

# Cabinet

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**Wednesday 30 November 2016 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**

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Councillor Julie Dore	(Leader of the Council)
Councillor Leigh Bramall	(Deputy Leader/Cabinet Member for Business and Economy)
Councillor Ben Curran	(Cabinet Member for Finance and Resources)
Councillor Jackie Drayton	(Cabinet Member for Children, Young People & Families)
Councillor Jayne Dunn	(Cabinet Member for Housing)
Councillor Mazher Iqbal	(Cabinet Member for Infrastructure and Transport)
Councillor Bryan Lodge	(Cabinet Member for Environment)
Councillor Mary Lea	(Cabinet Member for Culture, Parks and Leisure)
Councillor Cate McDonald	(Cabinet Member for Health and Social Care)
Councillor Jack Scott	(Cabinet Member for Community Services and Libraries)

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Sheffield

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## **PUBLIC ACCESS TO THE MEETING**

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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](http://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. 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 and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

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](mailto:simon.hughes@sheffield.gov.uk).

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## **FACILITIES**

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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.

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**CABINET AGENDA  
30 NOVEMBER 2016**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 1 - 4)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting** (Pages 5 - 16)  
To approve the minutes of the meeting of the Cabinet held on 19 October 2016.
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny**  
The Director of Legal and Governance will inform the Cabinet of any items called in for scrutiny since the last meeting of the Cabinet
- 8. Retirement of Staff** (Pages 17 - 20)  
Report of the Acting Executive Director, Resources
- 9. Proposed Lease of Exchange Place Studios** (Pages 21 - 28)  
Report of the Executive Director, Place
- 10. Library Review 2016 - Future Support Arrangements for Volunteer Run Libraries** (Pages 29 - 146)  
Report of the Executive Director, Communities
- 11. Revenue Budget and Capital Programme Monitoring 2016/17 Month 6 as at 30 September 2016** (Pages 147 - 218)  
Report of the Acting Executive Director, Resources
- 12. China Economic & Civic Programme Update** (Pages 219 - 232)  
Report of the Executive Director, Place
- 13. The JG Graves Charitable Trust: Graves Park Improvement Project** (Pages 233 - 238)  
Report of the Executive Director, Place (NOTE. The

decision is to be made by Cabinet as Trustees of the J.G  
Graves Charity)

**NOTE: The next meeting of Cabinet will be held on  
Wednesday 18 January 2017 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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



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

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

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

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

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

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Cabinet

Meeting held 19 October 2016

**PRESENT:** Councillors Leigh Bramall (Deputy Chair), Ben Curran, Jackie Drayton, Jayne Dunn, Mazher Iqbal, Bryan Lodge, Mary Lea, Cate McDonald and Jack Scott

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**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from the Leader, Councillor Julie Dore.

**2. EXCLUSION OF PUBLIC AND PRESS**

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

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of Cabinet held on 21 September 2016 were approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Public Question in respect of Covert Communications

5.1.1 Nigel Slack commented that it appeared from a South Yorkshire Police budget report that the force was using covert technology to capture data from the public's mobile phones without their consent:-

South Yorkshire Police Report – ‘A 2015/16 budget item called “IMSI Covert Communications” was earmarked £144,000. A separate line in the same budget - again called “CCDC” (covert communications data capture) – was allocated an identical amount - £144,000. South Yorkshire Police confirmed that “CCDC” and “IMSI Covert Communications” were the same budget item.

Mr Slack therefore asked were the Council aware of this system and its use? Were the Council's representatives on the Police and Crime Panel aware of this system and its use?

5.1.2 As a Member of the Police and Crime Panel, Councillor Jackie Drayton, Cabinet Member for Children, Young People and Families, commented that she had not seen a budget at any of the meetings which she had attended but would investigate further.

5.1.3 Councillor Jayne Dunn, Cabinet Member for Housing, added that she oversaw the Communities aspect of the budget but did not see the whole budget.

5.2 Public Question in respect of Council Development Policy

5.2.1 Nigel Slack commented that the Development Manager of the Moor redevelopment by Aberdeen Assets had commented on the failure of some of the tenants (Debenhams) to maintain their buildings, thereby detracting from the planned new builds in the area. As the owners of the land, Mr Slack was surprised that the best they could do was 'hope' this will change with the new developments. How could the Council assist in enforcing some form of refurbishment for these deteriorating buildings? Whether paid for by the tenants or the owners was immaterial.

5.2.2 Councillor Leigh Bramall, Cabinet Member for Business and Economy, responded that there were some powers in respect of enforcing building repairs but they had to be in a particular condition where they were a danger to the public and there was no evidence that the Debenhams building was in that state. However, Debenhams had stated that if the New Retail Quarter was completed in full they would refurbish their building.

5.3 Public Question in respect of European Union Development Funding

5.3.1 Nigel Slack commented that recent reports suggested that Sheffield had received less than 3% of potential £97m ERDF funding. Were the Council planning to apply for any of the remaining funding before the Autumn Statement? If not, how will they ensure the reported conditions of meeting UK priorities and value for money were met?

5.3.2 Councillor Leigh Bramall responded that he had asked officers for specific details on this. Current EU funding was from 2015 so this was very early on in the process as it was usually spent at the back end of the project. The Council would spend as much as it could do for particular projects but it needed to have appropriate projects to fund and there were many conditions which needed to be met before funding was granted.

5.3.3 It was important to utilise funding as much as possible and the Council would continue to press the Government to get the full allocation that should have been received, which was being undertaken through various channels.

5.4 Public Question in respect of Housing Development

5.4.1 Nigel Slack stated that he was interested to hear at Monday's SheffEx Conference that developers were planning considerable numbers of new housing for 'East Sheffield', better known to many as Attercliffe. With the already serious air quality problems in that area affecting health, was this really an advisable solution to the housing issues the City faced, introducing family homes into overly polluted areas of the City?

5.4.2 Perhaps, Mr Slack added, the Council would make it a condition of such planning

that 'Smog Towers' of the kind currently under evaluation in Beijing, China will be located to scrub the air in these locales?

- 5.4.3 Councillor Mazher Iqbal, Cabinet Member for Infrastructure and Transport, commented that he was not at the Conference referred to by Mr Slack, so could not comment on what was said, but he welcomed housing development in the City as there was currently a shortage.
- 5.4.4 In respect of pollution, each planning application would be judged on its own merits and have the relevant checks and balances. Councillor Iqbal was aware that there was an issue in respect of air quality near to junction 31 of the M1 motorway but there was good public transport available in the area and the Bus Rapid Transit scheme had been introduced. There had also recently been a new fleet of hydrogen vapour buses announced.
- 5.4.5 Councillor Leigh Bramall added that he had read the article referred to by Mr Slack about the "Smog Towers" and believed that this was new technology which had not been tested and he was therefore not sure if this would make a material difference to air quality in the area. The key was introducing the appropriate measures which would work in the long term.

5.5 Public Question in respect of Procurement of Healthwatch Sheffield Service

- 5.5.1 Nigel Slack referred to the report in respect of the procurement of the Healthwatch Sheffield service, on the agenda for today's meeting, and asked if the Council would stop using the word 'consumer' in such reports. In Mr Slack's opinion, the use of this word indicated, intentionally or otherwise, a propensity to see Council and Health Services as naturally outsourced services. This was unhelpful for the public's perception, even if that contract was likely to be outsourced to the third sector.
- 5.5.2 Councillor Cate McDonald, Cabinet Member for Health and Social Care, commented that she had a lot of sympathy for the comments in Mr Slack's question. However, the contract was set within a national context and consumerism did not necessarily mean outsourcing, it was about the language of choice. The Council would continue to use a range of terms as appropriate but Councillor McDonald wanted to stress that this was not simply about outsourcing.

5.6 Public Question in respect of Health and Safety for Volunteers

- 5.6.1 Martin Brighton asked did the Council agree that volunteers who did work that would otherwise be Council work, such as tree-felling, be expected to take the same statutory health and safety measures (or, for that matter, any other statutory requirement – it was the principle involved) as Council employees?
- 5.6.2 Councillor Jack Scott, Cabinet Member for Community Services and Libraries, stated that he did agree with this.

5.7 Public Question in respect of Health and Safety

5.7.1 Martin Brighton asked did the Council consider it acceptable that managers allowed, condoned and even encouraged, such activities, as highlighted in the previous question, in the knowledge that health and safety measures (or for that matter any other statutory requirement – it was the principle involved) were not engaged?

5.7.2 Councillor Jack Scott commented that he would not find this appropriate and would expect that reasonable safeguards and supervision were in place. If Mr Brighton wished to provide specific examples where he believed that this was not happening, he was at liberty to do so.

5.8 Public Question in respect of Voluntary Work

5.8.1 Martin Brighton asked was the financial value of the work that volunteers did, that would normally be carried out by the Council, recorded anywhere as an off-set against Council costs for the afforded budget e.g. wages saved by not having to pay Council workers, Contract fee savings, etc.?

5.8.2 Councillor Jack Scott commented that this was not recorded and he would expect voluntary groups to undertake their own assessment and report back to the Council.

5.9 Public Question in respect of Tenants' and Residents' Associations (TARAs)

5.9.1 Martin Brighton asked, for TARAs, although applicable ubiquitously to any allegedly independent voluntary community groups, was it reasonably expected that the TARA volunteers will run their own public TARA meetings, or alternatively, and over a considerable period, did the Council run such meetings, along with the associated TARA administration?

5.9.2 Councillor Jayne Dunn responded that the Council provided support where appropriate and she would expect TARAs to follow the TARA Recognition Policy.

5.10 Public Question in respect of Feedback to Volunteers

5.10.1 Martin Brighton asked where volunteers (or respective groups) give up their time to provide the Council with both ideas and requests for ostensibly mutually advantageous projects, was it reasonable to expect that the Council will provide feedback of how these ideas were incorporated into the Council's final plans and how the requests from those volunteers were met, with reasons if not met?

5.10.2 Councillor Jack Scott commented that he was aware of a large number of examples where the Council had utilised volunteers' input and if Mr Brighton was aware of any instances where this was not the case, he was at liberty to provide these examples if he wished.

5.11 Public Question in respect of Citizen Engagement

5.11.1 Martin Brighton asked at what point should citizen engagement commence for a consultation exercise: when a Council decides a policy review was desirable,

when the policy review commenced or after the Council had completed its policy review?

- 5.11.2 Councillor Leigh Bramall responded that the Council had to meet its lawful requirements in respect of consultation. It was difficult to say when consultation should take place as it differed on a case by case basis depending on the topic.

## **6. ITEMS CALLED-IN FOR SCRUTINY**

- 6.1 It was reported that the decision of Councillor Jack Scott, Cabinet Member for Community Services and Libraries, in relation to the Asset of Community Value nomination for the University Arms, Brook Hill had been called-in for Scrutiny and would be considered by the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee at its meeting to be held on 20 October 2016.

## **7. RETIREMENT OF STAFF**

- 7.1 The Acting Executive Director, Resources 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 Children, Young People and Families Portfolio:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
Jill Hallsworth	Headteacher, Hunters Bar Junior School	38
Sallie Sell	Domestic Assistant, Mossbrook Primary School	28

(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. PROCUREMENT OF HEALTHWATCH SHEFFIELD SERVICE**

- 8.1 The Executive Director, Communities submitted a report describing plans for procuring a Healthwatch Sheffield service to operate from 1<sup>st</sup> April 2017.

8.2 **RESOLVED:** That:-

- (a) Sheffield City Council (SCC) commissions Healthwatch Sheffield core service via formal commercial tender process in the interests of the citizens of Sheffield and to ensure that SCC statutory duties are fulfilled;

- (b) the service be known as “Healthwatch Sheffield”;
- (c) the new contract is let for a period of 5 years with options to extend for up to 2 further years; and
- (d) authority to initiate the tender process and award the contract to the most suitable bidder be delegated to the Director of Commissioning in consultation with the Cabinet Member for Health and Social Care.

### **8.3 Reasons for Decision**

- 8.3.1 During February and March 2016, SCC undertook a soft market test to determine if there were sufficient qualified, able and interested organisations to make a full tender process worthwhile. Five detailed responses were received, four of which were from existing local Healthwatch organisations. This offers strong evidence of a vibrant provider market and supports the recommendation to go out to the market with a full commercial tender.
- 8.3.2 Local Authorities must follow a robust selection process to ensure high quality outcomes, accountability and value for money and enter into a commercial agreement with their local Healthwatch.
- 8.3.3 Local Authorities are bound by domestic and European legislation as well as the Standing Orders of the Council when it comes to entering into commercial relationships.
- 8.3.4 Due diligence in identifying our ongoing partner to deliver Healthwatch Sheffield is of strategic importance and a full commercial tender continues to be the best mechanism to offer the required level of diligence and compliance with Council Standing Orders.

### **8.4 Alternatives Considered and Rejected**

- 8.4.1 Healthwatch is a statutory provision that SCC has to provide through a third party. The legislation requires SCC to enter into a commercial agreement with a body to provide the service and therefore ‘doing nothing’ and allowing the contracts to expire is not an option.
- 8.4.2 Other Local Authorities have used different mechanisms to commission their local Healthwatch, for example entering into strategic partnerships or grant funding arrangements.
- 8.4.3 SCC made the decision to commission Healthwatch Sheffield via an open tender process; the service was let under a commercial contract with clear extension options and contract end date.
- 8.4.4 The current contract for Healthwatch Sheffield will end at the end of March 2017 and arrangements are required to be made to procure a provider from April 2017.



- 8.4.5 Due diligence in identifying our ongoing partner to deliver Healthwatch Sheffield continues to be of primary importance. A full commercial tender, rather than a grant award, is recommended as the best mechanism to ensure the required level of diligence, compliance with Council Standing Orders and avoid challenge.

## **9. CONSULTATION ON PROPOSALS RELATING TO CHILDREN'S CENTRES**

- 9.1 The Executive Director, Children, Young People and Families submitted a report requesting permission to consult on a proposal to re-organise children's centres into an integrated locality model across 7 areas. The report set out in principle, proposals to redesign children's centres; developing a new delivery model based on family centres for 0 -19 year olds (0-25 years old if the young person has a disability) located in the 20% most deprived areas of the City within 7 locality areas, with services being available across Sheffield from link and outreach sites including community venues and in the home.

- 9.2 **RESOLVED:** That Cabinet gives permission to consult on the proposal outlined in the report to redesign Children's Centres; developing a new delivery model based on 0-19 Family Centres (0-25 years old if the young person has a disability) located in the 20% most deprived areas of the City within 7 locality areas, with services being available across Sheffield from link and outreach sites including community venues and in the home.

### **9.3 Reasons for Decision**

- 9.3.1 There is a statutory duty on the local authority to provide early childhood services and children's centres, and a statutory duty to consult in relation to changes affecting those children's centres, as detailed in paragraph 4.3.1 of the Executive Director's report.

The Munro review of child protection calls for local authorities to take a greater focus on preventative services, providing Early Help to children and families and summarises three key messages:

- Preventative services will do more to reduce abuse and neglect than reactive services
- Coordination of services is important to maximise efficiency and with preventative services
- There needs to be good mechanisms for helping people identify those children and young people who are suffering or likely to suffer harm from abuse or neglect and who need a referral to children's social care

Munro, (2011), The Munro Review of Child Protection: final report, DFE

The All Party Parliamentary Group on Sure Start Children's Centres 2015 pre-election report states that 'One of the greatest strengths of Children's Centres has always been their capacity to join up a wide range of services around a child to provide a true "holistic" model of support'.

The report continues to state that 'the ultimate aim should be to position children's

centres at the heart of service provision in their communities, to enable them to provide the sort of holistic offer we know to be valued and effective’.

The Centre for Social Justice argued that ‘children’s centres should become “Family Hubs” which enable parents to access all family related support including universal support and specialist help to meet their most pressing needs’.

Councils should ensure that Children’s Centres form part of their wider early help strategy and provide differentiated support to children and families according to their needs by:

- Offering access to integrated information and support to all prospective parents, new parents and parents of children.
- Encouraging and providing access to early help and targeted support for children and families who experience factors which place them at risk of poor outcomes
- Helping families to access appropriate wider and specialist support to meet their needs.

There is a need to align to the early help model when redesigning children’s centres. Family centres will be a gateway to services for all families in their local community, recognising that targeted interventions and outreach services are vital in supporting the families who need it the most.

#### **9.4 Alternatives Considered and Rejected**

- 9.4.1 The alternative approach would be for the Council to continue to deliver Children’s Centre Services from 16 standalone centres. This approach does not align to the principles set out in the early help model, the Best Start ‘A Great Start in Life’ strategy, the SEND reform and Working Together to Safeguard Children which are underpinned by delivery of services based in localities where services work together to achieve improved outcomes for families as close to their homes and communities as possible.

Fundamental to the proposal is a whole household approach, by not extending the age range of services and developing Family Centres with link and outreach sites, the alternative would be to continue to deliver services to families pre-birth to five years old. This would not support the provision of integrated early help for families, would not align to the early help services for families aged five to eleven years or to the targeted youth support service, leading to more negative outcomes for both children and families.

### **10. MEDIUM TERM FINANCIAL STRATEGY 2017-22**

- 10.1 The Acting Executive Director, Resources submitted a report providing Members with details of the forecast financial position of the Council for the next 5 years and recommending the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

10.2 **RESOLVED:** That Cabinet:-

- (a) notes the forecast position for the next 5 years, as set out in the report now submitted;
- (b) agrees the approach to budgeting and business planning outlined in the report;
- (c) agrees to delegate authority to the Acting Executive Director, Resources, in consultation with the Cabinet Member for Finance & Resources, to apply to take up the multi-year settlement supported by the Efficiency Plan at Appendix 6 of the report;
- (d) endorses one of the key points of the Council's response to the Government's consultation on 100% Business Rates Retention, namely the call for Improved Better Care Fund Grant to be brought forward; and
- (e) agrees the following approach to capital planning:
  - Maximise flexibility in capital resources including New Homes Bonus, capital receipts and Community Infrastructure Levy (CIL) to ensure that Council-wide objectives are achieved.
  - Review policies in relation to Affordable Housing, CIL and New Homes Bonus to ensure that the generation of these funding streams is optimised.
  - Reaffirm the existing Corporate Resource Pool (CRP) allocation principles.

10.3 **Reasons for Decision**

- 10.3.1 To provide a strategic framework for the development of budget proposals and the business planning process for 2017/18 and beyond.

10.4 **Alternatives Considered and Rejected**

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

11. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING MONTH 5 AS AT 31 AUGUST 2016**

- 11.1 The Acting Executive Director, Resources submitted a report providing the month 5 monitoring statement on the City Council's 2016/17 Revenue and Capital Budget as at 31<sup>st</sup> August 2016.

**11.2 RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by this report on the 2016/17 Revenue Budget position;
- (b) approves the budget virement proposed by the Communities Portfolio detailed in paragraph 10 of the report;
- (c) approves additional funding to support the delivery of the Local Plan detailed at paragraph 39 of the report, subject to delivery of specific milestones, the project will be funded from Reserves and repaid from future efficiencies to be identified by the Director of Development Services as part of the Council's Business Planning process in the Place Portfolio, the profile of funding support and repayment is to be delegated to the Interim Director of Finance and Commercial Services in consultation with the Head of Planning. Should alternative funding become available e.g. central government grant, this could be used instead;
- (d) in relation to the Capital Programme:-
  - (i) approves the proposed additions to the Capital Programme listed in Appendix 6.1 of the report, including the procurement strategies and delegations of authority to the Interim Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
  - (ii) approves the proposed variations, deletions and slippage in Appendix 6.1 of the report;
  - (iii) approves the acceptance of the capital grant detailed in Appendix 6.2;
  - (iv) notes the variations authorised by Directors under the delegated authority provisions, outlined in Appendix 6.1; and
  - (v) notes the latest position on the Capital Programme.

**11.3 Reasons for Decision**

- 11.3.1 To record formally 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.

**11.4 Alternatives Considered and Rejected**

- 11.4.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the

constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

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# Agenda Item 8



**Author/Lead Officer of Report:**  
Simon Hughes/Principal Committee Secretary

**Tel:** 27 34014

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

**Report to:** *Cabinet*

**Date of Decision:** *30 November 2016*

**Subject:** *Staff Retirements*

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

**Purpose of Report:**

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

**Recommendations:**

To recommend that Cabinet:-

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

**Background Papers: None**

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



1. **PROPOSAL**

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

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
-------------	-------------	---------------------------

**Children, Young People and Families**

Richard Broad	Teacher, Limpsfield Primary School	29
Carlton Lee	Buildings Supervisor, Meersbrook Bank Primary School	25
Avril Read	Senior Supervisory Assistant, Holt House Infant School	26

**Communities**

Carol Sturch	Advance Practitioner	25
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**Place**

Trevor Scott	Principal Planning Officer	29
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**Author/Lead Officer of Report:**  
**Neil Jones City Regeneration Division**  
**Tel: 2735539**

**Report of:** Simon Green  
**Report to:** Cabinet  
**ate of Decision:** 30 November 2016  
**Subject:** Proposed Lease of Exchange Place Studios

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

**Purpose of Report:**

Yorkshire Artspace Society Ltd is one of the largest and most established providers of artists studios in the UK currently offering affordable workspace to over 150 artists and craftspeople in three buildings in Sheffield. One of these buildings, Exchange Place Studios at Castlegate, is leased on a temporary basis from the Council and this report seeks authority to grant a permanent lease of that building in order to secure investment from the Arts Council for major refurbishment.

This investment will add to the vibrancy, cultural attraction and reinvigoration of the Castlegate area and wider City Centre and has economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries. It also has social benefits as Yorkshire Artspace are committed to offering public access to artists and their work and have a very proactive programme of community engagement specifically targeted at disadvantaged neighbourhoods and multicultural communities, together with training and support for young people including

apprenticeships.

In order to secure the Arts Council funding the Council is being asked to support the project by granting the lease at less than the full open market value. In order to protect the Council's future interests it is proposed to include an option for the Council to re-purchase the property in 40 years time at the original price.

**Recommendations:**

That Cabinet approves the proposals to enter into the agreement to grant a lease of property at Exchange Place to Yorkshire Artspace Society Ltd on the terms set out in this report.

That Cabinet delegate authority to the Executive Director Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this transaction

That the Director of Legal and Governance be authorised to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interests

**Background Papers: N/A**

Lead Officer to complete:-				
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.			
	Finance: Paul Schofield			
	Legal: David Sellars			
Equalities: <i>(Insert name of officer consulted)</i>				
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>				
2	<b>EMT member who approved submission:</b> Simon Green			
3	<b>Cabinet Member consulted:</b> Ben Curran			
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.			
	<table border="1"> <tr> <td><b>Lead Officer Name: Neil Jones</b></td> <td><b>Job Title: Partnerships Team Manager, City Regeneration Division</b></td> </tr> <tr> <td><b>Date:</b></td> <td></td> </tr> </table>	<b>Lead Officer Name: Neil Jones</b>	<b>Job Title: Partnerships Team Manager, City Regeneration Division</b>	<b>Date:</b>
<b>Lead Officer Name: Neil Jones</b>	<b>Job Title: Partnerships Team Manager, City Regeneration Division</b>			
<b>Date:</b>				

## **1.0 PROPOSAL**

- 1.1 Yorkshire Artspace Society (YAS) is one of the largest and most established providers of artists studios in the UK currently offering affordable workspace to over 160 artists and craftspeople. They have three buildings in Sheffield; Persistence Works in the Cultural Industries Quarter; Manor Oaks and Exchange Place at Castlegate. Persistence Works is on a long lease from the Council and Manor Oaks Studios are on a short lease with Green Estate. The rental income from the studios covers all the running costs and management of the studios with any surplus, together with revenue support from the Arts Council, funding artist's professional development, public events and community engagement.
- 1.2 The Exchange Place studios are in an attractive art deco building which was part of the former SYPTE offices at Castlegate. The building had been vacant for several years before the Council purchased it in April 2013 in order to complete our ownership around the former Castle Market as shown on the attached plan. The purchase also included a former canteen building which has been demolished as part of the markets demolition contract. The River Sheaf runs in a culvert beneath that area and it is intended to de-culvert the river and consolidate the vacant land with the adjoining Council ownership.
- 1.3 The art deco building was in a fairly poor condition but rather than leave it vacant it was agreed to grant YAS a temporary lease for 5 years as they have a good track record of managing studios and a waiting list of artists wanting space. This had the financial benefit to the Council of removing costs of management, security and business rates of approximately £75,000pa as well as the advantage of bringing new activity to Castlegate at a time when the area is becoming increasingly vacant due to the closure of the markets.
- 1.4 YAS have spent over £200,000 on repairs, and adaptations/subdivision to create studio spaces and have been very pleased with the 100% take up of the studios and the amount of public engagement that they have attracted through events, exhibitions and temporary pop-up shops. They have held several weekend events that have each attracted well over 1,000 people, many of whom had never visited artists studios before
- 1.5 Due to the success of the temporary use of the studios YAS are now keen to secure the property on a long term basis. YAS intend to submit a bid to Arts Council England for a capital grant to purchase the property on a long lease from the Council and carry out a comprehensive refurbishment. The proposed works include replacing the roof and windows as well as restoring the attractive art deco exterior, internal decorations of common areas, refurbishment of the lift and providing 24/7 access for people with disability. Ownership of the refurbished building will underpin income generation and sustainability for the organisation into the future.
- 1.6 The use of the property by YAS fits well with our aspirations for the wider Castlegate in future both in terms of vibrancy and visitor attractions and small scale creative and digital uses. It also attracts new investment and maintains momentum for the regeneration of the area whilst we work up the wider Castlegate project which will take several years to deliver. However, in order to secure the investment the Arts Council requires some form of financial commitment from the City Council toward the project as explained in section 4.2 below.

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

- 2.1 The proposal will contribute to the Corporate Plan priority of a Strong Economy. In particular this will help to drive the regeneration of the Castlegate area; attract investment to build a vibrant city centre and widen our offer of distinctive cultural assets. This has economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area.
- 2.2 Community engagement by YAS will include activities and programmes specifically targeted at disadvantaged neighbourhoods and multicultural communities together with training and support for young people including apprenticeships.
- 2.3 The Council will use its powers as both statutory planning authority and as landlord in approving any proposals to ensure that the refurbishment is as environmentally sustainable as economically possible. The refurbishment will significantly improve the current environmental performance of the building. The works will include replacing the roof and windows as well as restoring the attractive art deco exterior.

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

- 3.1 It has not been considered necessary to carry out specific consultation on these proposals

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

#### **4.1 Equality of Opportunities Implications**

- 4.1.1 S149 Equality Act 2010 sets out what is referred to as the Public Sector Equality Duty. The council must, in all of its decision making, have regard to the obligation;
  - (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
 There are no differential equality implications arising from the recommendations in this report. However, as proposals are further developed, they will be assessed for potential differential equality of opportunity implications on a case by case basis and Equality Impact Assessments will be carried out as required.
- 4.1.2 YAS have a commitment to equal opportunities for all studio holders, visitors and staff and it is their intention that the development captures social and educational opportunities. The artists with studios at Exchange Place are from increasingly diverse backgrounds in terms of ethnicity, disability and age range. YAS believe that this is largely due to the location of the property close to inner city residential communities and the fact that the studios are welcoming to artists and visitors who may not have had formal arts education or training.
- 4.1.3 YAS are also committed to offering public access to artists and their work and have a very proactive programme of community engagement specifically targeted at disadvantaged neighbourhoods and multicultural communities together with training and support for young people including apprenticeships.

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

- 4.2.1 As stated above the Exchange Place property is owned by the Council and forms part of the wider site of the former Castle Market. It was purchased from South Yorkshire Integrated Transport Authority in April 2013 together with adjoining property for £400,000. As explained at para 1.2 part of the property that was purchased has since been demolished and it is intended to open up the culvert to

expose the River Sheaf leaving an area to the west of the river that will be consolidated with the rest of the Council ownership of the former market.

- 4.2.2 YAS have recently obtained an independent valuation of just the Exchange Place studios building at £410,000 based on refurbishment as student flats. The Arts Council capital programme that YAS are applying to has a maximum award of £500,000 and YAS have estimated that the refurbishment works will cost over £300,000. The Arts Council will insist as a condition of capital grant funding that the City Council provide some level of financial support to the project. It is therefore proposed that the property is leased to YAS on a 100 year lease at a discounted premium of £200,000.
- 4.2.3 When the property was originally purchased it was funded using New Homes Bonus on the grounds that the acquisition would assist in the wider regeneration of Castlegate making it more attractive to residential developers in future and that the Exchange Place building could potentially be converted to residential use.
- 4.2.4 The internal business case to justify the purchase assumed that the property (including the remaining surplus land) would be sold for approximately £500,000. The business case also assumed that the Council would need to fund the costs of management, security and business rates until such time as the property was sold. The difference between the future value and total costs including demolition, SDLT and fees projected a potential net loss of approximately £300,000. This was considered to be reasonable given the considerable wider regeneration benefits and potential for some future New Homes Bonus receipts.
- 4.2.5 As stated at para 1.3 leasing the property to YAS on a short term basis has saved the Council a large element of the management costs etc and we have only spent £25,000 on business rates. There has also been approximately £100,000 paid in SDLT, fees and demolition so the total cost to date is £525,000. It is reasonable to assume that part of the surplus land could be sold in future with adjoining Council land for approximately £100,000.
- 4.2.6 Therefore if Cabinet agrees to the long lease to YAS at £200,000 the net cost to the Council would be £225,000, so slightly less than originally projected. However, if the property were to be sold at the current market value of £410,000 then there would be virtually no net loss. However the regeneration impacts from a refurbishment as student flats would be lower.
- 4.2.7 The property is within an area of the City Centre that will potentially have a significant uplift in value in future once wider regeneration progresses. It is therefore proposed to protect the Council's future interests by including an option for the Council to repurchase the property in 40 years time at the original £200,000 price.
- 4.2.8 YAS have accepted this but are concerned that in the event that some major capital works are needed at a future date they may not be able to raise the funding if they only have a relatively short period on the lease before the Council can serve the buy-back option. It is therefore proposed that at any time after 25 years YAS can serve 6 months notice on the Council requiring that we either exercise the buy-back option or it falls away.
- 4.2.9 In the event that YAS are not successful in securing the proposed grant from the Arts Council the 100 year lease and buy-back option will not be granted unless YAS are able to secure alternative funding to refurbish the property within an agreed period.

### **4.3 Legal Implications**

- 4.3.1 The lease of the property to YAS is classed as a disposal of the land, which is being granted at an undervalue. Under s123 Local Government Act 1972, the Council cannot dispose of property for less than the best price reasonably obtainable, unless it obtains the consent of the Secretary of State. Pursuant to the powers conferred by section 128(1) of the 1972 Act the Secretary of State has issued the General Disposal Consent (England) 2003. Where the terms of a proposed disposal fall within the scope of this consent there is no requirement to obtain a specific consent for it. This consent permits the disposal of land at an undervalue of up to £2,000,000 where the Council considers that it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area.
- 4.3.2 As stated in the Financial and Commercial Implications section of this report, the property is currently valued at £410,000 and it is proposed to dispose at a premium of £200,000. This means that the proposal would fall well within the threshold of £2,000,000 permitted under the terms of the General Disposal Consent. The proposed option to repurchase the property at the original price also gives the Council additional opportunity to generate a much higher value in the future.
- 4.3.3 In determining whether the disposal will help to secure the promotion or improvement of the economic, social or environmental well-being of its area the consent states that the Council should have regard to its Sustainable Community Strategy prepared pursuant to Section 4 of the Local Government Act 2000. It is considered that the use of the property as detailed in this report would help to deliver the vision for Sheffield as a sustainable community set out within the City Strategy. On that basis, there will be no requirement to obtain a specific consent from the Secretary of State for the grant of the proposed lease to YAS.

### **5.0 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council could continue to hold the property for the next few years before seeking to dispose on the open market and may achieve a higher value if it did so. However future values cannot be guaranteed and potential uses may not have the same vibrancy and economic benefits for the regeneration of Castlegate as the proposed disposal to YAS.
- 5.2 The property was empty for several years after SYPTE vacated as it proved difficult to find a purchaser or tenants prepared to take the property on in its poor condition. If the proposal to grant a long lease to YAS is not approved then YAS would be likely to stay in on a temporary basis but without a long term interest they may take a less proactive approach to maximising the studio use and wider events in Castlegate. There is a limited risk that YAS may decide to vacate in which case the Council would incur management costs until such time as the property could be sold.
- 5.3 As a further alternative the Council could consider using its own capital resources to carry out the refurbishment works rather than an Arts Council grant and charge YAS a higher rent to recover those costs. However the Council's capital programme has limited capacity and this may not be seen as a high priority for the use of limited funds. As stated at 1.1 the YAS business model for all of their properties is based on the rent from the studio holders covering the running and management costs with any surplus used for artist's development, public events and community engagement.



It is therefore unlikely that YAS would be able to pay more than a nominal rent to the Council.

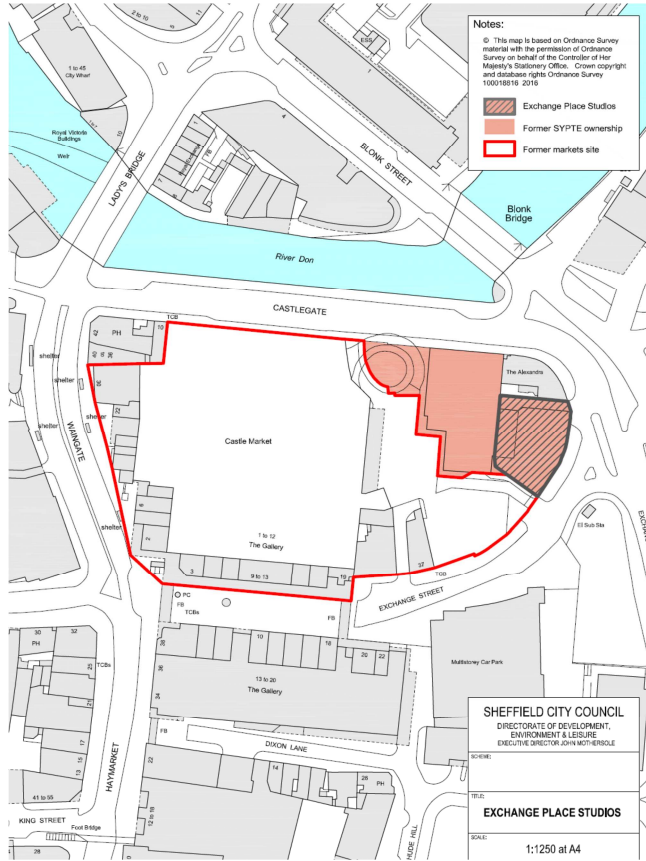
## **6.0 REASONS FOR RECOMMENDATIONS**

- 6.1 The proposed refurbishment of the Exchange Place Studios will be a major boost for the cultural attraction of the City Centre and the Castlegate area in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area.
- 6.2 It is important to ensure that the closure and demolition of the former markets building does not result in a decline at Castlegate and that investment is secured into new projects that will help to transform the area.
- 6.3 The proposal to grant a lease for 100 years at a premium of less than the full open market value will potentially unlock a grant from the Arts Council of £500,000. The refurbishment of the property will benefit a Council owned asset which is currently in a poor state of repair.
- 6.4 The proposed option to repurchase the property at the original price also gives the Council additional opportunity to generate a much higher value in the future.

## **7.0 RECOMMENDATIONS**

- 7.1 That Cabinet approves the proposals to enter into the agreement to grant a lease of property at Exchange Place to Yorkshire Artspace Society Ltd on the terms set out in this report.
- 7.2 That Cabinet delegate authority to the Executive Director Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this transaction
- 7.3 That the Director of Legal and Governance be authorised to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interests

**Simon Green Executive Director Place**





**Author/Lead Officer of Report: Nick Partridge/Dawn Shaw**

**Tel: 0114 2734751**

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**Report of:** *Laraine Manley*  
**Report to:** *Cabinet*  
**Date of Decision:** *30<sup>th</sup> November 2016*  
**Subject:** *Library Review 2016 – Future support arrangements for Volunteer run libraries*

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

Which Cabinet Member Portfolio does this relate to? Libraries and Community Services

Which Scrutiny and Policy Development Committee does this relate to? Safer and Stronger Communities

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

If YES, what EIA reference number has it been given? 942

Does the report contain confidential or exempt information? Yes  No

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

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

## **PURPOSE OF THE REPORT**

The existing support package for volunteer run libraries is due to end on 31<sup>st</sup> March 2017. This report looks at what support is needed after this date, to enable the volunteer run libraries to be viable and stable into the future.

In February 2014 Cabinet approved a proposal for the future of Sheffield's Library services. This led to the creation of 11 Council run hub libraries, and along with the Home library service and Central library this contributes to the Councils Statutory duty to provide a comprehensive and efficient library service (Library and Museums Act 1964). The Council wished to keep as many libraries open as possible beyond the core service, and with support from the communities of Sheffield, 5 Co-delivered libraries and 11 Associate libraries have been established, and are run by volunteers.

This report identifies the need for Associate and Co-delivered libraries to have continued support from SCC, looking at benefit and risk. Three surveys have been conducted to gain information about needs and aspirations from the Public, Library Staff and the groups running the Associate and Co-delivered libraries.

The funding for this continued support has to be identified as part of the Council's overall 2017-18 budget, so this report agrees the continuation in principle, subject to finalising funding through the budget process. The timescale for this will be the budget Council in the first week of March 2017 at the latest.

An EIA also informs the recommendations. Appendix 1 entitled 'Review of the support package' evaluates each offer described in the cabinet report of February 2014, against the feedback provided in the surveys undertaken in 2016.

## **RECOMMENDATIONS**

The recommendations to Cabinet are:

- (1) Continue support for Associate libraries until 31<sup>st</sup> March 2020 to assist their viability and stability. A support package to the value of £262k in year 1 that maintains the level of support provided from 2014-2017. For year 2 support package will not be less than 80% of £262k, and in year 3, not less than 70% of £262k, subject to identifying the funding as part of the 2017-18 budget process.
- (2) The support package to include a grant pot, a new book fund, a small marketing fund, and the operational costs of the Associate libraries remaining on the Library Management System. A breakdown of the support package is listed in Section 1 'Proposal'.
- (3) Continued support for the Associate and Co-delivered libraries until 31<sup>st</sup> March 2020 where this can be resourced by the Library, Archives and Information Service (LAIS) with existing staff and core budget. This includes support from SCC run Hub libraries, advice and support with local and national initiatives, I.T support and training relating to the Library Management System.

- (4) Continued support for Co-delivered libraries to 31<sup>st</sup> March 2020. Co-delivered libraries receive the same offer as SCC's Hub libraries without the staffing and funded from LAIS core funding. Building running costs are paid directly by LAIS. Co-delivered libraries may be re-charged for running costs that are above the budget due to extended non-library usage of the building.
- (5) Future funding and support for Associate and Co-delivered libraries for years 4 and 5 (2020/21 and 2021/22) will be delegated for decision by Cabinet Member and Executive Director.
- (6) Provision of the Library Management System, I.T., maintenance and related software, supplied via the corporate wide contract, will be free of charge until 2019, when this will be reviewed as part of corporate IT contract negotiations.

**Background Papers:**

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

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Liz Gough
		Legal: Steve Eccleston
		Equalities: Liz Tooke
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	Eugene Walker, Acting Executive Director, Resources
3	<b>Cabinet Member consulted:</b>	Jack Scott Cabinet Member for Community Services and Libraries
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Nick Partridge	<b>Job Title:</b> Service Manager, Libraries, Archives & Information Service
	<b>Date:</b> 3 <sup>rd</sup> November 2016	

## Report to the Cabinet

### REPORT TITLE: Library Review 2016 – Future support arrangements for Volunteer run libraries

## 1 PROPOSAL

### 1.1 Introduction

In February 2014 Cabinet approved a proposal for the future of Sheffield's Library services. This led to the creation of 11 Council run Hub libraries, and along with the Home library service and Central library this contributes to the Council's Statutory duty to provide a comprehensive and efficient library service (Library and Museums Act 1964).

The Council wished to keep as many libraries open as possible beyond the core service, and with support from the communities of Sheffield, 5 Co-delivered libraries and 11 Associate libraries have been established, and are run by volunteers.

To establish the Associate libraries a funding & support package was agreed from Council funds to the value of £262k per year for 3 years ending 31st March 2017. The support and running costs for the 5 Co-delivered libraries have been met from the Library, Archives and Information service core budget for a pilot period of 2 years, later extended to 3 years in line with Associate libraries.

This report identifies the need for Associate and Co-delivered libraries to have continued support from SCC, looking at benefit and risk.

Three surveys have recently been conducted to gain information about needs and aspirations from the Public, Library Staff and the groups running Associate and Co-delivered libraries. An EIA also informs the recommendations.

Surveys undertaken July-August 2016:

- A public survey with 2136 responses
- A front line library staff survey with completed by 47 staff
- A survey of Associate and Co-delivered libraries, 11 of 15 volunteer libraries responded.

### 1.2 Key Challenges

A key challenge is how to ensure there is an appropriate balance between the independence of the Volunteer run libraries and the controls required to enable them to remain on the Council's Library Management System and the support package provided.

If the Council limits or reduces its support, some volunteer run libraries may not be viable, and if too much support is given, they might be regarded as statutory agents that would limit opportunities for them to gain external funding.

