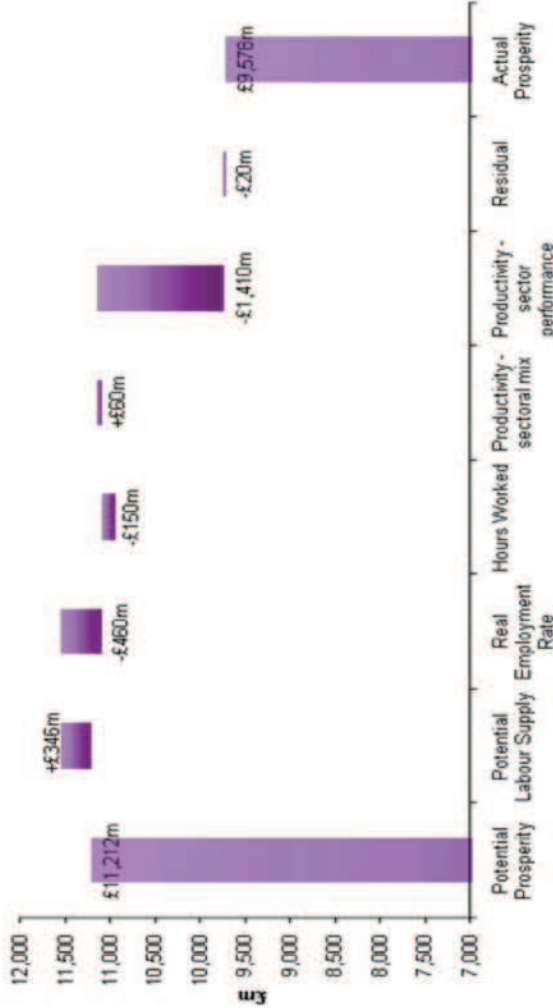
A2. Sheffield's prosperity gap

The 'prosperity gap' was first calculated in the 2008 Economic Masterplan based on 2004 data. It was used to identify the shortfall between what Sheffield does produce and what it could produce. The analysis showed a 'prosperity gap' of over £1.1 billion and pointed to the combination of economic inactivity, unemployment, low productivity and a poor sector mix as the areas where change was required.

A recalculation of the 'prosperity gap' shows that the GVA gap between Sheffield and the national average persists. This indicates that although the city's economic trajectory has improved, other places have grown as strongly meaning that although Sheffield is keeping up, the city has not yet started to close the prosperity gap and meet its economic potential.

Figure 13 is based on the latest analysis available (2009) and shows that Sheffield's GVA stands at £9.578 billion against its 'potential prosperity', GVA of £11.212 billion¹², giving a prosperity gap of £1.63 billion. The 'potential prosperity' highlights the level Sheffield's GVA would be at if GVA per head in Sheffield (£17,510) were equal GVA per head nationally (£20,498).

Fig.13 Components of Sheffield's Prosperity Gap



The graph also highlights how Sheffield's performance on key economic indicators like the potential labour supply, the employment rate, the sector mix of sectors and businesses are contributing to the prosperity gap. For example, a large negative number on an indicator means that Sheffield's performance is lagging the national average and so is contributing to the prosperity gap.

Based on this analysis we know that to start to close the prosperity gap, we need to improve our performance relative to the national average on the following indicators, which are currently the largest contributors to the prosperity gap:

- Productivity sector performance – The strength and productivity of our sectors and businesses is below the national average.
- Real employment rate – There are not enough jobs available for local people to work and the number of people unemployed and workless in Sheffield is significant.

A further way to close the prosperity gap is to out-perform the national average on key indicators (indicated by a positive number). For example, in the original prosperity gap analysis (2004 data) the productivity-sector mix indicator was negative, contributing -£146 million to the prosperity gap. In 2009 this is now positive, reducing the gap by +£60million. This notable change reflects the city's improved sector make up, with a broader range of growing sectors. However as one of England's largest cities, we would expect Sheffield to perform better than the national average on this indicator, reflecting the comparative strength of the knowledge economy in cities. As such we can conclude that there is further potential to close the prosperity gap through strengthening Sheffield's sectoral mix (productivity sectoral mix).

There is further potential to close the prosperity gap through strengthening Sheffield's sectoral mix

¹² If GVA per head in Sheffield was equal to GVA per head nationally, Sheffield's GVA would equal £11,212 billion.

A2 Key Economic Challenges

A3. Key Economic Challenges

Building on the prosperity gap analysis presented above, we have drawn on more detailed data to identify where Sheffield should focus its economic efforts¹³.

Private sector job growth

Pre-recession Sheffield's job growth has been strong with jobs in the city increasing by 22% between 1995 and 2008. The expansion of the public sector has been a key part of this growth with over half (52%) of the jobs created in the public sector. Although the public sector is an important part of most large cities growth stories, in Sheffield growth has been more dependent on the private sector. For example, although private sector growth was strong through 2000-2005 (led by strong growth in business and financial services as well as growth in retail, real estate and software consultancy services), private sector employment then fell by an average of 2% per year between 2006 and 2008 even before the recession hit. Given reducing public sector resources and the need to build economic resilience, we need to rebalance growth towards the private sector.

More business and growing businesses

Sheffield has experienced growth in its business stock over the last ten years, particularly throughout the period 2000-2005 (corresponding to strong employment growth highlighted above). However, businesses density remains low at 289.83 per 10,000 population and compares poorly against the core cities nationally. This will limit the scope for growth and employment creation as there are not enough local businesses creating output and jobs. Furthermore, the level of start ups in Sheffield is comparatively low and too few of the businesses who are starting up are then growing to increase their turnover or create significant employment¹⁴.

As Sheffield is primarily a small and medium sized enterprise (SME) economy, ensuring that the city's start ups and small businesses grow is a clear future priority to create employment for local people.

More productive businesses

The prosperity gap analysis highlights that the productivity of our sectors and businesses is the main area where we lag behind other cities in terms of competitiveness. Sheffield's productivity (measured by GVA per worker) is £39,330 compared with core cities and national averages of £41,440 and £46,840 respectively. Further analysis shows that we need to focus on the interventions that drive productivity and competitiveness such as innovation, international trade, investment and skills, and that these are all areas for improvement:

- Sheffield is 27th of 64 cities in registering patents. This is an indication of innovation and is low given the expertise in the city's universities
- More than half of Sheffield companies conduct at least 80% of their business in the city itself¹⁵.

Moving to a knowledge based economy

Sheffield's sector profile illustrates that Sheffield has fewer businesses in higher value, higher skilled sectors in comparison to other cities¹⁶, which is likely to suppress the level of GVA being produced in Sheffield. It highlights that in comparison to other cities, Sheffield has a lower density of business, financial and professional services. Realising our potential in this sector could provide a key driver in closing the prosperity gap.

The report also recognises the importance and pre-eminence of advanced manufacturing in Sheffield City Region, and highlights that this strength underpins the development of our other high value sectors. Figure 15 illustrates the importance of high value sectors in adding value to the economy.

Sheffield also has strengths in other high value sectors, namely: advanced manufacturing, creative and digital industries, healthcare technologies and low carbon industries. A recent report by Centre for Cities¹⁷ highlights that although these high value sectors may not be mass job creators, they are important in terms of their contribution to the city's productivity and add significant value to the economy.

Update 2021

Fig.15 Identifying GVA driving sectors - GVA per job

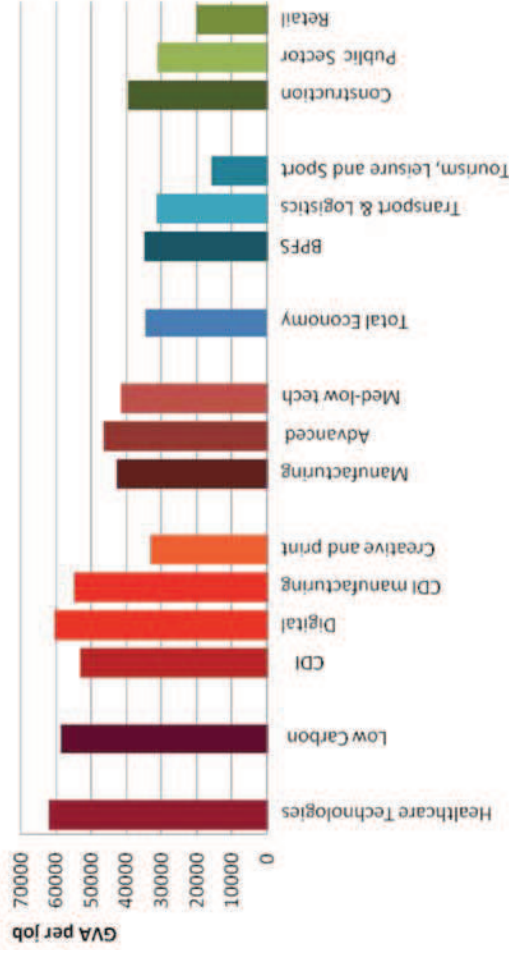
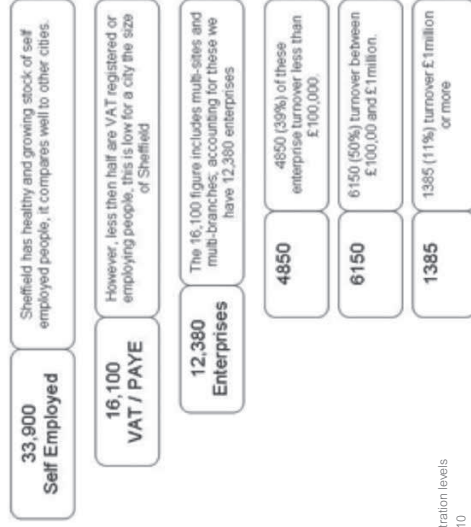


Fig.14 Business base analysis



¹³ For further analysis please refer to State of Sheffield

¹⁴ 2009 data - Based on start up analysis at sole trader, PAYE and VAT registration levels

¹⁵ Sheffield - Future skills and employer demand research study, Ecotec, 2010

¹⁶ Based on Business Register and Employment Survey, 2010

¹⁷ Advancing Ambitions: Creating a sustainable economic future for Sheffield, Centre for Cities, 2011

A3 Key Economic Challenges

Utilising the city's skills

Sheffield's skills profile has improved significantly since 2005 and it rivals the national averages and compares well with other core cities at level 2, 3 and 4. For example, 33% of Sheffield's working age population is now qualified to NVQ level 4 or above and 67.8% at NVQ level 2 or above.

In spite of this progress a number of challenges remain which need to be addressed to ensure improvements in the skills profile continue and moreover that these improvements translate into long term competitiveness and economic growth.

Firstly, the number of pupils gaining 5+ GCSEs at grade A*-C including English and maths is low (49%) compared to a national average (58%). As such, Sheffield has moved from being the 3rd best Core City on this indicator in 2006/7 to the 7th best (of 8) in 2010/11. At a time when the skills levels required for many occupations continues to rise, this could preclude many young people from well paid work, and if not addressed will ultimately undermine the strength of the future workforce.

Secondly, there is growing evidence that more intermediate and technical level 3 skills are needed in the labour market, and this is the section in the skills profile where improvements have been static. Workplace training is an important part of increasing skills at this level as well over 70% of the 2020 workforce is already in work. Skills providers need to be more responsive to business needs in delivering the right skills. We need more employers to invest in training to ensure that businesses have the skilled people they need to grow.

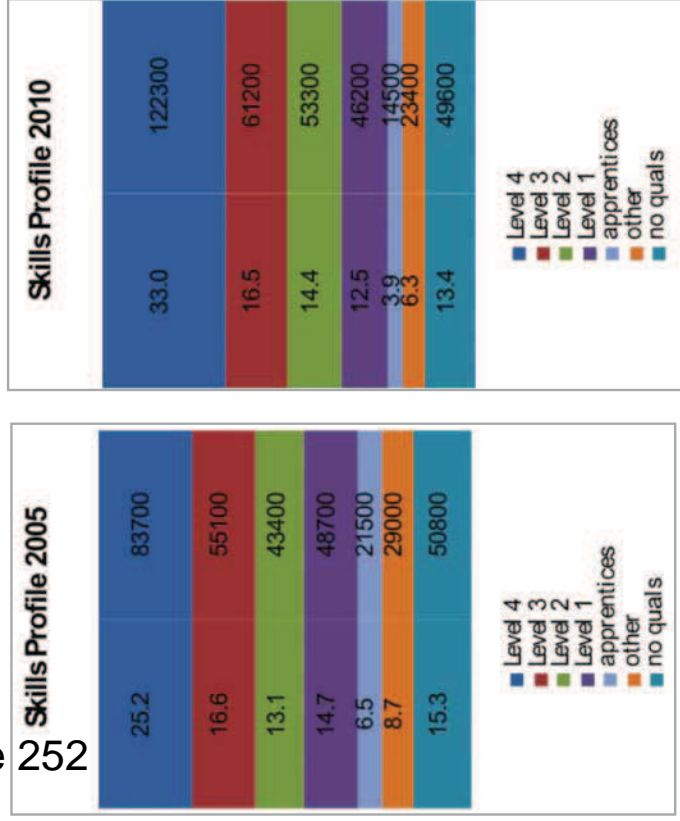
Thirdly, Sheffield also needs ensure that the progress in the skills profile translates into long term economic growth. As yet, the city is not seeing the higher levels of GVA, productivity and incomes which normally accompany such improvements in the skills profile. This could be due to time a lag – skills levels increased sharply between 2005 and 2011, and it may take some time for the economy to adapt and utilise these extra skills, especially during a period of economic downturn and recession. However, the major factor is likely to relate to differential take up of high level skills in the public and private sectors.

Sheffield's private sector has a lower density of jobs utilising high level skills than other cities and is more dependent on the public sector for high skill employment opportunities¹⁸. Sheffield benefits from two highly reputable universities that, together, produce 12,000 graduates annually in a wide range of disciplines but too few are to be utilised by the city's private sector. This is an indication that the added value of higher skills in terms of competitiveness and productivity is not being exploited to full effect in some parts of our economy.

Finally, the city needs to respond to the clear messages intensifying from business, they tell us that:

- Education does not produce young people with the full skills set needed for working life.
- It is getting harder to recruit people with the technical and vocational skills they need.
- The employability and transferable skills that breed success in the workplace are underdeveloped.
- The skills systems is a barrier, rather than a driver of business growth. The skills system can be bureaucratic and inflexible and a more integrated and business led skills system is needed.

Fig. 1 Improving skills profile



Workplace training is an important part of increasing skill levels in the city, and ensuring businesses have the skilled people they need to support growth.

¹⁸ 46% of high skilled jobs in Sheffield are in the public sector, this is much higher than other cities and nationally where it is 36%. The ratio of high skilled jobs to low skilled jobs in the private sector is one of the lowest across the Core Cities at 1.06, compared to the national average 1.25

A3 Key Economic Challenges

Creating the conditions for growth

Businesses tell us that having the right city infrastructure and environment is integral to creating the conditions for economic growth. Sheffield's city infrastructure includes transport, housing, buildings, development land and digital infrastructure, and increasingly extends to factors such as energy supply and resilience to climate change, for example, risk of flooding. In challenging economic times, support for medium and large-scale infrastructure projects can be more difficult to justify but it is important that we find a balance between long-term investment to promote growth and focusing on short-term savings. A pause in this type of investment now could put future growth and the city's overall competitiveness at risk. The following evidence identifies critical areas for action that would provide the city with a resilient infrastructure that supports growth.

- Lack of office space in general is not a widespread barrier to business growth but there may be future shortages in particular areas, including grade A city centre office space which is key to underpinning expansion of Sheffield business, financial and professional services.
- Sheffield's carbon emissions fell from 7.3 to 5.7 tonnes per capita between 2005 and 2009. Reductions were lowest for road transport (7.5%) and steepest for industry and commerce (25%). The latter now accounts for 45% of all emissions which has potential future implications as we seek to build on our manufacturing strengths, particularly in the Lower Don Valley.
- The Sheffield Energy and Water Infrastructure Study highlights the importance of environmental assets and resilience (including 'green infrastructure') and identifies specific physical infrastructure challenges to long term development.
- New housing completions have fallen sharply from a peak of nearly 3,000 per year to just over 900 in 2010/11. House prices have remained fairly static in the last two years, but house sales have fallen significantly.

The city's profile

Sheffield is competing on a global scale to increase its level of investment and business relocations, attract and retain skilled and talented people, encourage business and leisure visitors to the city, and host major cultural, sporting events, conferences and conventions. If the city is to achieve higher levels of economic growth, we need to capture a bigger share of external markets. To do this we need to develop, invest in and promote a strong set of city products including quality infrastructure and environment, a vibrant cultural, retail and city centre offer, and a skilled and talented workforce. These are all pivotal factors in creating a compelling offer for investors, businesses, talent and visitors, as well as supporting a good quality of life for the city's residents.

A priority in the first Economic Masterplan was to develop a coherent brand identity for the city and a co-ordinated marketing effort across all stakeholders. Marketing Sheffield has led this activity on behalf of the city, and we now have a strong 'Sheffield' brand that has a distinctive visual look, and is underpinned by values that reflect the city's character – 'authentic and independent'.

The challenge now is for partners across the city to work together to champion and utilise the brand, to promote messages nationally and internationally that make Sheffield distinct from competing cities, and boost the city's presence in target markets.

As one of the UK's major cities, we are also looking to enhance our reputation among key decision-makers and influencers, particularly within Government, and a number of our events are now attracting interest and support from Ministers and senior officials. This is critical to challenging out-dated perceptions of Sheffield and ensuring that there is an understanding of what the city has to offer the wider UK economy at the most senior level of decision-making.

Connecting people to growth

The employment rate in Sheffield is 65.7%, the third highest of the eight Core Cities in England. However, it still lags significantly behind national average of 70.3%. In Sheffield there are 48,000 people claiming out of work benefits in Sheffield. Of these:

- Over 18,000 are claiming Job Seekers Allowance
- 24,600 are claiming Incapacity Benefit or Employment Support Allowance
- 5,600 lone parents are claiming work related income support.

Providing opportunities for unemployed and workless people to work, primarily demands more jobs, however jobs alone will not be enough. Individuals who have been out of the labour market for a significant amount of time will have complex barriers to work and as such we also need to equip them with the skills and confidence they need to access job opportunities.

Connecting local people to jobs is one of the main ways in which we can ensure that everyone in the city benefits from economic growth, as work can improve people's life chances, increase their incomes and help to lift people out of poverty. To illustrate how important this is to the economy, if we closed the gap in employment rates²⁰ and income between Sheffield and national average, we could close the prosperity gap of £1.63billion by £1billion.

We need to create the conditions for growth, providing the right infrastructure, utilities, skilled people and city offer to underpin future growth

¹⁹ Sheffield's Employment Strategy 2012

²⁰ Closing the gap to the national average employment rate would mean the creation of over 17,000 jobs

A4 Future Trends

A3. Future Trends

- Just as the financial and economic landscapes change rapidly, there are a number of future trends that will impact on cities for many years to come²¹. By planning for and reacting to these early, Sheffield will be better placed to defuse threats, exploit new opportunities, and build a more resilient economy. Key trends include:
 - An **ageing and more diverse population** meaning a changing workforce and increasing pressure on local services.
 - A **dramatically changing climate** with an increased chance of more extreme weather events means building environmental, structural and economic resilience for the city and its businesses.
 - An over-riding requirement to **reduce carbon emissions**. Carbon consumption cannot continue at current levels and Sheffield will need to play its part in radically reducing carbon emissions and exploiting new opportunities to stay competitive.
 - Diminishing natural resources and **changing energy markets** will lead to higher energy prices and an increasing uncertainty of energy supply. Potential opportunities are in areas such as renewable energy and heat generation.
 - Globalisation and **changing economic geography** will require new trade strategies in relation to large, rapidly growing economies.
 - Technological convergence and **rapid advances in new technologies** reinforcing the need for intelligence, innovation and creative approaches that span multiple sectors and specialisms.
 - **Rising demand for higher level and transferable skills** which will be vital to the success in the 'knowledge economy'.