Communicating the difference between Associate and Co-delivered libraries has also been a challenge. The original proposal for the future of Sheffield's library services in 2013/14 described two kinds of volunteer run libraries; 'Co-delivered' libraries and 'Independent' libraries. Following consultation and consideration of the EIA at the end of 2013 early 2014, an additional support package was introduced for the Independent libraries that would give them a similar level of support to the Co-delivered libraries, and the term Associate library was adopted instead of Independent, and hence, why there is often confusion. A full description of the model of operation, including what are Hub libraries, Associate libraries and Co-delivered libraries can be found in Appendix 2.

In brief Hub Libraries are run by the Council and based in district centres. Associate libraries are run by volunteers who can access a grant and have a lease on the library building. Co-delivered libraries are also run by volunteers and receive everything a Hub library receives except the staff, and their costs are paid directly by the Council.

### **1.3 Preferred Option**

Appendix 1 of this report 'Review of the support package' evaluates each offer of support described in the cabinet report of 2014, against the feedback provided in the surveys. This report also considers data submitted by the volunteer run libraries in their monitoring reports to the Contracts and Partnership team who administer the grant fund. An EIA and a study on the value of volunteering were also important considerations.

There are 4 options, of which 3 have been rejected and outlined in section 5 'Other options considered'. This report seeks approval for Option 4 as this offers the most benefit for the people of Sheffield with the least risk.

Option 4 is the continued support for Associate and Co-delivered libraries from 1<sup>st</sup> April 2017 31<sup>st</sup> March 2020. Future funding and support for years 4 and 5 will be delegated for decision by Cabinet Member and Executive Director.

The cost of this option from Council funds is £262k for year 1, for year 2 at least 80% of £262k, and for year 3 at least 70% of £262k subject to identifying the funding as part of the 2017-18 budget process. The costs of the Co-delivered libraries will be maintained from the core budget of the Library, Archive and Information Service. A breakdown of costs forms Appendix 8.

### **1.4 Benefits and risks of the preferred option**

The benefits of this option are:

- Create a period of financial stability and growth to attract and give confidence to volunteers and Trustees.
- Extend the period of support whilst the Associate libraries develop their experience and capacity in managing a leased building.
- Build the viability of the volunteer run libraries, enabling them to remain open.
- Ensure the relationship between SCC and the volunteer run libraries is clearly defined



- Ensure the standards and controls relating to the operation of the Council's Library Management System by volunteer libraries are maintained.

The risks of this option are:

- The Council continues to face significant financial challenges due to continued austerity measures.
- If there is a budget reduction in future years for the LAIS, it may not be affordable for the service to continue to pay for all of the Co-delivered libraries from its core budget.

## **1.5 Specific requests of the proposal**

In delivering the preferred option, we seek approval for the following:

Continued support for Associate libraries until 31<sup>st</sup> March 2020 to increase their viability and stability. A support package to the value of £262k in year 1 that maintains the level of support provided from 2014-2017 and a guaranteed minimum grant for years 2 and years 3 depending on Council budgetary decisions at that time. The guaranteed minimum package of support for year 2 will be 80% of £262k in year 2, and year 3 at 70% of £262k subject to identifying the funding as part of the 2017-18 budget process.

It is recommended the funding is sourced from Council funds and will cover the following support and associated resources:

### **1.5.1 A grant pot of funding:**

Allocated from Council funds, in year 1 (1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018) of £166,800 where the grant is not competitive but must be applied for. For years 2 & 3 there will be no pre-set allocation and funds will be awarded following successful application. The minimum grant pot for year 2 is £133,440, and year 3 is £116,760.

### **1.5.2 Provision of new books:**

New books to the value of £27,842 in year 1. In year 1 each library will receive a baseline allocation of £1,000 and the remainder will form a top up allocation that will reflect the quality of current book stock, levels of demand and size of the library. In year 2 the book fund will have a guaranteed minimum of £8,000 and in year 3 a guaranteed minimum of £1,893. The Co-delivered libraries will continue to receive book stock funded from the Library service core budget.

### **1.5.3 Marketing budget:**

£5,000 budget for year 1 and year 2, and a guaranteed minimum of £500 in year 3, to develop marketing materials and promotion of Volunteer Libraries in Sheffield.

### **1.5.4 Remaining on the Library Management System:**

This will cover the additional operational costs, to the Library, Archives & Information service, of the Associate libraries remaining on the Library Management System. As a support package this would cost £62,358 in year 1, £63,160 in year 2 and £64,247

in year 3, and would include:

- Staff and associated line management support to administer the purchase and processing of new books for Associate libraries and enable donated books to go onto the Library Management System where requested.
- Van deliveries for reserved books and other materials.
- Training commissioned internally and externally for all volunteer run libraries on data protection and other compliance training, management of voluntary organisations and good governance.
- Materials for participation in city wide initiatives.
- I.T. upgrades and associated software charges.

## **1.6 Continued support from the Library, Archives & Information Service**

It is recommended that support for Associate and Co-delivered libraries by the Library, Archives and Information Service (LAIS) is continued. With existing library service resources and additional resources described in 1.5 above, the following logistical support and connectivity can be delivered for Associate & Co-delivered libraries and people of Sheffield.

### **1.6.1 Library Management System**

Through the provision of the Library Management System to the Associate and Co-delivered libraries, library users can access the SCC library catalogue of books and material in any library using a single library card. The proposal includes the purchasing of new book stock for volunteer run libraries. These new books will be hosted by the relevant volunteer run library and will appear on the city wide library catalogue. This means the new book stock will be available to any Sheffield library user.

### **1.6.2 Signposting for events, activities and services**

Good communication links between SCC and volunteer run libraries to promote events, share information on services provided, and where appropriate run joint promotion on reader development initiatives. To facilitate this, the library service will send a regular update to the volunteer run libraries and attend their network meeting. The library van delivery system will circulate posters and service information between libraries.

### **1.6.3 Website**

The library service will continue to include information on the volunteer run libraries on the Council webpages, with links to the Volunteer libraries in Sheffield webpage and other appropriate webpage links.

#### 1.6.4 Library publications

The library service will provide information to the volunteer run libraries on upcoming publications and promotions, including any relevant deadlines for information to be submitted.

#### 1.6.5 Library branding

SCC libraries and volunteer libraries all deliver a library service, and more. Without actually visiting a library it can be difficult to distinguish between a Council run library and a volunteer run library. In brief Hub Libraries are run by the Council and based in district centres. Associate libraries are run by volunteers who can access a grant and have a lease on the library building. Co-delivered libraries are also run by volunteers and receive everything a Hub library receives except the staff, and their costs are paid directly by the Council. By introducing clear branding of the different types of libraries, we do not advocate one type of library over another, but the range of choice for the library user. New branding has recently been introduced to SCC libraries and a sample of this can be found in Appendix 3. The volunteer run libraries, under this proposal, will have a marketing budget to support them with branding and promotion.

#### 1.6.6 Training and support

Volunteers will continue to be offered training on the Library Management System from LAIS. There will also be a range of training, linked to the grant, to facilitate a quality standard across the Associate libraries. This will link to a standard assessment across all Sheffield libraries, including Hub and Co-delivered libraries. Training sessions and standards will include data protection and safeguarding processes. Hub libraries may be offered as a free venue for volunteer library groups engaging in training organised by the Library service.

#### 1.6.7 Operational queries and assistance

Volunteers will receive training on the Library Management System by the Volunteer Co-ordinator, or cascade trainers. As volunteers may only volunteer a few hours a week, or intermittently, this means they may need help with operational queries and assistance from time to time. The Volunteer Co-ordinator and the E-Services Officer will continue to deal with the majority of queries, with SCC Hub library staff helping out in their absence or for general advice.

#### 1.6.8 Agreements

SCC library service and other relevant departments will work with the volunteer run libraries if they need additional support, advice or training to enable them to comply with the following agreements as relevant:

- Grant agreement
- Lease

- Memorandum of understanding
- Data processor agreement

The Memorandum of Understanding principally sets out the agreement for the library service to supply the Library Management System, and the standards and processes expected by the volunteer run libraries. This document aims to foster good working arrangements and clear communication, and sets out the process should a dispute occur.

The Contracts and Partnership team will act as a first point of contact for the Associate library groups in regards to monitoring and payment of grant. They will also carry out support visits to clarify queries and expectations regarding monitoring. The Associate libraries can apply for a grant for 2017/18, 2018/19, and 2019/20. The Associate libraries will be informed of the grant criteria with at least 2 month notice ahead of the application deadline.

The Contracts and Partnership team will also issue monitoring returns for the Co-delivered libraries to complete. This will enable the library service to monitor the impact of the library, the needs of the library and the needs of library users.

Library service officers will continue to attend the Volunteer Libraries in Sheffield network group and will be available to discuss any issues, concerns or information needs. Library staff will visit all of the volunteer run libraries, as well as SCC Hub libraries to assess standards of delivery and good practice.

The operation of the Library Management System requires the volunteer libraries to comply with the terms of the Data Processor Agreement and ensure their volunteers sign the Acceptable Use Statement and undertake relevant training regarding information security. Failure to comply with this agreement may result in the withdrawal of the Library Management System and associated support.

The library service reserves the right to undertake the following measures relating to Co-delivered libraries if issues cannot be resolved, and as a last resort:

- Temporarily close a Co-delivered library whilst issues are resolved
- Terminate the invitation to run a Co-delivered library with the existing library group and invite registrations of interest from other groups or organisations to run the library.

SCC reserves the right to undertake the following measures for Associate libraries if issues cannot be resolved, and as a last resort:

- Withdrawal of the Library Management System and associated support.
- An unresolved issue that is also a breach of the lease agreement may result in the termination of the lease. This proposal does not affect or supersede the lease agreements.

## 2 HOW DOES THIS DECISION CONTRIBUTE

### 2.1 Overview

This section looks at what this decision will mean for the people who live, work, learn in or visit the City. This includes the value of volunteering both social and economic. How the proposal relates to the city wide offer delivered by the Library, Archives & Information Service, the connections with Associate & Co-delivered libraries and what this means for local people. This section also looks at how the proposal relates and supports the ambitions in the Council's Corporate Plan 2015-18.

### 2.2 Benefits of volunteering relating to better health and wellbeing

Evidence demonstrates that there are many potential benefits to be gained from volunteering in terms of health and wellbeing.

Kristin Bash, Public Health Specialty Registrar, has undertaken a limited literature review and identified evidence of volunteering in terms of health and wellbeing. This work was supplemented by interviews with volunteers at volunteer libraries, and three case-studies were developed through semi-structured interviews. The toolkit known as 'Five Ways to Wellbeing' was used as a framework to discuss themes that emerged within these interviews. See Appendix 4 'Benefits of Volunteering to Health and Wellbeing: A limited evidence review and discussion of Three Case Studies' for the full results and sources.

Systematic review findings support that volunteering is associated with a positive effect on life satisfaction and wellbeing, and a reduced risk of depression, and overall mortality. These findings are supported by the themes within three case studies of Sheffield library volunteers, which demonstrate that volunteers find meaning in their volunteer experience, enjoy giving back to the community and that it has increased their feelings of self-worth, and confidence.

#### 2.2.1 Evidence in the literature – Physical Health and Wellbeing:

- Volunteering has a positive effect on a range of health factors including cardiovascular disease, hypertension, mental well-being, self-rated health and life satisfaction.
- An association has been documented between volunteering and a reduction in mortality<sup>i</sup>, reduced pain, and muscular strength.
- A survey by the British Household Panel Survey found higher well-being in those who volunteer 'frequently' compared with those who have never volunteered. They also found 'potentially beneficial connections between volunteering and mental well-being during the middle stages of the life course, while these same benefits were not seen in young adults.

#### 2.2.2 Perception of benefits:

- Perception of benefit appears to vary between age groups.
- A study suggests that lower-income, lower-educated, and single older volunteers perceived more benefit from their volunteer experience.

- Better well-being was reported by volunteers who volunteered for longer periods of time, and those who felt better trained.

### 2.2.3 Volunteer Case Studies:

Semi-structured interviews were held with three library volunteers, who each volunteered to be case studies. Interview questions were designed to reveal each volunteer's personal experiences and views on how volunteering influenced their own sense of health and wellbeing. These interviews were transcribed and checked by each volunteer to ensure capture of factual content and intended meaning.

Summary of key themes from these interviews:

- Connect - Having a link with the wider community and the related sense of belonging were reported to give volunteers a sense of wellness and appreciation.
- Keep Learning – Enjoy learning new skills required to run the libraries, including skills required to teach others. Able to overcome insecurities and fear about whether they would be able to learn new skills. The experience of volunteering has made them more confident in their own ability to learn in general.
- Give – Desire to 'give something back' to the local community is a main reason given by volunteers. Giving back to the community made them feel good about themselves. It was a way to find purpose in a day where there was no other planned activity. Pleasure in helping people who came into the library.

## 2.3 Contribution of volunteering to a Strong Economy

The Cabinet Office and DWP estimate the value of volunteering to be around £100bn to the UK.

Leading charities advocate an approach that measures the value of volunteering in regards to its impact. Many people volunteer because they want to 'make a difference' and there are a number of measuring tools that are available to help voluntary organisations do this.

The Associate and Co-delivered libraries remain open because of the involvement and hard work of volunteers. Figures generated by the volunteer run libraries in April 2016, suggested the value of volunteering since their launch in September 2014 to April 2016 to be in the region of £1,103,256 based on an average value of £11 per hour of volunteer time. There are approximately 800 active volunteers that give around 7.4 hours of their time per month.

Fundraising achieved by the volunteer run libraries was in the region of £130,000 in 2015/16, which is an average of £8,600 per library. However most of this income is restricted and cannot be used to pay for running costs. The generation of this income funds additional library events and community activity that again perpetuates and extends the economic value for time given and donations.

All of the volunteer run libraries take donations of books to add to their lending collection or for sale. The total number of donations has not been calculated but is estimated at 500 books per library (from Sept 2014 to Sept 2016), at a value of £5 each as lending stock

with an economic value of £37,500, and around £5,000 as stock for sale.

The value of volunteering and donations can be used by the volunteer run libraries for match funding for external grant applications.

## **2.4 Libraries, City Wide Offer to Thriving Neighbourhoods and Communities**

Libraries have an important part to play in the communities they serve. Libraries offer a safe and welcoming environment that people access not only for enjoyment and leisure, but to build their knowledge, support businesses, combat social isolation, inspire and develop children and young people and offer free resources enabling access for all.

This section highlights the benefits enjoyed by people in Sheffield, and how this is delivered by library services.

### 2.4.1 Our libraries support communities to be stronger and more resilient.

- A programme of events and activities on a wide range of topics.
- Signposting to services
- Assist with a wide range of queries.
- A venue for community activity

### 2.4.2 Our libraries enable people to live healthier and happier lives

- A programme of health related events and activities
- Books on prescription
- Opportunities to volunteer
- Room hire that enables community learning activity to take place
- A safe and welcoming place to visit
- Opportunities for people to meet ,combating social isolation
- Provision of hearing aid batteries (in some libraries)
- Home Library Service for people who cannot visit a library

### 2.4.3 Our libraries provide access to online services and digital literacy

- Free computer and internet access
- Free Wi-Fi
- 24/7 online services such as driving test theory
- Find my past (Ancestry tracing system)
- Support to develop digital skills

### 2.4.4 Our Libraries provide cultural and creative enrichment

- Archives and local studies information
- Find my past
- Wide range of events and activity taking place in libraries
- Author events
- Library theatre



#### 2.4.5 Our libraries enhance reading and literacy

- Lending stock of circa 500,000 books
- Circa 208,000 reference books
- Around 50,000 audio visual and electronic materials, including CD's, DVD's talking books, eBooks and magazines
- Newspapers
- Reading groups
- Children and Young people's library service
- Children's events and activities in libraries such as babytime, storytime, chatterbooks

#### 2.4.6 Our libraries help people to reach their full potential

- Reading challenges and awards
- Access to a wide range of knowledge and information
- Children and Young Peoples library service
- Homework clubs/zones

#### 2.4.7 Our libraries increase prosperity

- BIPC (Business and Intellectual Property Centre)
- Volunteering
- My work search
- Access to knowledge and information online and in person

### 2.5 Links to the Corporate Plan

The grid below highlights the services and activity delivered by the libraries and how they contribute to the Corporate plan and other key strategies.

Plans and Strategies	Links to library service provision
Corporate plan 2015-18 An in-touch organisation	Access to knowledge and empowering individuals to help themselves. <ul style="list-style-type: none"> <li>• Lending stock of circa 500,000 books</li> <li>• Circa 208,000 reference books</li> <li>• BIPC (Business and Intellectual Property Centre)</li> <li>• 24/7 online services such as driving test theory</li> <li>• Free internet use</li> <li>• Newspapers</li> <li>• Room hire that enables a wide range of community activity</li> </ul>
<i>Corporate plan 2015-18</i> Strong economy	Helping businesses grow, helping people to develop and get jobs, and contribute to the Cities cultural offer, making it an exciting destination with a programme of events and



	<p>activities.</p> <ul style="list-style-type: none"> <li>• BIPC (Business and Intellectual Property Centre)</li> <li>• Access to free internet and Wi-Fi.</li> <li>• Job search</li> <li>• Newspapers</li> <li>• Book stock and access to knowledge</li> <li>• An exciting programme of events and activities</li> </ul>
<p><i>Corporate plan 2015-18</i></p> <p>Thriving neighbourhoods and communities</p>	<p>Contributing to thriving neighbourhoods by:</p> <ul style="list-style-type: none"> <li>• Opportunities for people to get involved in running an Associate or Co-delivered library.</li> <li>• Libraries offer a safe and welcoming environment that brings people together.</li> <li>• Room hire enabling community activity to develop and take place.</li> </ul>
<p><i>Corporate plan 2015-18</i></p> <p>Better health and wellbeing</p>	<p>Libraries contribute to better health and wellbeing by:</p> <ul style="list-style-type: none"> <li>• Delivering health related events and activities such as Mindfulness and Sporting Memories.</li> <li>• Library service as Weston Park Hospital</li> <li>• Home library service for people unable to access a library service.</li> <li>• Books on prescription to help people manage their condition.</li> <li>• Volunteering opportunities principally at Associate and Co-delivered libraries that has a positive health impact.</li> <li>• Social cafes</li> <li>• Room hire that facilities a range of community events and activities.</li> </ul>
<p><i>Corporate plan 2015-18</i></p> <p>Tackling inequalities</p>	<p>Libraries help to tackle inequalities by:</p> <ul style="list-style-type: none"> <li>• Offering a safe and welcoming space, open to anyone free of charge.</li> <li>• Free use of computers and internet, and free Wi-Fi</li> <li>• Free e-books and 24/7 services such as driving test theory.</li> <li>• Access to circa 500,000 books for loan</li> <li>• My work search facility</li> <li>• Room hire that facilities a wide range of community activity.</li> </ul>
<p>The state of Sheffield</p> <p>Best start strategy</p>	<p>Libraries provide a best start for children and young people:</p> <ul style="list-style-type: none"> <li>• Schools library service</li> <li>• Bookstart</li> <li>• Childrens library service</li> <li>• Little library van, accessible to all communities including refugees and recent immigrants</li> </ul>

	<ul style="list-style-type: none"> <li>• The spread of libraries across the city when taking volunteer run libraries into account, means that children across the city can access library services</li> <li>• Childrens centre services operating from Highfield and attend Ecclesall.</li> <li>• Homework clubs</li> </ul>
Sheffield City Strategy 2010-2020  Inclusive	<p>Libraries promote inclusion and involvement in the communities they serve:</p> <ul style="list-style-type: none"> <li>• Libraries are welcoming and accessible. Often used for a wide range of life queries not relating to book borrowing.</li> <li>• Libraries offer a safe and welcoming environment that brings people together.</li> <li>• Access information on the community, participate in events.</li> <li>• Opportunities for people to get involved in running an Associate or Co-delivered library.</li> <li>• Room hire enabling community activity to develop and take place.</li> <li>• Free internet and Wi-Fi</li> <li>• Free to enter and free to use</li> </ul>
Sheffield City Strategy 2010-2020  Vibrant	<p>Libraries contribute to the city's cultural offer:</p> <ul style="list-style-type: none"> <li>• An exciting programme of events including author visits/talks, craft workshops, heritage tours.</li> <li>• Library theatre performances</li> <li>• Archives and local history including the Picture Sheffield service.</li> </ul>
State of Sheffield Report 2016  Tackling social isolation	<p>Libraries have a strong offer in tackling social isolation as they offer a safe and welcoming environment for older and vulnerable people.</p> <ul style="list-style-type: none"> <li>• Sporting memories</li> <li>• Volunteering opportunities – being active in the community</li> <li>• Coffee mornings</li> <li>• Social Cafes</li> <li>• Room hire enabling community activity to take place</li> </ul>

### 3 SUMMARY OF CONSULTATION

When making decisions about our services we need to ensure we seek the views of the people of Sheffield and our stakeholders, especially those who may be directly affected. There have been two previous city wide consultations undertaken in relation to the future of Sheffield's library service in 2012, with 6,037 responses and again in 2013/14 with 7,435 responses.

To inform the recommendations in this report, a number of surveys were undertaken to evaluate the support package for volunteer run libraries, and the usage of library services.

These surveys were:

- A public survey with 2,136 responses
- A front line library staff survey with completed by 47 staff
- A survey of Associate and Co-delivered libraries 11 of 15 volunteer libraries responding

### **3.1 Summary of 2016 Public survey results**

There were 2,136 surveys completed by library members, and by 107 people who are not library members. Surveys could be undertaken on the Council's survey site 'Citizen Space', with a link to this on the Library service webpage, or by completing a paper survey at any SCC library, Associate or Co-delivered libraries. It was expected there would be a lower response rate to the surveys undertaken in 2012 and 2013/14 as these surveys related to changes to the whole way Sheffield library services were delivered, whereas the 2016 surveys are about maintaining and developing current service provision and support arrangements for volunteer run libraries.

The results analysis of the public survey forms can be found in Appendix 6.

#### **3.1.1 Key points from quantitative analysis:**

- The results show that most people use the library that is closest to where they live. If they do use another library this is most likely to be Central library.
- Other popular considerations about which library to use included 'choice of books' where 38% respondents indicated this, and 'open at a convenient time' where 34% of respondents indicated this.
- The majority of respondents at 39 % thought that services, overall had not changed significantly in the past 2 years. 23% of respondents thought services had improved, with just 3% thought services were not as good. The most noted service improvements were in 'Customer service' and 'Variety of activities', .
- The most popular benefit of using a library was 'Helps me to find information and gain knowledge' with 51% of respondents saying this helps a lot. This was closely followed by 'Offers me a place to feel safe and welcome' at 44% of respondents who feel libraries help a lot.
- The most popular time to visit a library was between 10am and 12 noon, followed by 2pm to 4pm. After 8pm was least popular.
- Weekdays are more popular than Saturday but not significantly. The option for Sunday opening is not popular.
- The most frequently used service is 'borrowing books' at 66% of respondents,

followed by 'computer use' at 17% of respondents.

- The biggest response to what services respondents don't use currently but may use in the future is the use of 'Find My Past family history website' at 24.% of respondents, followed by 'Volunteer in the library' at 24% and use of the 'E-library' at 22% of respondents.
- The majority of respondents to the survey were female (64.4%), White: English/Welsh/Scottish/British/Northern Irish (81.01%), though age range was more varied with the majority of those surveyed being between 35 – 75. 13.42% of the respondents said they were disabled. It is important to note that whilst the majority of the respondents were not people from minority ethnic backgrounds the 19% of respondents who were is in line with 2011 census figures.

### 3.1.2 Key points from qualitative analysis

- Generally survey respondents preferred the Hub and central lending libraries for more "traditional" library activities such as book borrowing and information and the volunteer run libraries are valued as a community hub where there a wide range of activities are available.

Sample comments from 2016 library survey: *"Has become a real hub of the community. A real asset to Greenhill and local area. A better community place than I ever thought possible," "The library is a lifeline for members of our local community who would otherwise feel socially excluded."*

- Survey respondents see all the libraries as an important resource with a large proportion of users valuing interactions with staff or volunteers.
- Volunteer libraries have vastly increased volunteer opportunities throughout Sheffield, particularly in the outlying communities

Sample comment from 2016 library survey: *"Volunteering - has helped me get to know people in a new area and made me feel part of things."*

- The survey showed that volunteers are generally viewed positively by library users, there were over 100 positive comments as opposed to fewer than 10 negative comments.
- There were over 100 comments referring to the opening hours not being as good.
- The most popular comments from survey respondents related to: good customer service (by staff); that libraries are welcoming and pleasant environments (this was particularly noticeable for the volunteer libraries), and the "Poor quality of books" (this was similar between hubs and volunteer libraries).
- At least 40 survey respondents commented that the donated books in volunteer libraries for loan or to buy are an improvement to the services offered.

- The most popular service that people suggested that libraries offer was Refreshments/coffee shop/café. Other popular responses included more children's activities, a general eating/talking area and more interest/hobby groups.
- The majority of comments regarding accessibility for people with a disability suggest the libraries are accessible. However a number of comments suggest that disabled access to the main entrance should be improved and this is particularly relevant to the Central Library. There were a number of comments to say that toilet facilities should be made more accessible.
- In any other comments, the most popular comment was praise for the service, staff and volunteers. Also popular were comments highlighting the need to keep libraries open and the importance of libraries to the community, especially for older and younger people.

### **3.2 SCC library staff survey summary**

The survey of library staff has resulted in an action plan for development that will contribute to the LAIS service plan. The results have also contributed to the Wider City Offer in section 2.

Some key issues/suggestions raised were:

- Staff who responded to the survey highlight that Saturday afternoon is not busy in most of the Hub libraries. We will explore how Saturday openings can attract more users.
- Hub library staff will consider using volunteers where volunteers can enhance the library offer. If there is a specific need identified by library staff, they will be involved in developing a role description that will be posted as a volunteering opportunity on the Library service webpage and other communications.
- Library staff highlight the need to promote Library services more and share good practice amongst themselves. A portfolio of good news stories is being developed and pictures from events and activities are being posted via Instagram.

### **3.3 Volunteer library survey summary of results**

The survey of volunteer run libraries evaluates the support provided by SCC and what they need to be viable and stable libraries in the future. See Appendix 7 for the full survey results.

The key issues are:

#### **3.3.1 Provision of a grant for Associate libraries**

- All of the Volunteer libraries that responded to the survey raise funding from book sales, and for some this is a big contributor to their fundraising.
- Most of the Volunteer libraries have accessed the Ward Pot from the Council this year, but are concerned about the availability of such funds in future years.
- The majority of the volunteer libraries who responded have been successful in gaining external grant funding, however this is in the main at a low level. The groups find it difficult to find volunteers with fundraising skills.
- The ability for the Associate libraries to raise funding is not equal. Some of the library buildings, and their locations, restrict the ability to raise income.
- The volunteer libraries also raise the following concerns regarding funding:
  - Many external funders are reluctant to fund core running costs, particularly if they regard it as a statutory provision.
  - Most external grants are restricted and may not be able to cover full running costs.
  - Some libraries are too small to offer major income earning activities such as room hire.
  - They are at risk of unexpected major failure, for example should the roof need major repair or replacement or in the event that we they need to procure a replacement for the LMS
  - They will be competing for funds against paid staff led charities with more resources.

### 3.3.2 Training and support:

- Training needs to be on-going as new volunteers join.
- The training that is being delivered needs to evolve as the needs of the volunteer libraries change, such as a focus on training for cascade trainers, safeguarding and data protection.
- The library groups indicate it is essential to have support from a Volunteer Co-ordinator as they do not have a consistent level of training and expertise. Therefore help and support on the day to day issues is essential to allow them to continue to work independently.
- All of the volunteer libraries that responded indicated it is essential to have on-going support with technical issues with computers and printers.

### 3.3.3 LMS and book stock:

- A successful library needs to have new stock whether this is donated books, new books or circulated book stock.
- Where a volunteer library has its own book collection on its own system this significantly supplements book lending from the LMS, but library users need to sign up separately to be able to use it.
- Just over half of the groups who responded want their donated books to be put on the Library Management System (LMS) where they can be accessed from any Sheffield library.
- The volunteer libraries indicate the provision of a van to drop off and collect reserved books is essential, and would be extremely difficult to co-ordinate and resource independently between multiple libraries.

## 4 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 4.1 Equality of Opportunity Implications

As a Public Authority we need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.

This is the duty to have due regard to the need to:

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

The Equality Act 2010 identifies the following groups as a protected Characteristic as

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

An Equality Impact Assessment (EIA) has been undertaken to assess the impact of these proposals on a range of people with what are termed 'protected characteristics' under S149 the Equality Act 2010.

A summary of the Equality Impact Assessment is as follows:

#### 4.1.1. Older People:

Social isolation is an issue for many older people, particularly those who have lost a partner (by 2025 it is estimated that there will be a 23% increase in people aged over 75 living alone). Low income is an issue for many pensioners, and 28% of people aged over 60, living in Sheffield households, claiming benefits relating to low income.

Equality impacts for older people:

- Reliance on local libraries as a source of social contact to relieve isolation.
- Difficulty travelling and carrying books.
- Travelling longer distances in bad weather and negotiating the hills.
- Delivering services to people over 65 who are still working and active



#### 4.1.2 Children and young people:

Numerous studies have shown that students who are exposed to reading from a young age are more likely to do well in all facets of formal education. Sheffield still has a higher number than the national average of 16-18 year olds not in education, employment or training (NEET). An estimated 23% of Sheffield's children live in relative poverty, compared to 18% across the UK, as do more than one fifth of households.

Equality impacts for children and young people

- Early years development - activities e.g. toddler groups, reading groups
- Travel with small children and pushchairs
- Support networks for parents
- Libraries fostering positive attitude to literacy and current low literacy rates in the city.

#### 4.1.3 People who have a disability

There are 103,715 people in Sheffield who have a long term health condition or disability, this equates to 19% of the population (Source: Census 2011).

Equality implications for the delivery of library services

- 2%-3% of adult registered users have declared (voluntarily) a disability with the library service. However work is being done to improve recording levels as this is well below the level experienced/expected.
- The location of library services is more acute for this group of people, who may be less able to travel to other libraries
- It may be more difficult for disabled people to travel to libraries in general.
- Some libraries reported as being particularly inaccessible for disabled people e.g. Hillsborough, Central and Ecclesall. Parking, distance to walk and toilet facilities were registered as factors in this.

#### 4.1.4 People from minority ethnic backgrounds

The BME population in the city increased since the 2001 Census, from around 11% of the total population to 19% in 2011. The neighbourhoods of Burngreave, Fir Vale, Tinsley, Darnall and Sharrow have particularly high concentration of BME residents. In line with national trends, recent economic migration from Europe and an increasing number of refugees have further diversified the Sheffield population, alongside increases in the Indian, Chinese and Yemeni communities. The ethnic profile of the city is likely to continue to change in the future.

Equality implications for the delivery of library services:

- Unlike the majority population (white British background), many people from black and minority ethnic communities live in households concentrated in specific areas of the city. This means the location of a library service could have a bigger impact on this group.
- Language support in using a library and access to books in other languages



#### 4.1.5 People facing deprivation

There are 29 neighbourhoods in the city that are within the most 20% deprived within England, in total accounting for 28% of the city's population.

Equality implications for the delivery of library services:

- Travelling to the library could be a barrier to accessing the service.
- The availability of free books and internet access is of greater importance when income levels are low.
- Access to books, knowledge and learning in a free, safe and welcoming environment, can help people with low literacy needs improve their skills

#### 4.1.6 Jobseekers

In September the rate of JSA claimants for Sheffield was 2.6%, the national average being 1.6%.

Equality implications for the delivery of library services:

- Free access to computers, internet and wi-fi
- Access to printing and photocopying
- Job searching and /or volunteering opportunities
- Education and learning opportunities

## 4.2 Financial and Commercial Implications

The Council continues to face significant financial challenges and has to make difficult decisions about services that the people of Sheffield care deeply about. Over the past 5 years the Council has made budget savings of £300 million, with a further £51 million in 2016/17, and with an increased demand for services such as adult social care and rising cost pressures.

Funds will be identified from Council funds to cover a support package to the value of £262k in year 1 (April 1<sup>st</sup> 2017, to 31<sup>st</sup> March 2018). For year 2 (April 1<sup>st</sup> 2018 to 31<sup>st</sup> March 2019) in consideration of the Councils budgetary responsibilities, there will be an allocation of not less than 80% of £262k, and in year 3 (1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020), not less than 70% of £262k subject to identifying the funding as part of the 2017-18 budget process.

The library service has supported Associate and Co-delivered libraries within its existing budget and resources as far as this has been possible. The support proposed by the Library, Archives and Information service with existing resources is outlined in section 1.6. There are four financial risks for the Library, Archives & Information Service associated with this support.

- (1) If there is a budget reduction for the Library, Archives and Information Service between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2020, it may not be possible to deliver all the support described in section 1.6 for Associate libraries. It may be possible to continue support, principally relating to the delivery of the LMS at a fee to the Associate libraries.

- (2) The grant for the Associate libraries was based on the out turn expenditure for 2013/14 (the last financial year that they were under the control of the Library, Archives and Information service). If each of the 5 Co-delivered libraries decides to become an Associate library, the grant pot would need to increase by £96,500 per annum if the allocation is made on the same basis (made up of £58,400 current LAIS budget for all 5 Co-delivered libraries, plus the budget for cleaning in the region of £38,000, which is now sat with T&FM). Although it is anticipated that some of the Co-delivered libraries will seek Associate library status, it is unlikely this will be requested by all 5.
- (3) If SCC Library staff who support the Associate and Co-delivered libraries leave the service (for whatever reason), it may take time for the service to adjust and upskill new or different staff. This means the Associate and Co-delivered libraries (as well as the library service) could experience a number of months with limited support.
- (4) If there is a funding cut to the Library, Archives & Information service, the continued funding of Co-delivered libraries could be at risk. Although Co-delivered libraries may become Associate libraries, it may not be possible to transfer the budget for Co-delivered libraries into the Associate grant pot.

### 4.3 Legal Implications

S7 Libraries and Museums Act 1964 requires that

7 General duty of library authorities.

(1) It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof, . . .

(2) In fulfilling its duty under the preceding subsection, a library authority shall in particular have regard to the desirability—

(a) of securing, by the keeping of adequate stocks, by arrangements with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter, and pictures, gramophone records, films and other materials, sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children; and

(b) of encouraging both adults and children to make full use of the library service, and of providing advice as to its use and of making available such bibliographical and other information as may be required by persons using it; and

(c) of securing, in relation to any matter concerning the functions both of the library authority as such and any other authority whose functions are exercisable within the library area, that there is full co-operation between the persons engaged in carrying out those functions.

1. S149 Equality Act 2010 ('The Public Sector Equality Duty' *PSED*) requires that:

149 Public sector equality duty.

(1) A public authority must, in the exercise of its functions, 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. .

(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. .

...

(7)The relevant protected characteristics are— .

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

- a. Cabinet must be satisfied that these obligations have been understood and will be met in the delivery of the proposal. The primary tool for achieving this is via the Equality Impact Assessment (EIA) at Appendix 5.

- 2. There is no statutory obligation to consult with members of the public when considering a change to library services. However, the council has, as described in this report, had dialogue with, spoken to and consulted in a number of ways with members of the public on the library service. The way that this informs the decision is described within the body of the report.

## 5 ALTERNATIVE OPTIONS CONSIDERED

The support arrangements for Associate and Co-delivered libraries are due to end as of 31<sup>st</sup> March 2017. There were 4 possible options to consider, with Option 4 being recommended as the preferred option. The benefits and risks of the preferred option can be found in the Proposal in section 1. The other options considered and rejected are outlined below:

### 5.1 Option 1

LMS provision as agreed to 2019, but no further grant support for Associate libraries, and the cessation of Co-delivered libraries (who may become Associate libraries) as of 1<sup>st</sup> April 2017. The provision of the LMS to be resourced through current corporate contracts and

current library service staff and library budget.

#### 5.1.1 Benefits of Option 1

- The Council will not have to find the additional funding for the support package
- Library groups can operate independently
- The Co-delivered libraries are not yet generating sufficient income to meet the income earning target required to meet all the costs of running the library. This option would mean the library service would not have to find the budget to meet this deficit thus making a saving.

#### 5.1.2 Risks of Option 1

- The Associate libraries can stay on the LMS until 2019 but with limited support from the Library Service. This could mean standards relating to the LMS may reduce, especially as training and technical support will be minimal.
- Van rounds delivering books would either cease or be very limited. Therefore the length of time it would take for library users to receive a reserved book could significantly increase.
- Some of the library groups may be unable to meet their financial obligations leading to closure.
- The instability of funding could mean volunteers are less willing to get involved and could lead to reduced library hours or library closure.
- The Co-delivered libraries would be at greatest risk of closure as they may not have accumulated sufficient fundraising capacity to be sustainable as an Associate library.

## 5.2 Option 2

Continue the existing support arrangements for Co-delivered libraries, with the costs funded by the LAIS service budget for a further period. The grant provision for Associate libraries would come to an end as of 31<sup>st</sup> March 2017, with LMS provision to 2019 as Option 1.

#### 5.2.1 Benefits of this option 2

- Enable 5 libraries that serve some of the most deprived communities in Sheffield to continue and have stability of service.
- Financial independence of the Associate libraries may help grant applications

#### 5.2.2 Risks of this option

- Some Associate libraries may not be able to meet their financial obligations leading to them surrendering their lease and the library closing.
- The instability of funding for the Associate Libraries may discourage volunteers from running and managing the libraries.
- The reducing income generated from library fees and charges in the Co-delivered libraries may lead to budget reductions in other LAIS service areas, which may impact on the quality of service that can be delivered.

- If there is a budget reduction in future years for the LAIS, it may not be affordable for the service to continue to pay for all of the Co-delivered libraries from its core budget.

### **5.3 Option 3**

Continue support for Associate libraries. The current Co-delivery model would cease, with Co-delivered libraries becoming Associate libraries with a grant and lease (or tenancy agreement where a lease is not possible).

#### **5.3.1 The benefits of Option 3 are:**

- Simplified model making clearer distinction between volunteer run libraries and Council run libraries.
- Co-delivered libraries will not be vulnerable to any potential library service budget reductions in the future.
- Lease/Tenancy and Grant agreements will provide a clearer framework for engaging with Co-delivered libraries and managing standards.
- Operating as Associate libraries, rather than Co-delivered should improve prospects of obtaining grant funding.
- The Co-delivered libraries would get a grant on the same basis and level as the current Associate libraries.

#### **5.3.2 The risks of Option 3 are:**

- Potential complications in offering lease or tenancy options.
- Staff time and cost in setting up tenancy or lease arrangements.
- Some of the Co-delivered libraries may find paying running cost bills directly onerous when they want to concentrate on running the library.
- The Trustees/Management committees of the organisations running the co-delivered libraries may find the additional liability more onerous.
- There would be additional cost to the Library service in making a grant available for the Co-delivered libraries.

### **5.4 Option 4**

Option 4 is continued support for Associate and Co-delivered libraries from 1<sup>st</sup> April 2017 31<sup>st</sup> March 2020. Future funding and support for years 4 and 5 will be delegated for decision by Cabinet Member and Executive Director.

The cost of this option from Council funds is £262k for year 1, for year 2 at least 80% of £262k and for year 3 at least 70% of £262k subject to identifying the funding as part of the 2017-18 budget process. . The costs of the Co-delivered libraries will be maintained from the core budget of the Library, Archive and Information Service.

#### **5.4.1 Benefits and risks of the preferred option:**

The benefits of this option are:

- Create a period of financial stability and growth to attract and give confidence to volunteers and Trustees.
- Extend the period of support whilst the Associate libraries develop their experience and capacity in managing a leased building.
- Build the viability of the volunteer run libraries, enabling them to remain open.
- Ensure the relationship between SCC and the volunteer run libraries is clearly defined
- Ensure the standards and controls relating to the operation of the Councils Library Management System by volunteer libraries are maintained.

#### 5.4.2 The risks of this option are:

- The Council continues to face significant financial challenges due to continued austerity measures.
- If there is a budget reduction in future years for the LAIS, it may not be affordable for the service to continue to pay for all of the Co-delivered libraries from its core budget.
- There would be an increased cost to the library service (whilst a support package is in place for Associate libraries) if Co-delivered libraries choose to become Associate libraries.

## 6 REASONS FOR RECOMMENDATIONS

The reasons for recommendations are as follows:

- The current arrangements for Associate and Co-delivered libraries are due to expire 31<sup>st</sup> March 2017.
- Continued support will increase the likelihood of all the volunteer run libraries remaining open and vibrant into the medium and long term as they develop and grow in depth of experience and capability.
- Continued support for Associate libraries will give added confidence to trustees and volunteers, at a point they are taking on board lease responsibilities.
- By supporting the volunteer run libraries to remain on the Library Management System, all SCC library members can access any library in Sheffield using a single, city-wide library card.
- Continued support will provide a period of financial stability and growth that will attract more volunteers and trustees, and give them additional time to build capacity and develop external funding opportunities.
- The proposal will ensure the standards and controls relating to the operation of the Council's Library Management System by volunteer libraries are maintained.



## Appendix 1: Review of the support Package

Type of decision: Executive Decision (Cabinet)

Title of report: Library review 2016 – future support arrangements for volunteer run libraries

### Review of the support package

This report outlines the offer contained in the Cabinet report of 19 February 2014, describes the support provided by SCC subsequent to the report, and evaluates this against the feedback from the volunteer libraries in the recent survey. This analysis results in recommended “offers” for future support.

#### 1. Grant for Associate Libraries

##### 1.1 Offer described in the cabinet report 2014:

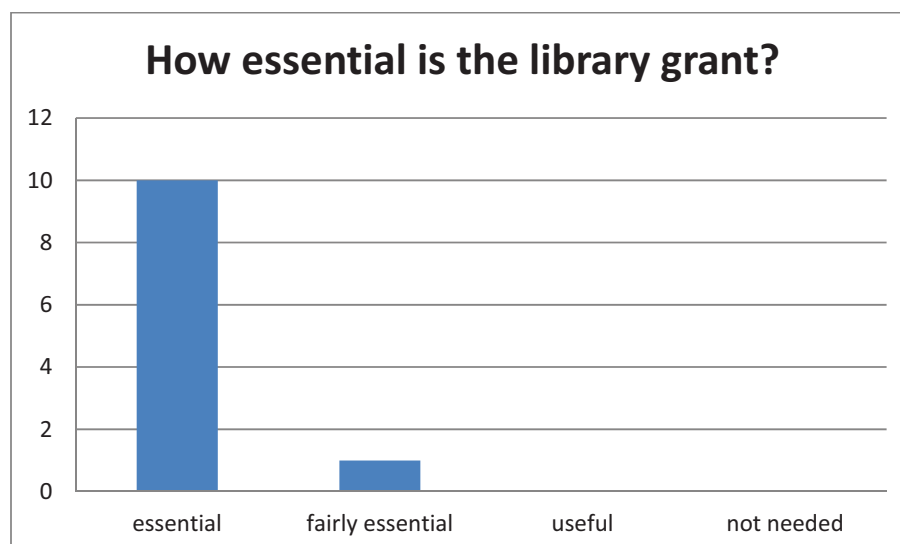
A grant pot allocation of £154,300 a year for 3 years to 31<sup>st</sup> March 2017 from Council funds linked to a viable (and approved) business plan. Each Associate library can apply for funding (up to the level of the running cost budget for that library as of 2013/14).

##### 1.2 What has been provided?:

Each of the Associate libraries applied for and received a grant during 2014/15, 2015/16 and 2016/17. The funds are administered and monitored by the Contracts and Partnerships team in the Commissioning service (Communities).

##### 1.3 Evaluation of the grant offer

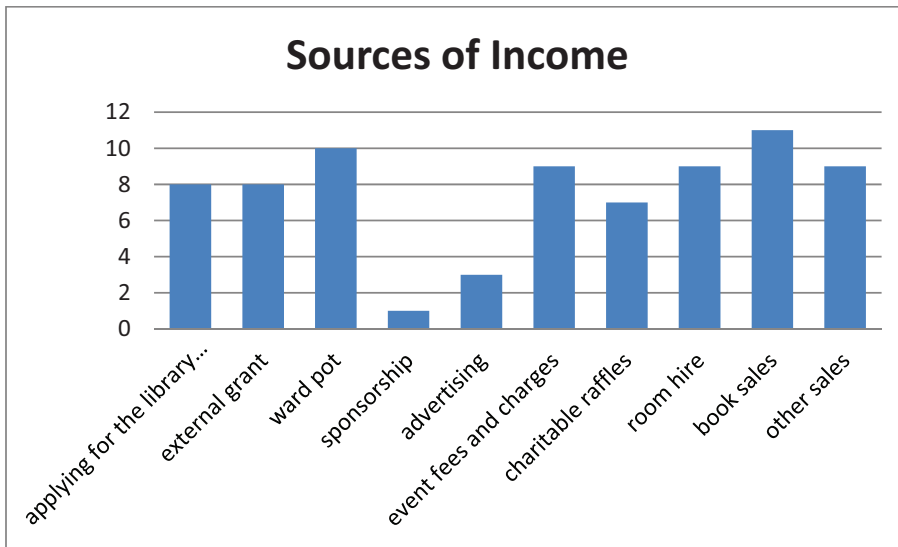
All of the Associate library groups rated the continuation of the library grant as essential.



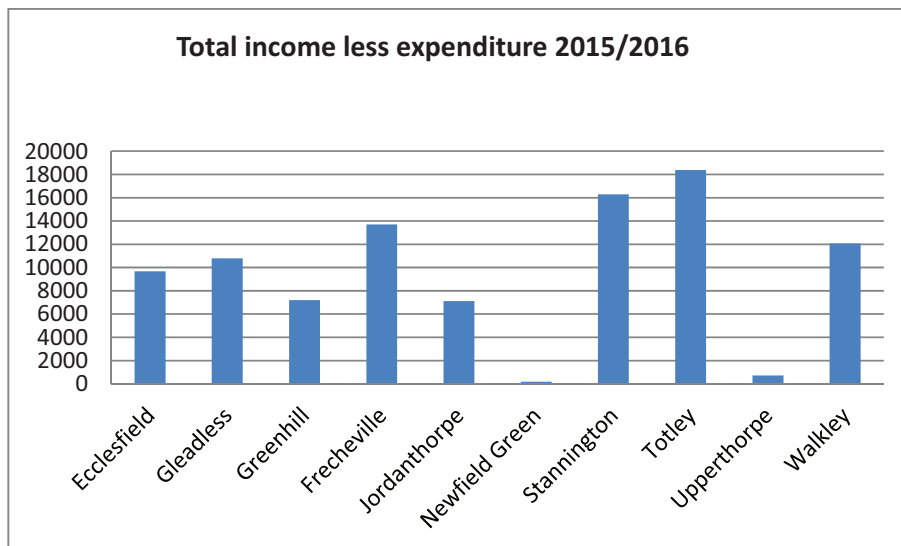


The reasons given for the continuity of the grant are:

- “It is a challenge to raise sufficient unrestricted funds (excluding SCC grants) to cover normal and regular running costs. “
- “Our utility bills are much greater than we were led to believe they would be.”
- “Heavily dependent on there being enough volunteers to fundraise.
- Concern about the availability of grants, especially any that will cover running costs.”
- “All grants are restricted and must be spent on what they were granted for.”
- “Without the council grant, our income is not stable or regular.”
- “The funds we have managed to raise are put to excellent use in terms of drawing people in to the library and providing them with a good library experience, which is very important for sustainability but the basic running costs would not be covered.”
- “The library is too small to enable major income-earning activities.”
- “We need a core ability to raise a reliable income but we are not there yet.”
- “We are at risk of unexpected major expenditure, for example should the roof need major repair or replacement or in the event that we need to procure a replacement for the LMS.”
- “Grant making trusts will be unable or unwilling to fund all libraries to the same extent. Libraries will necessarily need to submit joint bids but will still be competing with each other for available funds. This will almost certainly result in some libraries not succeeding in securing the necessary funds to remain open.”
- “Many external funders are reluctant to fund core running costs at the best of times and when these are for what they might still regard as a statutory local authority provision the hurdle is even higher.”
- “May also have to compete against paid staff led charities with more resources to “play the game”.”
- “Trustees would make every effort to generate sufficient funds but could not guarantee being able to cover the full running costs of the Library.”
- “A contribution towards basic running costs would be invaluable. We feel we can raise the additional costs.”
- “Although we have made great efforts to generate our own income we cannot envisage being independent of any grant money ”



All of the groups that responded to the survey raise funding from book sales, and for some this is a big contributor to their fundraising. Most of the groups have accessed the Ward Pot from the Council this year, but are concerned about the availability of such funds in future years. The majority of the groups who responded have been successful in gaining external grant funding, this is in the main low level. The groups find it difficult to find volunteers with fundraising skills.



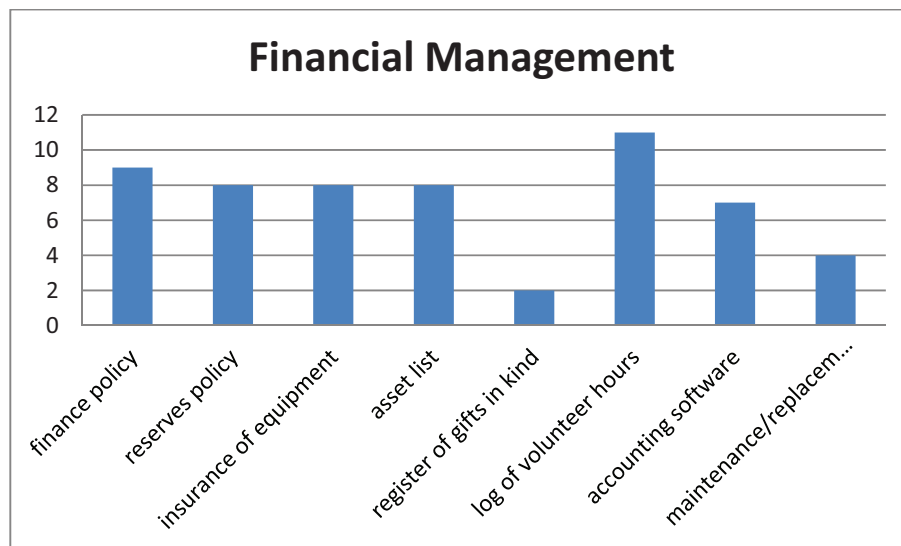
It could be assumed that if the Associate library groups could generate income equivalent to the library grant, they would be sustainable and no longer in need of grant aid from the Council. A small sample analysis showed unrestricted income to be just under 50% of the total income generated. Therefore the ability to generate income, does not necessarily equate to their ability to cover the running costs of the library. The Associate libraries highlight:

- “All grants are restricted and must be spent on what they were granted for.”

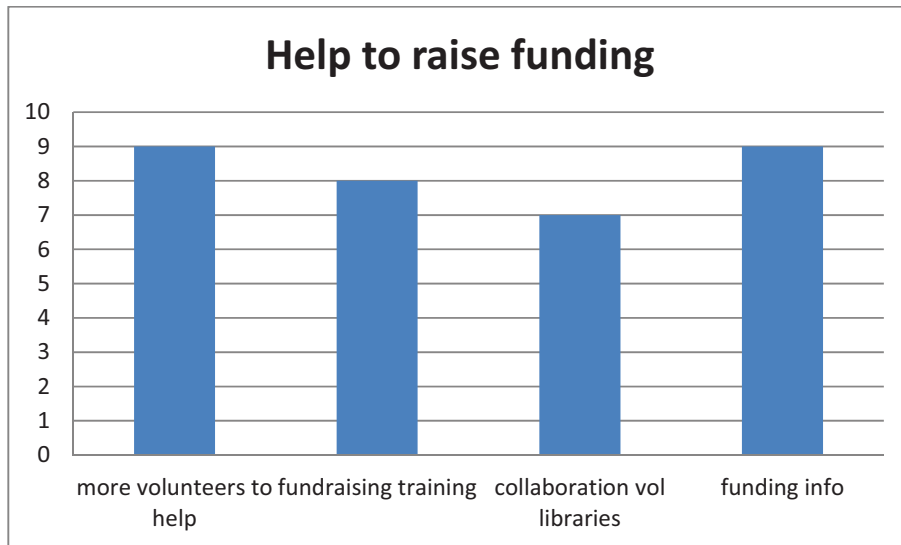
- “Without the Council grant, our income is not stable or regular.”
- “The funds we have managed to raise are put to excellent use in terms of drawing people in to the library and providing them with a good library experience, which is very important for sustainability but the basic running costs would not be covered.”

The ability for the Associate libraries to raise funding is not equal. Some of the library buildings, and their locations, restrict the ability to raise income. Newfield Green, Uppertorpe and Stannington raise the following issues:

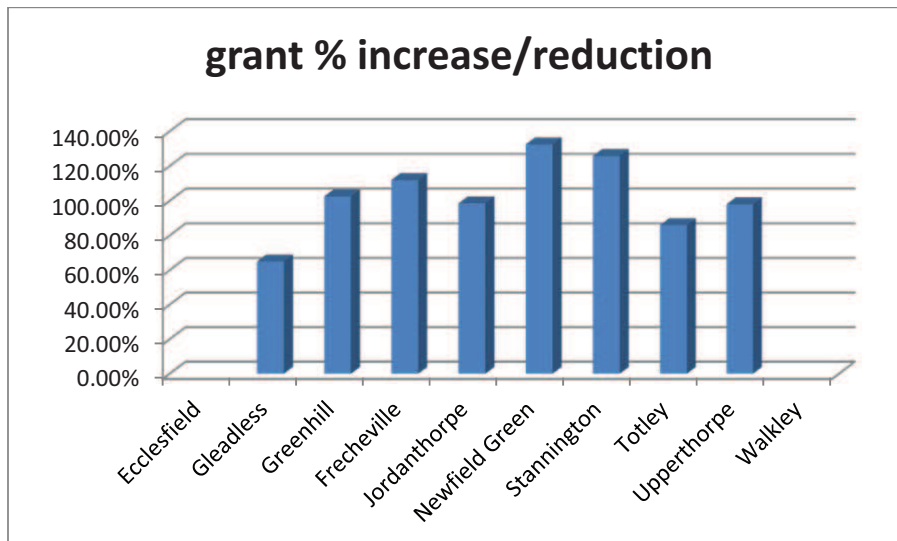
- “Newfield Green library is next door (indeed, joined to) the Terry Wright Hall – a free venue in the Gleadless Valley community. This means that as a library we are unable to offer community space for hire, since, naturally all organisations will simply go next door and take the offer of free space. This makes income generation for the library even more difficult”.
- “The library service is contained within the wider management costs to support volunteers, raise funding and develop the library service offer is currently borne from Zest’s wider service offer/delivery model but is under threat.”
- “The building is very small and we need to extend it as it restricts our ability to hold events, or host clubs etc to generate income.”



All of the groups who responded have a range of financial management tools, to enable them to be financially accountable and have the capacity to apply for grants.



All the groups that responded would like support with fundraising to some degree.



When asked about their future grant requirements, 2 of the Associate libraries did not provide an amount. Of the remaining 8 libraries, 4 said they needed less grant aid, and 4 said they needed more grant to allow for inflation.

#### 1.4 Recommendation on future offer of support:

- Continuation of the grant (from Council funds), the funding amount to be determined each year depending on the Councils budgetary responsibilities, subject to identifying the funding as part of the 2017-18 budget process.
- The funding for Uppertorpe library is not funded by the support package but is paid by Leisure & Culture (Place) as part of its grant aid for the ZEST centre. Recommend this arrangement continues.

## 2. Volunteer library network meetings

### 2.1 Offer described in the cabinet report 2014:

'Develop a network of Associate libraries.'

### 2.2 What has been provided?:

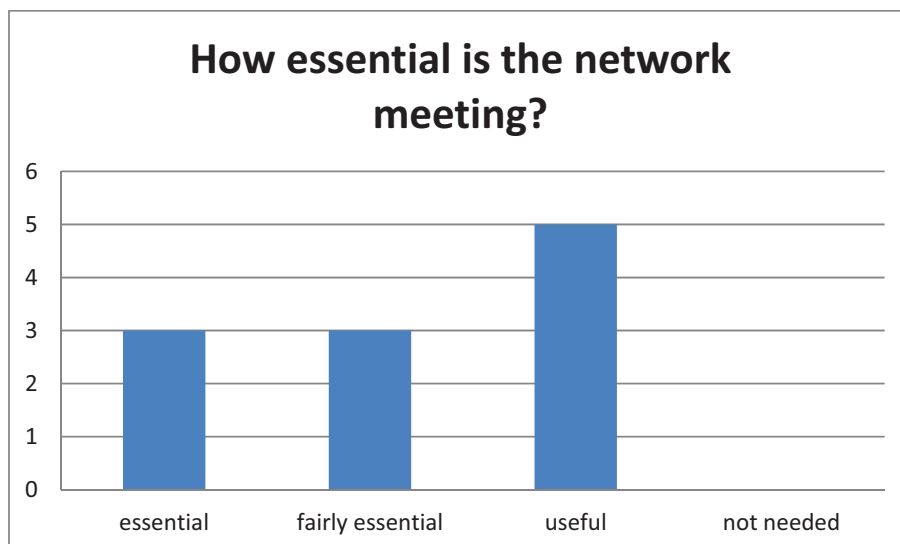
Representatives from the Associate library groups have met together every 2 weeks since 2<sup>nd</sup> May 2014 to April 2016, and now meet monthly. These meetings have been facilitated by SCC at the request of the library groups. The meeting is also open to Co-delivery library groups who have attended less frequently. This meeting enables the groups to ask questions and share information. There have been approximately 60 meetings to date.

### 2.3 Evaluation of the network meetings:

Most of the Associate and Co-delivered libraries have agreed to call themselves, when referred to as a group, 'Volunteer Libraries in Sheffield' (VLIS). Therefore the network meeting would be the VLIS Network meeting.

The volunteer library groups made the following comments about the benefit of the network meeting:

- "The associate library meetings are useful in sharing ideas and or problems with other groups in the same position".
- "These do not have to be provided by the council".
- Vital for keeping up morale (and therefore active volunteers)
- "Needed to share good practice but need to be available in such a way that it does not mean a heavy time commitment. "
- "Support to link with other statutory and voluntary services".
- "Liaison with SCC and library staff is valued, plus sharing experience with other volunteer libraries".



The library groups have met recently (Sept 2016) to discuss a new format and way forward for the network meeting.

#### 2.4 Recommendation on future offer of support:

Free room hire at Central library to hold network meetings if required and attendance by appropriate Library service officers when requested.

### **3. Training for volunteer library management committees**

#### 3.1 The offer described in the cabinet report 2014:

This describes development support, not specifically training, around the following topics:

- Group to development & achieve appropriate legal status.
- Tailored transitional plans for each co-delivered and independent library with support and training including H&S, safeguarding, equalities etc.
- Support to recruit, manage, retain and support volunteers. Including marketing and promotion.

#### 3.2 What has been provided?:

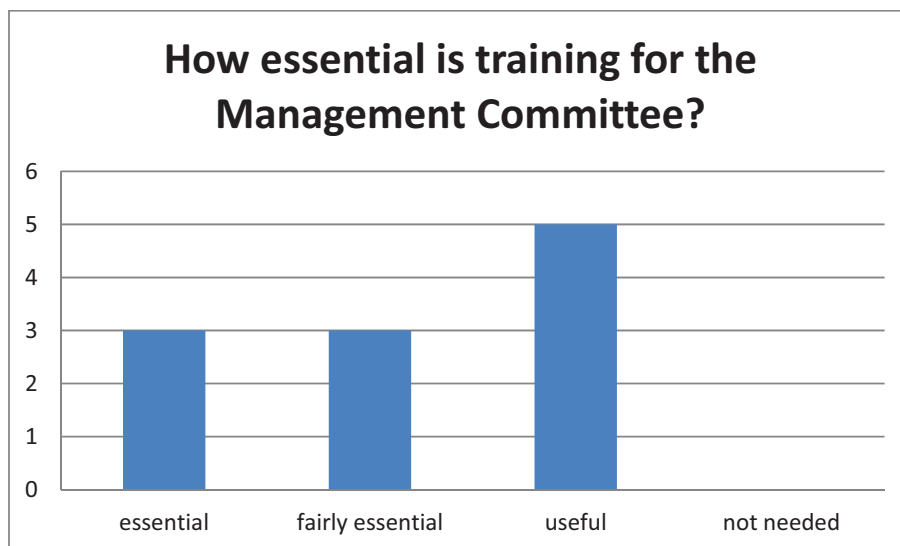
Training has been commissioned by the Library service in consultation with the volunteer library groups and funded by the support package. There has been a programme delivered in 2014/15, 2015/16 and 2016/17 covering the following topics:

- Management and governance
- Business and strategic planning
- Building management
- Financial management and fundraising

#### 3.3 Evaluation of training for Management Committees:

The feedback from the volunteer library groups focused on what training they would like in the future:

- “Specific library fundraising advice would be useful including which grant award bodies are likely to fund”.
- “Not sure this needs to be different from a general programme for any kind of community organisation/charity”.



#### 3.4 Recommendation on future offer of support:

- Training fund to commission training for management committee members/volunteers in relation to good management, governance and compliance. Fund at £2000 (within the support package held by LAIS). Focus on embedding knowledge in the organisation that is reflected in policies and procedures.

## 4. Information Security training

#### 4.1 Offer described in the Cabinet report 2014:

'Associate libraries may remain on the library catalogue system. This will involve training and additional security arrangements'. There is no specific reference to information security training for Co-delivered libraries.

#### 4.2 What has been provided?:

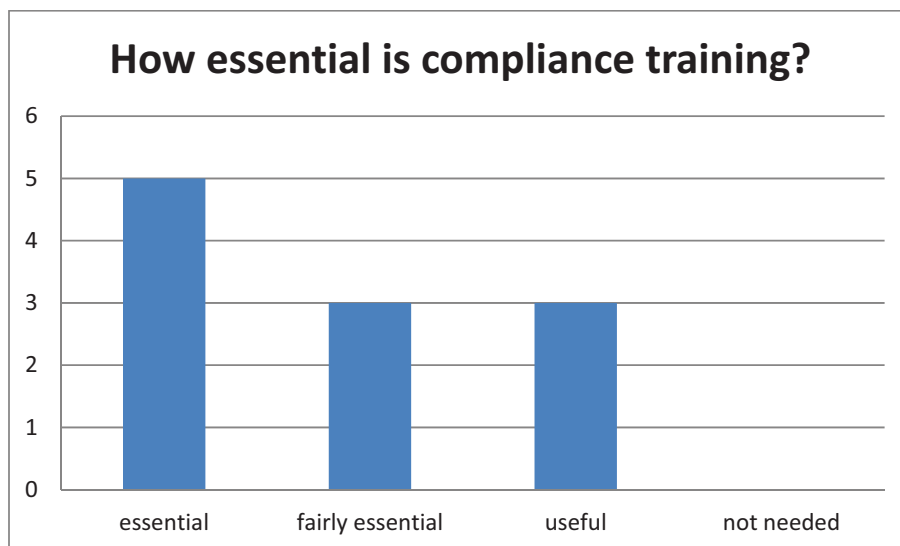
Data protection was covered in the training programme for management committee members. Training has been provided by the SCC Information Security team and this is being developed and rolled out:

- Trained 24 volunteers with representatives from all the volunteer libraries with the intention that the information would be cascaded to other volunteers.
- Currently developing ongoing training for information security, due to launch at the end of summer/autumn 2016.

#### 4.3 Evaluation of Information Security Training:

Most of the volunteer library groups thought this to be essential. The following comment was made:

- "Make part of the LMS training"



#### 4.4 Recommendation on future offer of support:

- Included in recommendation 3.4.

### **5. Support from a volunteer co-ordinator.**

#### 5.1 Offer described in the Cabinet report 2014:

An allocation of £47,700 has been made to support the development of groups to enable them to run a library. This includes support from a volunteer co-ordinator. Volunteer co-ordinator and training programme to build capacity and ensure compliance with relevant legislation and equalities duties.

#### 5.2 What has been provided?:

The Volunteer Co-ordinator is the principal point of contact for frontline volunteers and management committee members. The support provided includes:

- Advising and assisting library groups in relation to running a community library
- Assisting with customer service issues.
- Technical IT assistance and fault reporting.
- Advice and guidance on library procedures.
- Refresher training on library systems/ procedures.
- Advising Trustees on management, governance and policy.
- Training volunteers in the use of library and other Council systems.
- Developing training programmes where a need has been identified.
- Writing 'How to' LMS guides for the volunteers to use.
- Keeping the volunteer libraries up to date with national and local libraries initiatives.
- Facilitating and chairing meetings and training sessions.

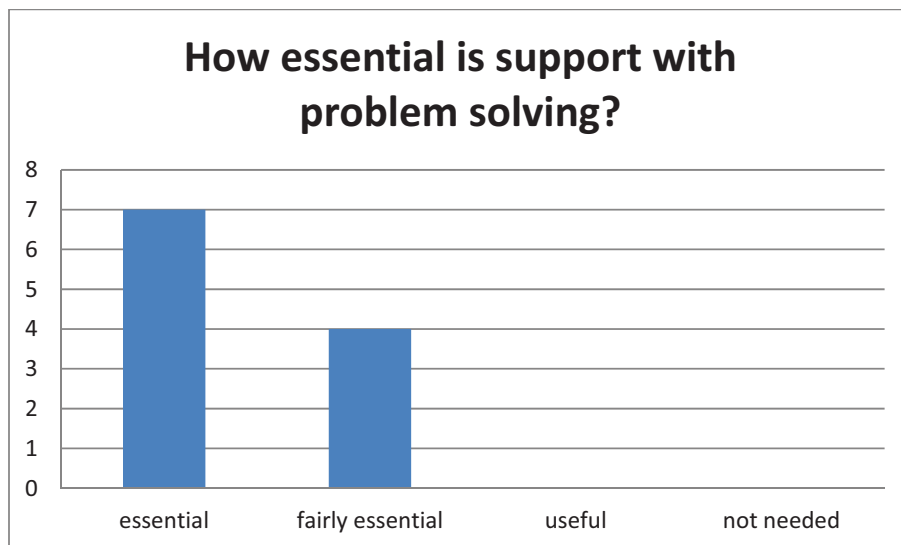


- Assisting with volunteer recruitment and providing advice and guidance where needed.
- Acting as a liaison for the volunteer libraries with other Council departments.
- Co-ordinating data compliance training and agreements.
- Providing the volunteer libraries with statistics and data.
- Providing advice and support on funding opportunities.
- General assistance with problem solving.

5.3 Evaluation of support by the volunteer co-ordinator:

Feedback from the volunteer library groups is:

- Library volunteers do not have a consistent level of training and expertise. Therefore help and support on the day to day issues is essential to allow them to continue to work independently.
- We still need the support Darrell Porter gives to us. Even after 5 years we will still need advice from a trained librarian
- We are not professional librarians so occasionally need help.
- Now have sufficient experience to manage most issues.
- Liaison with the SCC Library Service is more important.
- We have been happy with the support provided by SCC especially the direct support from Darrell, Lynne and Jackie.



This role also delivers support identified in sections 6.2, 6.3, 6.4, 6.4.5, 6.6.

5.4 Recommendation on future offer of support:

- Continued support from a Volunteer Co-ordinator. This post is within the LAIS establishment and is a permanent post.

## **6. Support from Library Information Officers**

### **6.1 Offer described in the Cabinet report 2014:**

Community librarians will work with these libraries (Co-delivered) to improve literacy in the community. Advice and guidance on running the library will be provided by community development librarians for up to 15 hours per week

### **6.2 What has been provided?:**

This support was designed for Co-delivered libraries for them to have access to advice or guidance on any aspect of running a library and help them to overcome problems. This has not worked successfully. The support from Library Information Officers depends on the Co-delivered library groups asking for support, however these requests have been rare. In the main the biggest support requirements focus around I.T. and skills training and this is met by the Volunteer Co-ordinator and the E-Services Officer. The offer is up to 15 hours of advice and guidance per week, not 15 hours per week. It was anticipated that some weeks Co-delivered libraries would need a lot of support and other weeks none at all. The support which has been given focuses around the following:

- A point of contact
- Assisting with building repairs reporting and IT faults reporting
- Stock management support and guidance

The Library Information Officers also provide occasional assistance to Associate libraries when the volunteer coordinator is not available.

### **6.3 Evaluation of support from Library Information Officers:**

The feedback from Co-delivered groups is restricted as 3 of the 5 Co-delivered groups did not respond to the survey. There was no feedback on this support in the survey, although 2 of the Co-delivery library groups have mentioned numerous times that they feel they are not getting their 15 hours of support.

### **6.4 Recommendation on future offer of support:**

- Co-delivered libraries will have a named contact who will be the first point of contact for most queries and will offer guidance in procedural requirements such as building repairs, reporting I.T. faults, stock management, administration and general queries.

## **7. Support from Hub libraries/cluster support**

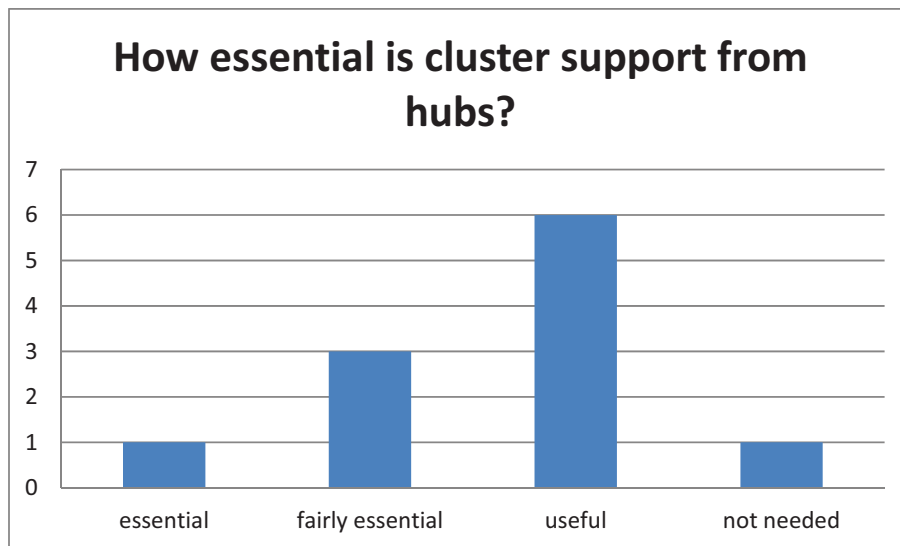
### **7.1 The offer described in the Cabinet report 2014:**

'The Council will seek a city wide approach to connect the hubs with community libraries (both co-delivered and independent) under a joint strategy', 'Cluster support arrangements to be put in place linked to nearest hub library'.

### 7.2 What has been provided?:

The library clusters were not in place until the conclusion of the MER following the Cabinet report. The clusters, of which there are 3, came into being on the same day as most of the Associate Libraries launched on 29<sup>th</sup> September 2014. Since then the SCC staff run hub libraries have been adapting and developing to enable cluster working to operate effectively. The support given by hub libraries to Volunteer run libraries has so far been ad hoc. Volunteers sometimes telephone or visit hub libraries for advice, but this is not common.

### 7.3 Evaluation of cluster support:



### 7.4 Recommendation on future offer of support:

- Hub/cluster support: Signposting for events, activities and services, help with operational queries in absence of the Volunteer Co-ordinator, share information regarding national and local initiatives, hub libraries may be offered as a free venue for volunteer library groups engaging in training organised by the Library service

## 8. National & Local Initiatives

### 8.1 Offer of support described in the Cabinet report 2014:

Volunteer libraries will be able to link into local and national initiatives such as 6 book challenge.

## 8.2 What has been provided:

The Volunteer run libraries have been encouraged to take part in National library initiatives, i.e.:

- Summer reading Challenge. Have been closely involved with training and support from the Libraries young people team. Materials for the initiative were purchased for the groups in 2015 and again in 2016.
- 1225 children participated in the SRC in 2015 through volunteer libraries alone out of 4918 in total throughout Sheffield Libraries.
- 632 children completed the challenge through volunteer libraries out of 2643 in total for all libraries, this is approximately 52% completion rate with the Sheffield average being 54% for 2015.
- Six Book Challenge/ Reading ahead. Volunteer libraries have been invited to information sharing sessions run in Central Library, they have been provided with materials and support to offer the Six Book Challenge (2015/2016).
- Children's University/Passports to Learning. Volunteer libraries have been provided with materials to offer Passports to Learning and are Children's University venues. The libraries have been provided with help and support where required. Special children's activity sessions linked to the Children's University have been offered to the volunteer libraries free of charge.
- Bookstart. All volunteer libraries are part of the bookstart scheme; we provide bookstart bags that the libraries can offer out to new parents. Volunteer groups are also invited to participate in any Bookstart events we run. We also provide help and support with this scheme.
- Chatterbooks. We will be providing training to run Chatterbooks groups to the volunteer libraries, we will also purchase Chatterbooks materials for the volunteer libraries from the grant (so far they have not run any Chatterbooks sessions).
- World book night. Volunteer libraries have been able to act as suppliers for book givers as part of World Book Night.
- Books on Prescription. Volunteer libraries are part of the books on prescription scheme, though they are not purchased new books as part of this (Associates) they can order the books in.

### Local Initiatives

The Volunteer run libraries have been encouraged to take part in local initiatives, i.e.:

- Adult summer reading challenge. Volunteer libraries were included in the adult summer reading challenge which was run for the first time over summer 2015.

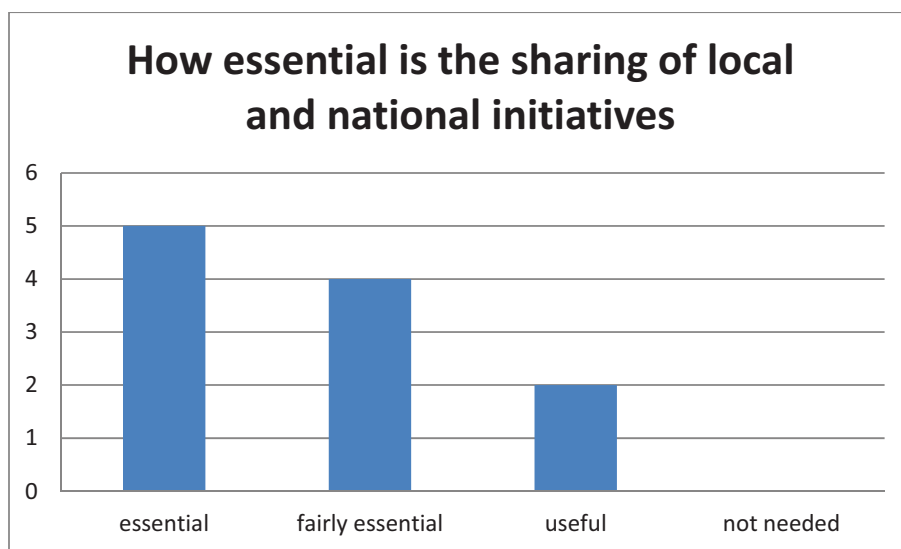
- Off the Shelf Festival. The volunteer Libraries are encouraged to participate in the OTS festival and are given support to do this.
- Sheffield Children’s Book award. Run by the school library service members from the volunteer libraries will be invited to participate in this prestigious nationally recognised award ceremony.

### 8.3 Evaluation of local and national initiatives:

Feedback from the volunteer libraries in the recent survey included the following:

- “Useful to extend our offer to users especially reading initiatives which can be used alongside groups and support services we run in the library for example our children's reading group and women's reading group.”
- “Nationwide promotions on initiative such as the summer reading challenge for children are very successful and promote the use of libraries increasing the number of users.”

The volunteer libraries value participation in local and national initiatives as indicated in the chart below.



### 8.4 Recommendation on future offer of support:

- Marketing fund of £5,000 in year 1, and funds in year 2 and 3 will take into consideration the Councils budgetary responsibilities. The fund will aim to raise awareness of volunteer run libraries and the services they offer, including participation in national and local initiatives and to produce materials/promotional activity.
- Hub/cluster support: Signposting for events, activities and services, help with operational queries in absence of the Volunteer Co-ordinator, share information regarding national and local initiatives, hub libraries may be offered as a free

venue for volunteer library groups engaging in training organised by the Library service.

- Continue to enable participation in city wide initiatives such as the Summer Reading Challenge and access resources. The cost of this will be met (up to £2400 per Associate library) through the support package held by the Library, Archives & Information Service.

## **9. Support from the Contracts and Partnership team**

### 9.1 The offer described in the Cabinet report 2014:

This is not described in the cabinet report.

### 9.2 What has been provided:

The grants to the Associate libraries are administered by the Contracts and Partnership team in the Commissioning Service, Communities portfolio (this is not part of the Libraries Archive and Information Service). The grant funding is from Council funds as specified by the Cabinet in 2014, not the library service budget.

The involvement of the library service in the administration and monitoring of the grants is at 'arm's length', with the payment of grants having the sign off by the Head of Libraries and Community Services as the Business Unit Manager. The Contracts and Partnership team consult with the library service on setting the grant criteria. This arrangement enables the Associate Libraries to benefit from an experienced grant funding team that has the resources and structure to deliver this service efficiently.

The Contracts and Partnership team undertake the following:

- Act as the first point for any queries with regards to monitoring and payments of grant.
- Carry out support visits to individual Associate Libraries to clarify monitoring expectations
- Process payments of grant upon satisfactory receipt of monitoring information
- Verify the quarterly monitoring forms submitted and any issues / concerns will be identified in the performance report circulated to Community Services.
- Risk band each Associate Libraries and a monitoring visit will be carried out on the basis of the risk rating (red, amber, green).
- Liaise with the volunteer coordinator to ensure that grant conditions are being met and the volunteer libraries are receiving adequate support as expressed on their monitoring forms.
- Report to volunteer coordinator any areas where the volunteer libraries seem to be at risk or struggling.

### 9.3 Evaluation of support from the Contracts and Partnership team

The service provided by the Contracts and Partnership team was not included in the survey.

The resources and expertise provided by the Contracts and Partnerships team is vital for the effective and efficient administration of the grant aid to the Associate library groups.

### 9.4 Recommendation on future offer of support:

- Grant administration and monitoring by the Contracts & Partnership service to continue.

## **10. Support from Transport and Facilities Management (T&FM)**

### 10.1 The offer described in the Cabinet report 2014:

Each building will be negotiated individually with Property & Facilities Management. Peppercorn rent subject to conditions. The Council will explore where any further capital support may be available as part of the Council's capital programme.

### 10.2 What has been provided:

All library buildings, now and prior to the Cabinet report in 2014, are the responsibility of Transport and Facilities Management. Therefore T&FM are responsible for lease negotiations with the Associate library groups.

The lease negotiations have taken longer than envisaged. In the interim, the library buildings have continued to be maintained by Facilities Management and this included:

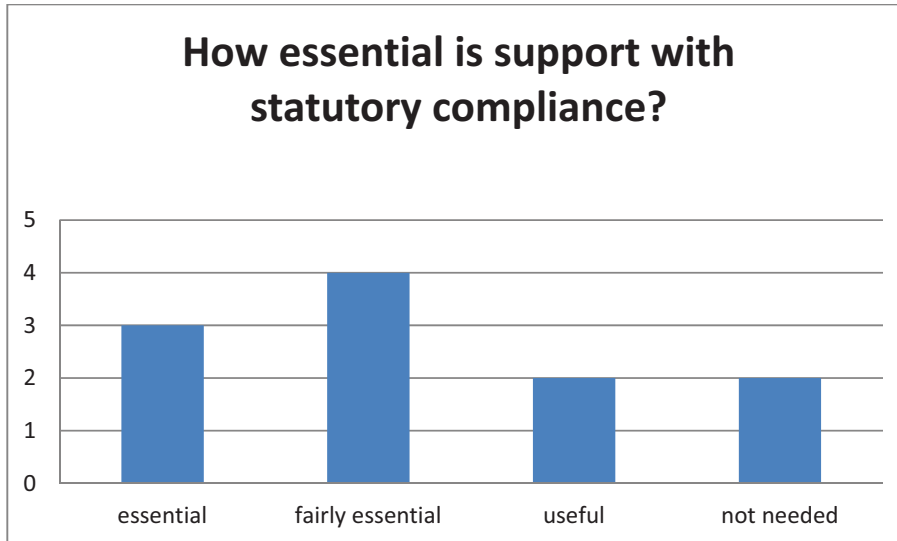
- Compliance checks for fire, asbestos and legionella
- Maintain and repair buildings in line with priorities
- Provide training in fire, asbestos and legionella regulations.
- Completed and committed to any essential repairs required to meet compliance standards that were outstanding to April 2015.
- Helpdesk reporting

Facilities Management produced a comprehensive building pack for each library including details of statutory compliance.

### 10.3 Evaluation of support from T&FM:

Comments from the volunteer libraries were very limited, and included the following:

- We recognise that this is a vital specialist area that we cannot afford to get wrong



There was a mixed response regarding statutory compliance and support needed.

#### 10.4 Recommendation on future offer of support:

- Associate library groups can continue to access statutory compliance testing via the Council, but will be charged to cover costs. The volunteer library groups may obtain statutory compliance testing from other sources.

### 11. **Provision of Library Management System (LMS) to volunteer run libraries**

#### 11.1 The offer described in the Cabinet report 2014:

- Associate libraries may remain on the library catalogue system. This will involve training and additional security arrangements. The book stock will not be transferred to the independent library as the stock may be requested by any library user in the city. Income generation from SCC materials i.e fees and charges will remain with SCC. Independent libraries may retain (where these are already installed) a Radio Frequency Identification Device (self service machine) until the current lease period expires.
- Associate libraries may retain the People's Network service, (subject to additional security arrangements).
- Alternatively independent libraries may prefer to have their own cataloguing system.

#### 11.2 What has been provided:

- Use of the Library Management System (LMS) software and I.T. Sirsi Dynix provide the Symphony library management system who contract with Capita who are currently the system administrators.