²¹ *The Future of Yorkshire and Humber: trends and scenarios to 2050*, Henley Centre and Yorkshire Futures, 2008; *Building the New Leader*, HayGroup, 2011



Sheffield Economic Strategy

Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

Name of policy/project/decision: An Economic Growth Strategy for Sheffield

Status of policy/project/decision: New

Name of person(s) writing EIA: Jen Rickard

Date: 25/02/13

Service: Creative Sheffield

Portfolio: Place

What are the brief aims of the policy/project/decision? The strategy is focused on securing a bigger economy, better businesses and faster private sector growth locally, and strengthening Sheffield's economic base to achieve the city's core economic outcomes:

- Improved city competitiveness
- Increased gross value added (GVA) per head
- More private sector knowledge jobs
- Higher gross annual wages
- Improved employment rate.

It provides a framework for making the right investment decisions to deliver distinctive and high performing sectors; a dynamic private sector; a skilled and productive workforce; future proof infrastructure; an inclusive economy; and a high profile city brand.

This strategy creates an overarching framework for economic priorities in the city for the next 5 years. Activities informed by this strategy will require Equality Impact Assessments in their own right.

Are there any potential Council staffing implications, include workforce diversity?

Although there are no direct implications, one of the key aims of the strategy is to ensure local people are able to connect with economic growth. As a major employer in the city, the Council will be play a role in providing work opportunities to people, including those who face significant barriers to entering the labour market. This could potentially have a positive impact on workforce diversity.

Furthermore, another key objective for the strategy is to ensure Sheffield has a skilled and productive workforce. This includes ensuring young people have the skills required to successfully enter the labour market, but also a focus on up-skilling the current workforce. This requires engagement between employers and the skills system, and as an employer the Council will need to maintain its commitment to skills development.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
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Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	Positive	Medium	<p>Sheffield's two universities produce around 12,000 graduates a year. Sheffield still has a higher number than the national average of 16-18 year olds not in education, employment or training (NEET).</p> <p>Youth unemployment has also increased in the city, with young people under the age of 24 are twice as likely to be unemployed as those over this age (Sheffield Employment Strategy, 2012)</p> <p>Sheffield also has an increasingly older population, and by 2020 it is predicted that the number of people over the age of 65 will have risen a further 13% (State of Sheffield, 2012)</p> <p>The strategy identifies these trends and highlights key work areas that will help to address issues related to them. For example, the Sheffield Employment Strategy referenced in the document aims to increase work and progression opportunities for young people, through creating more apprenticeship, training, work experience and job opportunities. The framework also highlights how better graduate utilisation in Sheffield SME's could help develop Sheffield's high level skills base and outlines a programme of activity to drive this forward.</p>
Disability	Positive	Medium	<p>There are around 30,700 people who are economically inactive or workless, including those who cannot work due to health problems or social circumstances.</p> <p>11,000 people in Sheffield claim ESA because of mental health conditions. It is likely that these problems are concentrated in neighbourhoods which are already experiencing employment and income deprivation.</p> <p>The links between disability, worklessness and poverty are well proven. Children living in families with at least one disabled member have a 29% chance of living in</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>poverty, compared to 20% of those living in families with no disabled member. Over half of disabled people are not in work (State of the Nation, DWP, 2010). One of the strategy's key priorities is to have an inclusive economy that supports people to achieve their full potential and this will include supporting actions that facilitate disabled people accessing employment opportunities where this is appropriate.</p> <p>Some of the future activity relating to this area will be drawn from Sheffield's Employment Strategy, which contains a specific priority to support vulnerable groups. Recommendations arising from Sheffield's Fairness Commission will inform other actions in this area.</p> <p>See also section on Financial Inclusion.</p>
Pregnancy/maternity	Positive	Low	See overall summary
Race	Positive	Medium	<p>Sheffield's BME communities have increased in the last 10 years with 17% of residents being from these communities in 2009.</p> <p>Research so far shows that the poverty and ethnicity are linked: the differences in poverty rates across different ethnic groups is one clear indicator of that: 17% for white British people, 23% for Indian people, 24% for black Caribbean people, 25% for people from Chinese or 'other' backgrounds and 52% for Pakistani and Bangladeshi people. The reasons for these differences are complex and can be related to education, work (both type of work and progression), caring responsibilities and social networks. (Joseph Rowntree Foundation, 2011).</p> <p>The strategy contains principles which will help to address these issues with priority actions on nurturing</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>young talent to build a skills base for the future; upskilling the current workforce; connecting people to training and jobs; tackling the root causes of poverty and promoting fairness and equality. However, further Equality Impact Assessments must be conducted on projects stemming from these priorities to ensure they are able to address issues specific to ethnic minority groups.</p> <p>See also section on Financial Inclusion.</p>
Religion/belief	Positive	Low	See overall summary
Sex	Positive	Low	See overall summary
Sexual orientation	Positive	Low	See overall summary
Transgender	Positive	Low	See overall summary
Carers	Positive	Low	See overall summary
Voluntary, community & faith sector	Positive	Medium	<p>The voluntary, community and faith sector are acknowledged within the strategy as having a key role to play in the delivery of it. This role will be particularly relevant to help meet the strategy's objectives relating to an unrivalled quality of place and an inclusive economy, where current practice and networks will help to inform future action.</p> <p>The importance of social enterprises is highlighted under the priority action 'Building a resilient local economy' and social enterprises will benefit from the actions underneath the 'Dynamic private sector' objective as well.</p>
Financial inclusion, poverty, social justice:	Positive	High	<p>Sheffield has a geographical pattern of communities that experience differing levels of deprivation and affluence. Generally, the most deprived communities are concentrated in the north and east of the city. This has implications for levels of poverty and financial exclusion in the city.</p> <p>There are around 30,700 people who are economically inactive or workless, including those who cannot work due to health problems or social circumstances.</p>

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
			<p>Evidence shows that 60% of long term benefits claimants have no formal qualifications This impact is not spread equally across social groups and can particularly affect those with more complex needs and barriers to work, such as people with sensory disabilities or sensory impairments and those with mental health conditions or learning disabilities.</p> <p>Currently, Sheffield is not fulfilling its economic potential and part of the reason for this is that there are currently not enough jobs to allow local people to work. Some groups of people also face particular barriers to accessing employment. As well as developing a strong and dynamic private sector and more private sector employment, a key aim of the strategy is for the city to have an inclusive economy that supports people to achieve their full potential and take part in the economic and social life of the city.</p> <p>Recommendations arising from Sheffield's Fairness Commission will inform actions in this area.</p>
Cohesion:	Positive	Low	See overall summary
Other/additional:	-Select-	-Select-	

Overall summary of possible impact (to be used on EMT, cabinet reports etc): By setting out the city's future economic priorities this growth strategy aims to establish the right conditions in the city for long terms economic success which all Sheffield residents can share in and reach their full potential. Therefore, this proposal will be of universal positive benefit to all local people . However, it should be particularly positive for young people, BME people, disabled people and those currently suffering financial exclusion. No negative equality impacts have been identified.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

Review date: 01/01/14 Q Tier Ref / Reference number: /

Entered on Qtier: No Action plan needed: Yes

Approved (Lead Manager): Jen Rickard Date: 25/02/13

Approved (EIA Lead person for Portfolio): Ian Oldershaw Date: 26/02/13

Does the proposal/ decision impact on or relate to specialist provision: no

Risk rating: Low

Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
All groups	Lead officers for the projects stemming from the strategy to consider how best to monitor the impact on the different groups highlighted above and where relevant, develop ways of improving representation and accessibility. Separate Equality Impact Assessments will be conducted where appropriate.	Lead officers for projects stemming from the Growth Strategy
All groups	An annual review of the strategy will reflect on any necessary adjustments to the strategy in response to changes in the economy.	Creative Sheffield, monitored through the economic programme due to be developed and via Creative Sheffield Senior Management Team
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		
-Select-		

Approved (Lead Manager): Jen Rickard Date: 25/02/13

Approved (EIA Lead Officer for Portfolio): Ian Oldershaw Date: 26/02/13

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SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Eugene Walker

Date: 10 April 2013

Subject: Revenue Budget & Capital Programme Monitoring
2012/13 – As at 31 January 2013

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 10 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

Reasons for Recommendations To formally record changes to the Revenue Budget and 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.

Recommendations:

Please refer to paragraph 85 of the main report for the recommendations.