- Provision of computers and repair/maintenance, and computer accounts by Capita.
- Training in how to use the LMS – by the Volunteer Co-ordinator
- I.T. support for dealing with errors and faults – by the E-Services Officer
- Provision of the Peoples Network (internet) - Capita
- Provision of computers and printers – Capita
- Provision of RFID machines (where they are installed)
- G4S security for cash collections – Library service funded
- Alarms and security shutters – Library service funded

The Business Support Unit is the operations team of the Library, Archives and Information Service and provide the following support for the Associate & Co-delivered libraries:

- Ordering and supplying consumables
- Supplying stationary for the Co-delivered libraries.
- Inputting cash sheets into OEO.
- Inputting library books found to be not on the system.
- Checking and correcting new borrower records.
- Occasional reporting of IT faults.
- Delivery and collection of books to the volunteer led libraries via a regular van round.

At the request of the library groups in 2015 the library service engaged with colleagues in BCIS to determine whether they could remain on the SCC library management systems. BCIS concluded that there would be no real cashable savings to SCC from the Associate Libraries disconnecting from our systems under the current contract. It is not known, at this point, what the costs will be after the current contracts end or whether the Associate Libraries will want to introduce their own systems and therefore

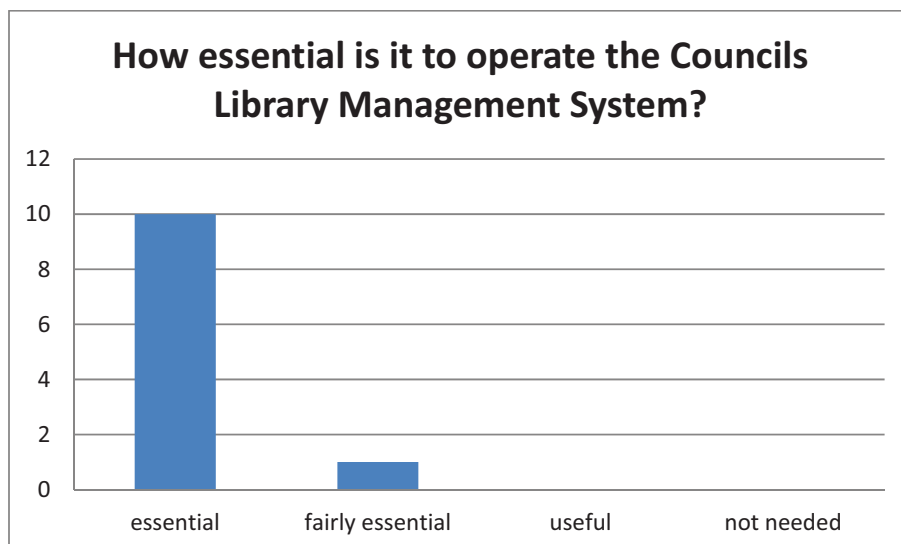
A decision by the Executive Director (for Communities) in 2015 has enabled the Associate library groups to remain on the LMS until 2019.

### 11.3 Evaluation of the Library Management system

The benefits of the LMS described by the volunteer libraries in the recent survey are:

- It would be better if statutory and voluntary libraries work on one system
- Essential for the continuance of a city wide network and equal access to library stock and services

The chart below shows results from the library group survey in which all of the respondents found the operation of the Councils LMS essential.



The Associate library groups have explored the procurement or development of their own LMS and after looking at the pros and cons they concluded that they would prefer to remain on the Council's system if possible, as it is a significant benefit for customers to be able to access the Council's full catalogue of books and materials. However, the key issue for the groups is whether they could realistically cover a significant charge from SCC for its ICT services.

11.4 Recommendation on future offer of support:

- Continue to offer the LMS and associated support to the volunteer libraries

**12. Van deliveries**

12.1 Offer described in the Cabinet report 2014

- There is no specific reference to van deliveries, although it does state "Book depository service giving library users access to SCC catalogue stock at their independent library".

12.2 What has been provided:

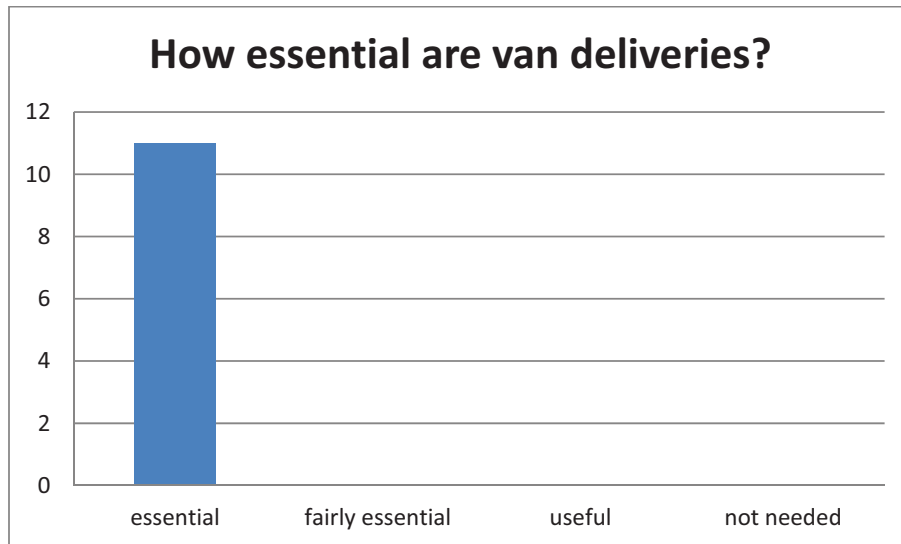
The Associate libraries receive a van delivery/pick up once per week, and Co-delivered libraries twice per week. Deliveries and collections are principally books that have been reserved, enabling users of volunteer run libraries access to the city wide book stock.

12.3 Evaluation of the van delivery service

Comments from the volunteer libraries regarding the van deliveries include:

- “It is essential that this service continues after March 2017 and while ever we remain on the LMS”
- “For an effective city-wide system this is vital”
- “A volunteer run (delivery) service would not be possible due to the high level of coordination needed.”

The volunteer libraries highlight the importance of the van delivery system to transfer books and other materials between libraries, with each library group rating this service offer as essential.



#### 12.4 Recommendation on future offer of support:

- Continue to offer the LMS and associated support to the volunteer libraries
- Continue to offer the van deliveries to the volunteer libraries.

### 13. LMS training

#### 13.1 Offer described in the Cabinet report 2014:

‘Associate libraries may remain on the library catalogue system. This will involve training and additional security arrangements’. For the Co-delivered libraries there was no specific reference to the Library Management System ‘The Council will work with these libraries to provide a training and support programme for volunteers’.

#### 13.2 What has been provided:

All volunteers who wish to use the Library management system (LMS) attend a one day intensive training session that gives them the basic knowledge to be able to use the LMS.

Ongoing training is provided for volunteers on the procedures of using the LMS; these are currently delivered in an on-demand basis by the Volunteer Coordinator.

70 training sessions totalling 322.5 hours have been delivered by the Volunteer Coordinator and The E Services and LMS Officer.

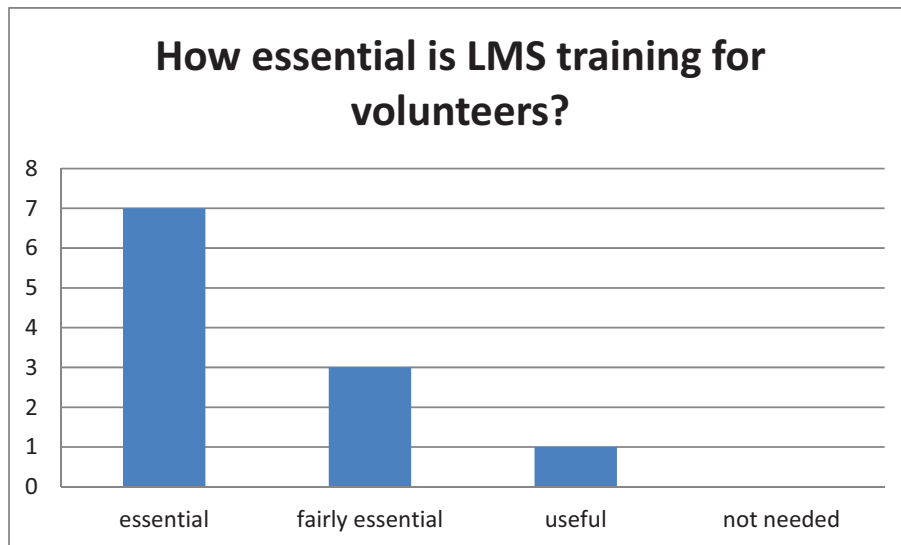
To date 509 volunteers have attended the LMS training sessions.

Continuous ad-hoc LMS training is provided at the volunteer libraries by the volunteer coordinator.

### 13.3 Evaluation of LMS training:

The following feedback has been provided by the volunteer library groups:

- Initially this was difficult, as the training provided by SCC was very intense and for many people who were not 100% IT confident it proved difficult. Currently we have 2 volunteers providing training. This is working well although if these volunteers leave, we will face difficulties again.
- Challenging at times, having enough skilled volunteers to train new volunteers and also keep the library running. Eg. Summer hols, lots of new interest but not many trained volunteers available due to their own holidays
- Induction and LMS training well organised but more needs to be done in areas such as customer service and safeguarding.



### 13.4 Recommendation on future offer of support:

- Training for volunteers on the Library Management System, including advanced level training for cascade trainers.

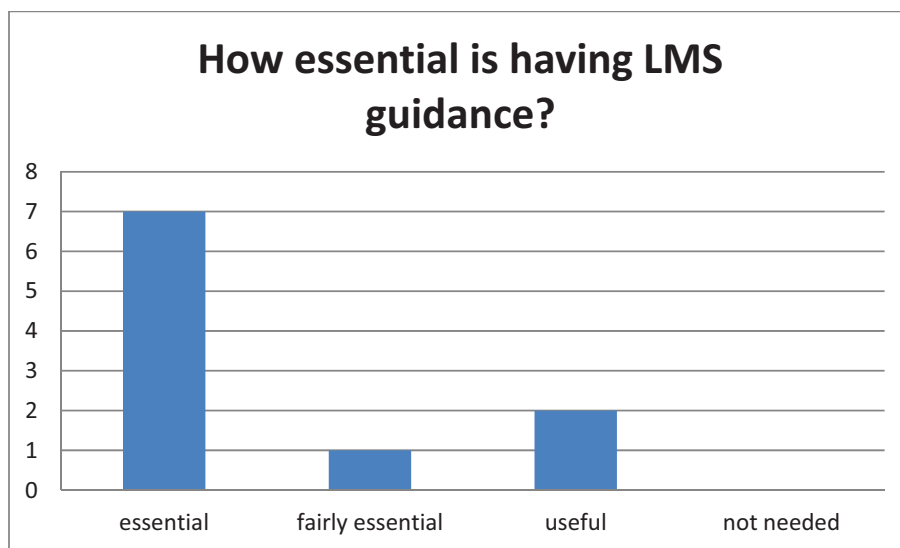
## 14. LMS guidance & documents provided

### 14.1 Offer described in the Cabinet report 2014:

Workshops will be set up for volunteer library groups and a guidance pack will be produced.

### 14.2 What has been provided?:

- 'How to' documents Sept 2014 and ongoing
- Regular email for volunteers with information and guidance.
- ICT/LMS guide how to operate the library management system Sept 2014



### 14.3 Evaluation of LMS guidance:

The following feedback was received from the volunteer library groups:

- “Useful for training and ongoing support.”

### 14.4 Recommendation on future offer of support:

- LMS guidance – information notes and updates will be sent out as they are developed.

## 15. Support from the E-Services Officer

### 15.1 Offer described in the Cabinet report 2014:

This support is not described in the Cabinet report of 2014.

### 15.2 What has been provided:

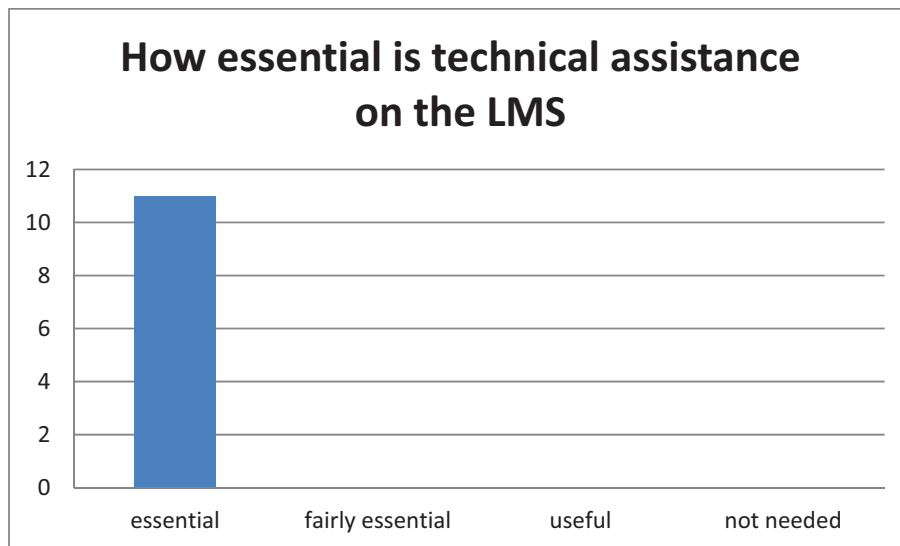
The E-Services Officer is the first point of contact for all the Volunteer run libraries for reporting I.T. faults. Volunteers cannot report I.T. faults directly.

The E-Services Officer also assists with LMS based queries and problems and provides ad-hoc reports from the LMS on request. During the handover the E-Services Officer delivered most of the training for volunteers in how to use the Library Management System.

### 15.3 Evaluation of support from the E-Services Officer:

Feedback from the volunteer libraries consisted of the following comments:

- “Essential - we have on-going technical issues with computers and printers. Having Jacqui at the end of the phone to fix and arrange for them to be fixed is vital.”
- “Please allocate Jacqui some additional time for vol run libraries' assistance”
- “Support from Jacqui Chase has been vital during our start-up period and some continued support and access to Capita would be welcome”.



### 15.4 Recommendation on future offer of support:

- I.T. support relating to the operation of the Library Management System will continue.

## 16. **RFID (self service) machines**

### 16.1 Offer described in the Cabinet report of 2014

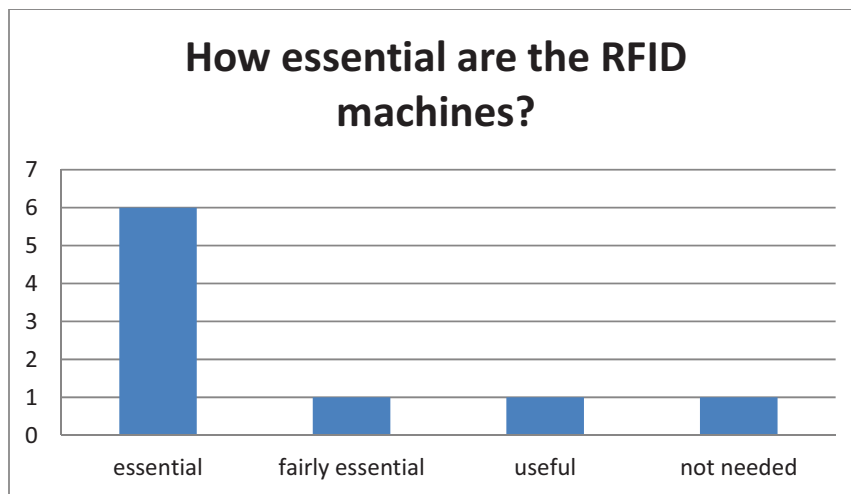
- Associate libraries may retain (where these are already installed) a Radio Frequency Identification Device (self service machine) until the current lease

period expires. Co-delivered libraries may retain RFID's where they are installed.

### 16.2 What has been provided:

11 of the 15 volunteer run libraries have RFID self service machines. When surveyed, of the 11 volunteer groups who responded 6 considered them essential, and 1 considered the RFID machines to be not needed.

In busier libraries the RFID machines help to take pressure off the staff or volunteers by allowing library users to serve themselves. This can have a significant impact on the number of volunteers needed to maintain a library and also impacts the ability for volunteer library's to deliver their own systems as the RFID machines take the pressure off the counter PCs from where the volunteers run their own systems.



## 17. **G4s Cash collection service**

### 17.1 Offer described in the Cabinet report 2014

This offer is not described in the Cabinet report of 2014

### 17.2 What has been provided:

All volunteer libraries have a G4s cash collection service which collects any money from the volunteer libraries that is to be paid into the council (such as book fines).

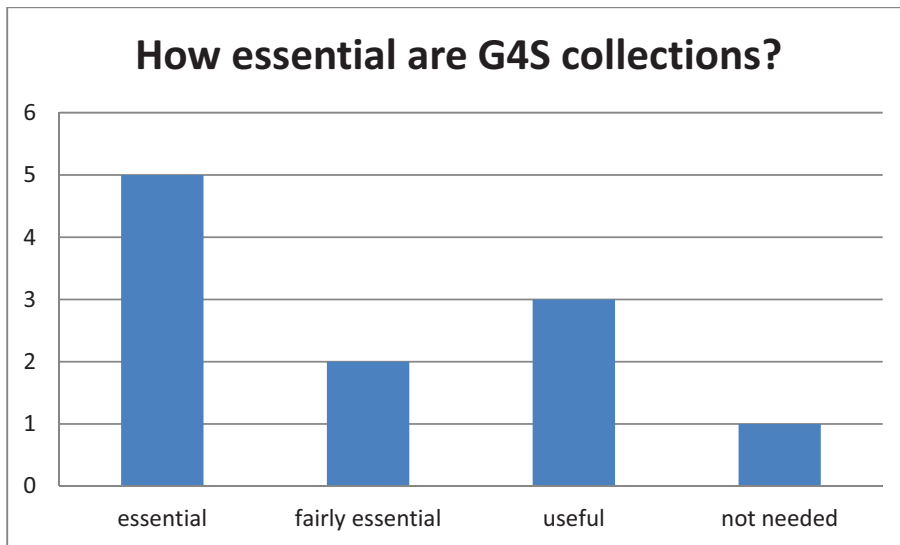
### 17.3 Evaluation of G4S collections

Feedback from the survey of volunteer libraries included:

- “As the sums for SCC are so small a security service to collect is not essential.”

- “If we are part of the library service then money will be generated. We would not be happy to be responsible for transferring this money.”

Half the respondents feel that the G4s collections are essential. G4S collections ensure funding due to SCC is collected. G4s collections also protect volunteers as it is a potential risk to be transporting cash personally.



#### 17.4 Recommendation on future offer of support:

Continue to provide security collections of cash that is SCC funding as part of the LMS offer.

### 18. **Book stock**

#### 18.1 Offer described in the Cabinet report 2014:

For Co-delivered libraries the offer is - Book and material stock, and circulation. Associate libraries may remain on the library catalogue system, the book stock will not be transferred to the independent library as the stock may be requested by any library user in the city. Alternatively Associate libraries may prefer to have their own cataloguing system. There is no offer to supply new book stock or materials to Associate libraries.

#### 18.2 What has been provided:

The Co-delivered libraries have received new book stock and materials, in line with the offer to receive the same resource as Council run hub libraries (without the staffing).



Book stock has not been provided as part of the core offer for Associate libraries as it was originally envisaged that the library groups would eventually set up and operate their own Library Management System (LMS), and obtain new book stock from grants and donations. The savings made to the Library service budget in 2014/15, also meant that new book stock for Associate libraries was not affordable.

The Library service has however purchased £1000 of new book stock for each of the Associate libraries, funded by an under spend in the support package from Council funds.

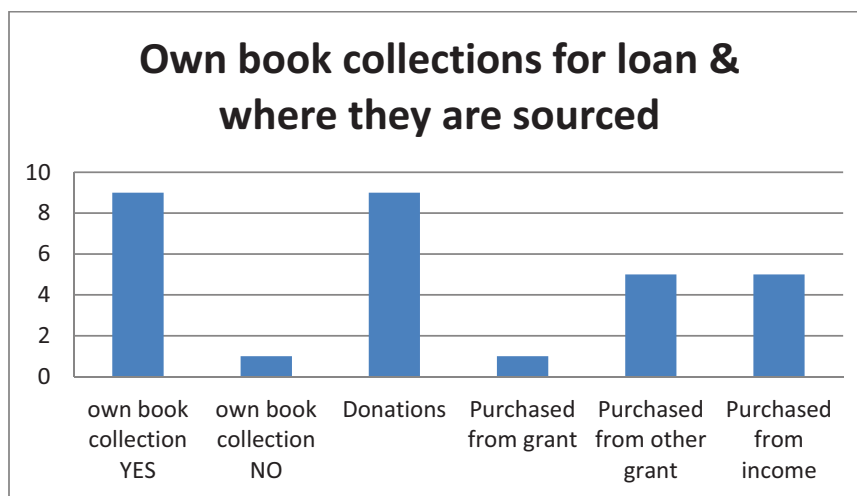
### 18.3 Evaluation of book stock provision:

Feedback from the volunteer libraries in the recent survey includes:

- “Aging book stock especially in the adults library is at risk of making the collection redundant as all books have been read by some users. In addition our communities are ever changing and we need new books in community languages to meet their needs.”
- We recognise the reality that we are unlikely to get new books from SCC. It would be useful to continue discussing this though.
- “Essential for the continuance of a city wide network and equal access to library stock and services “

For a library to remain sustainable it must have a supply of current and relevant books whether these are new books, donated books, or circulated stock.

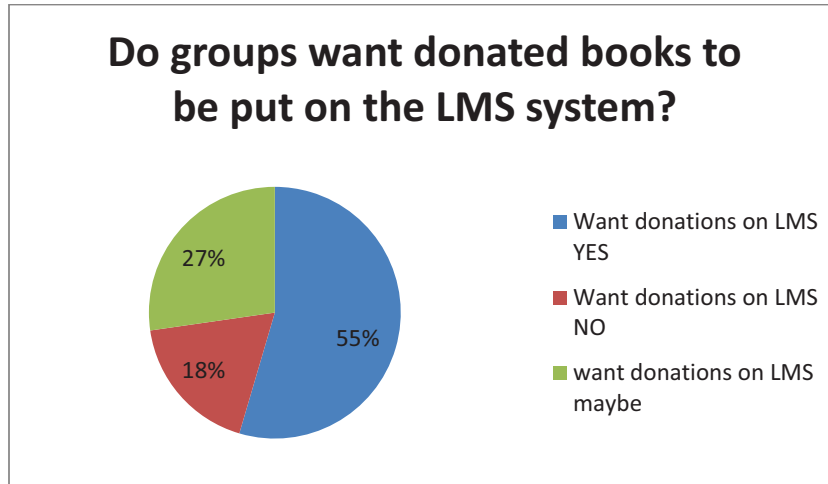
Most of the Associate libraries have set up their own book stock system largely made up of donated books, but in some cases purchased from grants and other sources of income such as book sales.



Where a volunteer library has its own book collection on its own system it significantly supplements book lending from the LMS, but library users need to sign up separately to be able to use this.

By having their own lending system, the volunteer libraries get new books locally, but as these books cannot be transferred or reserved city wide, they cannot contribute to a larger city wide lending system.

Just over half of the groups who responded want their donated books to be put on the Library Management System (LMS) where they can be accessed from any Sheffield library. The groups who indicated they might want their donated books on the LMS said the income from sale of donated books was important for their income generation, but if they have a continued library grant, they may prefer to put some of these books onto the system rather than sell them.



Some library groups were keen to retain donated or purchased books in their local library rather than be available to request across the service. They are concerned that if they added their books to the LMS, the books would spend much of their time on reservation in other areas of the city.

#### 18.4 Recommendation on future offer of support:

- Donations that meet criteria can be put onto the LMS system, the 'home' library being the library that made the donation, but the book can be reserved by any Sheffield library user.
- Provide new books for volunteer libraries, that can be supplemented with donated books, and own book purchases.
- Volunteer libraries can continue to run their own lending systems alongside the Councils Library Management System, or by itself.

## 19. Agreements

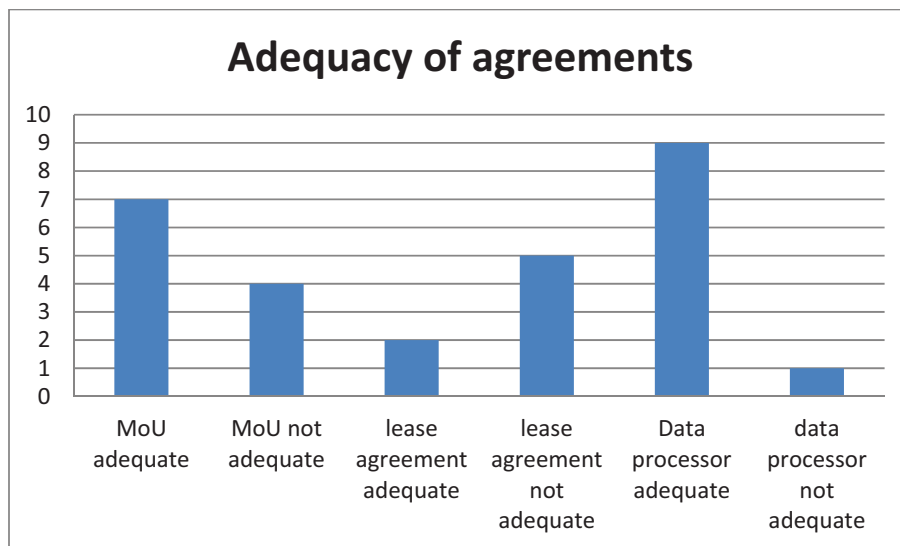
### 19.1 Offer described in the Cabinet report 2014:

There are no specific references to agreements in the cabinet report of 2014, although it does refer to “The Council will work with the Associate libraries to identify and implement an appropriate system to monitor the success of the libraries and the impact gained from the Council’s investment”.

### 19.2 What has been provided?

- Memorandum of Understanding
- Data Processor Agreements
- ICT Acceptable Usage Statement

### 19.3 Evaluation of agreements



Those that found the MoU not adequate stated that it needed to be updated to reflect the new position on remaining on the LMS, and any costs post March 2017.

Those that found the lease agreement not adequate stated that the leases have not yet been signed, the time and effort that has gone into lease negotiations, issues still to be resolved.

All but one of the groups that responded, found the data processor agreement adequate. The group finding the agreement not adequate did not make any comments relating to this.

### 19.4 Recommendation on future offer of support

- Update Memorandum of Understanding
- Introduce standards assessment relating to the operation of the LMS for Associate and Co-delivered libraries.

## **The library delivery model: Hub libraries, Associate Libraries, Co-delivered Libraries**

### **1. Background**

The changes to the library service were decided following a comprehensive review that began in 2011 until 2014. The review reflected the challenges to the library service and its ability to be efficient, comprehensive, modern and sustainable within the reducing budgets and financial challenges faced by Sheffield City Council.

Prior to the cabinet report in 2014, there had been a number of cuts to the Library Service's (s) budget as a result of national austerity. This meant the option to trim back or reduce costs through efficiency had already been maximised. Therefore further budget savings could only be made by re-organising and re-designing the service. In total 13 different models of operation were considered.

The Council re-defined 11 of its libraries as hub libraries, and along with the Home library service and Central library this contributes to the Council's Statutory duty to provide a comprehensive and efficient library service (library and museums act 1964).

The staffing levels in SCC run community libraries reduced dramatically in 2014 (via voluntary early severance, and voluntary early retirement) reflecting the reduction of Council run libraries from 27 to 12, plus the closure of the Mobile library service.

For each library that was vulnerable to closure there was a community group or organisation willing to run it. This led to the creation of 5 Co-delivered libraries and 11 Associate libraries. (Note Tinsley was defined as an Associate library but the Council continued to run the library until March 2016 whilst a rental agreement was still in place). These libraries do not form part of the Council's comprehensive and efficient duty but do provide library and other services and events for their community.

The value of the funding & support package for the Associate Libraries is £262K pa each year for 3 years ending March 2017, to be found from Council funds. The support and running costs for the 5 Co-delivered libraries are met from the Libraries, Archives and Information service core budget, for a pilot period of 2 years later extended to 3 years in line with Associate libraries.

### **2. What are Hub libraries?**

The 11 Council run Hub libraries, along with Central library and the Home Library Service deliver the Council's statutory duty to provide a comprehensive and efficient library service in accordance with the Libraries & Museums Act 1964.

All of the current hub libraries are based in district centres. This means they are at the heart of a community, enabling local people to visit shops and services and access the library within close proximity.

All Hub libraries are run by trained library staff employed by Sheffield City Council.

### **3. What are co-delivered libraries?**

In keeping with the Council's desire to keep open as many libraries as possible, the Co-delivered library model, was created. After securing the hub libraries, LAIS had sufficient core budget (2014-2016) to pay the library running costs for up to 5 libraries, but not the staffing. Therefore, if there was a community group or organisation willing to run the library with volunteers, the Council would provide all the services afforded to the hub libraries, but not the staffing, and pay the building running costs directly.

In line with the Council's commitment to the principals of the Fairness Commission, the top 5 libraries showing the highest demographic need were selected to become Co-delivered libraries

(alphabetical order)

Broomhill  
Burngreave  
Park  
Southey  
Woodhouse

Note Newfield Green was originally identified as a Co-delivered library but opted to become an Associate Library, this opened up the opportunity for Broomhill library to become a Co-delivered library.

The groups and organisations that came forward to run the Co-delivered libraries, were required to submit a business plan for approval before they could take over the running of the library. This included governance arrangements, managing volunteers and policies and procedures.

4 of the 5 Co-delivered libraries are now being run by community organisations that were well established in the community prior to taking over the library. Therefore they were familiar with community need, established in terms of governance, and had significant experience of fundraising and managing grants.

The Co-delivery groups do not have a tenancy or lease arrangement as the library building is still the responsibility of the Council. The library groups/organisations do not receive a grant as the running costs are paid directly by the Council. The library groups do however, have the opportunity to fundraise from the library in line with their business plan.

A range of training and support has been provided to the Co-delivered libraries by the Council.

#### 4. What are Associate libraries?

Over the autumn and winter in 2013/14 the Council consulted on a proposal for the future of Sheffield's Library Services. This described up to 11 'Independent' libraries with a limited level of support, responsible for their own property costs (repairs, maintenance and utilities) in addition to staffing the libraries with volunteers. In comparison the offer to Co-delivered libraries was significantly higher. The two different types of library were therefore distinct at this point.

However, the Council revised the proposal for the future of Sheffield's library services following consideration of the consultation results, feedback from communities and library groups, the Equality Impact Assessment, and insights provided by the priority tool. Therefore a new proposal was created to provide a package of support for up to 11 Associate libraries, plus access to a grant up to the value of the running costs of the library building in the last year of Council control in an effort to meet the Council's ambition to keep all libraries in Sheffield open.

One of the key changes in the model from 'Independent' to 'Associate' was the offer for the libraries to remain on the Council's Library Management System (LM). This enables all SCC library members to use all the libraries in the City, whether they are Council run, Co-delivered or Associate libraries. The Associate libraries also have access to the city wide book stock. The offer to Associate libraries to date includes the following:-

- Training and support.
- Peppercorn rent offer of 5 year and 25 year term. The 25 year term can be triggered by submitting a 10 year business plan.
- Access to a prioritised capital pot for substantial emergency repairs.
- Statutory compliance testing (prior to lease completion)
- A grant pot allocation of £154,300 a year for 3 years to 31<sup>st</sup> March 2017. Each Associate library can apply for funding (up to the level of the running cost budget for that library as of 2013/14), for funding needs identified in their final full business plan.
- Access to the LMS and library catalogue system.
- Link into local and national initiatives such as Summer Reading Challenge.
- People's Network I.T. and access
- Provision of computers and i.t maintenance for operating the LMS and associated reports.

The following are the Associate Libraries listed in alphabetical order:

Ecclesfield  
Frecheville  
Gleadless  
Greenhill  
Jordanthorpe  
Newfield Green  
Stannington  
Tinsley  
Totley  
Upperthorpe  
Walkley

Appendix 3

Library, Archives & Information Service, Branding



**LiBRARIES** SHEFFIELD

## Appendix 4

### **Benefits of Volunteering to Health and Wellbeing: A limited evidence review and discussion of Three Case Studies**

*Kristin Bash, Public Health Specialty Registrar  
21 September 2016*

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#### **Overview and introduction**

The United Nations defines volunteering as ‘an act of free will that results in benefits to others (e.g., individuals, groups, the environment) outside of, or in addition to support given to close family members’.<sup>i</sup>

There is a growing body of evidence to suggest that the act of volunteering itself has benefits for the health and wellbeing of the volunteer.

#### **Methods**

A limited literature review was conducted and results described in terms of health and wellbeing benefits found in the evidence

Three case-studies were developed through semi-structured interviews with library volunteers. The toolkit know as Five Ways to Wellbeing was used as a framework to discuss themes that emerged within these interviews .

#### **Evidence in the literature – Physical Health and Wellbeing**

A limited literature search was conducted to locate articles regarding volunteering and its effects on volunteers.



Evidence from individual studies demonstrates volunteering has a positive effect on a range of health factors including cardiovascular disease, hypertension, mental well-being, self-rated health and life satisfaction<sup>ii,iii,iv,vvi</sup>. Individual studies have also documented an association between volunteering and a reduction in mortality<sup>vii</sup>, reduced pain<sup>viii</sup>, and muscular strength<sup>ix</sup>.

A large review was conducted using the British Household Panel Survey (BHPS)<sup>x</sup> in order to explore the association between volunteering, mental well-being and age. This study used over 66,000 observations (person years), and found higher well-being in those who volunteer ‘frequently’ compared with those who have never volunteered. They also found ‘potentially beneficial connections between volunteering and mental well-being during the middle stages of the life course,’ while these same benefits were not seen in young adults.

Perception of benefits also appears to vary between age groups, as found in a quantitative study of 401 older adults serving in 13 separate volunteer programmes and their self-reported sense of wellbeing<sup>xi</sup>. Looking at characteristics of the volunteers themselves, the study suggests that ‘lower-income, lower-educated, and single older volunteers perceived more benefit from their volunteer experience.’ These results were slightly altered once the characteristics of the volunteer experience itself were included: among other factors, better well-being was reported by volunteers who volunteered for longer periods of time, and those who felt better trained.

Overall, in this same study, almost 30% of volunteers reported their lives were improved due to volunteer experience.

## Systematic Reviews

In a systematic review commissioned in 2008 by Volunteering in England with support from the Department of Health, 87 articles related to volunteering and health outcomes were reviewed by researchers. Overall this review found evidence to show volunteering has a positive impact on various aspects of health of the volunteer:

Volunteering was shown to decrease mortality and to improve self-rated health, mental health, life satisfaction, the ability to carry out activities of daily living without functional impairment, social support and interaction, healthy behaviours, and the ability to cope with one’s own illness.<sup>xii</sup>

A second systematic review conducted in 2013<sup>xiii</sup> reviewed forty papers. While some of the findings were mixed, (e.g., there was no consistent finding of improved physical functional ability or self-rated health), there were some clear associations. A meta-analysis of five cohort studies identified a statistically significant 22% reduction in mortality among volunteers compared with non-volunteers. The review also found volunteering has a positive and significant effect on depression, life satisfaction and wellbeing.

## Discussion of case studies

### Volunteer Case Studies

Semi-structured interviews were held with three library volunteers, who each volunteered to be case studies. Interview questions were designed to reveal each volunteer’s personal experiences and views on how volunteering influenced their own sense of health and wellbeing. These interviews

were transcribed and checked by each volunteer to ensure capture of factual content and intended meaning.

## Five Ways to Wellbeing

Wellbeing is a term that is challenging to define, but that typically incorporates aspects of both the physical and mental health of an individual. Using evidence gathered as part of the national government's Foresight Project, the New Economics Foundation (NEF) developed the Five Ways to Wellbeing<sup>xiv</sup>. This is a set of evidence-based actions which can promote an individual's wellbeing: Connect, Be Active, Take Notice, Keep Learning and Give

Sheffield City Council has adopted Five Ways to Wellbeing<sup>xv</sup> as a way to start discussions amongst staff and get people thinking about their own wellbeing and promote it in their own lives and the lives of the public.

Three aspects of this framework emerged as clear themes within the case study interviews: Connect, Keep Learning, and Give. These themes emerged in all three case studies and demonstrate a clear connection between the experience of volunteering and the volunteer's health and wellbeing.

**Connect** – In the case studies made of Sheffield library volunteers, a clear theme emerged of feeling a strong sense of connection to the wider local community. Volunteers reported feeling connected to other library volunteers and in some cases friendships were made. Volunteers reported connecting with library users and developing a sense of familiarity and friendly bonding. Volunteers also reported feeling a wider sense of connection with the community as a whole. In all three case studies, having a link with the wider neighbourhood and the related sense of belonging were reported to give volunteers a sense of wellness and appreciation.

**Keep Learning** – Volunteers reported in interview that they enjoyed learning new skills required to run the libraries, including skills required to teach others. This has provided a sense of purpose and confidence. Perhaps on a more important level, volunteers reported they were able to overcome insecurities and fear about whether they would be able to learn new skills. Giving themselves the experience of volunteering has made them more confident in their own ability to learn in general.

On a practical level, one volunteer who was looking for full-time employment, felt that the experience at the library had given him new job skills and he would be able to use the library as a positive reference on job applications.

**Give** – Evidence shows that the desire to 'give something back' to the local community is a main reason given by volunteers.<sup>xvi, xvii</sup> This was the most consistent response across volunteers interviewed: giving back to the community made them feel good about themselves. It was a way to find purpose in a day where there was no other planned activity (case studies were out of work due to retirement, job-seeking or disability). This responsibility and planned activity – simply put - made volunteers feel good.

In addition to this however, was the reported pleasure each obtained from knowing they were each helping people who came into the library, either through demonstrating skills on the computer, helping with weekly reading groups or just interacting with library regulars and recommending new reading material. The act of giving back to their community is clearly an aspect of volunteering that is highly valued and that adds to the personal sense of wellbeing for library volunteers.

## Summary and Conclusion

Evidence demonstrates that there are many potential benefits to be gained from volunteering in terms of health and wellbeing. Systematic review findings support that volunteering is associated with a positive effect on life satisfaction and wellbeing, and a reduced risk of depression, and overall mortality. These findings are supported by the themes within three case studies of Sheffield library volunteers, which demonstrate that volunteers find meaning in their volunteer experience, enjoy giving back to the community and that it has increased their feelings of self-worth and confidence.

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<sup>i</sup> Jenkinson, et al., **Is volunteering a public health intervention? A systematic review and meta-analysis of the health and survival of volunteers.** BMC Public Health 2013, 13:773

<sup>ii</sup> Binder M, Freytag A. Volunteering, subjective well-being and public policy. Journal of Economic Psychology, 2013, 34:97-119

<sup>iii</sup> Schreier HM, Schonert-Reichl KA, Chen E. **Effect of volunteering on risk factors for cardiovascular disease in adolescents: a randomised control trial.** JAMA Pediatrics 2013; 167:327-32.

<sup>iv</sup> Burr JA, Tavares J, Mutchler JE. **Volunteering and hypertension risk in later life.** Journal of Aging Health, 2011; 23:24-51.

<sup>v</sup> Glass TA, De Leon CF, Bassuk SS, et al. **Social engagement and depressive symptoms in late life: longitudinal findings.** Journal of Aging Health, 2006; 18:604-28.

<sup>vi</sup> Musick MA, Wilson J. **Volunteering and depression: the role of psychological and social resources in different age groups.** Social Science Medicine 2003; 56:259-69.

<sup>vii</sup> Lum TY and Lightfoot E. **The effects of volunteering on the physical and mental health of older people.** Research on Aging, 2005;27:31-55.

<sup>viii</sup> Arnstein P, Vidal M, Wells-Federman C, Morgan B, and Caudill M. **From chronic pain patient to peer: Benefits and risks of volunteering.** Pain Management Nursing, 2002; 3:94-103.

<sup>ix</sup> Fried, et al., A social model for health promotion for an aging population: Initial evidence on the Experience Corps Model, Journal of Urban Health, 2004;81:64-78.

<sup>x</sup> Jenkinson, et al., 2013

<sup>xi</sup> Morrow-Howell N, et al., 2013

<sup>xii</sup> Casiday, et al., **Volunteering and Health: What Impact Does It Really Have?** Volunteering England, July 2008

<sup>xiii</sup> Jenkinson, et al., 2013

<sup>xiv</sup> Fivewaystowellbeing.org Page retrieved 02 Sept 2016

<sup>xv</sup> Sheffield City Council, **Sheffield City Council Our Plan 2015 – 2018**, accessed online 02 Sept 2016 at <https://www.sheffield.gov.uk/.../government.../Corporate%20Plan%20Summary.pdf>

<sup>xvi</sup> Konrah S, Fuhrel-Forbis A, Brown S. **Motives for volunteering are associated with mortality risk in older adults.** Health Psychology 2012, 31:87-96.

<sup>xvii</sup> Morrow-Howell N, **Hong S, Tang F, Who Benefits From Volunteering? Variations in Perceived Benefits.** The Gerontologist, vol 49, no 1, 90-102.

**Library Review 2016 –  
Future support arrangements for volunteer run libraries**

Proposal covers financial years: 2017/18, 2018/19, 2019/20

EIA lead: Liz Tooke

Lead corporate plan priority: Thriving Neighbourhoods and Communities

Portfolio: Communities

Service: Community Services

Team: Libraries

Which local partnership area will be impacted: ALL

EIA date: 29/06/2016

Type of decision: Executive Decision (Cabinet)

Lead Cabinet Member: Cllr Jack Scott

Cross portfolio: No

## **1. Overall summary of possible impact**

Overall the proposal would be positive if it is agreed, with a negative impact if current support and funding arrangements for Associate and Co-delivered libraries are not continued.