Category of Report: OPEN/CLOSED

Statutory and Council Policy Checklist

Financial implications
YES/NO Cleared by: Eugene Walker
Legal implications
YES/NO Cleared by:
Equality of Opportunity implications
YES/NO Cleared by:
Tackling Health Inequalities implications
YES/NO
Human rights implications
YES/NO :
Environmental and Sustainability implications
YES/NO
Economic impact
YES/NO
Community safety implications
YES/NO
Human resources implications
YES/NO
Property implications
YES/NO
Area(s) affected
Relevant Scrutiny Board if decision called in
Overview and Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council? NO
Press release
YES/NO

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 31 JANUARY 2013

PURPOSE OF THE REPORT

1. This report provides the Month 10 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 68.

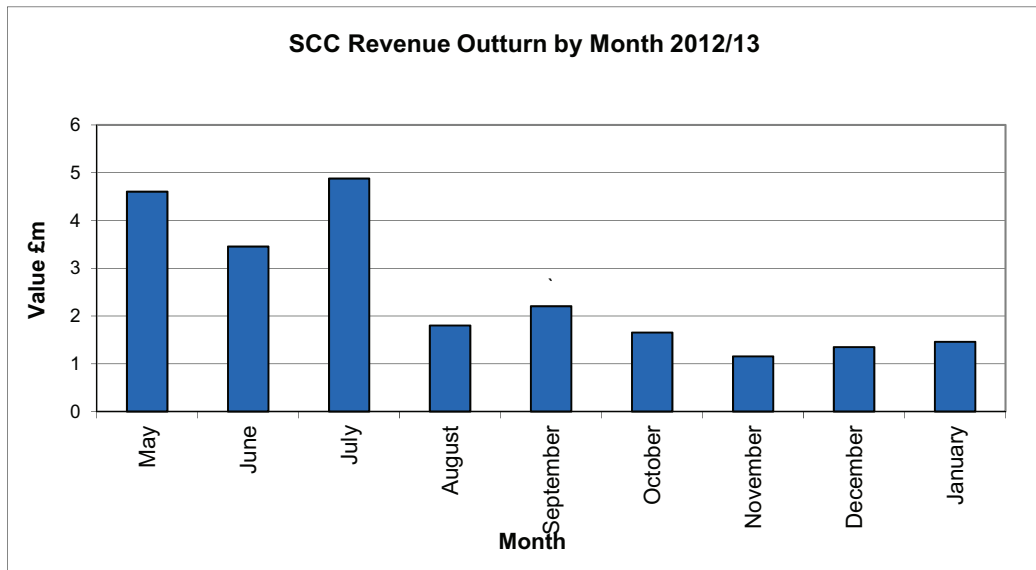
REVENUE BUDGET MONITORING

SUMMARY

2. The budget monitoring position at month 9 indicated a forecast overspend of £1.3m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 10 shows a forecast overspend of £1.5m to the year end: i.e. a forecast adverse movement of £113k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
CYPF	79,884	80,506	(622)	↔
PLACE	163,395	163,896	(501)	↑
COMMUNITIES	171,815	168,750	3,065	↓
DEPUTY CHIEF EXECUTIVE	12,101	12,018	83	↔
RESOURCES	62,253	62,758	(505)	↔
CORPORATE	(487,988)	(487,928)	(60)	↔
GRAND TOTAL	1,460	(0)	1,460	↑

3. The forecast outturn for SCC had shown a trend of a reducing overspend from £4.6m reported in month 2 to £1.2m in month 8. However, since month 8 this trend has reversed with adverse movements month on month. EMT have therefore agreed to reinforce the message to directors that they need to take all necessary steps to ensure that their budgets balance by year-end, so as to avoid the use of reserves which would then have a knock-on effect in 2013/14. The position month by month is shown in the following chart.



4. In terms of the month 10 overall forecast position of £1.5m overspend, the key reasons are:
- Children Young People and Families (CYPF) are showing a forecast reduction in spending of £622k, due mainly to a £208k reduction in spending across a number of activities within Children and Families and the receipt of academic year funding within Lifelong Learning, Skills and Communities £443k.
 - Place are showing a forecast reduction in spending of £501k, due primarily from staff vacancy savings across Development Services (£1.2m) and planned slippage of grant funded project spend within HERS of £414k. These savings are partly offset by a £207k overspend in Street Force for the costs of backdated pay and grading appeals, £304k within Culture and Environment mainly due to the funding stabilisation programme of Museums Sheffield (£500k) and forecast reductions in income within Development Services of £600k, predominantly within car parking.
 - Communities are showing a forecast overspend of £3.1m, due to a £6m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care. This is partly offset by the use of a £1.2m portfolio wide contingency and a £1.7m underspend created mainly by the release of prior year funding in Social Care Commissioning.
 - Resources are showing a forecast reduction in spending of £505k, due mainly to £481k savings on Central Costs and increased income within Human Resources, Commercial Services and Transport

Services of £106k, £494k and £211k respectively. This reduction in spending is partly offset by a reduction in income of £287k within Legal Services and an overspend relating to delays in the employee reduction process within Business Information Solutions of £240k.

5. The reasons for the movement from month 9 are:
 - Place are forecasting an adverse movement of £306k, due mainly to the inclusion of an estimated £300k for potential grant 'clawback' following a recent European audit on Tudor Square.
 - Communities are forecasting an improvement of £174k, due to the confirmation of £611k of additional PCT funding to support the Carers Partnership Investment Agreement, transition of LD hostel provision and additional Short Term Intervention capacity. These improvements are partly offset by an adverse movement of £411k relating to the increased cost of care purchasing.

Carry Forward Requests

6. Portfolios are requesting to carry forward a total of £1.2m into 2013/14. Details of the requests for approval are summarised in Appendix 1 of the report. The £1.2m is in addition to the £2.9m previously approved.
7. If all requests were approved the impact upon the 2012/13 outturn would be an adverse movement of £1.2m from £1.5m to £2.7m overspent. The recommendation to EMT and Members continues to be that no carry forward requests should be considered for approval until the overall SCC forecast outturn position reports a reduction in spending sufficient to cover any such requests.

INDIVIDUAL PORTFOLIO POSITIONS

CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

Summary

8. As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £622k, an improvement of £24k from the month 9 position. The key reasons for the forecast outturn position are:
 - **Lifelong Learning, Skills & Communities:** £443k reduction in spending, due to resources being received that will be used to fund future year activities. This relates to academic year grant funding of £305k. The service has requested that these resources be carried forward provided the Portfolio maintains a balanced budget position.

- **Children and Families:** a reduction in spending of £208k due to savings within Early Years, Placements, Prevention and Early Intervention, Fostering Services and Placement strategy budgets.

Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY	13,928	13,869	59	↔
CHILDREN & FAMILIES	52,408	52,616	(208)	↔
INCLUSION & LEARNING SERVICES	5,507	5,536	(30)	↔
LIFELONG LEARN, SKILL & COMMUN	8,042	8,485	(443)	↔
GRAND TOTAL	79,884	80,506	(622)	↔

Commentary

DSG and Non DSG Budgets

9. The following commentary concentrates on the changes from the previous month.

Non DSG Budgets

10. The forecast £622k reduction in spending on Non DSG budgets is consistent with the Month 9 report.

DSG Budgets

11. The following is a summary of the forecast variance position on DSG budgets:

	Month 9 £000	Month 10 £000
Business Strategy	(166)	(212)
Children and Families	(194)	(340)
Inclusion and Learning Services	308	184
Lifelong Learning, Skills and Communities	(7)	(67)
	(59)	(435)

12. The key reasons for the movement from the month 9 position are:
- **Business Strategy:** An improved movement of £46k due to activity now anticipated to take place in 2013/14.
 - **Children and Families:** An improved movement of £146k due to the reallocation of qualifying expenditure to the Successful Families Project which is funded from a specific grant.

- **Inclusion and Learning Services:** An improved movement of £124k due mainly to increased activity leading to income being received in excess of budget for out of city pupils in Hospital and Home Education.
- **Lifelong Learning, Skills and Communities:** An improved movement of £60k due to a forecasted salary underspend in Performance & Partnerships and Extended Schools.

PLACE

Summary

13. As at month 10 the Place Portfolio is forecasting a full year outturn reduction in spending of £501k prior to carry-forward requests of £676k (i.e. £175k overspent). This is an adverse movement of £289k on the previous period. The key reasons for the forecast position are:

- **Culture and Environment:** £304k overspend arising from additional grant payments made as part of a wider funding stabilisation programme for Museums Sheffield (£500k), offset to some extent by reductions in spend / additional income within parks and city centre management.
- **Development Services:** £703k reduction in spending due to staff vacancy savings across the whole service area (£1.2m), offset to some extent by reductions in income of £600k, largely within car parking and planning.
- **HERS:** £414k reduction in spending primarily from planned slippage of grant funded project spend (Local Growth Fund and Transitional HMR) into the following financial year.
- **Street Force:** £207k overspend due to costs of backdated pay and grading appeals and increased bad debt provisions.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY & REGULATION	31,911	31,964	(53)	↔
CREATIVE SHEFFIELD	3,310	3,338	(28)	↔
CULTURE & ENVIRONMENT	41,279	40,975	304	↔
DEVELOPMENT SERVICES	84,651	85,354	(703)	↔
HERS	1,532	1,946	(414)	↑
MARKETING SHEFFIELD	1,158	1,037	121	↔
STREET FORCE	(848)	(1,055)	207	↔
SUSTAINABLE DEVELOPMENT	403	337	66	↔
GRAND TOTAL	163,395	163,896	(501)	↑

Commentary

14. The following commentary concentrates on the key changes from the previous month.

Development Services

15. The current forecast for this activity is £703k under budget, broadly in line with the previous period.
16. The key risk for the service is in securing £10m planned external fee income from planning, building regulation and car parking activities. Manager forecasts indicate a £1m (10%) shortfall, an adverse movement in period of £120k this period, largely due to a further reduction in the fees forecast within car parking.
17. However, the above shortfall is being more than offset from reductions in staff costs due to vacancies across the whole service forecast at around £1.2m, showing an improvement of £73k this period.

HERS

18. The current forecast for this activity is a £414k reduction in spending, an adverse movement of £366k on the previous period.
19. The adverse movement arises from the inclusion in the forecast outturn of an estimated £300k for potential grant 'clawback' following a recent European audit on Tudor Square. Officers are currently reviewing the initial report with a view to further mitigating issues identified.
20. The key forecast variance arises from £567k of planned 'slippage' of grant funded spend, predominantly relating to Local Growth Fund projects (£495k), which are subject to requests to carry-forward (see Appendix 1). The ultimate value of the 'slippage' may change depending upon progress made in the actual delivery of projects.

Year To Date

21. When comparing the year to date position with forecast outturn, two services are showing significant variances:
- **Creative Sheffield:** The position to date shows spending to be £643k below budget, reducing to £28k below budget by year-end. This largely reflects that activity budget plans were finalised in the summer period, such that phasing of spend was planned in the second half of the year.
 - **Culture & Environment:** The position to date shows spend to be £261k below budget, whilst the current forecast out-turn for this activity is £304k over budget. The reasons for this are being reviewed / challenged.

COMMUNITIES

Summary

22. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £3.1 million, an improvement of £174k from the month 9 position. The key reasons for the forecast outturn position are:
- **Business Strategy:** a forecast £1.2m reduction in spending against budget, due to contingencies held in Portfolio-Wide Services to offset overspends on care purchasing budgets (especially in Learning Disabilities (LD) services). This is consistent with last month's position.
 - **Care and Support:** a forecast £6m overspend, due to LD purchasing (£2.5m), LD Transport contract (£192k), Provider Services (£361k), Adult Social Care purchasing (£4.1m), with some reductions in Assessment & Care Management staffing costs against budget. These overspends are offset, to some degree, by underspend in Housing-Related Services of £132k.
 - **Commissioning:** a forecast reduction in spending against budget of £1.7m due to; Mental Health Commissioning – £747k overspend on care purchasing; Social Care Commissioning – £2.2m reduction in spend against budget as a result of the release of funds unspent in previous years into 12/13 revenue budgets and reduction in spend on LD ex-Health care and accommodation provision. Housing Commissioning – £335k net reduction in spending against budget across several areas, reported in detail in PLT / SMT reports.
- General:** following an analysis of the trends in activity and spend, the Chief Executive has raised the issue of cost transfer from the

NHS to adult social care and discussions are taking place on how this can be addressed to the satisfaction of both parties.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY	12,543	13,710	(1,167)	↔
CARE AND SUPPORT	109,973	103,939	6,034	↑
COMMISSIONING	38,427	40,198	(1,772)	↓
COMMUNITY SERVICES	10,873	10,903	(30)	↔
GRAND TOTAL	171,815	168,750	3,065	↓

Commentary

23. The following commentary concentrates on the changes from the previous month.

Care and Support

24. A forecast £6m overspend against budget. This is an adverse movement of £122k from the previous month and is due to:

- **Assessment & Care Management (A&CM):** adverse movement of £411k, mainly due to an increase in care purchasing overspend, resulting from on-going pressures from Continuing Health Care (CHC) and the impact of the Right First Time Project (including Home of Choice). These demands are exceeding savings from Community Access and Reablement Services and Self Directed Support efficiencies.
- **Joint Learning and Disability Service:** improvement of £338k due to additional funding from the PCT to fund transition of LD hostel provision.
- **Provider Services:** improvement of £97k due to PCT agreeing to fund additional STIT capacity.

Commissioning

25. A forecast £1.8m reduction in spend against budget. This is an improvement of £342k from the previous month. The movement this month is due to:

- **Housing Commissioning:** improvement of £174k, due to reduction in third party payments relating a landlord accreditation scheme in Private Sector Housing of £36k, alternative funding identified for an

IT Scheme in Housing Related Support of £81k and the ending of funding for two projects in the same area £56k.

- **Social Care Commissioning:** improvement of £176k, following late confirmation of Funding, from the (Health) PCT, relating to Carers PIA.

Year To Date

26. Some year to date variances are not consistent with forecast outturn variances, so work is on-going to investigate the reasons for this (including refining income / expenditure budget profiles and more vigorous challenges to year to date actuals and accruals). Part of this is due to redundancy costs awaiting corporate transfer of resources.

RESOURCES

Summary

27. As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £505k, in line with the month 9 position. The key reasons for the forecast outturn position are:
- **Commercial Services (savings):** £494k additional income in Commercial Services savings due to achieving increased cashable savings.
 - **Human Resources:** £106k reduction in spending in Human Resources due to increased recharge income.
 - **Transport:** £211k reduction in spending in Transport mainly due to additional income on Central Transport.
 - **Central costs:** £481k reduction in spending in central costs (breakdown provided below).
28. Offset by:
- **Business Information Solutions:** £240k overspend in BIS, in part due to anticipated delay in MER process required to make staff savings.
 - **Customer Services:** £209k overspend in Customer Services due to transfer of costs from Customer First for operational team.
- Legal Services:** £287k overspend in Legal Services, £143k due to reduction in non-core income and £89k forecast spend on corporate work, primarily South Yorkshire Trading Standards (SYTS), Digital Region and leadership team time.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS INFORMATION SOLUTIONS	641	401	240	↔
COMMERCIAL SERVICES	1,903	1,788	115	↑
COMMERCIAL SERVICES (SAVINGS)	(1,314)	(820)	(494)	↓
CUSTOMER FIRST	5,853	5,853	(0)	↔
CUSTOMER SERVICES	3,100	2,891	209	↔
FINANCE	2,381	2,393	(12)	↔
HUMAN RESOURCES	708	814	(106)	↓
LEGAL SERVICES	2,532	2,245	287	↔
PROGRAMMES AND PROJECTS	1,697	1,669	28	↔
PROPERTY AND FACILITIES MGT	31,126	31,208	(82)	↑
TRANSPORT	190	401	(211)	↑
TOTAL	48,818	48,843	(25)	↔
CENTRAL COSTS	14,073	12,913	1,160	↑
HOUSING & COUNCIL TAX BENEFIT	(637)	1,002	(1,639)	↓
GRAND TOTAL	62,253	62,758	(505)	↔

Commentary

29. The following commentary concentrates on the changes from the previous month.

Commercial Services

30. A forecast £115k overspend is an adverse movement of £100k from the previous month due to correction of a budget allocated in error.

Human Resources

31. A forecast £106k reduction in spending is an improvement of £141k from the previous month. The improvement this month is due to additional recharge income from HR staff working on projects.

Transport

32. A forecast £211k reduction in spending is an adverse movement of £115k from the previous month. The adverse movement this month is due to the inclusion in the forecast of a contribution to capital of £130k in this financial year which was previously assumed to be rolled forward into 13/14. This will be reviewed in month 11.

Central Costs

33. A forecast £481k reduction in spending which is in line with the previous month. The breakdown on central costs is shown below.

Central Costs	Forecast Variance	Forecast Variance
	Month 10	Month 9
	£ 000	£ 000
Capita – Control Account	691	599
Capita – ICT BIS	425	378
Capita – Finance	488	491
Capita - HR	170	132
Sub total Capita	1774	1600
Benefits subsidy	(1639)	(1489)
Other Central Costs	(616)	(608)
Total	(481)	(497)

DEPUTY CHIEF EXECUTIVE'S

Summary

34. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £83k, an adverse movement of £38k from the month 9 position. The key reasons for the forecast outturn position are:

- £164k over spend in Modern Governance mainly due to increasing election costs (£260k overspend), delay in spending the DEFRA grant for reservoir flood planning (£57k underspend) and staff and IT savings in Democratic Services (£73k underspend);
- £66k overspend in Performance and Corporate Planning due to forecast reduced demand in Creative Services/Communications;
- Off set by £127k under spend in Business Development due to salary sacrifice and vacant posts.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
BUSINESS DEVELOPMENT	2,577	2,704	(127)	↔
E-CAMPUS	1,029	1,029	0	↔
HEALTH IMPROVEMENT	211	211	0	↔
MODERN GOVERNANCE	3,894	3,730	164	↔
PERFORMANCE AND CORP PLANNING	853	787	66	↔
POLICY, PARTNERSHIP, AND RESEARCH	3,537	3,557	(20)	↔
GRAND TOTAL	12,101	12,018	83	↔

CORPORATE ITEMS

Summary

35. As at month 10, the Corporate Budgets are forecasting a reduction in spending of £60k which is consistent with month 9. The table below shows the items which are classified as Corporate and which include:

- Corporate Budget Items: corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs.
- Corporate Savings: the budgeted saving on review of management costs and budgeted saving from improved sundry debt collection.
- Corporate income such as Formula Grant and Council tax income, some specific grant income and contributions from reserves.

Financials

	FY Outturn £'000	FY Budget £'000	FY Variance £'000
Corporate Budget Items	44,864	45,478	-614
Savings Proposals	-1,234	-1,794	560
Income from Council Tax, RSG, NNDR, other grants and reserves	-531,617	-531,612	-5
Total Corporate Budgets	-487,988	-487,928	-60

36. Corporate Budget items are showing a forecast reduction in spending of £614k, due mainly to the temporary reduced cost of borrowing and increased investment income within the capital financing budget of £500k, and the recovery of previous years' National Non-Domestic Rates (NNDR) overpayments of £115k. This forecast is consistent with month 9.

37. The forecast overspend on Savings Proposals of £560k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 10 actuals. This forecast is also consistent with the month 9 position.

LOCAL GROWTH FUND

38. The position on the Local Growth Fund is as follows:

			2012/13	
		Total Allocated	Spend to Date	Unspent Balance
		£000	£000	£000
<u>Approved Schemes</u>		4,889	681	4,208
<u>Schemes Pending Approval</u>		0		0
<u>Funds to be Committed</u>		444		444
<u>Total Fund</u>		5,333	681	4,652

39. Spend rate consistent with previous year to date performance. Proposals are being prepared which is expected to lead to the remaining funds being fully committed over the next few months.

HOUSING REVENUE ACCOUNT

40. The revised budgeted position for the HRA is a draw down from reserves of £1.3m (excluding Community Heating). As at month 10 the forecast outturn position is a projected in-year surplus of £8m. After making a contribution of £400k to the Capital Programme the projected net surplus will be £7.6m compared with a budgeted deficit of £1.3m. This is an improvement of £8.9m on the budgeted position.
41. The main reason for the variation in the overall budget position relates to an anticipated reduction in capital financing costs. The overall reduction is estimated to be around £6.3m. This is primarily as a result of access to more attractive interest rates.
42. Although some of this overall saving on interest rates is sustainable, some is a one off. Now that that HRA is self-financing, the Council will have to consider the longer term risks on interest rates and ensure that its 30 year business plan includes a sustainable level of debt, factoring in

the cost of the additional capital investment required to fund the backlog maintenance. This will be considered as part of the refresh of the HRA business plan later this year.

43. Other main areas that contribute to the improved year end forecast position include revised rental income £240k; a reduction in the level of vacant properties £430k and related council tax savings of £305k; revised service charge income £371k; a reduction in running costs £852k and a delay in a number of projects £442k.
44. **Community Heating:** The budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 10 the forecast position is a draw down of £687k from reserves resulting in a reduction in spending of £313k. This is primarily due to an estimated reduction in energy costs and invoiced consumption.

CORPORATE FINANCIAL RISK REGISTER

45. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks.