The aim of the proposal is to keep as many libraries open as possible, this will have an impact for all library users in the following way:-

- Library users will have less distance to travel to access library services
- Local people have the opportunity to volunteer for the volunteer run libraries, having positive health and wellbeing impact.
- The library buildings, remaining open, offer an opportunity for community events and activity.

The proposal will also have a particularly positive impact on older people, younger people, disabled people, women and BME communities. The proposal will help mitigate the following impacts:

- Older people and disabled people would experience a greater negative impact due to having to travel further for a library than other age ranges/people who are not disabled. Libraries also help to maintain/improve health and wellbeing.
- Older people have greater reliance on local libraries as a source of social contact to relived isolation.

- It can be difficult for parents/guardians with young families to travel around the city with small children and pushchairs, therefore a local library is particularly beneficial to this group of library users.
- Many people from black and minority ethnic communities live in households concentrated in specific areas of the city. This means the closure of library service could have a bigger impact on this group.

The opportunity for local libraries to celebrate diversity through events, activities and access to knowledge and information would be diminished.

BME communities and women are over-represented as library users as compared to citywide demographics.

The proposal is that the funding level for the Associate libraries will remain at the same level as 2016/17 for year 1 (2017/18). The Co-delivered libraries are funded directly from the Libraries, Archives and Information service core budget and are not subject to a grant.

If the grant funding for Associate libraries is reduced in years 2 and 3, the likelihood of a library closing is much lower than not having grant funding from the Council, but a slightly higher risk compared to the funding level being maintained, if funding is reduced in year 2 or 3 this could result in a competitive bidding process between the Associate libraries and this could have a negative impact on the co-operation built between the libraries. Therefore the grant criteria will aim to:

- Keep as many libraries open as possible
- Foster co-operation
- Recognise that circumstances in each library is different – some may need more help than others
- Recognise and support efforts made to fundraise and be viable

This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3.

## **2. Aim of the proposal**

The current support and funding arrangements for Associate and Co-delivered libraries is due to end as of 31<sup>st</sup> March 2017. The aim of the proposal is to keep as many libraries open as possible and therefore it is proposed to continue funding and support for the volunteer run libraries for a further three years. For year 1 Associate libraries will receive an enhanced package of support that maintains the grant level (as 15/16) and also includes the supply of new book stock. For year 2 the funding level may be maintained depending on budgetary decisions at that time, but will not be less than 80% of year 1 funding level. For year 3 the funding level may be maintained depending on budgetary decisions at that time, but will not be less than 70% of year 1 funding level.

Co-delivered libraries are funded from the Library, Archive and Information Service core budget and are not subject to a grant. The proposal is that Co-delivered libraries continue to receive the same offer as SCC's Hub libraries without the staffing and funded from LAIS core funding.

Overall the proposal would be positive if it is agreed (with a negative impact if current support and funding arrangements for Associate and Co-delivered libraries are not continued). The proposal will also have a particularly positive impact on older people, younger people, and disabled people, women, and BME Communities. This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3

### **3. Details of impact**

#### **3.1 Financial inclusion**

This proposal has an impact on poverty or financial inclusion.

Customer impact: Positive

Level: low/none

Summary of impact:

Our libraries increase prosperity:

- BIPC (Business and Intellectual Property Centre)
- Volunteering
- My work search
- Access to knowledge and information online and in person

Action plan being drawn up: No

#### **3.2 Health**

The proposal has significant impact on health and well-being (including effects on the wider determinants of health)

Impact on customers: Yes

Impact: Positive

Level: Medium/High

Summary of impact:

Libraries contribute to better health and wellbeing by:

- Delivering health related events and activities such as Mindfulness and Sporting Memories.
- Library service at Weston Park Hospital

- Home library service for people unable to access a library service
- Books on prescription to help people manage their condition
- Volunteering opportunities principally at Associate and Co-delivered libraries
- Social cafes
- Room hire that facilitates a range of community events and activities.

Action plan being drawn up: No

Comprehensive health impact assessment being completed: No

Public Health Leads have not signed off the health impacts of this EIA.

### **3.3 Age**

Impact on customers: yes

Impact: Positive

Impact level: None/low

Details of impact:

Positive impact if proposal is agreed (negative impact if current support and funding arrangements for Associate and Co-delivered libraries are not continued)

There are 149,438 registered adult users for Sheffield's library services, 22,717 children.

The support proposed will help to keep all the libraries in Sheffield and this will have the following impacts relating to age:

#### **3.3.1 Older people:**

- Maintains source of social contact - Older people have greater reliance on local libraries as a source of social contact to relieve isolation.
- If all the libraries remain open, this means less travelling time as older people have greater difficulty travelling and carrying books, particularly if the weather is bad and negotiating hills.
- Library services are still available for older people over 65 who are still working and active

Increasingly there are more people aged over 65 in the population. In 2010 Sheffield had the highest proportion of its population aged 65 years or over (15.5%) compared to the other English Core Cities

The city region workforce is getting older. There are 21,700 people in employment aged 65 years or older and 230,600 aged 50 to 64, together accounting for 30% of the city region workforce. (Source the state of Sheffield report 2016).

Social isolation is an issue for many older people, particularly those who have lost a partner (by 2025 it is estimated that there will be a 23% increase in people aged over 75 living alone). Low income is an issue for many pensioners, and 28% of people aged over 60, living in Sheffield households, claiming benefits relating to low income.

Social isolation, how libraries contribute:

- - Reading groups
- - Coffee mornings
- - Volunteering
- - Library events and activities
- - Social Cafes
- - Offering a welcome and safe place to meet

### **3.3.2 Adults:**

There are 120,934 Sheffield library members between the age of 18 and 65 (who have provided their date of birth). Of this number 70,901 are female, and 50,033 are male.

This proposal will reduce the likelihood of a library closure. However in the event of a library closure, some adult library users may need to travel further to access a library service. The city has a good bus network and tram service. Library users can access books and magazines in their own homes by accessing the e-library.

### **3.3.3 Teenagers and young people:**

This proposal will reduce the likelihood of a library closure. If, in the event of a library closure, teenagers and young people may need to travel further to access a library service. The city has a good bus network and tram service. Teenagers and young people may wish/prefer to use the library services at their school, college or university. The library service provides a 'schools library service' to most schools in Sheffield (this is a service paid for by the Schools). Teenagers and young people can also access books and magazines in their own home by accessing the e-library.

### **3.3.4 Children & Families:**

This proposal will reduce the likelihood of library closure. This means that children and families are more likely to access the following services and activity, closer to where they live:

- Access to childrens books, which supports childrens development and fosters positive attitude to literacy.
- Access to childrens activities such as storytime, babytime, chatterbooks, homework clubs.
- Access to social and support networks for young parents/guardians.

It is can be difficult for parents/guardians with young families to travel around the city with small children and pushchairs, therefore a local library is particularly beneficial to this group of library users.

Summary of evidence:

In a recent library survey (summer 2016), 597 people said that libraries help them a lot in meeting people and making friends (26.62%, with a further 515 (22.96%) saying libraries help sometimes. 73% of surveyed users mostly use their nearest



library and 52% of library users don't visit other libraries. Circa 40 people commented on improvements to activities for older people in Associate libraries over the last 2 years; and around 40 people commented on improvements to activities for children.

The primary school population of Sheffield is growing, with an increase of more than 3000 pupils over the last 5 years (Source State of Sheffield Report 2016). This reflects the combination of the increasing birth rates in Sheffield and inward migration to the city.

Reading for young children helps them view books as a fun activity, not a chore. Numerous studies have shown that students who are exposed to reading from a young age are more likely to do well in all facets of formal education.

The educational profile of the city's population has seen the proportion of residents with no qualifications falling from 16.6% in 2008 to 10.0% in 2011, bringing Sheffield in line with the national average.

Getting around the city is changing with more people using Supertram and walking and cycling although bus travel is declining and motor vehicles are still used by most people to travel.

Sheffield still has a higher number than the national average of 16-18 year olds not in education, employment or training (NEET). An estimated 23% of Sheffield's children live in relative poverty<sup>[1]</sup>, compared to 18% across the UK, as do more than one fifth of households.

It is a grant requirement for Associate Libraries that they complete a Diversity Action plan (these cover how they ensure services are accessible for diverse groups). During 2015/16 there was a specific piece of work between SCC and Associate Libraries looking at the Diversity action plans, examples of good practice for Qtr 1:

- Newfield Green – weekly crafting sessions with children; work with Activity Sheffield to deliver a range of activities for young people.
- Jordanthorpe Library – Launched a toy library in partnership with Chancet Wood childrens centre.
- Stannington – Bi-monthly Sheffield 50 plus meetings; baby-time and school visits.
- Totley – kids can do group
- Greenhill – Drink wise/Age Well
- Frecheville – Princes Trust (young people)

Action and mitigation:

If the grant funding for Associate libraries is reduced in years 2 and 3, the likelihood of a library closing is much lower than not having grant funding from the Council, but a slightly higher risk compared to the funding level being maintained. If funding is reduced in year 2 or 3, this could result in a competitive bidding process between the Associate libraries and this could have a negative impact on the co-operation built between libraries.

This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3. Age would be specifically considered as part of the review.

### **3.4 Disability**

Impact on customers: Yes

Impact: Positive

Impact level: none/low

Detail of impact:

Positive impact if proposal is agreed, negative impact if current support and funding for Associate and Co-delivered libraries are not continued.

2%-3% of adult registered users have declared (voluntarily) a disability. However work is being done to improve recording levels as this is well below the level experienced/expected (for example, a previous survey suggested 20% of users are disabled).

The support proposed will help to keep all the libraries in Sheffield to remain open, maintaining access by disabled people. People with a disability may also be eligible for the Home Library Service.

Equality implications for the delivery of library services:

- The location of library services is more acute for this group of people, who may be less able to travel to other libraries. By helping to keep all the libraries open, people with a disability will not have to travel further.
- In the library survey of 2013/14 some libraries were reported as being particularly inaccessible for disabled people e.g. Hillsborough, Central and Ecclesall. In the library survey of summer 2016, toilets were still an issue, as well as parking availability near libraries. Disabled access to Central library was also a concern. Stocksbridge library now has a lift, toilet provision has been improved and further improvements are likely to take place where this is possible. It is not possible to improve disabled access at the main entrance to Central Library on Surrey Street, but there are plans to improve the look and feel of the accessible entrance on Arundel gate.
- The Home library service for people who are unable to visit a library has a programme of promotion and improvements have been made to promotional material emphasising this is a free service.

Summary of evidence:

In the recent library survey (summer 2016), 595 people (26.53%) said that libraries help them a lot to maintain their health and wellbeing, with a further 584 (26.04%) saying that libraries help sometimes. 73% of surveyed users mostly use their nearest library and 52% of library users don't visit other libraries.

The majority of survey respondents indicated that the library is accessible for them, whether this is a volunteer run library or a Hub library. In regards to services that

could be improved, toilet facilities are a popular comment, and this is similar for both types of library. For volunteer run libraries disabled parking and automatic doors were the most popular improvements requested. For Hub libraries the most popular improvement requested are to the main entrance (principally Central Library), and general improvement to the buildings making them more disabled friendly.

There are 103,715 people in Sheffield who have a long term health condition or disability, this equates to 19% of the population (Source: Census 2011).

Nearly a third of the people with a long term health problem or disability live in areas that are amongst the 10% most deprived in the Country. This compares with 23% in Sheffield as a whole (Source: Communities & Local Government).

In 2013 there were 22,500 people in Sheffield who were blue badge holders, and 33,340 people claim disability living allowance.

Mental and emotional health - indicators demonstrate increasing mental and emotional health needs in young people and women in the city. Referrals to Child and Adolescent Mental Health Services have increased by over 30% between 2012/13 and 2013/14. This matches trends identified nationally and is strongly linked with deprivation and health inequality. (The State of Sheffield Report 2016)

It is a grant requirement for Associate Libraries that they complete a Diversity action plan (these cover how they ensure services are accessible for diverse groups). During 2015/16 there was a specific piece of work between SCC and Associate Libraies looking at the Diversity action plans, see examples of good practice below (Qtr 1):

- Gleadless – McMillan Cancer coffee mornings continues on Wed mornings
- Greenhill – NHS issuing batteries for the Deaf; Drink Wise/Age Well
- Ecclesfield – Learning programme for Ecclesfield Unit Clients which involves twice weekly visits to use the talking books and research health and personal care topics at each session. Ecclesfield Library will be receving training to become a “Sheffield Safe Places”.

Evidence demonstrates there are many potential benefits to be gained from volunteering in terms of health and wellbeing.

Action plan and mitigation:

If the proposal goes ahead, all libraries will continue to address accessibility concerns and improve disability equality monitoring.

If the grant funding for Associate libraries is reduced in years 2 and 3, the likelihood of a library closing is much lower than not having grant funding from the Council, but a slightly higher risk compared to the funding level being maintained.

This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3. Disability would be specifically considered as part of the review.

### **3.5 Pregnancy/maternity**

Impact on customers: yes  
Impact: Positive  
Level: none/low

Details of impact:

It can be difficult for parents/guardians with young families to travel around the city with small children and pushchairs, therefore a local library is particularly beneficial to this group of library users.

### **3.6 Race**

Impact on customers: Yes  
Impact: Positive  
Impact level: None/Low

Details of impact:

Positive impact if proposal is agreed, negative impact if current support and funding arrangements for Associate and Co-delivered libraries are not continued.

Library members can voluntarily indicate their ethnicity when registering, however the categorisation is not the same as the equalities monitoring in the recent public survey. Of the library users that have indicated an ethnicity, 71% are white British, and 29% other ethnic background.

The support proposed will help to keep all the libraries in Sheffield open, including libraries that have a high proportion of BME users.

- Many people from black and minority ethnic communities live in households concentrated in specific areas of the city. This means the location of a library service could have a bigger impact on this group.
- Language support in using a library and access to books in other languages

Supporting evidence:

In the recent library survey (summer2016) 436 people (19.44%) said that libraries help them a lot in understanding different people and culture, with a further 595 people (26.53%) say that libraries help sometimes.

The BME population in the city increased since the 2001 Census, from around 11% of the total population to 19% in 2011. The neighbourhoods of Burngreave, Fir Vale, Tinsley, Darnall and Sharrow have particularly high concentration of BME residents. The Pakistani community remains Sheffield's largest single non-white ethnic group as new ethnic communities have emerged and existing communities have grown through immigration for employment and for education. In line with national trends,

recent economic migration from Europe and an increasing number of refugees have further diversified the Sheffield population, alongside increases in the Indian, Chinese and Yemeni communities. The ethnic profile of the city is likely to continue to change in the future.

Action and mitigation:

This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3. Race would be specifically considered as part of the review.

### **3.7 Religion/belief**

Impact on customers: yes  
Impact: Positive  
Impact level: none/low

Details of impact:

In the recent library survey (summer 2016) 436 people (19.44%) said that libraries help them a lot in understanding different people and culture, with a further 595 people (26.53%) say that libraries help sometimes.

### **3.8 Sex**

Impact on customers: yes  
Impact: Positive  
Impact level: none/low

Details of impact:

58% of library users are women; 42% are men. There are 24,793 Sheffield library members over 65 years of age (who have provided their date of birth). Of this number 13,967 are female and 10,826 are male.

There are 120,934 Sheffield library members between the age of 18 and 65 (who have provided their date of birth). Of this number 70,901 are female and 50,033 are male.

### **3.9 Voluntary/Community/Faith Sector**

Impact on customers: yes  
Impact: Positive  
Impact level: None/Low

Positive impact if proposal is agreed, negative impact if current support and funding arrangements for Associate and Co-delivered libraries are not continued.

Continued support for 16 voluntary organisations to run volunteer run libraries, the majority of which are Charitable Incorporated organisations.

There are currently around 800 volunteers helping to run Associate and Co-delivered libraries, which has a positive impact on health and wellbeing and community cohesion.

The continuance of volunteer run libraries also means volunteer groups in the local area also have a venue to meet and run activities.

Supporting evidence:

This EIA would be reviewed if grant funding is being recommended for reduction in years 2 and 3. Impact on the VCF sector would be specifically considered as part of the review.

By helping to keep all the libraries in Sheffield open, the people of Sheffield will continue to benefit from the following:

- A Place to feel safe and welcome, that is free of charge and open to all.
- A venue for people to engage and get involved with their communities
- Celebrate diversity through events, activities and access to knowledge and information.

### **3.10 Cohesion**

Impact on customers: yes

Impact: Positive

Impact level: None/low

Details of impact:

By helping to keep all the libraries in Sheffield open, the people of Sheffield will continue to benefit from the following:

- A place to feel safe and welcome that is free of charge and open to all.
- A venue for people to engage and get involved with their communities.
- Celebrate diversity through events, activities and access to knowledge and information.

Supporting evidence:

In line with national trends, recent economic migration from Europe and an increasing number of refugees have further diversified the Sheffield population, alongside increases in the Indian, Chinese and Yemeni communities. The ethnic profile of the city is likely to continue to change in the future.

In the recent library survey (summer 2016) 436 people (19.44%) said that libraries help them a lot in understanding different people and culture, with a further 595 people (26.53%) say that libraries help sometimes.

#### **4. Detail of geographical impact across Sheffield**

The proposal has a geographical impact across Sheffield.

There are 12 libraries run by Sheffield City Council spread throughout the city in district centres, and 16 volunteer run libraries, supported by Sheffield City Council, also geographically spread throughout the city in local communities.

The travelling distance to a library has an impact, in particular on older people, disabled and families with young children in particular.

Which local partnership area will be impacted: All Partnership Areas

#### **5. Consultation**

Consultation start date: 7<sup>th</sup> July 2016

Consultation end date: 18<sup>th</sup> August 2016

Details of consultation:

A public survey with 2136 responses (7th July to 18th August), online via Citizen Space and hard copies available in libraries. An analysis is included in the cabinet report.

The majority of respondents at 39% thought that services, overall had not changed significantly in the past 2 years. 23% of respondents thought services had improved, with just 3% who thought services were not as good,

The majority of respondents who indicated a gender were female at 69% and 31% male. This compares to library membership of 58% female and 42% male (of those that provided gender information). Of adults who responded to the survey and who provided an age range, 66% of people were between 16 and 64 and 34% were 65 and over. This compares to 83% of adult library members aged 18 to 64, and 17% for people over 65.

A survey of Associate and Co-delivered libraries 11 or 15 volunteer libraries responding (June-Sept 2016). An analysis is an appendix to the cabinet report.

#### **6. Approval of the EAI**

Approved by: Liz Tooke

## **Appendix 6**

Library survey 2016 analysis of results

Type of decision: Executive Decision (Cabinet)

Title of report: Library review 2016 – future support arrangements for volunteer run libraries

### **Library survey 2016 analysis of results**

#### **1. Summary**

There were 2136 surveys completed by library members, and by 107 people who are not library members. Surveys could be undertaken on the Council's survey site 'Citizen Space', with a link to this on the Library service webpage, or be completing a paper survey at any SCC library, Associate or Co-delivered libraries.

The survey shows that libraries as an important resource for library users, and they value their interactions with library staff or volunteers. 73% of surveyed users mostly use their nearest library and 52% of library users don't visit other libraries.

Book borrowing was the most common activity in libraries with 1482 respondents saying they frequently use this service.

It is also clear that the volunteer libraries have vastly increased volunteer opportunities throughout Sheffield, particularly in the outlying communities.

The majority of respondents to the survey are female (64.4%), White: English/Welsh/Scottish/British/Northern Irish (81.01%), though age range was more varied with the majority of those surveyed being between 35 – 75. 13.42% of the respondents said they are disabled. It is important to note that whilst the majority of the respondents are not people from minority ethnic backgrounds the 19% of respondents who are, is in line 2011 census figures.

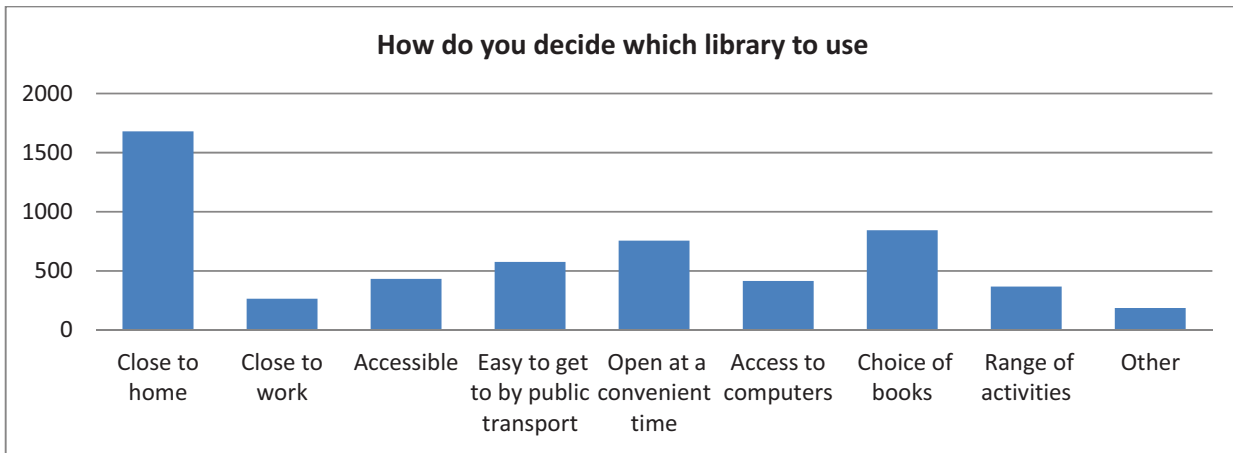
#### **2. Library usage**

95% of the respondents were registered library members.

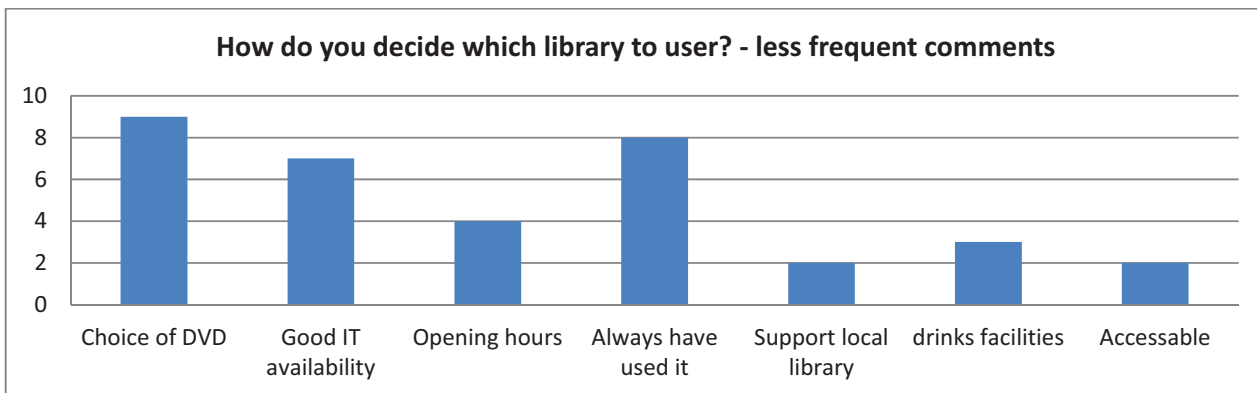
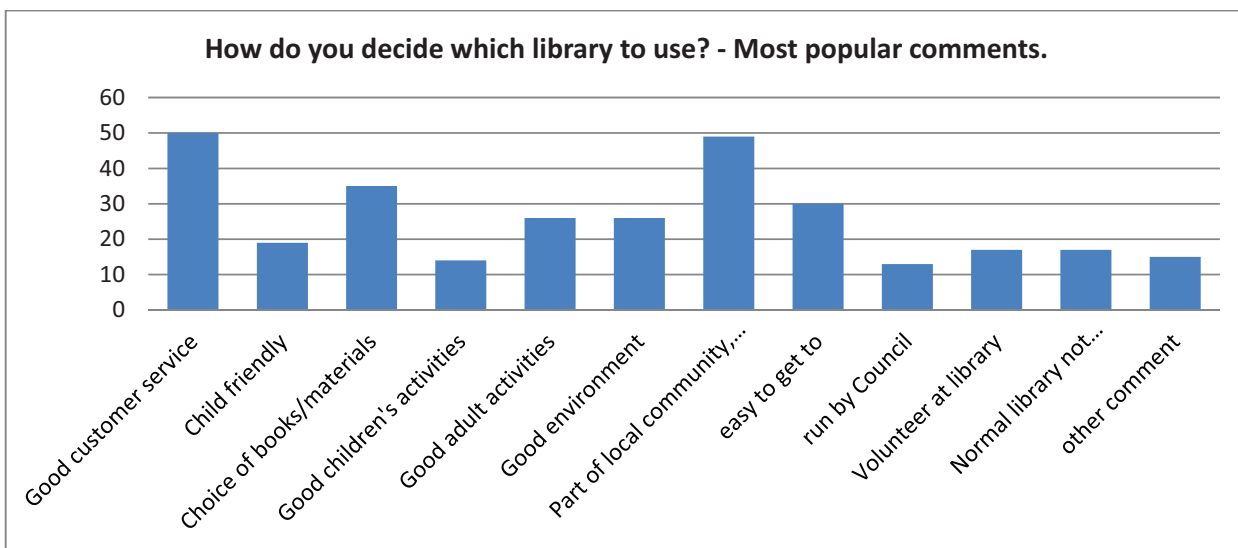
The survey showed that 73% of library users visit their nearest library. Around half the respondents (52%) said they would not use any other libraries. Where library users also used another library Central Lending Library was the most popular with 27% of responses.

The three most important factors to library choice are proximity to home, choice of books and opening times



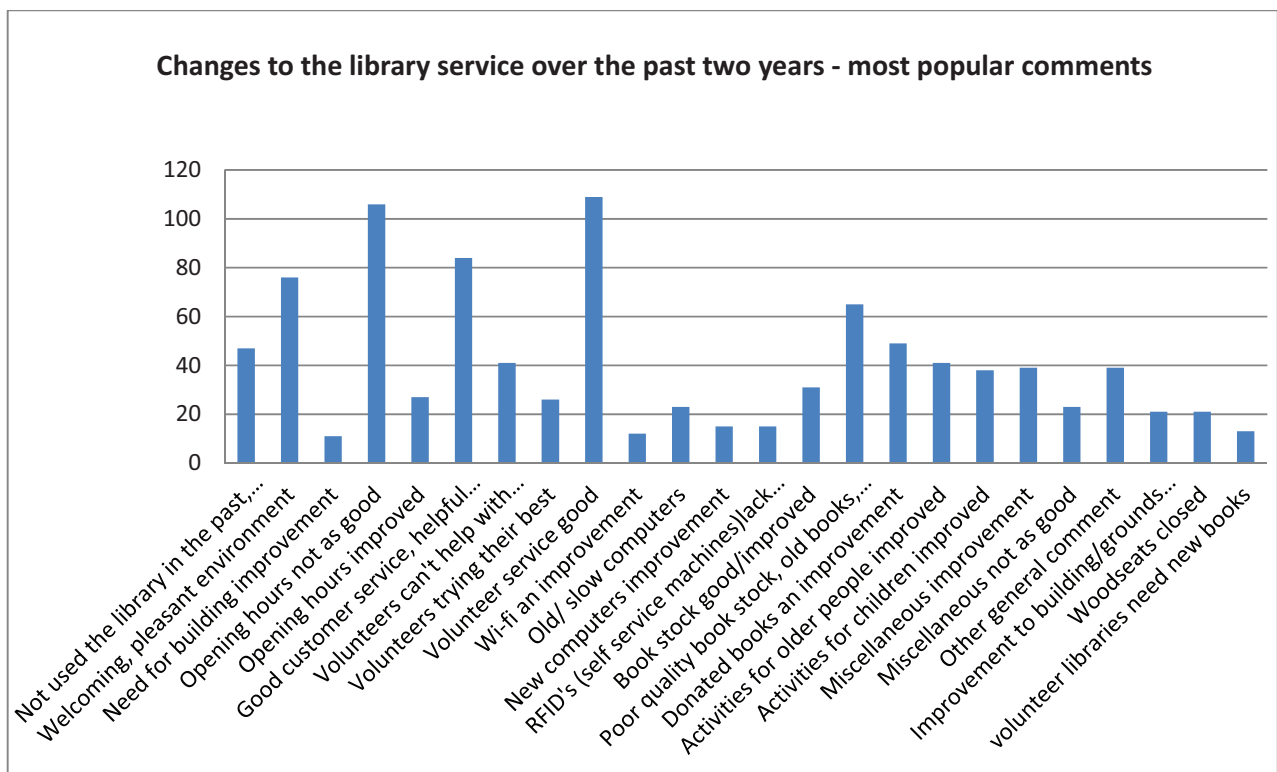
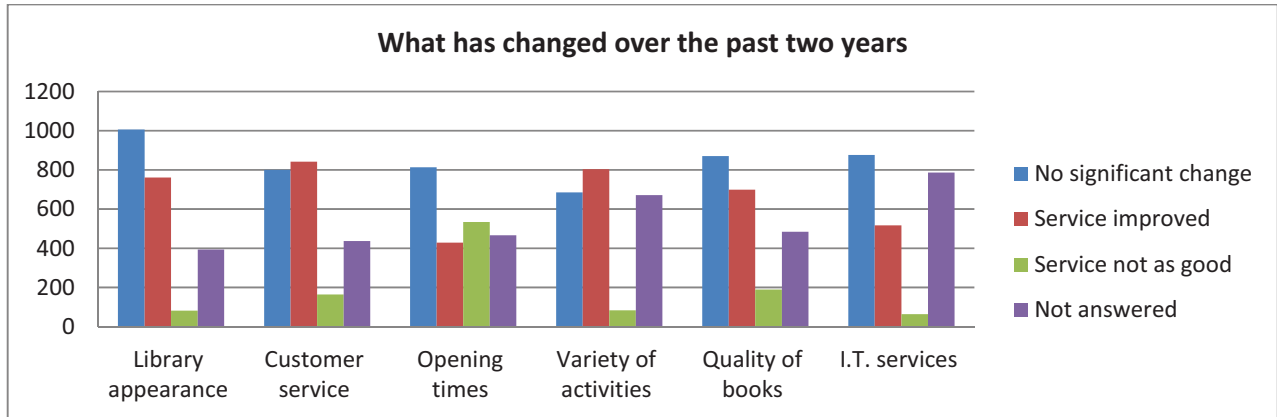


The level of customer service was highlighted as an important factor when deciding which library to use. Also important is the library being part of the local community, i.e. that it is close to other local amenities and facilities. Choice of books was the third most important factor.



### 3. Views on library changes over last 2 years

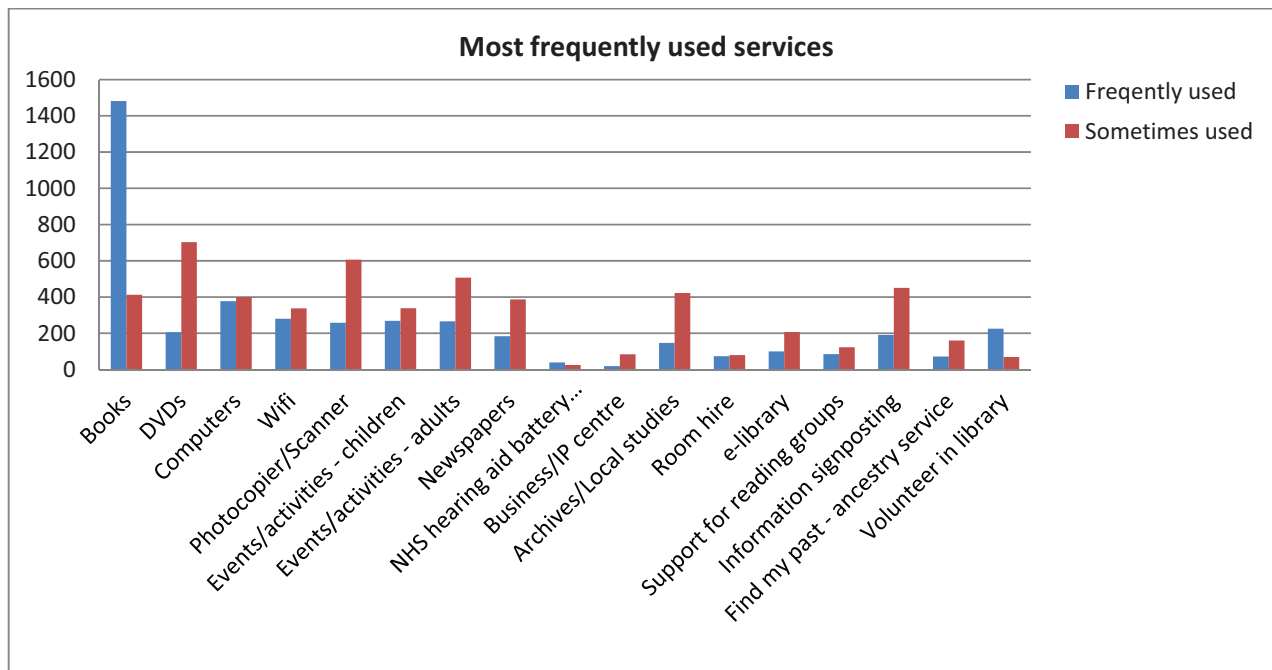
The survey asked what changes library users have experienced in the last 2 years under the following categories: library appearance, customer service, opening times, variety of books and I.T. services. No significant change or service improvement were the predominant responses. In regards to the opening times there was a higher proportion of people who feel the service is not as good, although most respondents still indicate there has been no significant change.



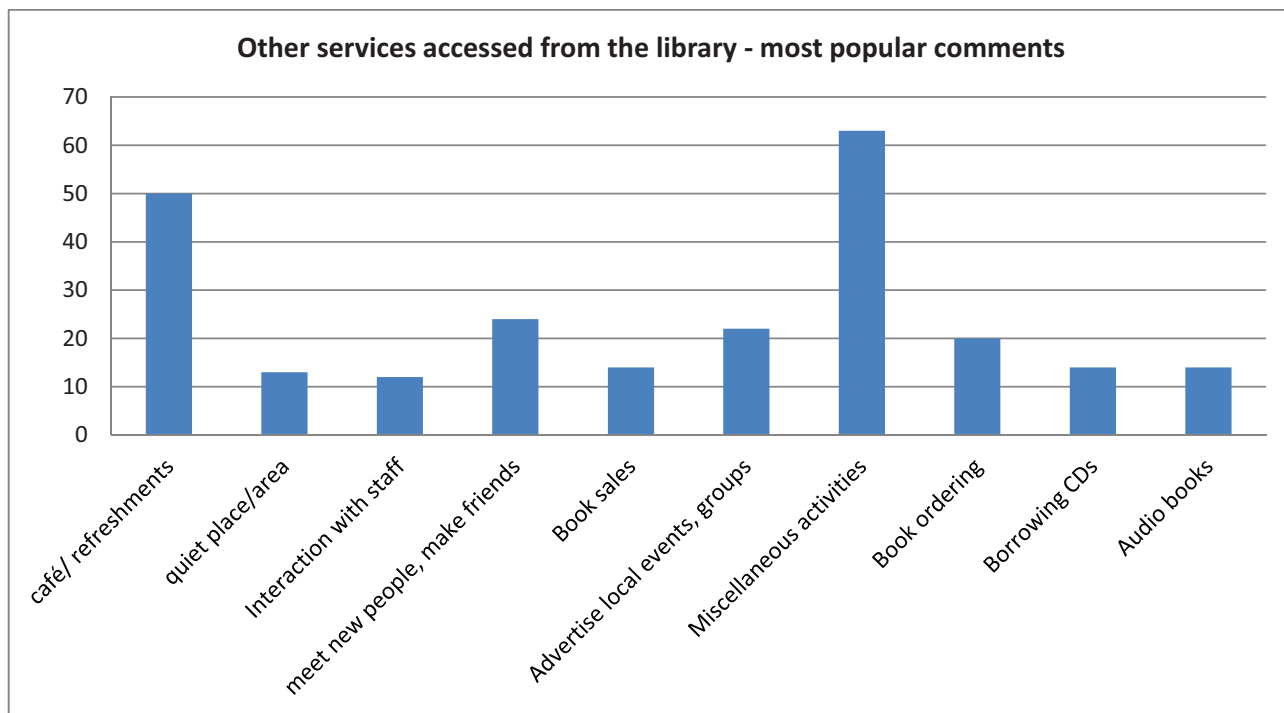
The survey showed that volunteers are generally viewed positively by library users, and there were over 100 positive comments with less than 10 negative comments. Other notable comments include “Opening hours not as good” (over 100 comments) and “Good customer service” (by staff), that libraries are welcoming and pleasant environments (this was particularly noticeable for the volunteer libraries) and the “Poor quality of books” (this response was similar between hubs and volunteer libraries). Also of note is that 40+ people commented that the donated books in volunteer libraries that were either to loan or buy were an improvement.

#### 4. Library services accessed

The survey results show that book borrowing is the most frequently used service.

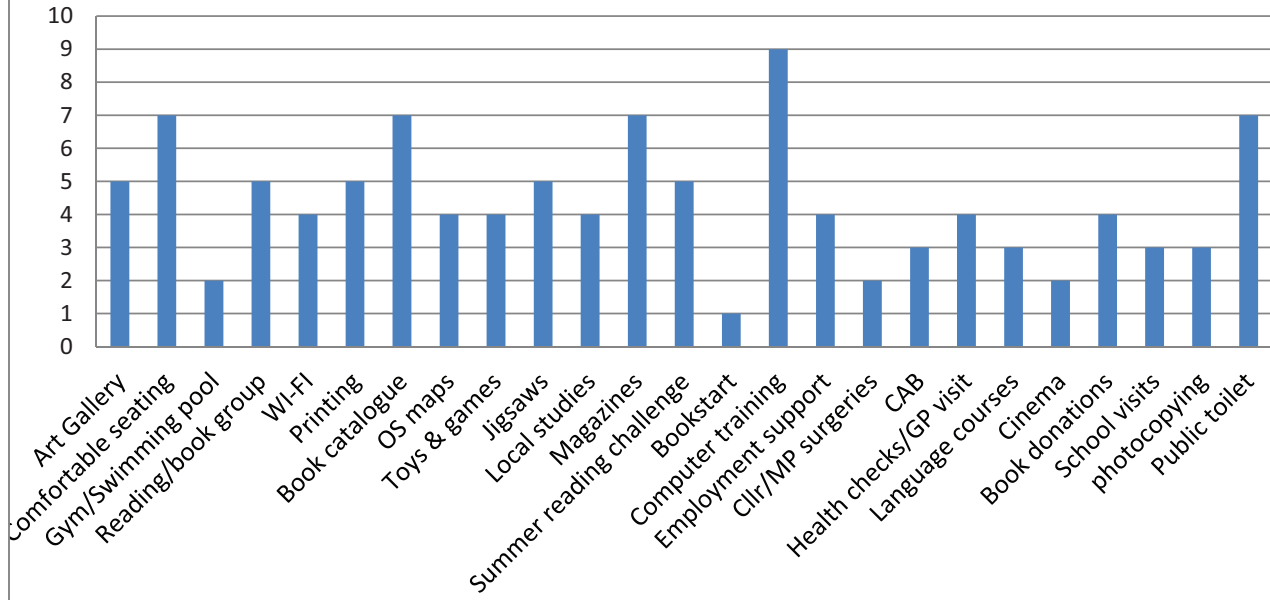


In regards to other services accessed from a library, the most popular single response was the use of a café and/or refreshments. Interacting with the staff, meeting people and making friends were also highlighted as services accessed from a library.