Digital Region

46. The Council is providing £4m in loans to the Company and as a shareholder carries further rights and responsibilities. The Company's sales are proving slow to take off, leading to changes in the Business Plan and the procurement of a new private sector partner. The Council faces risks on its direct investment, as well as on guarantee clauses to key contractors. Provision has been made in the 2011/12 accounts for the potential capitalised costs of the losses on current operations and the procurement, but the final costs will only be clarified as the procurement is finalised from April 2013.

Capital Receipts & Capital Programme

47. Failure to meet significant year on year capital receipts targets due to depressed market and reduced Right-to-Buys, resulting in potential over-programming / delay / cancellation of capital schemes.
48. Building Schools for the Future Programme Affordability – Latest projections indicate that the affordability gap in the capital programme for the secondary schools estate, which must be underwritten by the

Council, is in the order of £9m to £12m. This requirement has been identified in the Council's Capital Programme.

Pension Fund

49. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic context. If they become insolvent the resulting liability may involve significant cost to the Council.

Electric Works

50. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation. However, there remains a risk that the occupancy of units within Electric Works might be slower (lower) than that assumed within the business case, such that the call on the contingency is greater (earlier) than planned.
51. A refresh of the financial model was undertaken for 2011/12 budgeting purposes and again for 2012/13. The assumed level of occupancy for 2011/12 was 68% and the actual achieved was 64%. Most of the income shortfall was made up from conference lettings and virtual services. A target of 78% has been set for 2012/13. At December, the target was 79% but the actual is only 63%, mainly as the result of the termination of a tenant's licence due to trading conditions. A report on the future of Electric Works will be brought to Members in 2013.

Contract Spend

52. The high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. This is exacerbated by the fact that in general these contracts carry year-on-year inflation clauses based on RPIx which will not be available to the Council's main funding streams, e.g. Council Tax, RSG and locally retained Business Rates.

Economic Climate

53. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
54. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

NHS Funding Issues

55. There are significant interfaces between NHS and Council services in both adults' and children's social care. The Council has prioritised these services in the budget process, but savings have nevertheless had to be found. Working in partnership with colleagues in the Health Service efforts have been made to mitigate the impact of these savings on both sides. However, ongoing work is required now to deliver these savings in a way that both minimises impacts on patients and customers and minimises financial risks to the NHS and the Council.
56. The Council is participating in the Right First Time (RFT) programme with the Clinical Commissioning Group (CCG) and Hospital Trust. This programme aims to shift pressures and resources from the hospital to community settings over the longer term, which should assist the Council in managing adult social care pressures. However, there are short-term pressures from the programme changes that are adding costs to the Council.

Housing Regeneration

57. There is a risk to delivering the full scope of major schemes such as **Parkhill** and **SWaN** because of the severe downturn in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved, and in the case of SWaN, potential exposure to termination payments. In addition, the ending of the Housing Market Renewal programme has caused funding pressure on the Council's capital programme, e.g. on site clearance work and in enabling further phases of commenced demolition schemes.

Trading Standards

58. There is a low risk that it will not be possible to recover outstanding contributions from the other South Yorkshire Authorities. However, negotiations are in the final stages and there is an expectation that an agreement will be reached.

External Funding

59. The Council makes use of a number of grant regimes, central government and European. Delivering the projects that these grants fund involves an element of risk of grant claw back where agreed outputs are not delivered. Strong project management and financial controls are required.

Academies & Independent Schools

60. It is currently anticipated that 21 (12 primary / 9 secondary) of the Council's maintained schools will have become independent academies during 2012/13. To date 16 schools (7 primary / 9 secondary) have converted in 2012/13. In 2013/14 a further 20 academy conversions are currently anticipated (18 primary / 2 secondary).
61. Academies are entitled to receive a proportion of the Council's central education support services budgets. Based on projected academy conversions it is estimated that:
- In 2012/13 up to £700k of DSG funding will be deducted from the Council and given to the Academies. For 2013/14, it is estimated that up to £1.75 million of DSG funding will be given to academies.
 - In 2013/14 it is estimated that up to £3.25 million will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.
62. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's accounts. It is estimated that this may be up to £750k based on current projected academy conversions.
63. Where new independent schools (free schools) or Academies are set up and attract pupils from current maintained PFI schools, then the funding base available to pay for a fixed long term PFI contract would reduce, leaving the Council with a larger affordability gap to fund. There are also further potential risks if a school becoming an academy is a PFI school, as it is still unclear how the assets and liabilities would be transferred to the new academy and whether the Council could be left with residual PFI liabilities.

Treasury Management

64. The ongoing sovereign-debt crisis is subjecting the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a real risk that the Eurozone crisis could impact upon the UK's recovery, which in turn could lead to higher borrowing costs for the nation.
65. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

Welfare Reforms

66. The government is making changes to the Welfare system, phased in over the next few years, which will have a profound effect on council taxpayers and council house tenants in particular. The cumulative impact of these changes will be significant. Changes include:
- Abolition of council tax benefit – due from April 2013 to be replaced by a local scheme. It will be cash limited and subject to a 10% reduction from current levels. The Council approved a replacement scheme, including a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund.
 - Housing Benefit changes – there are a number of proposals where the anticipated impacts are that a number of claimants will receive fewer benefits than they do now, thereby impacting on their ability to pay rent.
 - Introduction of universal credit – from October 2013 administered by DWP. Along with the impact of reducing amounts to individuals and the financial issues that might cause, the biggest potential impact of this change is the impact on the HRA and the collection of rent. This benefit is currently paid direct to the HRA; in future this will be paid direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams.

Housing Revenue Account (HRA)

67. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined in the risk above, the main identified risks to the HRA are:
- Interest rates – fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA.
 - Repairs and Maintenance – existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

THE CAPITAL PROGRAMME FOR 2012/13

Summary

68. At the end of January 2013, capital expenditure so far to date is £36.6m (28%) below budget. The outturn forecast is £45.7m (24%) below the Approved Capital Programme. Full Council has approved on 1st March slippage requests of £34.2m which will substantially reduce this variance and this will be reflected in the Month 11 report.
69. The variation in the year to date position arises mainly from either operational delays (£17.1m) or project slippage (£13.3m). During the month of January, expenditure was £6.8m (16%) below the programme budget.
70. The forecast for the year shows all portfolios are below profile against the approved programme. The forecast, at £141m, is £5.4m lower than the Month 9 position (£147.6m) with the biggest movements being in Place (down £4.1m) and Housing (down £1.3m). Further detail can be found in the specific sections below.

Financials 2012/13

Portfolio	Spend to date	Budget to Date	Variance	Full Year forecast	Full Year Budget	Full Year Variance
	£000	£000	£000	£000	£000	£000
CYPF	37,189	48,157	(10,968)	58,836	71,906	(13,069)
Place	14,021	21,685	(7,663)	18,531	26,879	(8,348)
Housing	35,513	40,890	(5,377)	47,996	59,907	(11,911)
Communities	1,010	1,765	(755)	1,356	2,216	(860)
Resources	4,951	16,816	(11,864)	14,341	25,872	(11,530)
Grand Total	92,685	129,312	(36,627)	141,059	186,779	(45,719)

Commentary

Children, Young People and Families Programme

71. CYPF capital expenditure is £10.9m (23%) below the profiled budget for the year to date and forecast to be £13.1m (18%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-832	-7,090
Slippage on Devolved Budgets	-731	-3,038
Operational delays in projects due to planning, design or changes in specification	-7,988	445
Incorrect budget profiles	731	0
Delayed forecasts	0	-136
Underspending on project estimates	82	-2,032
Other variances	-2,230	-1,219
	-10,968	-13,069
Spend rate per day	178.8	237.2
Required rate to achieve Outturn	541.2	
Rate of change to achieve forecast	202.7%	

72. £10.1m of the £13m forecast shortfall against the budget is due to slippage with £3m on the Devolved Formula Capital; £5m on BSF; £700k on the Foster Carers Housing Extension project; £500k on Grace Owen Nursery and £800k within the Primary Prioritisation Programme. A further £2m of potential under spend against approved amounts has been identified on various Primary school programmes.

Place Programme

73. The Place portfolio programme (excluding Housing) is £7.6m (35%) below the profiled budget for the year to date and forecast to be £8.3m (31%) below the programme by the year end for the reasons set out in the table below. The main reason for forecast variance to date is due to £2.9m of project slippage and a further £2.6m of operational delays of which £1.7m relates to the BRT North project. Land acquisitions are progressing but not to the anticipated timescales.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-3,051	-2,970
Operational delays in projects due to planning, design or changes in specification	-1,361	-2,595
Delayed forecasts	0	-729

Projects submitted for Approval	106	-1,433
Overspending on project estimates	-5	-4
Other variances	-3,352	-617
	<u>-7,663</u>	<u>-8,348</u>
Spend rate per day	67.4	74.7
Required rate to achieve Outturn	112.7	
Rate of change to achieve forecast	67.2%	

Housing Programme (Place Portfolio)

74. The Housing capital programme is £5.3m (13%) below the profiled budget for the year to date and forecast to be £11.9m (20%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-4,880	-9,708
Operational delays in projects due to planning, design or changes in specification	-981	0
Delayed forecasts	0	41
Projects submitted for Approval	-2,877	-364
Home Improvement grants held on behalf of other local authorities	47	-972
Underspending on project estimates	-1,824	-863
Other variances	5,138	-46
	<u>-5,377</u>	<u>-11,911</u>
Spend rate per day	170.7	193.5
Required rate to achieve Outturn	312.1	
Rate of change to achieve forecast	82.8%	

75. The main reason for this month's variation is due to slippage (£6.5m) within the Delegated Capital Schemes managed by Sheffield Homes which equates to 11% of the under spend against this year's Housing budget.

Communities

76. The year to date spend on the Communities portfolio capital programme is £800k (43%) below the profiled budget and the forecast (£900k (39%) below budget) suggests this will not be recovered. £300k relates to slippage on the implementation of the ICT infrastructure and £300k slippage on the PCT/SCC Accommodation Strategy.