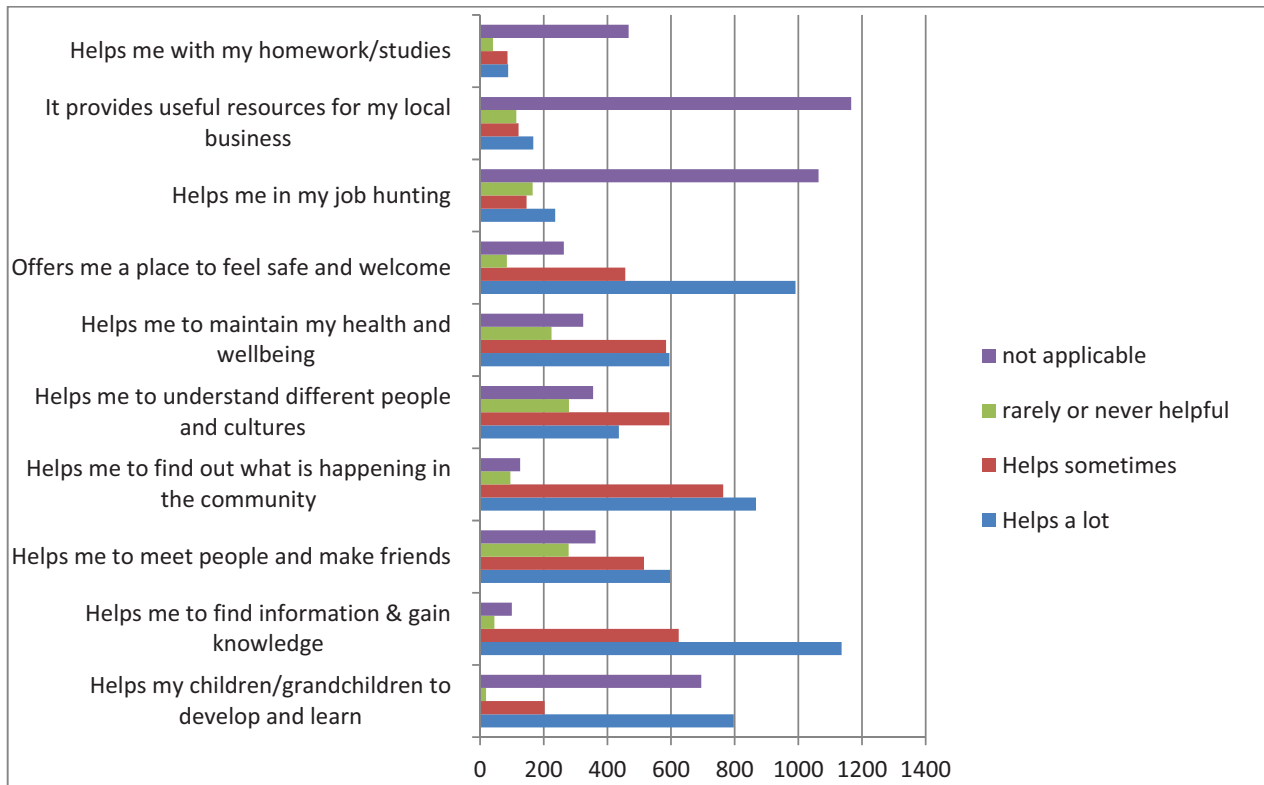
Other services accessed via a library include activities such as computer training, accessing books on the catalogue and access to a toilet and comfortable seating.

### Other services accessed from the library - less frequent comments

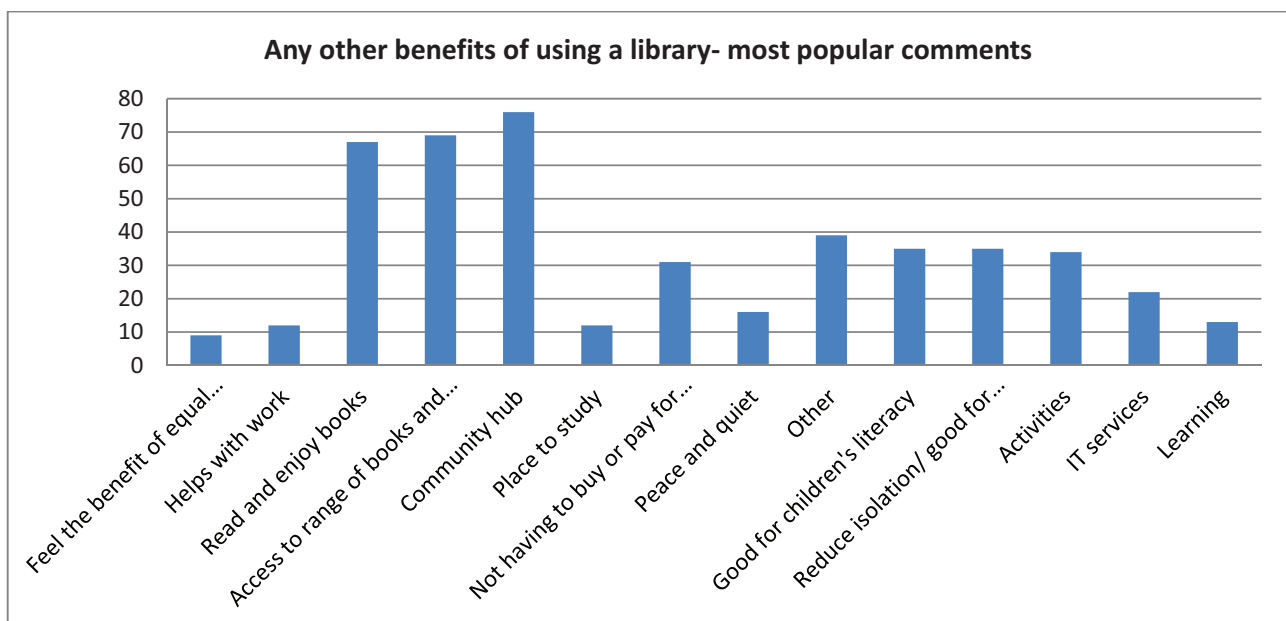


## 5. Benefits of using a library

The survey results show that libraries help people a lot with finding information and gaining knowledge. There was also a strong positive response for libraries providing a place to feel safe and welcome.

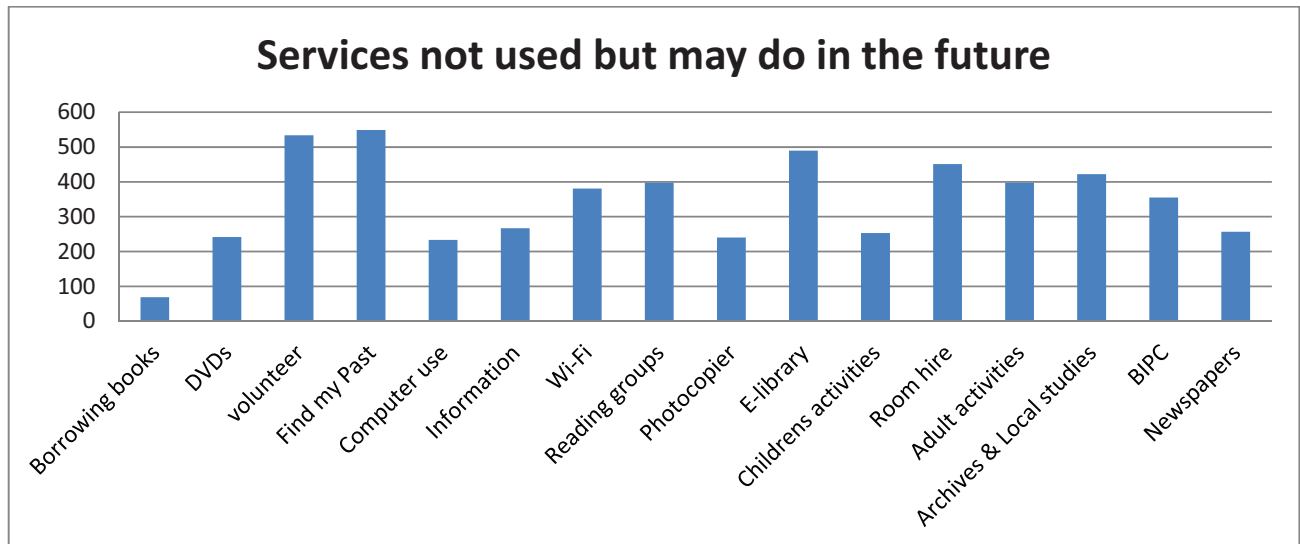


In any other comments, the benefit of libraries being used as community hubs for other events and activities was raised. Library users also highlight the enjoyment of reading books and this should also be regarded as a benefit.



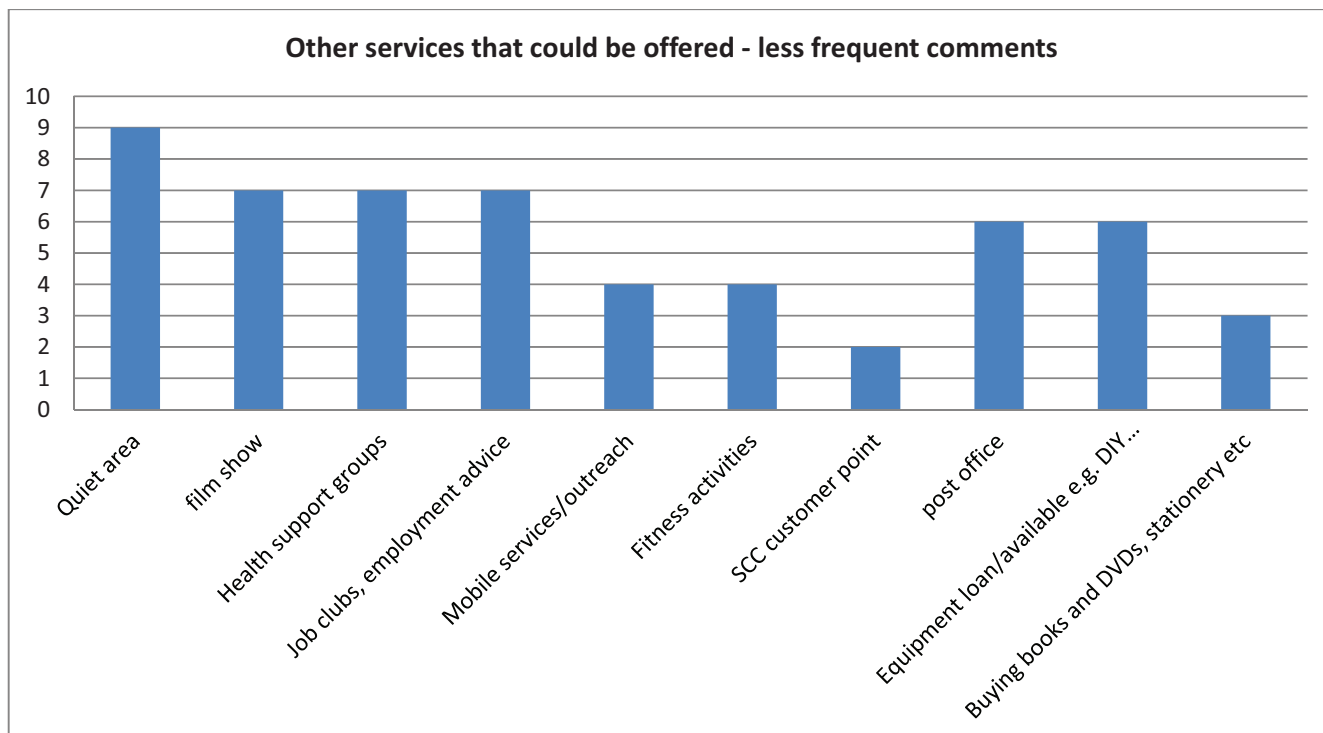
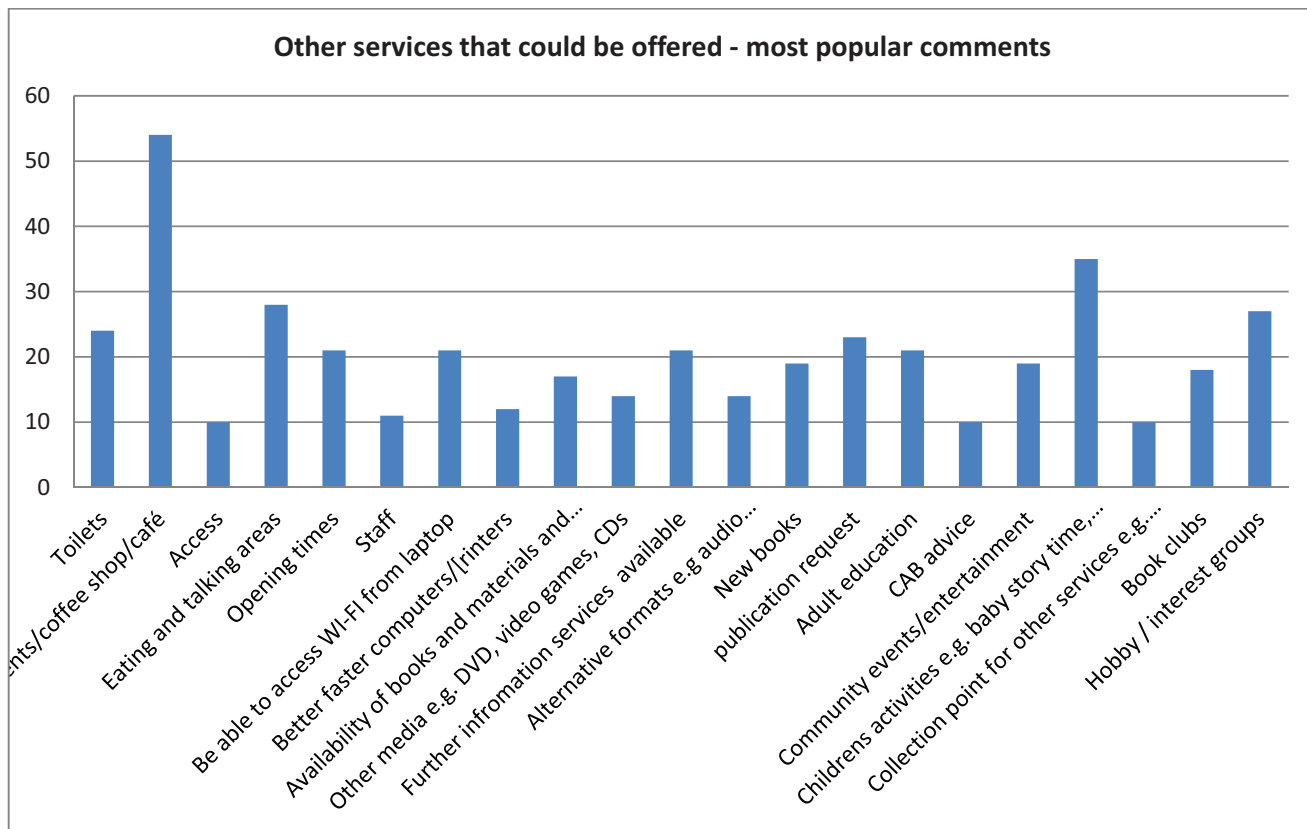
## 6. Services library users will consider using in the future

The survey asked library users and non users to indicate which services they don't currently use but may do so in the future. This showed a high response for people intending to use the Find my Past ancestry search tool, and also a high response for people who may want to volunteer in the future.



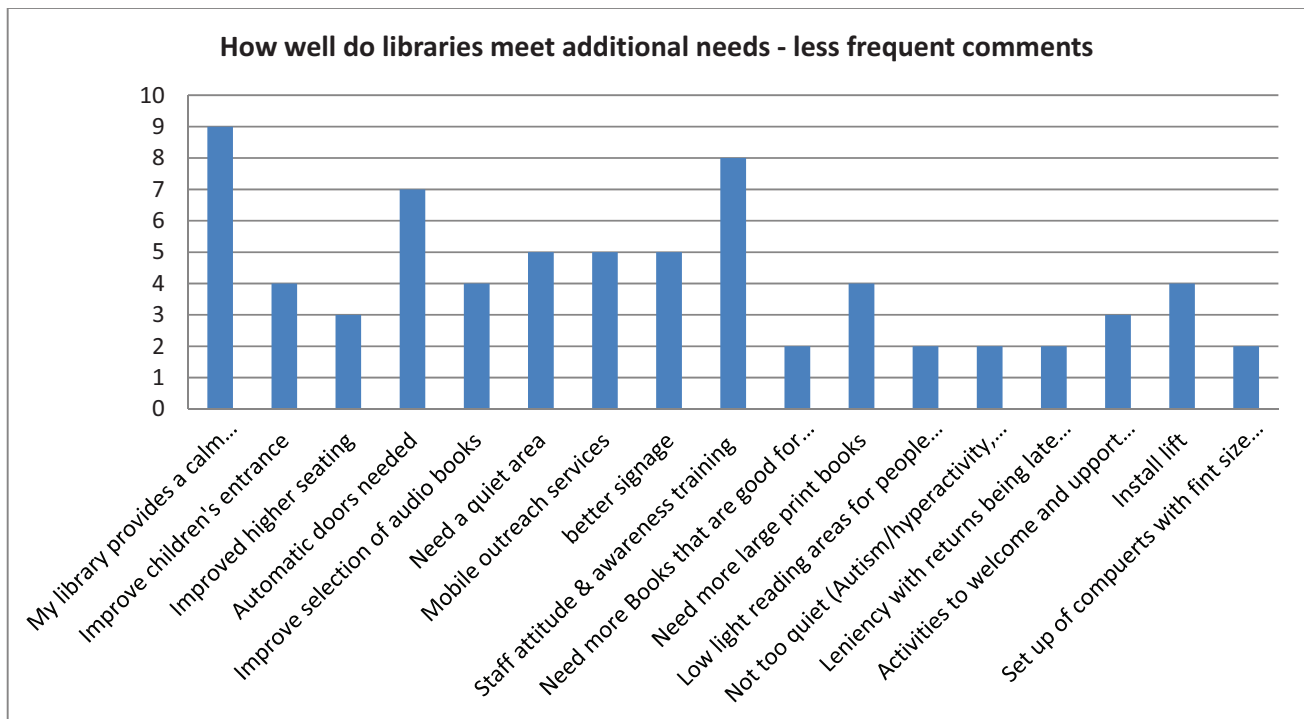
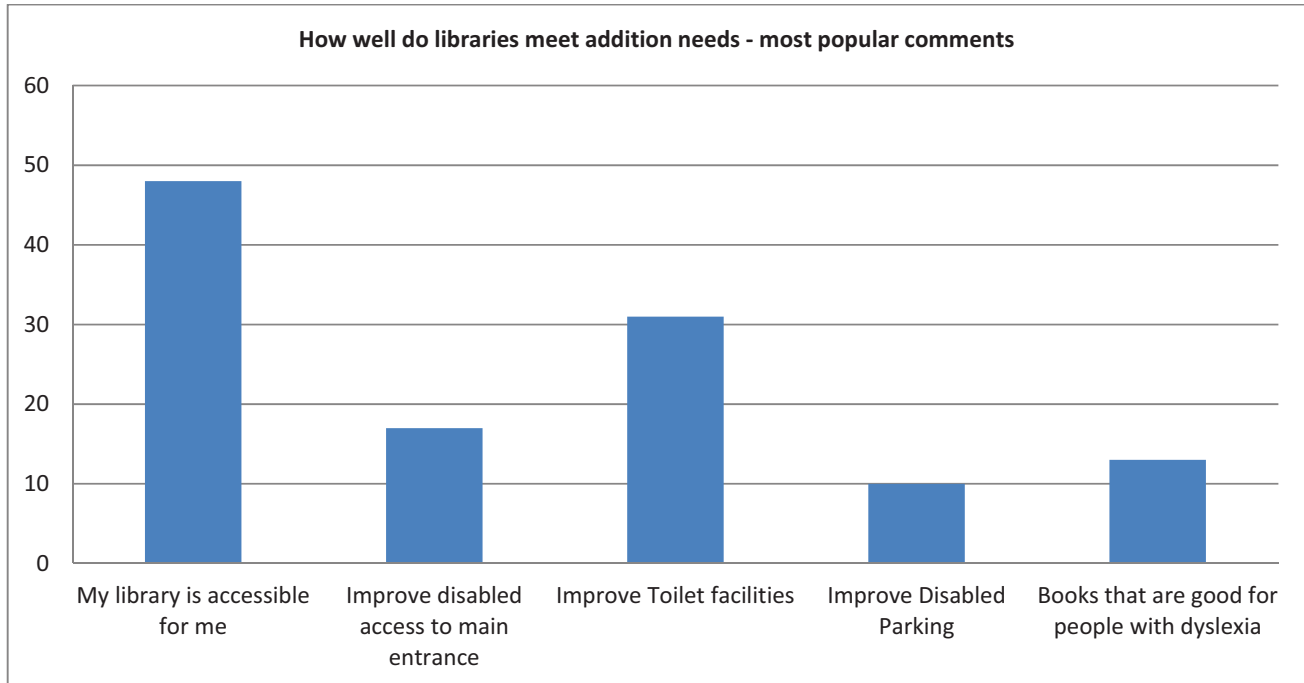
## 7. Services improvements library users would like in the future

The offer of refreshments/coffee shop/café by a library service was the most popular suggestion. Other popular responses include more children’s activities, a general eating/talking area and more interest/hobby groups.



## 8. Meeting additional needs

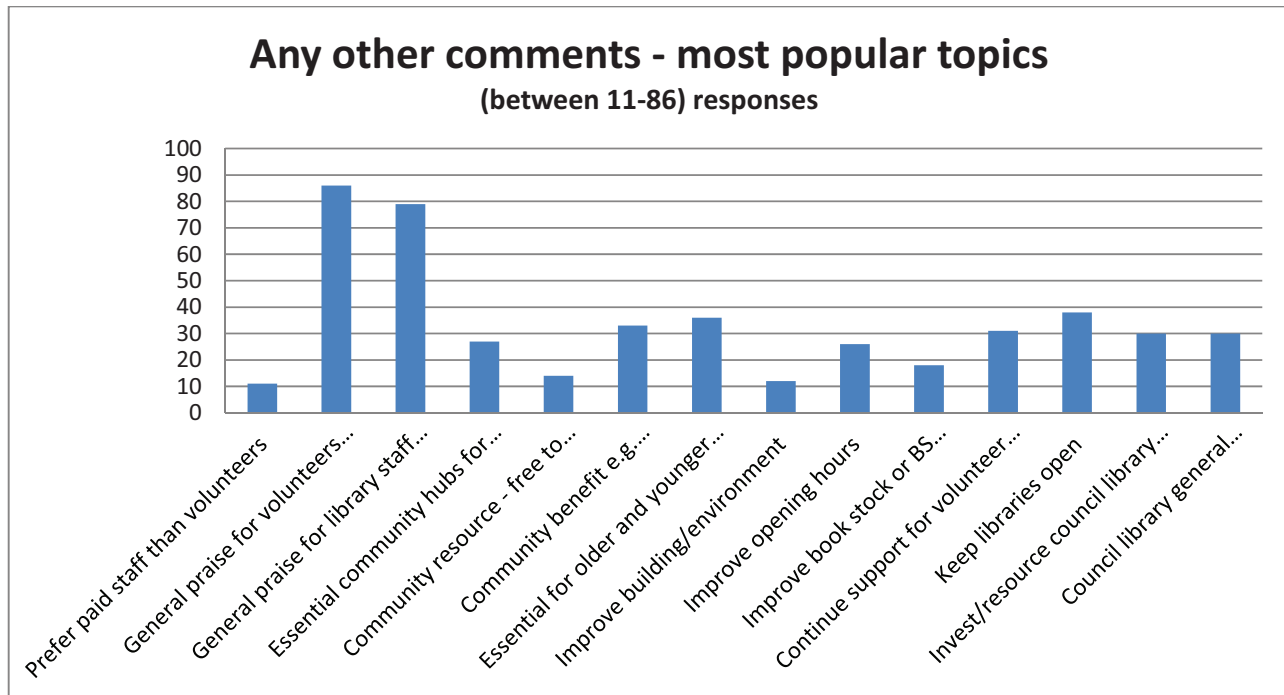
The survey asked if library users asked if they (or someone they care for) is disabled or as additional needs, for them to highlight how libraries can better meet their needs. Most comments (40+) suggest that the libraries used are accessible, however a number of comments suggest that disabled access to the main entrance should be improved and this is particularly relevant to the Central Library. 30+ people also commented that toilet facilities should be made more accessible.



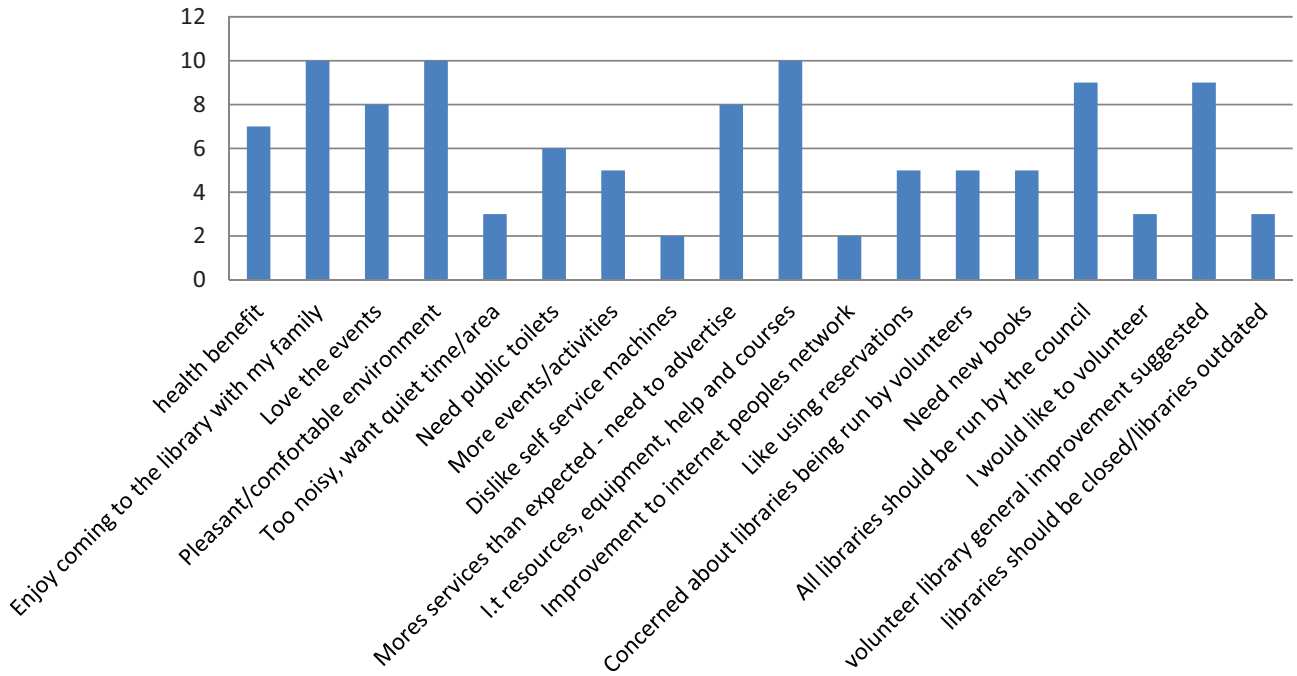


## 9. Other comments

Survey participants were given the opportunity to give their views on any aspect of their library usage and experience in a section on any other comments. The comments that were most frequently made related to praise for volunteers, library services and staff. Comments highlight the need to keep libraries open and the importance of libraries to the community, especially the older and younger people.



## Any other comments - less frequent comments

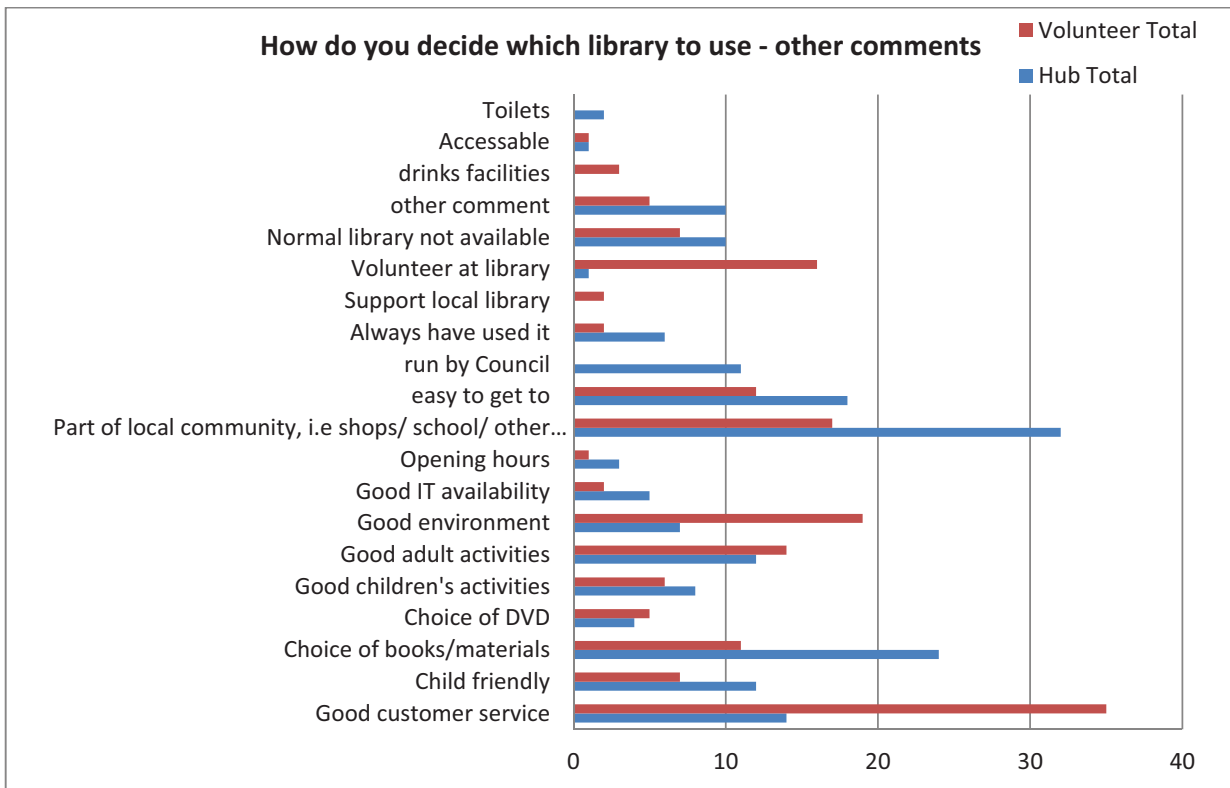


## 10. Responses relating to Hub and Volunteer run libraries

Responses to the survey vary depending on whether they are referring to their use of Hub libraries or Volunteer run libraries. The results should be noted with caution as the number of responses for hub libraries is 7% greater than the response for volunteer run libraries. There were 294 survey respondents who indicated that they frequently or sometimes volunteer in a library.

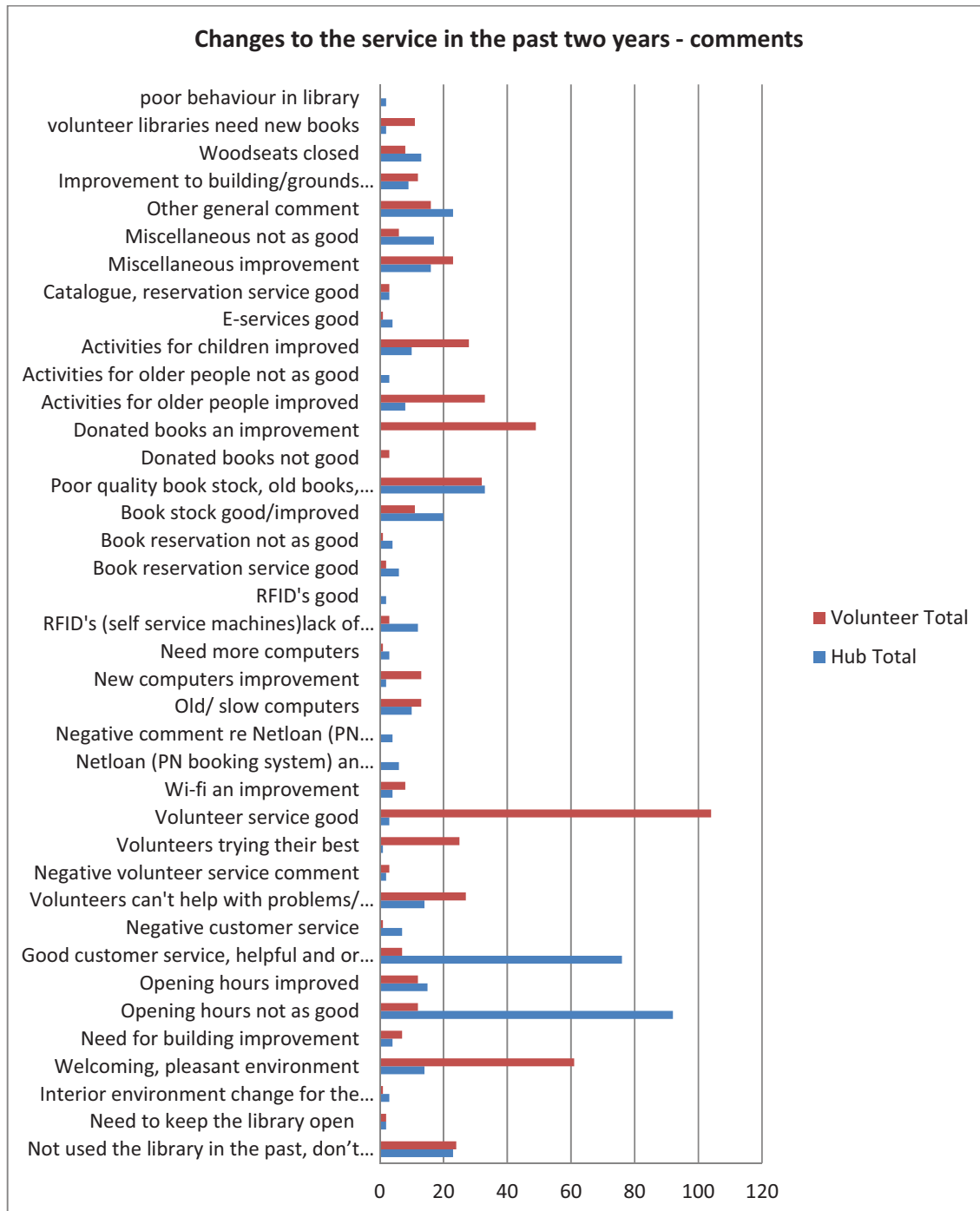
### 10.1 Choice of library

The survey showed the factors involved when library users are choosing which library to visit are different between hub libraries and volunteer run libraries. The most important factor for volunteer run libraries is good customer service followed by a good environment, and for hub libraries it is being part of the community/closure to shops and facilities, followed by choice of books and materials.



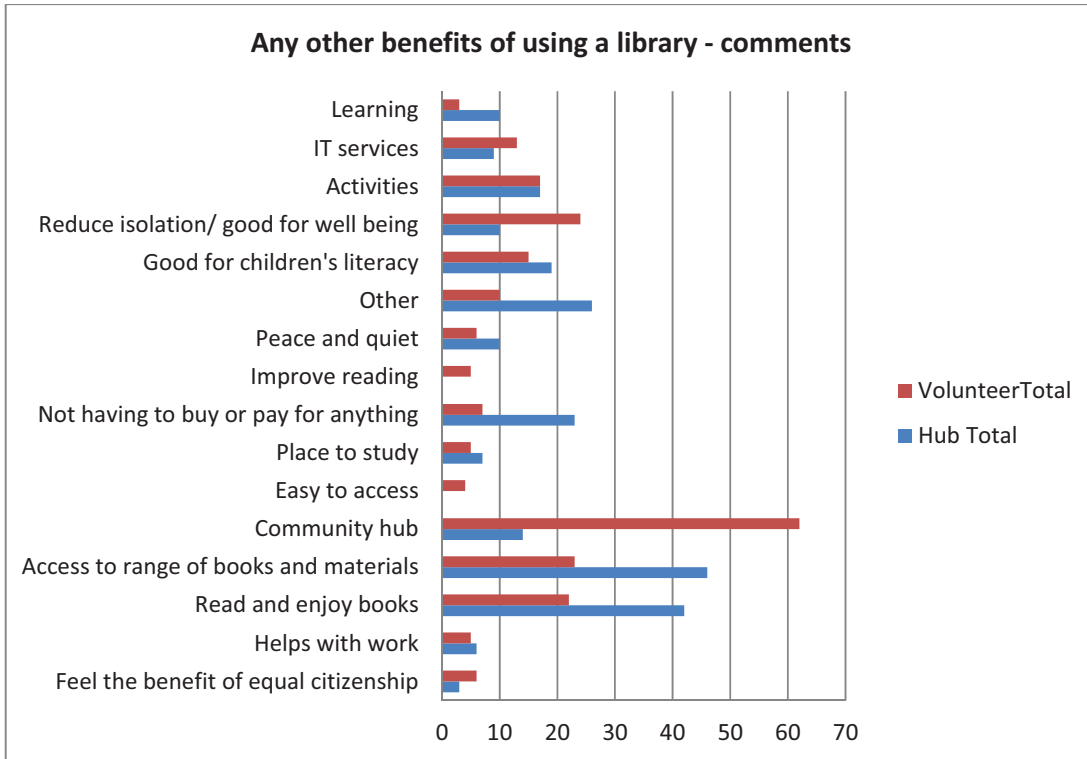
## 10.2 Changes to services in the past 2 years

For volunteer run libraries the most popular comments related to the volunteer service being good, the welcoming environment and donated books being an improvement. For Hub libraries the most frequent comment related to the opening hours not being as good, but had positive comments about good customer service. Comments were similar in a number of areas, whether they were relating to hub libraries or volunteer run libraries, such as comments relating to book stock being both good and poor, the performance of the computers.



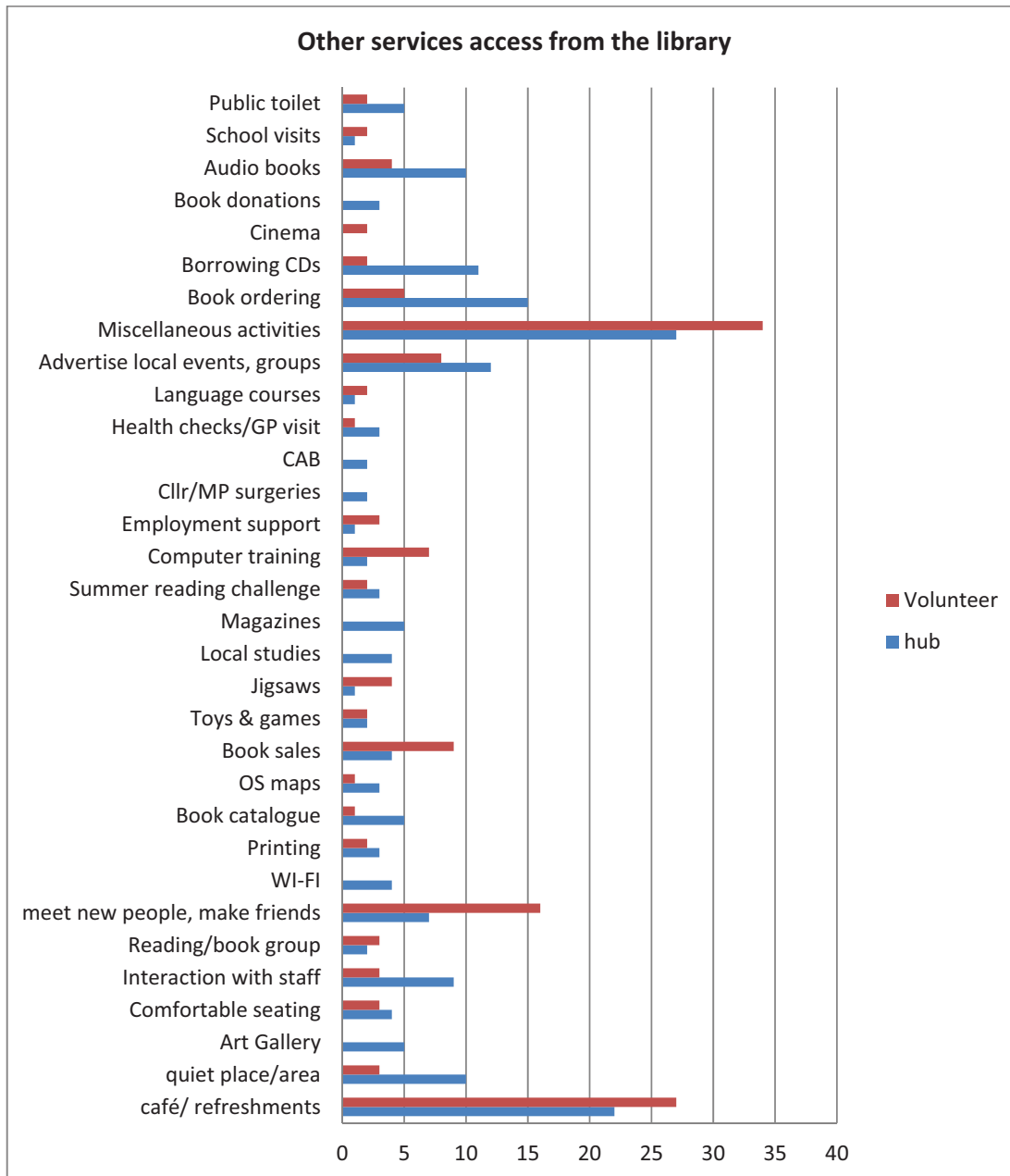
### 10.3 Any other benefits of using a library

The top comment for volunteer run libraries is the benefit of being a community hub, followed by reducing isolation and wellbeing. For Hub libraries the top benefit is access to books and information followed by reading and enjoying books. Comments were similar in a number of areas, such as activities and good for children's literacy.