Resources

77. The year to date spend is £11.8m (71%) below the programme and forecast to be £11.5m (45%) below the approved budget for the whole year.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-3,264	-4,906
Operational delays in projects due to planning, design or changes in specification	-6,840	-5,194
Delayed forecasts	0	73
Projects submitted for Approval	0	-937
Other variances	-1,760	-567
	-11,864	-11,530
Spend rate per day	23.8	57.8
Required rate to achieve Outturn	234.7	
Rate of change to achieve forecast	886.1%	

78. The year-end forecast position is £11.5m under budget and comprises of the following :

- £2.6m slippage on the Accommodation strategy;
- £5.2m slippage on the Moor Indoor market which is now progressing well to a revised project plan submitted by the contractor post appointment. The project is on schedule for a November opening. The revised plan is awaiting Council approval and will be reflected in the Month 11 report;
- £346k slippage on the Asset Realisation project which is designed to make vacant sites more attractive to potential developers; and
- £421k slippage on roof and lift replacement at the Town Hall. Work has now commenced on the urgent aspects of the project.

Approvals

79. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
80. Below is a summary of the number and total value of schemes in each approval category:
- 10 additions to the capital programme with a total value of £1.7m;
 - 1 cancellation from the capital programme with a value of £9k;
 - 1 variation to the capital programme creating a net decrease of £1.7m;
 - 6 contract awards where the total tender costs were in line with the approved sums;
 - 4 instances where either EMT or service directors have exercised their delegated powers to vary approved expenditure levels.
81. Further details of the schemes listed above can be found in Appendix 2.

FINANCIAL IMPLICATIONS

82. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2012/13 and, as such it does not make any recommendations which have additional financial implications for the City Council.

EQUAL OPPORTUNITIES IMPLICATIONS

83. There are no specific equal opportunity implications arising from the recommendations in this report.

PROPERTY IMPLICATIONS

84. Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor are there any arising from the recommendations in this report.

RECOMMENDATIONS

85. Members are asked to:
- (a) Note the updated information and management actions provided by this report on the 2012/13 budget position.

- (b) In relation to the Capital Programme, EMT is recommended to submit the report for approval at Cabinet, noting that Cabinet will approve:
- (i) the proposed additions, cancellation and variation to the capital programme listed in Appendix 2, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) approve the proposed variations in Appendix 2 within their delegated authority; and note
 - (iii) the latest position on the Capital Programme including the current level of delivery and forecasting performance.

REASONS FOR RECOMMENDATIONS

86. To formally record changes to the Revenue Budget and 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.

ALTERNATIVE OPTIONS CONSIDERED

87. 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.

Eugene Walker
Director of Finance

Appendix 1

Portfolio - Carry Forward Requests

CYPF

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Lifelong Learning, Skills and Communities	Skills Funding Agency	305	<p>The grant received is to cover an academic year and therefore spans two financial years.</p> <p>This is an ongoing issue in the Council's accounts due to the changes in accounting procedures whereby the grant has to be drawn down to revenue when it is received not used.</p>	To ensure schools / college programmes are funded from April 2013 to August 2013.
Lifelong Learning, Skills and Communities	City Skills Fund	39	<p>SCC holds City Skills Funding on behalf of City Region Local Enterprise Partnership and is accountable for its distribution. Funding for the expenditure is not received in line with the budgeted spend.</p>	Cabinet, in month 3, approved £350k to be carried forward. The additional request reflects further projected underspend within the year against the fund.
Lifelong Learning, Skills and Communities	Youth	50	The original spending plan included a specific budget for Youth Justice Support Workers which has not been utilised due to a delay in the recruitment process.	This underspend is 40% funded by Partnership Organisations that will clawback the funding if unspent.
	Total	394		

PLACE

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
HERS	Local growth fund (LGF)	495	This is the first year of the LGF programme, where design and 'bedding-in' of governance arrangements meant both approval of and subsequent spend on a number of projects occurred part way through the current financial year.	To 'match' approved funding with the revised profile of planned spend on the LGF Programme.
Dev Services	Land Drainage	40	Flood work initially to be completed by Amey in 2012/13 but now expect part of this to slip into 2013/14.	To fund the remainder of the committed work not completed.
Dev Services	'Bike-It'	27	School Travel Incentives Grant funding for 2 external "Bike-It" staff until July 2013.	To 'match' grant received with proposed work programme.
Culture & Env	High street innovation grant	26	Grant awarded with planned work/ spend that runs into the following financial year.	To 'match' grant received with proposed work programme.
Culture & Env	Sport Inclusion	16	Grant received for a 3 year programme.	To 'match' grant received with proposed work programme.
	Total	604		

Deputy Chief Executive

Service	Funding	Request Amount £'000	Why not spent this year	Reason for carry forward
Accountable Bodies	Grant	32	Sheffield First is anticipating an underspend against the budget available.	To enable Sheffield First to continue its work with partners to tackle issues in the Sheffield City Strategy. The funding which is requested to carry forward has been contributed by third party organisations in Sheffield. Note: approval to carry this funding forward will not affect the outturn position for DCEX as the forecast at month 8 does not reflect the anticipated underspend.
Modern Governance	DEFRA Funding – Reservoir Flood Planning	57	In 2010/11, SCC was allocated £97,880 via an Area Based Grant. This was to meet expenditure incurred for the production of the plans, the training and exercising program that would follow and to carry out a 'warning and informing' campaign to those at greatest risk of reservoir flooding. This was carried over into the 2011/12 financial year to allow for the planning work to continue. Funding was also set aside in 2012/13 to continue with the work. Spend to date has been £42,500 with a carry forward request of £55,400. Service manager has indicated that it was envisaged it would be a	<p>The Emergency Planning Shared Services Team has identified the need to appoint a temporary member of staff to take forward the work but unlikely that this appointment will take effect immediately. The remainder of the expenditure can only occur once the appointed member of staff has settled into the role.</p> <p>How carry forward will be spent</p> <ul style="list-style-type: none"> Temporary Member of Staff - £27,500 Plan production: printing of plans, maps etc - £3,000 Production of 10k accompanying letters for the leaflets - £1,400 Postage and packaging of 10k leaflets/letters - £7,000 Media campaign - £1,000 Multi-agency training - £900 Multi-agency tabletop exercise -

			three year project.		£1,400
					Gold Standard exercise plan and delivery - £12,000
					Total: £54,200
	Total	89			

Community Assemblies - Carry Forward Requests

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
North East	Consultation Vehicle	2,5	Maintenance costs did not materialise in 12/13	Need to meet future running costs (or disposal)
East	Richmond Development Worker	7,5	A delay in funding a suitable VCF in the Ward.	Political support for this project hosted by the local VCF and not SCC. Making sure the post exists for a reasonable period of time to enable the outcomes to be met.
East & South East	Green Estate – Horticulture Apprentice Scheme	45	Delays in starting the project. Apprentice scheme follows academic, rather than Financial year	Project will need to run it's course, irrespective of start date
Northern	Development Worker	29	Options for allocating the available budget by the end of March 12 have been developed for different projects. However the Northern Community Assembly have taken the view that Community Development continuation is key to delivering priorities within the Community plan and as such using part of	The request is to carry forward £29,000 which would be used as leverage to develop a package of funding with participating partners that would allow the continuation and extension of the project. Over the past years the project has attracted the following match funding: Development Worker Project: £22,000

2012/13

Revenue Budget Monitoring – Month 10

			<p>the available funding in 2013/2014 would have a greater impact than the alternative options considered.</p>	<p>NHS, £21,000 Ecclesfield Parish Council, £3000 Adult learning. Village Officer: £5000 Peak Park Authority, the Peak Park also acts as host for this post, £17,892 East Peak Innovation Partnership Grant.</p> <p>The funding package for the community development project is as follows:</p> <ul style="list-style-type: none"> • Salary costs (including on costs) 43k per year (1 and ½ post). • Ecclesfield Parish Council contribution : £7,000 (possible similar contribution for next year) • NHS contribution: £8,000 (possible similar contribution for next year) • Expenses to support the projects (e.g. room hire, training for groups, events) will be met through using other Assembly's Discretionary budget other funding pots including the 7k Community engagement pot and the 5k Supporting local communities pot.
	Total	84		

Overall Carry Forward Requests = £1,171

Scheme Description	Approval Type	Value £000	Procurement Route
<p>GREAT PLACE TO LIVE</p> <p>Long Term Empties – Purchase & Repair</p> <p>The Purchase & Repair Scheme will enable the Council to purchase properties which have been empty for at least 2 years. The scheme will target properties that help the Council meet its strategic housing objectives, increasing the delivery and range of quality affordable homes, in places where people want to live.</p> <p>Once the property has been purchased, it will be renovated to Decent Homes and the HCA Design & Quality Standards, brought into the Council housing stock as permanent Council housing and let on a secure tenancy.</p> <p>Given there is a shortfall of affordable housing in all areas of the City, the Purchase and Repair Scheme will primarily target family houses (3 bed+) in areas where they will be cost effective for the Council to manage. It is likely that these properties will be ex Right to Buy properties in predominantly Council managed areas.</p> <p>The project is funded from a combination of HCA Grant (£538k) and prudential borrowing of (£2,260k). The prudential borrowing interest will be charged to the Housing Revenue Account (HRA). The anticipated total upfront costs for the scheme are therefore £2,798k with an average purchase price of between £60k-£80k per unit, with total costs per unit of £90k. This will include work cost, purchase price, stamp duty, legal and survey costs and all fees. The grant has been agreed in principle and the formal agreement will be signed on approval of the capital investment submission.</p> <p>The scheme does break even in the long term (30 years +) and is being undertaken primarily to address the city's housing needs and help tackle the issue of long term empty properties</p>	Addition	2,798	Existing Decent Homes Contract with Kier Sheffield LLP (2013-14 only pending outcome of contract re-tender)

Homes				
Parks				
<p>Woodlands S106 This project aims to improve access to 7 footpaths and 1 boundary across several woodlands in Sheffield; specifically, at Rivelin Valley, Roe Woods, Wincobank Common, Jervis Lumb, Gleadless Valley, Chancet Wood, Spring Close Dell and Brincliffe Edge Woods. In addition, it will aim to improve the interpretation and signage to 2 Noticeboards, at Rivelin Valley and Brincliffe Edge Woods.</p> <p>The improved signage and interpretation will make the woodlands more welcoming and improve their Sheffield Standard assessment score. The preventing of fly-tipping through barrier control will cut down costs in waste removal and also remove the inherent dangers of this to people, wildlife and the environment.</p> <p>The project is funded by Section 106 monies, all of which have now been received, totalling £72k. A proportion (12%) of the S106 funding is for revenue maintenance, will fund the project's future maintenance.</p>	Addition	63	In House Provider	
<p>Lowfield Pro-fit This project that will set up a live innovative 'field lab' for future research and partnership working (with Sheffield Hallam University) to develop new activity-related through consultation and experimentation. The usage of these items of equipment will then be monitored using motion sensors, to measure the success of these new products are.</p> <p>Success in this pioneering project could lead to further similar schemes being commissioned at other locations in Sheffield.</p> <p>The project adds significant value to the Lowfield MyPlace project. It is a flag ship project for SCC and, as well as significantly enhancing SCC's reputation, it may lead to</p>	Addition	116	Waivers - as suppliers directed by grant provider; except for £25k, which will require a Procurement Strategy to be agreed by Commercial Services.	

<p>further investment in Sheffield's green and open spaces.</p> <p>It is funded by INTERREG IVB North West Europe and as such, strict adherence to European funding regulations needs to be followed. The equipment and Pro-fit is at no cost to SCC and entirely funded through INTERREG, including staff. A requirement of the funding is to work in partnership with Sheffield Hallam University.</p>				
<p>Manor Community Allotments This project has been cancelled to fund playground and pond projects as it gives better value for money. The projects will be submitted for approval in next month's report.</p>	<p>Cancel</p>	<p>(9)</p>	<p>N/A</p>	
<p>COMPETITIVE CITY:- DVS (Don Valley Stadium) Demolition and Re-opening of Woodburn Road Subject to the approval of the decision to withdraw funding and close the Don Valley Stadium (DVS) it is proposed to demolish DVS as soon as possible after its proposed closure on the 30th September 2013.</p> <p>Replacement facilities will be provided by re-opening Woodbourn Road Athletics Stadium (WRAS). WRAS was mothballed two years ago and is therefore in need of refurbishment and re-equipping.</p> <p>Given the decision to close the stadium there is a need to redevelop the site either for further sports use or for residential development so the proposal therefore is to demolish and clear the site regardless of future use.</p> <p>Outdoor athletics is a high profile element of the sporting offer within Sheffield. The actual track at WRAS is the same specification as the track at DVS and therefore is acceptable to both major clubs in the city. In addition there is a practice throws area</p>	<p>Addition Addition</p>	<p>250 345</p>	<p>Competitive tender Competitive tender</p>	

<p>which DVS does not have.</p> <p>In order to minimise the potential for vandalism etc. it is proposed to start demolition as soon as possible after 30th September so contracts will be let and some preparatory survey work carried out in advance of this date. It is estimated that it may take 6 months from when the demolition contractors get on site.</p> <p>WRAS has to be available for use from the end of September 2013 although it is possible to have improvement works being undertaken after this date.</p> <p>A budget price for the demolition of DVS prepared by Council officers indicates a budget price of £250k. This will be a single task contract procured by staff with the relevant expertise.</p> <p>The closure of DVS saves £700k annually which was the amount paid to Sheffield International Venues for the operation of the stadium.</p> <p>The costs so far identified at WRAS for ground clearance and the lighting etc. amount to just below £200k which will be funded from £150k of revenue budget contributions in 2012-13. This is the basic level of provision however incremental enhancement works will be carried out if bids for further grants are successful. This submission seeks authority for the full works (£345k) conditional on receiving the external funding.</p>			
<p>Stocksbridge Leisure Centre (SLS) Demolition</p> <p>Subject to approval of the Council Budget decision to withdraw funds from the Stocksbridge Leisure Centre from 30th April 2013 unless there is a viable business plan forthcoming from either the Stocksbridge Town Council or the community, this proposal seeks Cabinet approval for the demolition of the existing site and its re-instatement to park land. The Land is part of the Oxley Park Charity. The saving to the Council is estimated to be £400k pa.</p>	Addition	105	Competitive tender

<p>The project would be managed by Development Services working to Culture and Environment as a client and would be procured through competitive tendering.</p> <p>Within the 2013-14 Corporate Resource Pool there is a sum of £105k provisionally earmarked for this project.</p>			
<p>INFRASTRUCTURE</p>			
<p>Accommodation Efficiency Strategy</p>			
<p>The project was approved by Cabinet in October 2011. It will deliver substantial accommodation savings and is a key part of the Council's cost reduction strategy.</p> <p>The project is under constant review and this variation reflects the latest cost estimates and business cases for the different locations. The project was originally approved at £11.2m and this variation will bring the approved sum down to £9.4m. The main changes are:</p>			
<p>£m Change</p>			
<p>11.2 Original approval</p>			
<p>Reduction in the City Centre Accommodation package pending delivery of a business case to support -1.2 the spend</p>			
<p>Cancellation of work at Carbrook and Sovereign House where the proposed work has been reviewed and a cheaper -0.3 solution found</p>			
<p>-0.3 Other small cost variations</p>			
		<p>Variation (Cabinet)</p>	<p>(1,734)</p>
			<p>Competitive tender (unchanged)</p>

9.4 New Proposed spend				
<p>This project is fully funded by Prudential Borrowing - the capital and interest repayments are to be met by the accommodation cost savings over a 10 year period. The procurement strategy is unchanged.</p>				
<p>Rationalisation of Council Buildings This project will relocate staff from Osgathorpe Depot to Carbrook and Staniforth Road. The proposed relocation to Staniforth Rd is in line with the Accommodation Efficiency strategy.</p> <p>Demolition of the building should realise a larger capital receipt than if it was sold in situ. The variation follows a professional assessment of the works involved and the additional cost will be met from the Minor Works revenue budget.</p>		Addition	26	Competitive Quotations from Construction Line list
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE</p>				
<p>Stannington Infants Mobile Replace</p> <p>This project is part of CYPF's Mobile Accommodation Strategy which aims to replace or renew mobile classrooms across the estate on a priority led basis to maintain and improve school standards.</p> <p>The project will transfer an existing double mobile classroom currently on the Lydgate Junior School site to Stannington Infant School replacing the existing dilapidated single classroom. The classroom has become available following the completion of heating renewal work project at Lydgate.</p>		Addition	130	Kier Sheffield LLP – Jobs Compact

<p>The project is entirely funded from the DfE Capital Maintenance grant allocation for 2013/14.</p> <p>Tinsley Junior Internal Remodel This project comprises an internal remodel at Tinsley Junior School to facilitate the admission of an additional 8 pupils across all year groups from September 2013 and satisfies the Council's statutory duty to provide sufficient local school places.</p> <p>The additional 8 places are required as a result of increased catchment demand for places and to allow for provision of fair access placements in the area. The extra capacity will allow for an increase in admissions from 67 per year group to 75 per year groups, across the 4 year groups in the school (Y3-Y6).</p> <p>The additional capacity will be achieved through an internal remodel, incorporating the ICT suite, nurture area and former caretaker's house to create two additional classrooms.</p> <p>The project is entirely funded from the DfE Capital Basic Need grant allocation for 2013/14.</p>	Addition	210	Kier Sheffield LLP – Jobs Compact
<p>Hunters Bar NI & I Mobile Replace This project covers the construction of a new single storey classroom block at the Hunters Bar Nursery Infant/ Hunters Bar Junior School site, to replace two existing mobiles which are to be removed as part of the project.</p> <p>The project forms part of CYPF's mobile accommodation strategy which aims to replace or renew mobile classrooms across the estate on a priority led basis. The new single storey build will replace the two mobile classrooms with permanent accommodation. The existing mobiles are in a poor state of repair and will improve pupils' wellbeing and education.</p>	Addition	540	YORBUILD

<p>The securing of improved classroom accommodation at Hunters Bar NI and Jnr schools will contribute towards the Council's objective of maintaining and improving school standards.</p> <p>The project is entirely funded from the DfE Capital Maintenance grant allocation for 2013/14.</p>			
<p>SLIPPAGE / ACCELERATED SPEND:-</p>	<p>None</p>		
<p>EMERGENCY APPROVALS:- (Note only)</p>	<p>None</p>		
<p>EXECUTIVE MANAGEMENT TEAM VARIATIONS: (to note)</p>			
<p>PARKS</p>			
<p>Manor Fields Toddler Play This project will deliver a play area aimed specifically at the toddler age group in Manor Fields Park, together with pond landscape improvements plus associated landscape works to the interface with the garden of York House.</p> <p>The variation re-aligns the previously separated budgets after combining the Manor Fields Lighting, the Manor Community Allotments & the Manor Fields Play Area projects into one project, the Manor Fields Toddler Play scheme: specifically, the variation adds a further £1,210 from the Allotments project to the £35,190 previously authorised at the February 2013 Cabinet Meeting.</p> <p>The projects being progressed as part of this package of work have been identified as priorities in the masterplan document, working in partnership with Green Estate. The</p>	<p>Variation (EMT: as the cumulative variation is £65k)</p>	<p>1</p>	<p>N/A – variation</p>

projects chosen are the ones that will have the biggest impact, can be delivered within the timescale available and that will have minimal maintenance implications in the coming years.				
The project is funded from S106 contributions.				
DIRECTOR VARIATIONS: (to note)				
PARKS				
Hackenthorpe Skate & BMX Tender costs came in above budget and will be covered by using s.106 funds.	Director Variation	5	N/A - variation	
Hollinsend MUGA Additional funding received from the s.106 agreement and will be used for additional planting.	Director Variation	1	N/A - variation	
Ruskin Park Improvements Additional funding from a community group will pay for more outdoor gym equipment.	Director Variation	2	N/A - variation	
RETROSPECTIVE APPROVALS:-	None			

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