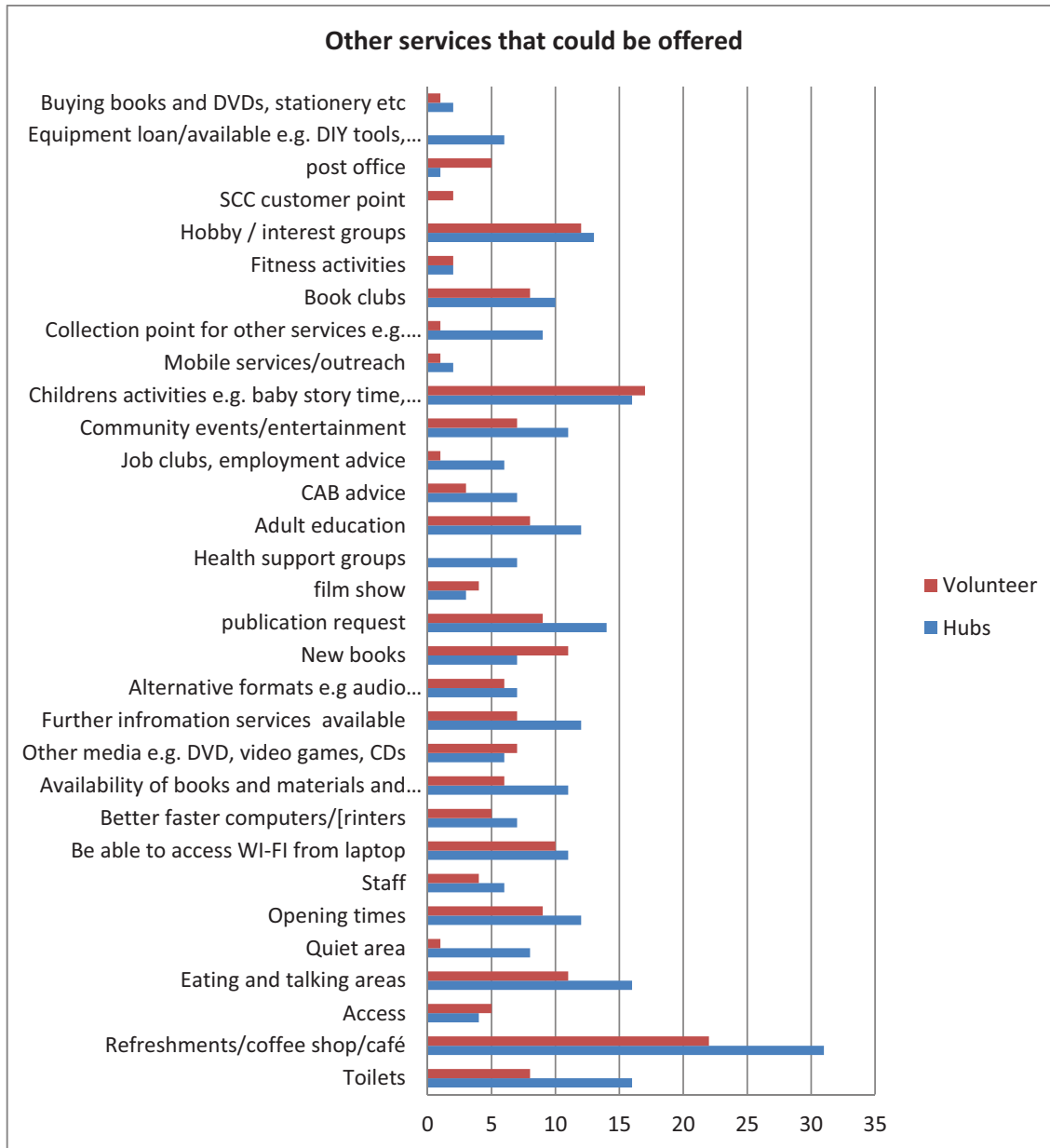
## 10.4 Other services accessed from the library

For both volunteer run libraries and Hub libraries, the top (additional) service accessed from a library was café/refreshments. Other popular services accessed at volunteer run libraries are book sales and meeting new people and making friends. Popular services accessed through Hub libraries were book ordering (and other materials), a quiet place/area and interactions with staff.



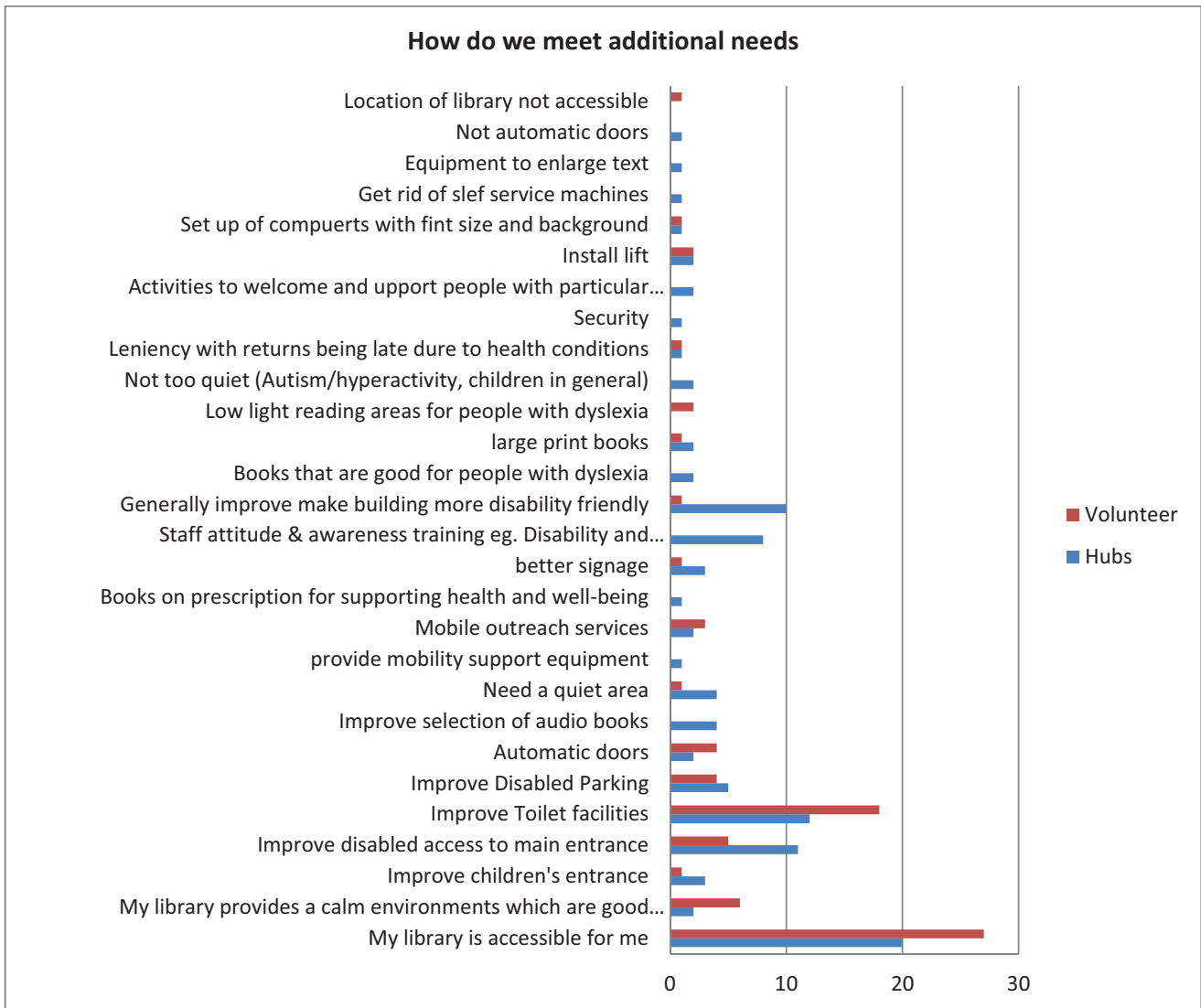
## 10.5 Other services that could be offered

There is little variation between volunteer run and hub libraries, on what services library users would like to be offered. For both Volunteer run libraries and Hub libraries the top response is to have café/refreshment facilities, followed by childrens activities. Access to other services was more popular for Hub libraries, such as CAB advice, job clubs, collection points, information services and adult education.



### 10.6 How well do we meet the needs of people with a disability?

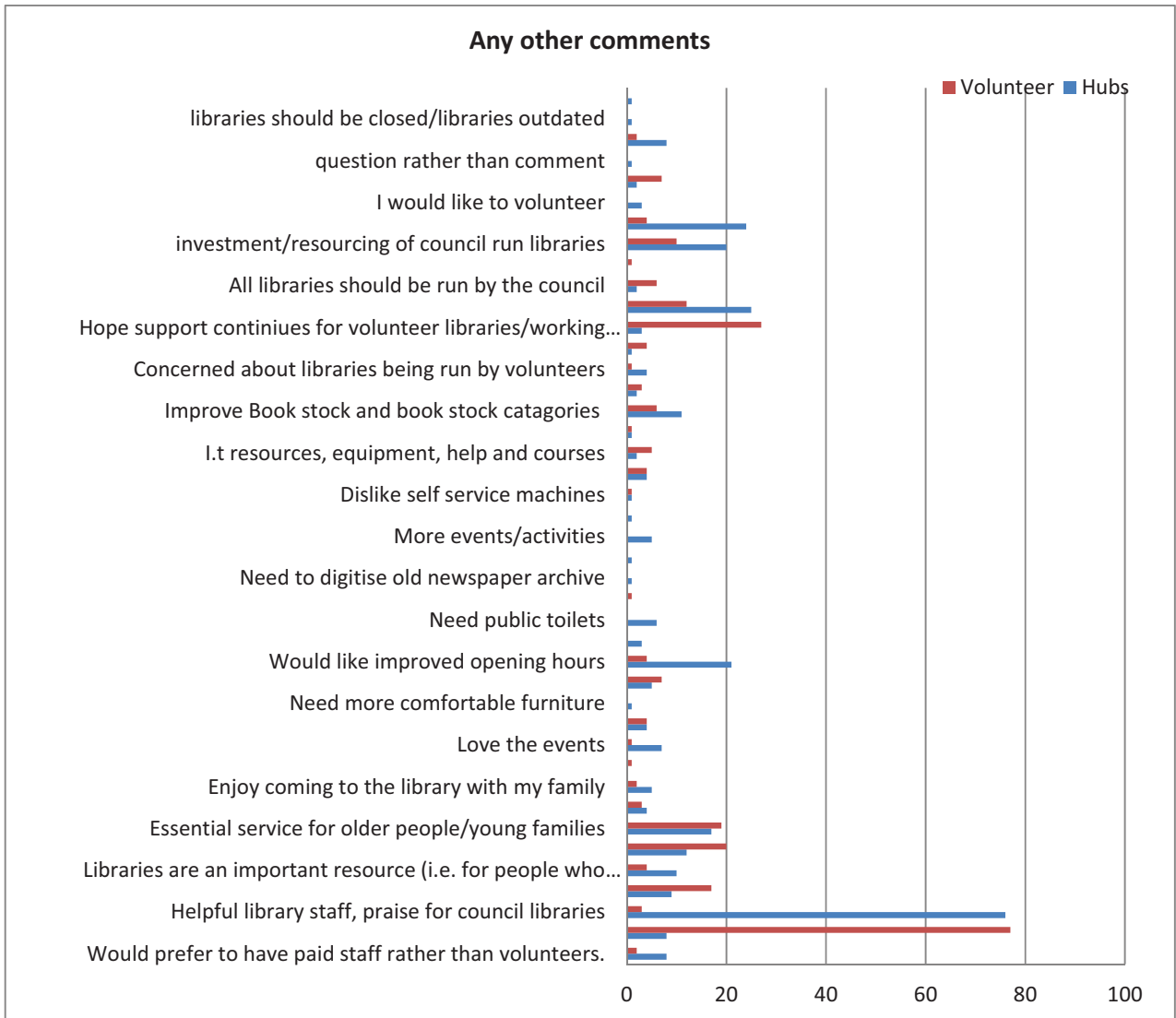
The majority of survey respondents indicated that the library is accessible for them, whether this is a volunteer run library or a Hub library. In regards to services that could be improved, toilet facilities are a popular comment, and this is similar for both types of library. For volunteer run libraries disabled parking and automatic doors were the most popular improvements requested. For Hub libraries the most popular improvements requested are to the main entrance (principally Central library), and general improvement to the buildings making them more disability friendly.





## 10.7 Any other comments

When referring to volunteer run libraries, the most popular comment was praise for the volunteers. When referring to Hub libraries, the most popular comment was praise for library staff. There were lots of comments from survey respondents hoping that support continues for the volunteer run libraries. There was a similar number of respondents who want investment and resourcing of Council run libraries.



## Appendix 7: Survey for volunteer run libraries 2016 - analysis of results

Type of decision: Executive Decision (Cabinet)

Title of report: Library review 2016 – future support arrangements for volunteer run libraries

# Results of 2016 survey for volunteer run libraries

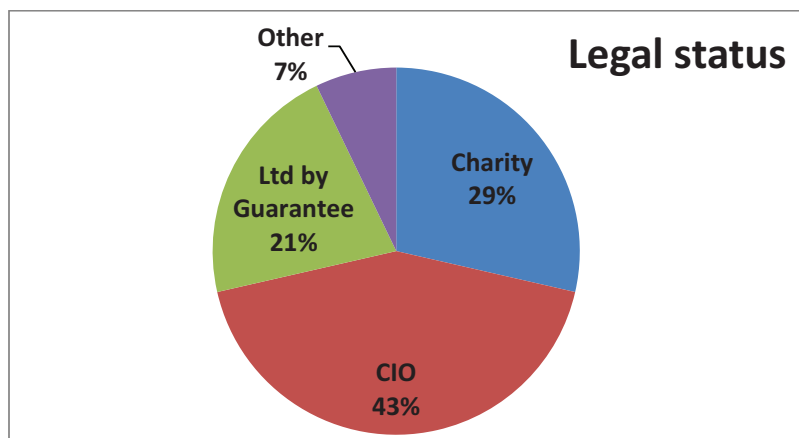
## 1. Introduction

Each volunteer run library was asked to complete a survey in the late summer 2016. All 10 Associate libraries completed the survey, and three of the 5 Co-delivered libraries.

The aim of the survey was to determine the support requirement of the volunteer run libraries that would enable them to be viable and stable organisations into the future.

## 2. Legal status of the voluntary run libraries

The majority of the volunteer run libraries are Charitable Incorporated Organisations who report to the Charity Commission. 'Other' represents Burngreave who are a constituted but unincorporated group. Three of the groups – Jordanthorpe, Newfield Green and Upperthorpe are both a Charity and a Company Limited by Guarantee (not for profit organisations).



## 3. Services, activity and good practice in volunteer run libraries

The volunteer run libraries reported they deliver/host the following services and activities in the recent survey:

- Library Service
- Peoples Network
- Free W-fi
- Printing
- Photocopying
- Room hire
- Heath checks
- Photocopying.
- Citizens advice
- Employment support
- Drinks/refreshments

- Hearing aid batteries
- Advertising space for local businesses & charities
- Local councillor and MP surgery
- Own book lending service
- Jigsaw library
- Toy library
- Laminating and scanning
- Look local newspaper collection point
- Meeting point for health walks
- Polling station for elections
- Childrens reading and story time
- Conversation group
- Reading groups
- Baby/toddler and family groups (0-5)
- Craft groups
- Childrens reading support
- School class visits
- Health visitor drop in
- Book club
- Computer courses
- Older peoples group
- Groups for speakers of other languages
- Knit & natter
- Sports and fitness classes
- Councillors surgeries
- MP surgeries
- Friendship groups
- Writers group
- Book stalls
- Chatterbooks (7-11's)
- Work clubs
- Sheffield Credit Union
- Employment support
- Training courses
- Family learning courses
- Local history groups
- Exhibitions
- Talks
- Coffee mornings
- Drama workshops
- Mental health support group
- Film club
- Community celebrations

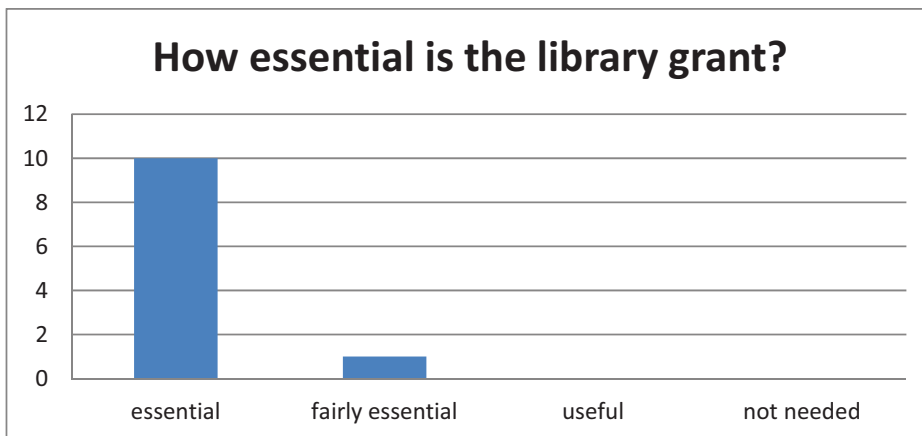
The volunteer run libraries described the following good practice in the recent survey:

- Farmers markets attracting large volume of people
- School assemblies
- Brownie pack (booklovers badge)
- Newsletter to 5000 homes three times a year
- Replaced 5 PN computers with 10 new PCs and new printer/copier/sanner.

- Wi-Fi network
- Use of 3Rings software to co-ordinate volunteers
- Comprehensive volunteer reference manual
- Partnership with Transport 17 for over 65s with mobility problems
- Communication with volunteers via a weekly bulletin
- Use of social media to communicate with library users
- Tool library for gardeners
- Active involvement in Duke of Edinburgh projects

#### 4. Grant funding

In the recent survey all of the Associate library groups felt the grant was essential or fairly essential.



The volunteer libraries raised the following concerns regarding grant funding:

- Many external funders are reluctant to fund core running costs, particularly if they regard it as a statutory provision.
- Most external grants are restricted and may not be able to cover full running costs.
- Some libraries are too small to offer major income earning activities such as room hire.
- They are at risk of unexpected major failure, for example should the roof need major repair or replacement or in the event that we they need to procure a replacement for the LMS
- They will be competing for funds against paid staff led charities with more resources.
- Concern about the availability of grants, especially any that will cover running costs.
- All grants are restricted and must be spent on what they were granted for.
- Without the council grant, and our income is not stable or regular.
- Grant making trusts will be unable or unwilling to fund all libraries to the same extend. Libraries will necessarily need to submit joint bids but will still be competing with each other for available funds. This will almost certainly result in some libraries not succeeding in securing the necessary funds to remain open.
- A contribution towards basic running costs would be invaluable. We feel we can raise the additional costs
- Although we have made great efforts to generate our own income we cannot envisage being independent of any grant money
- We cannot function without this as grant bodies will not give grants for running costs

## 5. Income generation and fundraising

All of the Volunteer libraries that responded to the survey raise funding from book sales, and for some this is a big contributor to their fundraising.

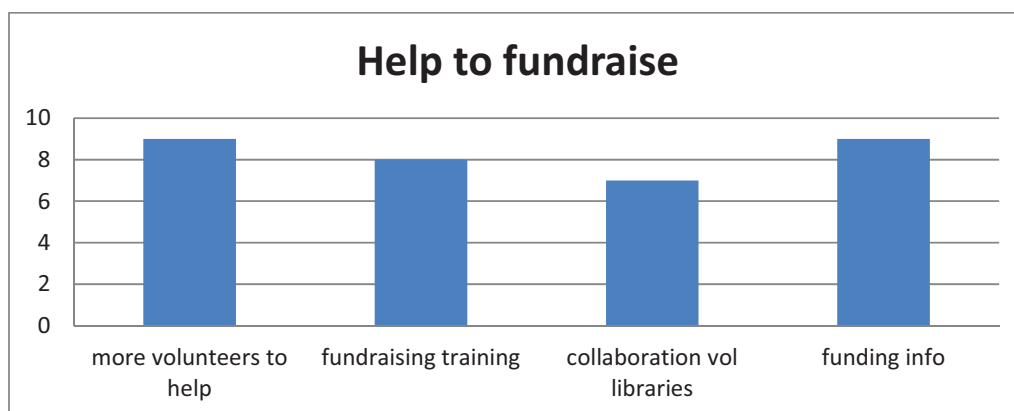
Most of the Volunteer libraries have accessed the Ward Pot from the Council this year, but are concerned about the availability of such funds in future years.

The ability for the Associate libraries to raise funding is not equal. Some of the library buildings, and their locations, restrict the ability to raise income.

The volunteer run libraries made the following comments about income generation and fundraising:

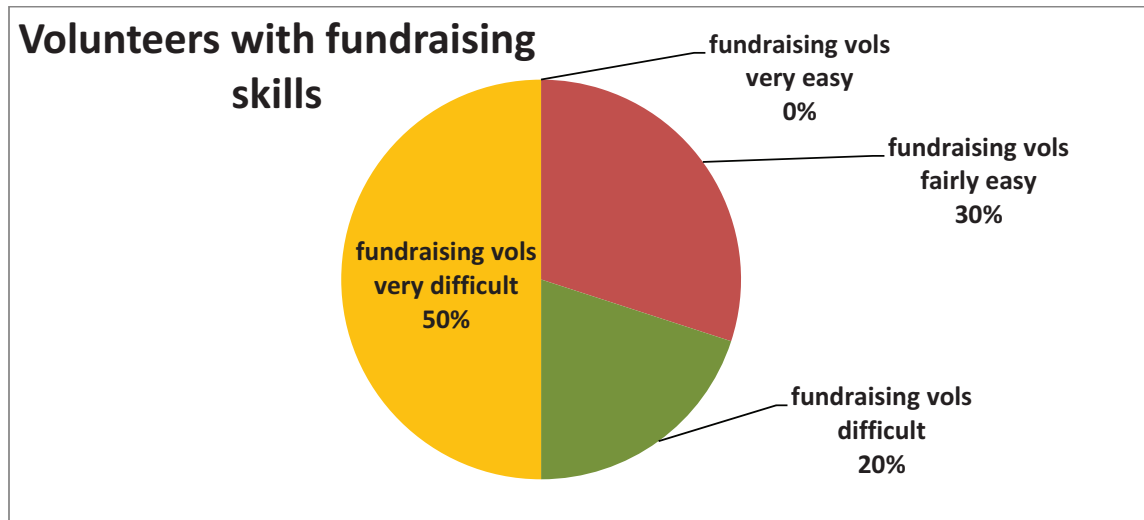
- Raising sufficient unrestricted funds (excluding SCC grants) to cover normal and regular running costs.
- Not having a lease prevents us from applying for lottery funding and any other charitable funding.
- Lack of new books is contributing to the reduction in footfall, and the reduction in footfall reduces fundraising opportunities.
- The funds we have managed to raise are put to excellent use in terms of drawing people in to the library and providing them with a good library experience, which is very important for sustainability but the basic running costs would not be covered.
- the library is too small to enable major income-earning activities
- We need a core ability to raise a reliable income but we are not there yet.
- Many external funders are reluctant to fund core running costs at the best of times and when these are for what they might still regard as a statutory local authority provision the hurdle is even higher.
- May also have to compete against paid staff led charities with more resources to 'play the game'.
- Trustees would make every effort to generate sufficient funds but could not guarantee being able to cover the full running costs of the Library

All the groups that responded would like support with fundraising to some degree.

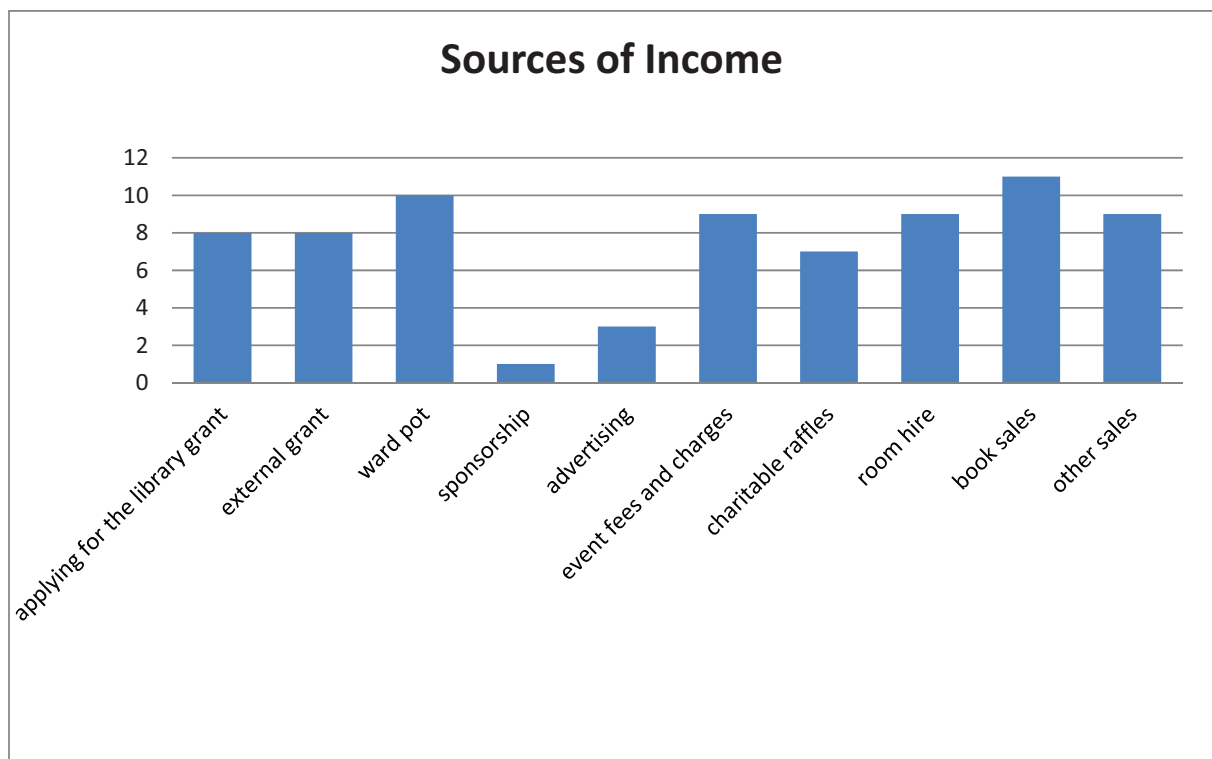


The majority of the volunteer libraries who responded have been successful in gaining external grant funding, however this is in the main at a low level. The groups find it difficult to find volunteers with fundraising skills.

The majority of the groups found it very difficult to engage volunteers who have fundraising skills. Only 3 groups have found it fairly easy – Jordanthorpe, Frecheville and Greenhill. This correlates partly with the income generated. Frecheville have a dedicated fundraising co-ordinator.



The library groups have been successful in raising funds from the following sources, as reported in the recent survey:



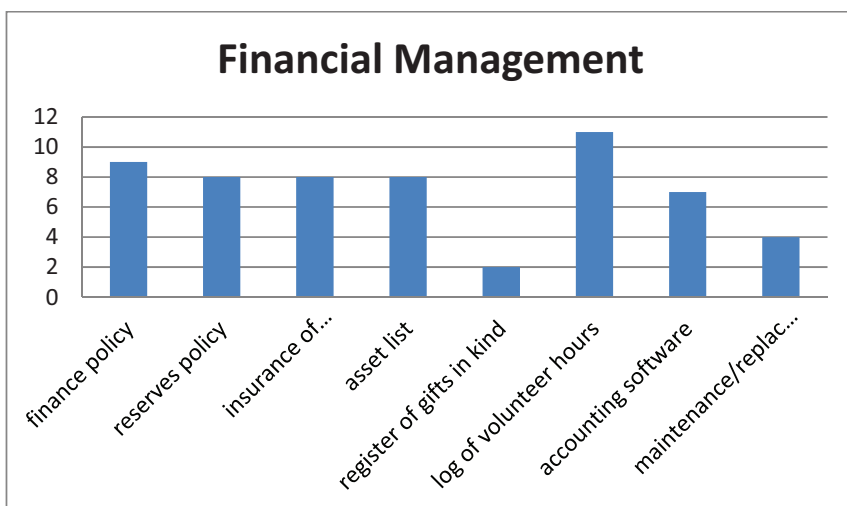
In addition to the sources of income shown in the graph above, the library groups also reported the following income generation activities in the recent survey:

- Seasonal fayres
- intermediate raffles
- Sale of refreshments
- Collection boxes in local shops and pubs

- Supporters scheme (local businesses)
- Friends scheme (individuals and families)
- Farmers market
- Open garden
- Donations in kind
- DVD sales
- Car boot sale
- Stationary sales
- Monthly lottery

## 6. Financial Management

Each of the voluntary organisations that responded to the survey have a range of financial management tools to help them. Most of the groups log the number of volunteer hours as the value of this can be used for match funding. Four volunteer run libraries have a maintenance/replacement plan and this will become more important when they are responsible for a leased building. It is essential that each library group has a finance policy as part of its business plan, and further support will be required to make sure all the relevant policies and procedures are in place.



## 7. Challenges and hinderances

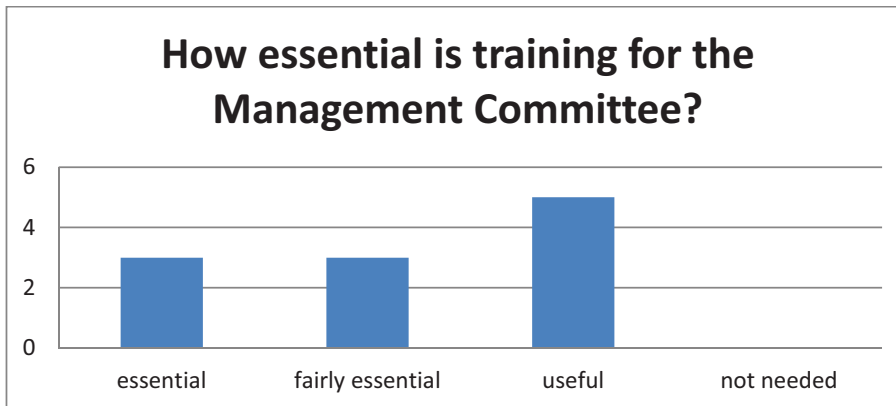
The volunteer run libraries described the following hinderances and financial challenges in the recent survey:

- The council contracts with Capita and Kier have hindered us at different times
- The lack of a lease is our worst problem.
- Difficulty in getting the public to realise we are open
- Declining customers and book lending
- Getting enough volunteers, especially to join the committee, or run events, or manage the building, or manage fund-raising.
- Dealing with anti-social behaviour, very difficult for volunteers
- Work-and-life pressures on skilled local people who do not have time to volunteer.
- The biggest challenge that we face is the poor state of the library building.
- Our utility bills are much greater than we were led to believe they would be.

- Heavily dependent on there being enough volunteers to fundraise.
- Maintaining the building is doable if we start off with it in good condition.
- We are at risk of unexpected major expenditure, for example should the roof need major repair or replacement or in the event that we need to procure a replacement for the LMS.

## 8. Training

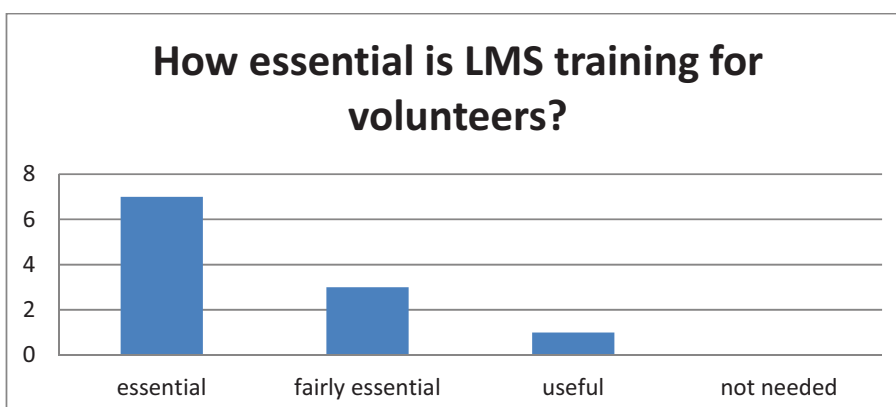
There was a mixed response from the volunteer run libraries in relation to how essential training is for the management committees; however all of them say it is needed. The training that is being delivered needs to evolve as the needs of the volunteer libraries change, such as a focus on training for cascade trainers, safeguarding and data protection.



Training for volunteers on the Library Management System is regarded as being essential to most of the volunteer run libraries. Training needs to be on-going as new volunteers join.

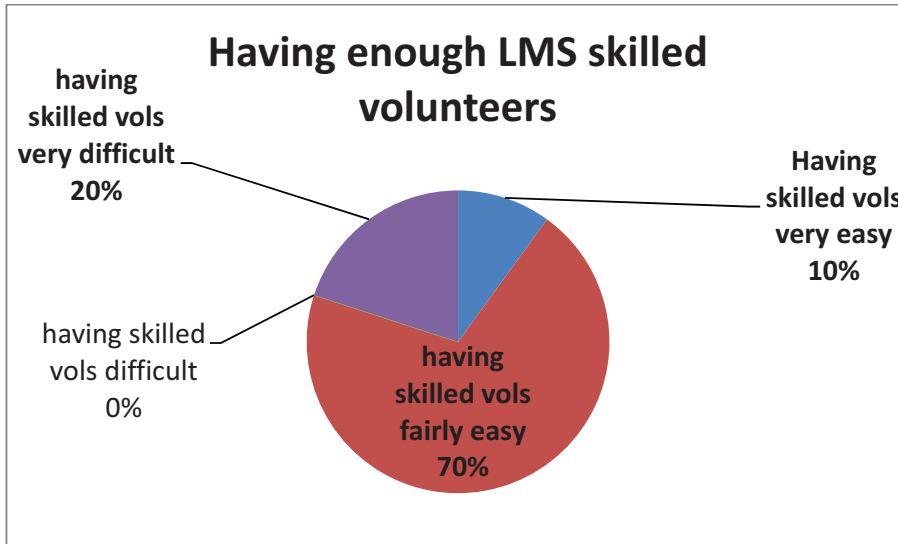
The following feedback has been provided by the volunteer libraries in the recent survey:

- Initially this was difficult, as the training provided by SCC was very intense and for many people who were not 100% IT confident it proved difficult. Currently we have 2 volunteers providing training. This is working well although if these volunteers leave, we will face difficulties again.
- Challenging at times, having enough skilled volunteers to train new volunteers and also keep the library running. Eg. Summer hols, lots of new interest but not many trained volunteers available due to their own holidays
- Induction and LMS training well organised but more needs to be done in areas such as customer service and safeguarding.

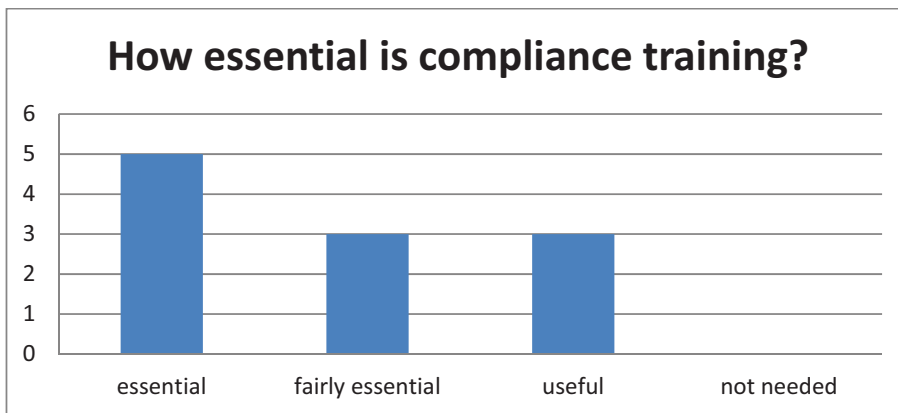




The majority of groups do not have a problem with having sufficient number of LMS skilled volunteers. Two groups find it very difficult – Newfield Green and Ecclesfield. Groups raise that some volunteers do not want to use the computer.



There is a mixed response to compliance training and further investigation is needed to understand why some groups thought it was useful rather than essential.

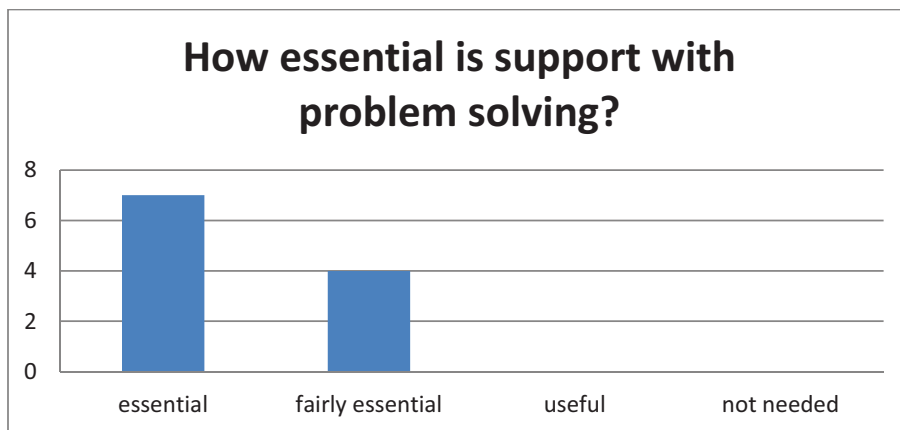


## 9. Support from the Volunteer Co-ordinator

The volunteer library groups indicate it is essential to have support from a Volunteer Co-ordinator as they do not have a consistent level of training and expertise. Therefore help and support on the day to day issues is essential to allow them to continue to work independently.

The volunteer run libraries made the following comments in the recent survey:

- We still need the support Darrell Porter gives to us. Even after 5 years we will still need advice from a trained librarian.
- We are not professional librarians so occasionally need help.
- Now have sufficient experience to manage most issues.
- Liaison with the SCC Library Service is more important.

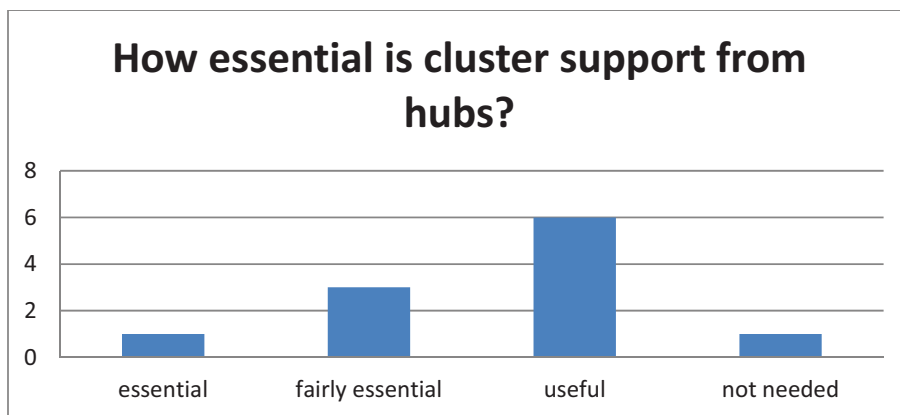


## 10. Support from Hub libraries

The majority of volunteer run libraries indicate that support from the Hub libraries would be useful. As the support from Hub libraries has been unclear, it has been difficult for the volunteer run libraries to identify whether support would be helpful or not.

The comments from the volunteer run libraries in the recent survey are:

- We would value the support and input from our nearest hub library as a way of learning and developing our service
- No such arrangements exist at the moment and it not easy to see how they would work. However we welcome any support



## 11. Book stock

The survey has highlighted the following points regarding book stock:

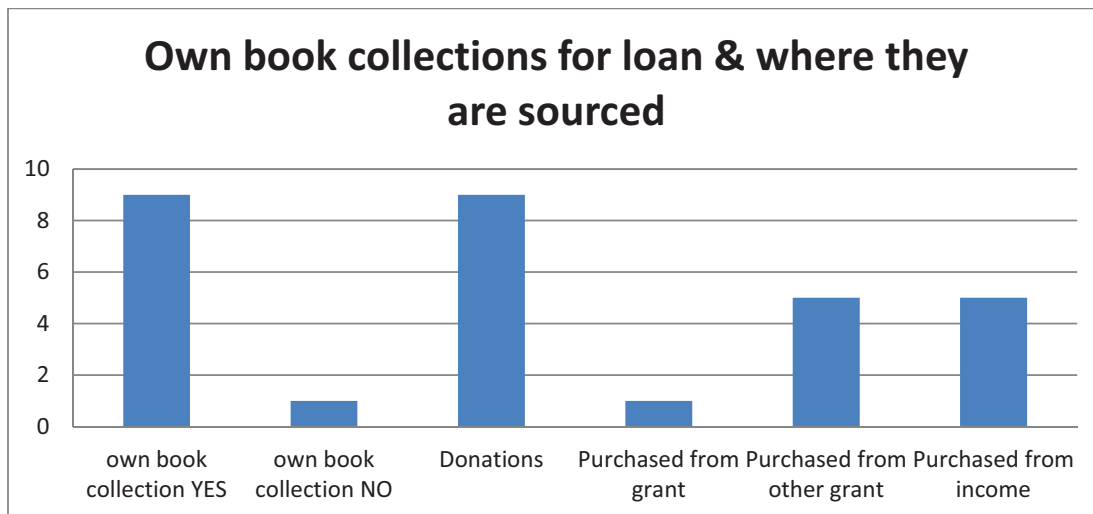
- A successful library needs to have new stock whether this is donated books, new books or circulated book stock.
- Where a volunteer library has its own book collection on its own system this significantly supplements book lending from the LMS, but library users need to sign up separately to be able to use it.
- Just over half of the groups who responded want their donated books to be put on the Library Management System (LMS) where they can be accessed from any Sheffield library.

The majority of the groups who responded have their own book collection for loan, where the books are principally sourced from donated books. Most of the groups have purchased new books from a range of sources.

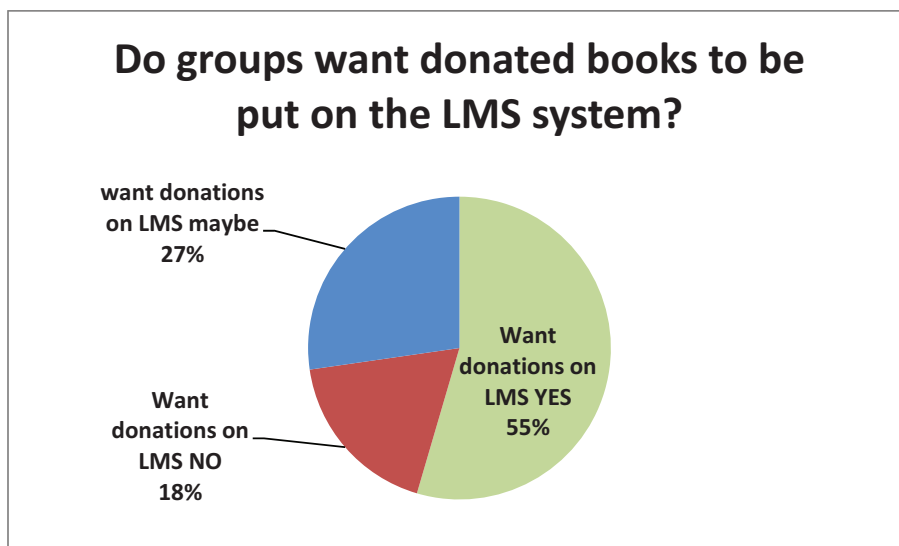
Comments made by the volunteer libraries in the survey include:

- In order for us to sustain an adults collection, we need new books even if these are circulated from other libraries to refresh our shelves.
- We would be positive about book swaps between libraries.
- It takes far too long to get our own books catalogued and onto the LMS system. Volunteers may be willing to help.
- Most libraries are buying new book stock for their own collections.
- We would like to see a better agreement with the Council for getting new books into the library which are also on LMS.
- Library groups are very good at obtaining donated books or funds to purchase new books, which could indirectly benefit the Council (i.e. borrowers across the city).
- We need the donated books to be ring fenced so they don't go elsewhere across the city first, but have been told LMS cannot manage this. This must be a requirement for any future replacement system.
- The current level of professional support needs reviewing because in co-delivered libraries at least it has not been at all evident.
- We feel that we have been unfairly treated with regard to new book stock compared with the SCC-run libraries. This has led to a decline in borrowings, and was commented on in our user survey. We obviously cannot continue to run a viable library without new book stock
- The aging book stock especially in the adults library is at risk of making the collection redundant as all books have been read by some users. I
- Our communities are ever changing and we need new books in community languages to meet their needs
- We would appreciate receiving the £1000 worth of books we were told we would receive from SCC in FY 2015/16.
- We recognise the reality that we are unlikely to get new books from SCC. It would be useful to continue discussing this though.
- Essential for the continuance of a city wide network and equal access to library stock
- It would be better if statutory and voluntary libraries work on one system
- A clear set of criteria about what is acceptable
- Putting our donated books and books bought from grants on the system is the only way for us to refresh our book stock.
- We want to ensure that the community has access to the best, most suitable resources for them.
- We are committed to staying part of the wide Sheffield library service although many books that we will buy will have our communities in mind, we would like them to be usable by the City as a whole.
- Currently donated book sales are a major source of fundraising thus we would not wish them to be put on the LMS. However if we were to get continuing grant support from SCC then we would wish them to be put on the LMS.
- Concerned by the timescale of books being added to the LMS if we were to opt to have them added to the Council stock.

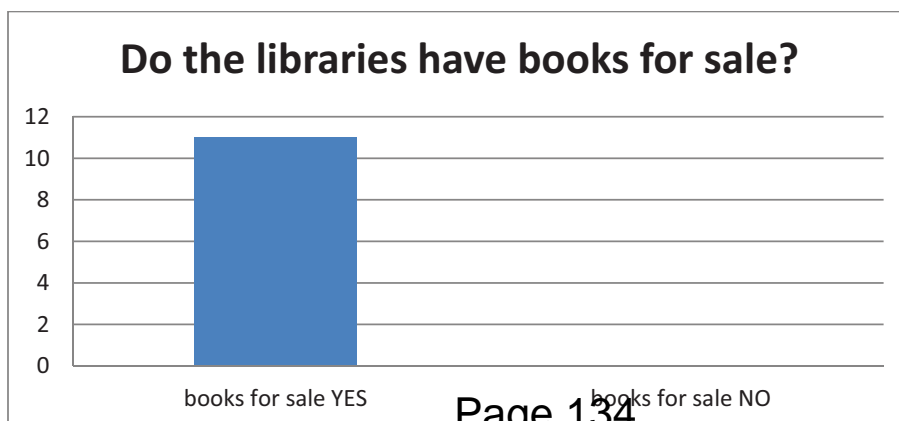
- Van transport would be required for our books to be sent for cataloguing



Just over half of the groups who responded want their donated books to be put on the Library Management System (LMS) where they can be accessed from any Sheffield library. The groups who indicated they might want their donated books on the LMS said the income from sale of donated books was important for their income generation, but if they have a continued library grant, they may prefer to put some of these books onto the system rather than sell them.



All of the libraries who responded have books for sale.

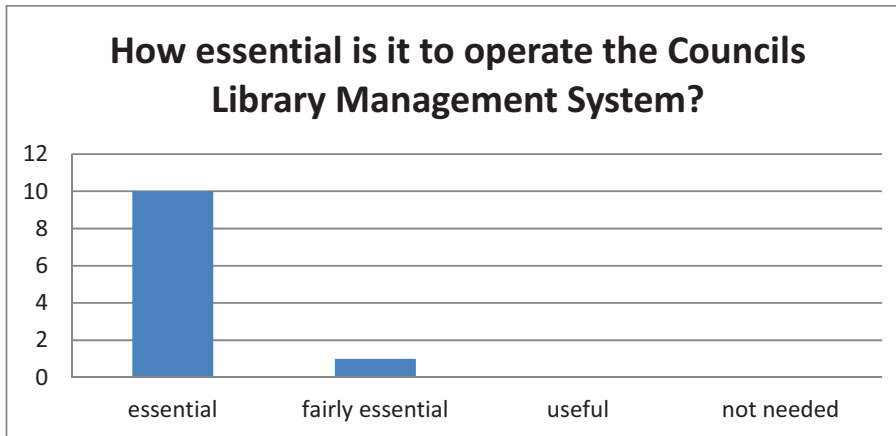


## 12. Library Management System

All of the volunteer libraries that responded to the survey said it was essential or fairly essential for them to operate the Council's Library Management System (LMS).

The benefits of the LMS described by the volunteer libraries in the recent survey are:

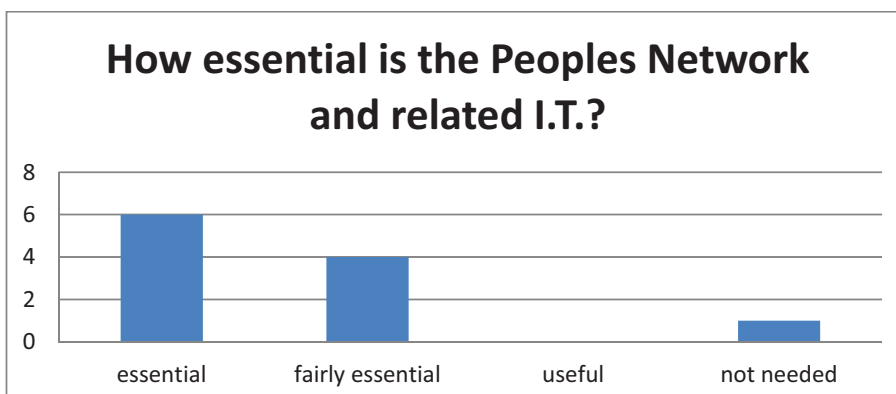
- It would be better if statutory and voluntary libraries work on one system
- Essential for the continuance of a city wide network and equal access to library stock and services
- A long term positive benefit of the volunteer run libraries remaining on the LMS is that users can access council books from all libraries.



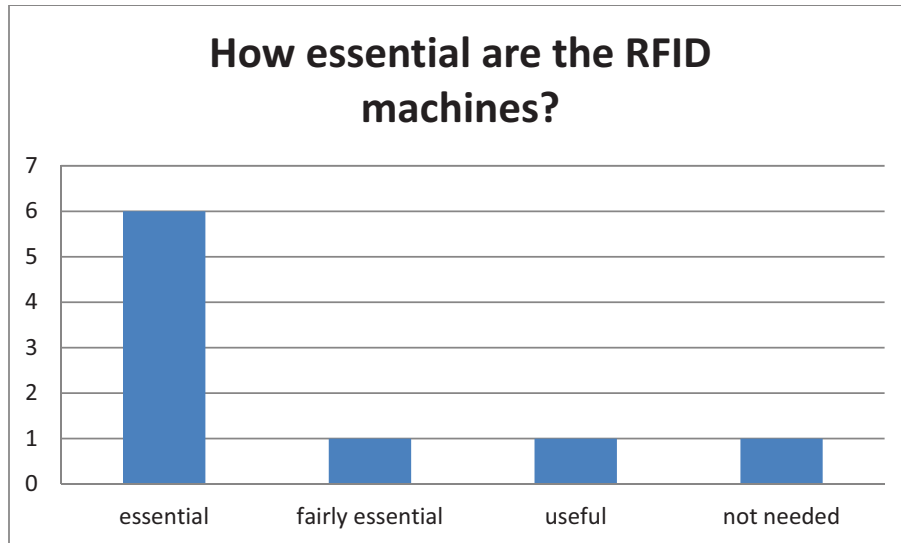
There was a mixed response to the operation of the Peoples Network and how essential it is. One of the volunteer run libraries reported they have replaced the 5 People's Network computers with 10 new PCs (and a management PC) and a new printer/copier/scanner.

The volunteer run libraries made the following comments in the recent survey:

- Free IT provision including the internet is essential for users who have low incomes and no provision at home.
- Many local and central government services are available on-line only.
- Essential for the continuance of a city wide network and equal access to library stock and services
- Library users expect this service, which is well used.



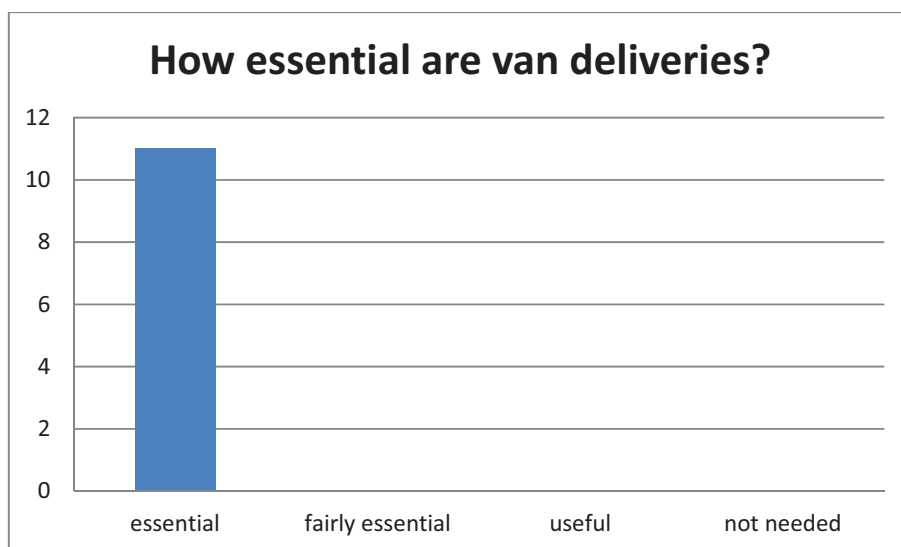
The volunteer run libraries regard the use of the self service machines (Radio Frequency Identification Device) as mainly essential.



The volunteer libraries indicate the provision of a van to drop off and collect reserved books is essential, and state this would be extremely difficult to co-ordinate and resource independently between multiple libraries.

Comments from the volunteer libraries regarding the van deliveries include:

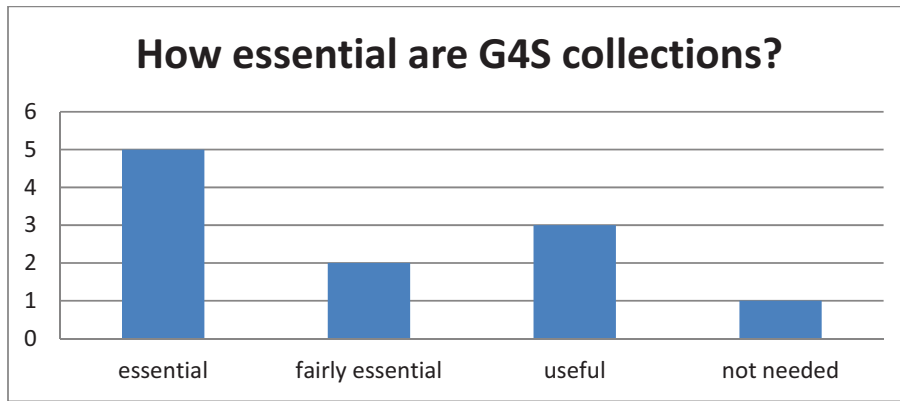
- It is essential that this service continues after March 2017 and while ever we remain on the LMS
- For an effective city-wide system this is vital
- A volunteer run (delivery) service would not be possible due to the high level of coordination needed.



There was a mixed response to G4S collections for income to be collected and banked with the Council, as the amounts to be collected are often small. Comments made in the survey include:

- As the sums for SCC are so small a security service to collect is not essential.

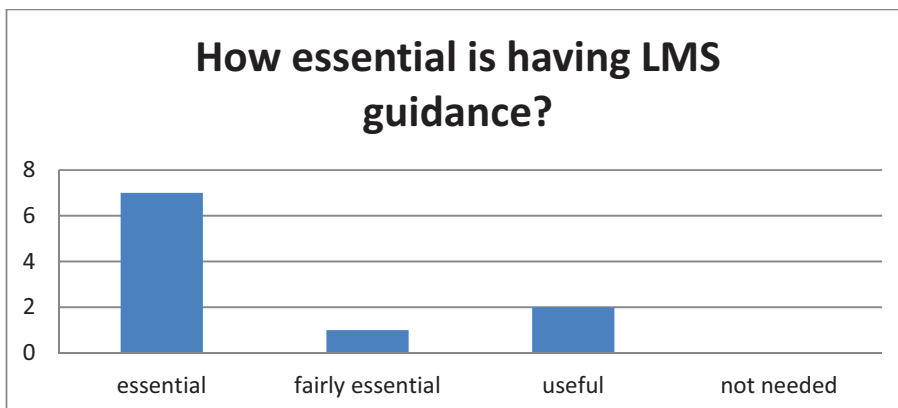
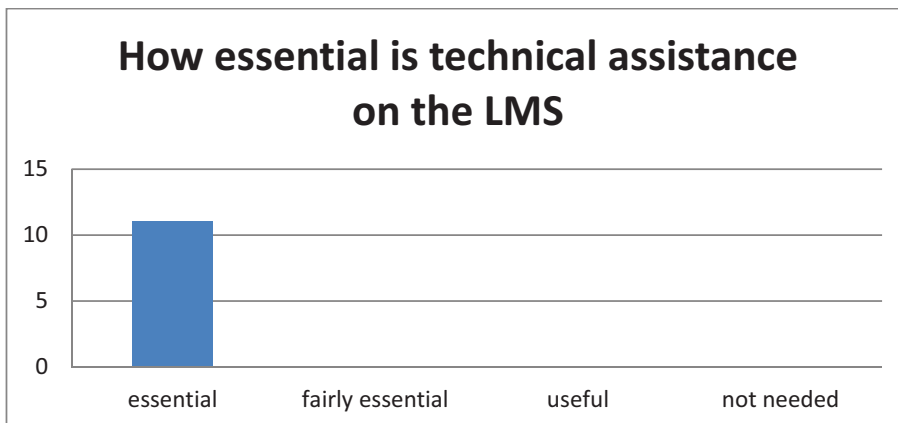
- We would not be happy to be responsible for transferring this money.



All of the volunteer libraries that responded indicated it is essential to have on-going support with technical issues with the LMS including computers and printers, and guidance on the LMS is also important.

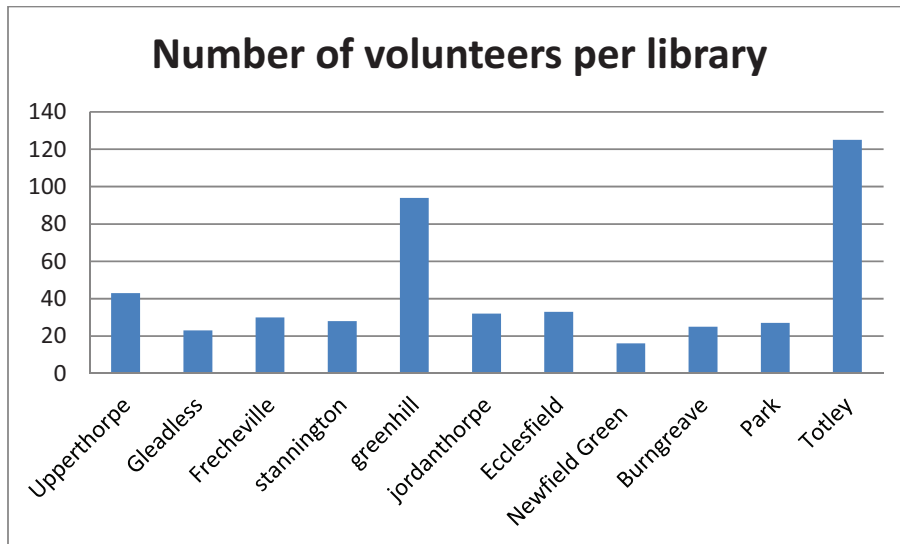
Comments made by the volunteer libraries in the recent survey regarding technical assistance:

- Essential we have ongoing technical issues with computers and printers.
- Having Jacqui at the end of the phone to fix and arrange for them to be fixed is vital.



### 13. Managing Volunteers

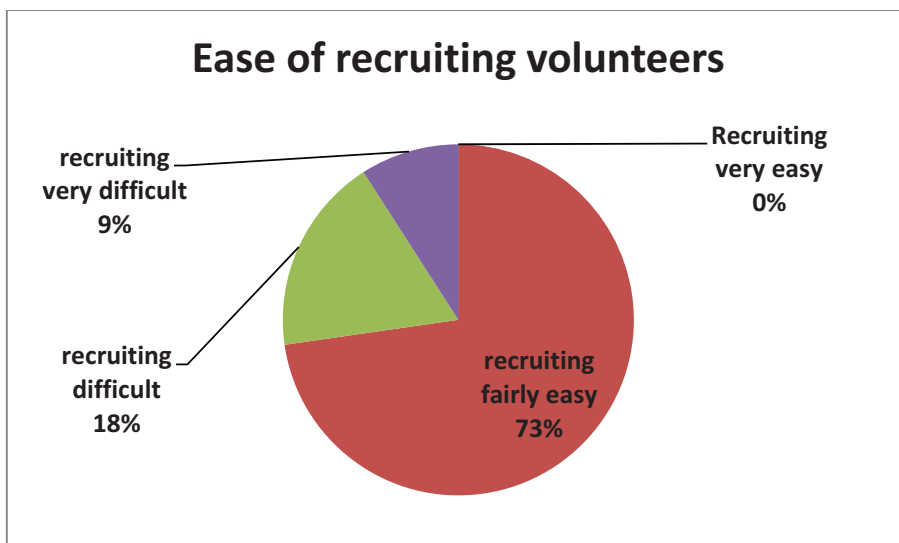
The average number of volunteers per volunteer run library as indicated in the recent survey (of those that responded) is 43 (mean average), or 30 (median average). It is clear that some areas have significantly more volunteers available than others. A number of groups are concerned about maintaining volunteers into the medium and longer term.



Most of the volunteer run libraries describe recruiting volunteers as fairly easy, although this does not always correlate with the number of volunteers that they have.

The volunteer run libraries made the following comments about recruiting volunteers in the recent survey:

- We have a continual flow of new volunteers.
- We can get volunteers to help with the books, but not other back room roles e.g. trustee, cleaner, health and safety, session supervisors
- Having the time to process, recruit and train is challenging

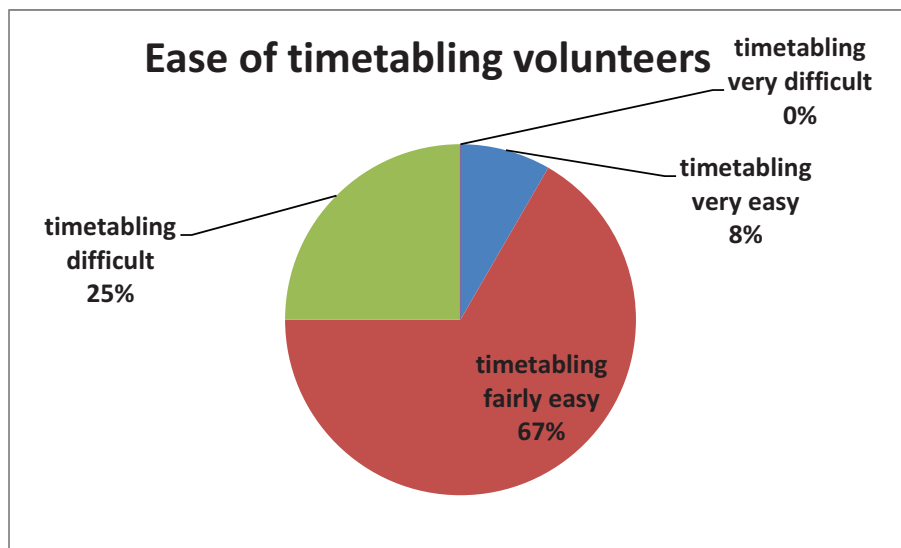




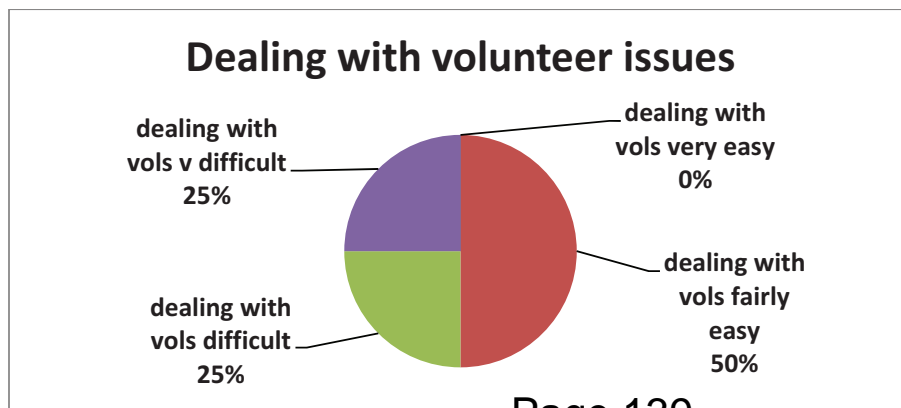
The response to training of volunteers was mixed between fairly easy and difficult.



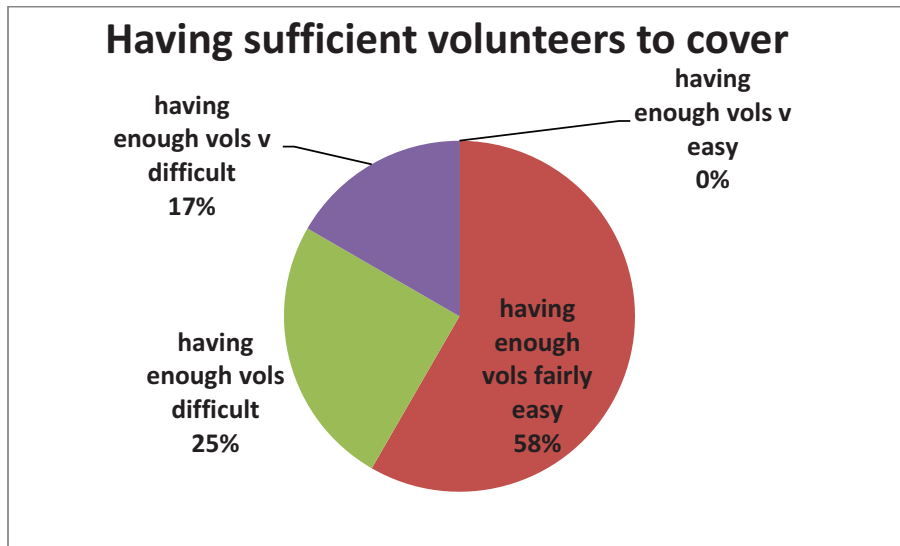
Most volunteer run libraries find timetabling fairly easy. One group (Totley) stated that timetabling was very easy using the 3Rings software that is self managing. However this system probably works best when there are a larger number of volunteers to call upon, as Totley has.



The majority of the volunteer library groups found dealing with volunteer issues/problems fairly easy.



The majority of groups found they have sufficient number of volunteers to cover library shifts. However covering during holiday periods can be a problem. Five of the groups who responded found having sufficient volunteers was difficult or very difficult, this does not correlate entirely with the number of volunteers groups have.



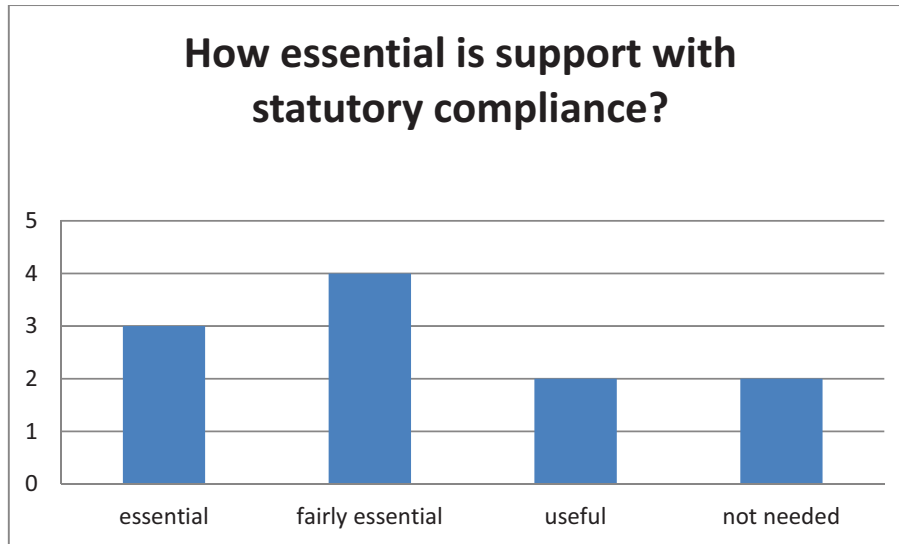
The majority of the groups have enough volunteers to run events that they want and find this fairly easy. Newfield Green and Stannington find this particularly difficult, and this correlates with the number of volunteers overall.



## 14. Statutory compliance

The volunteer run libraries made the following comments relating to statutory compliance in the recent survey:

- SCC has this expertise to hand so we needn't reinvent the wheel.
- We recognise that this is a vital specialist area that we cannot afford to get wrong

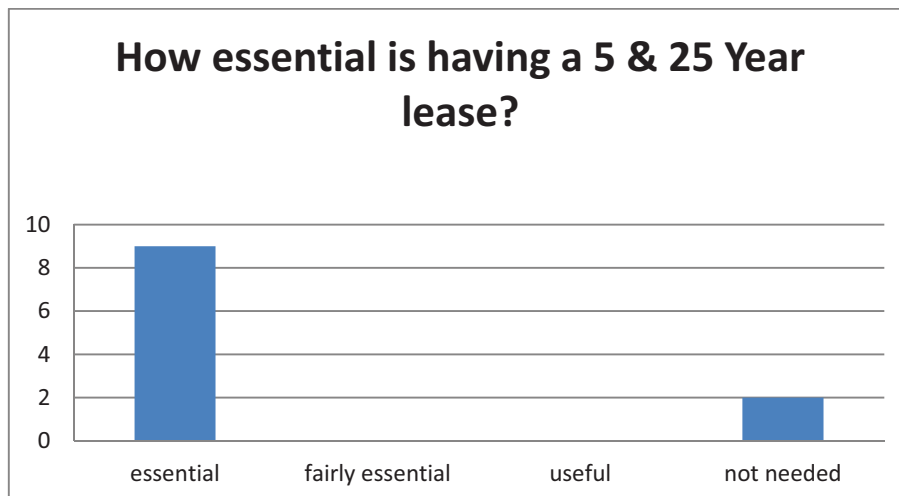


## 15. Lease for Associate Libraries

The majority of volunteer run libraries indicated that a lease is essential.

Comments made by the volunteer run libraries in the recent survey include:

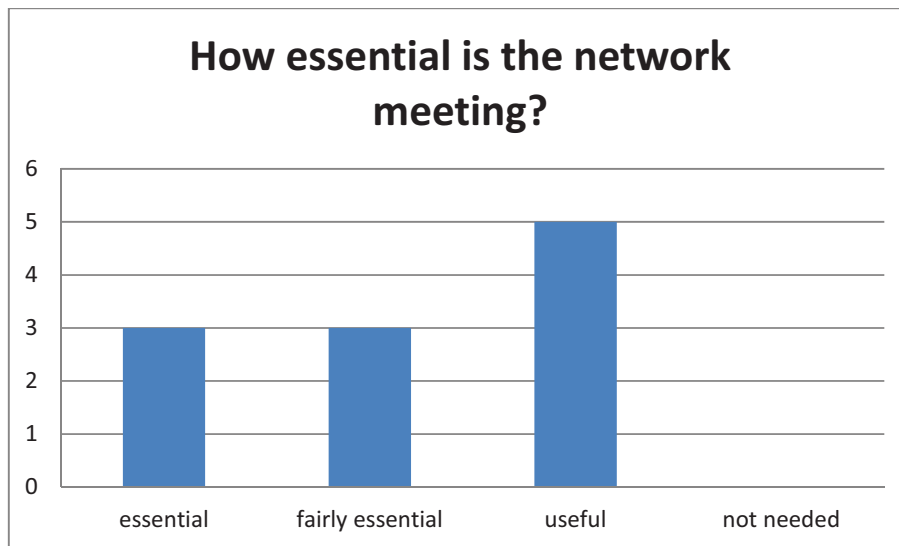
- The lease is now close to completion.
- Still to be agreed and signed
- Time and energy devoted to negotiations.
- A longer lease provides groups and communities with tangible evidence of commitment by the Council to a community asset



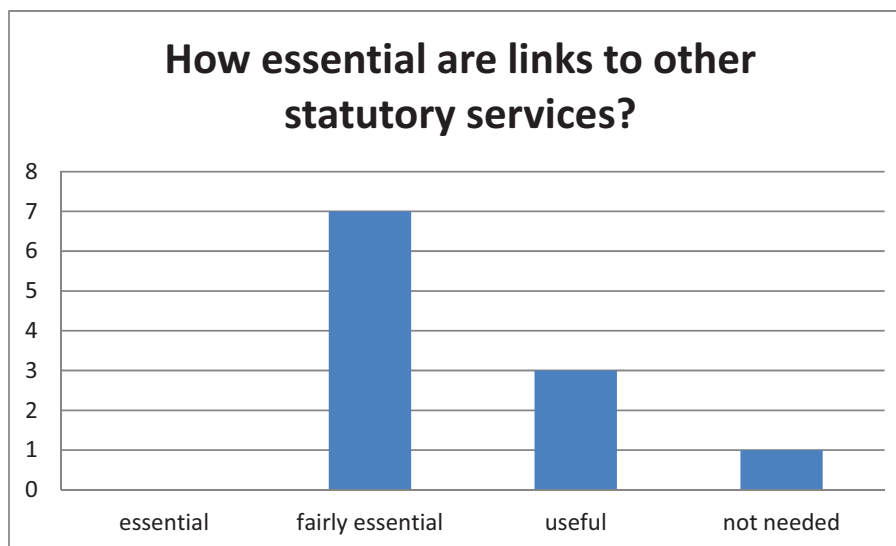
## 16. Network meeting & network support

Comments made by the volunteer run libraries in the recent survey are:

- The associate library meetings are useful in sharing ideas and or problems with other groups in the same position.
- These do not have to be provided by the council
- Vital for keeping up morale (and therefore active volunteers)
- Needed to share good practice but need to be available in such a way that it does not mean a heavy time commitment.
- Support to link with other statutory and voluntary services
- Liaison with SCC and library staff is valued, plus sharing experience with other volunteer libraries



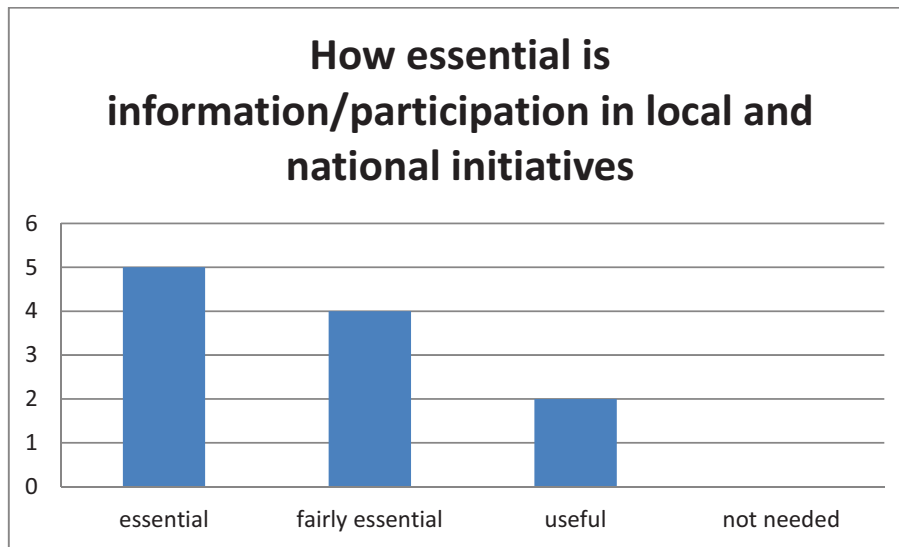
Wider network support to other statutory services was thought to be fairly essential, but none of the volunteer run libraries thought this was essential.



## 17. Local and national initiatives

The volunteer run libraries made the following comments relating to local and national initiatives:

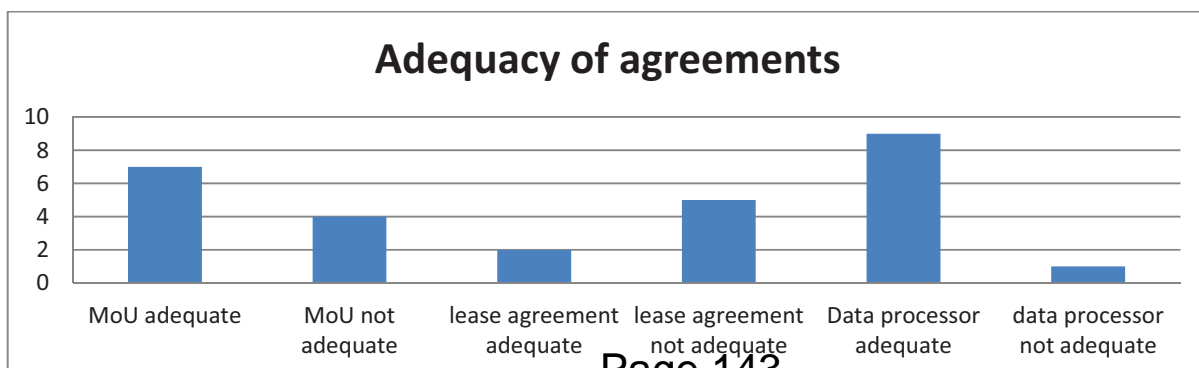
- Useful to extend our offer to users especially reading initiatives which can be used alongside groups and support services we run in the library for example our children's reading group and women's reading group.
- Nationwide promotions on initiative such as the summer reading challenge for children are very successful and promote the use of libraries increasing the number of users.
- Economic sense.
- We welcome this as part of our mission to provide a full public library service



## 18. Agreements

The volunteer run libraries made the following comments about the agreements between them and SCC in the recent survey:

- Does not cover access to new books and getting them catalogued on LMS
- The grant ends in 2017 and the MOU doesn't include that we have been granted staying on the LMS till 2019, so it needs updating.
- The MoU needs to be renegotiated beyond March 2017 to make sure that all costs are clearly understood and we can procure alternative suppliers if necessary.
- MoU should be clear about the responsibilities of both parties
- Acknowledge that sustainability of the library will require a high degree of flexibility in how the space is used



Those that found the MoU not adequate stated that it needed to be updated to reflect the new position on remaining on the LMS, and any costs post March 2017.

Those that found the lease agreement not adequate stated that the leases have not yet been signed, the time and effort that has gone into lease negotiations, issues still to be resolved.

All but one of the groups that responded, found the data processor agreement adequate. The group finding the agreement not adequate did not make any comments relating to this.

## **19. Data to be published**

The volunteer run libraries were asked in the recent survey, what data they would like to be published, the following data outlines their response.

- Opening times
- Contact details
- Location
- Facilities e.g. PC's, room hire
- Telephone number
- Link to website
- Number of books borrowed/LMS lending figures
- Library user frequency/footfall
- Advertising volunteer opportunities (general and for specific roles)
- Own lending data (without implying this is on the Councils behalf)
- New joiners
- Number of new books
- Attendance at events and activities
- Volunteer hours input each month
- Number of events or activities
- Use of PN and wi-fi
- Use of photocopier
- Usage of the library space
- Training hours input
- Evaluation of book collection
- Results re Summer reading challenge etc
- What groups meet and how to get involved
- Comments from volunteers
- Forthcoming events

Appendix 8

Support package option grid	Grant pot for Associate libraries	comments	Marketing fund	Support from LAIS on LMS see breakdown below	New book fund	Total package cost per annum	plus contribution to grant from Culture & Leisure for Upperthorpe library
100% £262k	166,800	Grant of £166800 made up of £154,000 grant pot as 2016/17 plus £12800 grant for tinsley.	5,000	62,358	27,842	262,000	25,000
80% of £262k	133,440	80% of grant of £166800	5,000	63,160	8,000	209,600	25,000
70% of £262k	116,760	70% of grant of £166800	500	64,247	1,893	183,400	25,000
<b>total</b>	<b>417,000</b>		<b>10,500</b>	<b>189,765</b>	<b>37,735</b>	<b>655,000</b>	<b>75,000</b>

**Support from Libraries, Archives & Information Service on LMS**

	year 1	year 2	year 3
compliance training and other commissioned training costs	2,000	2,000	1,500
cost of materials for Associate libraries to take part in city wide initiatives	2,400	2,400	2,400
grade 3 post	22,182	22,404	22,628
grade 4 post (0.5FTE 19.5scp)	11,429	11,543	11,659
additional line management costs for grade 3 post	3,935	3,877	3,892
I.T. software and equipment upgrade contingency	8,400	8,923	10,157
van hire at £200 per week	10,400	10,400	10,400
diesel at £31/week	1,612	1,612	1,612
<b>total</b>	<b>62,358</b>	<b>63,160</b>	<b>64,247</b>

balancing figure

NB: All figures subject to identifying the funding as part of the 2017-18 budget process

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**Author/Lead Officer of Report:** Dave Phillips,  
Head of Strategic Finance

**Tel:** 0114 273 5872

**Report of:** *Eugene Walker*

**Report to:** *Cabinet*

**Date of Decision:** *30 November 2016*

**Subject:** *Revenue and Capital Budget Monitoring 2016/17 –  
As at 30 September 2016*

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

**Purpose of Report:**




*This report provides the month 6 monitoring statement on the City Council's Revenue and Capital Budget for 2016/17.*

**Recommendations:**

*To formally record changes to the Revenue Budget and gain Member approval for changes in line with Financial Regulations.*

*Please refer to paragraph 24 of the main report for the recommendations.*

**Background Papers:**

Lead Officer to complete:-			
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.		
	Finance: <i>Dave Phillips</i>		
	Legal: <i>Sarah Bennett</i>		
	Equalities: No		
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>			
2	<b>EMT member who approved submission:</b> <i>Eugene Walker</i>		
3	<b>Cabinet Member consulted:</b> <i>Ben Curran</i>		
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.		
	<table border="1"> <tr> <td><b>Lead Officer Name:</b> <i>Dave Phillips</i> </td> <td><b>Job Title:</b> <i>Head of Strategic Finance</i></td> </tr> </table>	<b>Lead Officer Name:</b> <i>Dave Phillips</i> 	<b>Job Title:</b> <i>Head of Strategic Finance</i>
<b>Lead Officer Name:</b> <i>Dave Phillips</i> 	<b>Job Title:</b> <i>Head of Strategic Finance</i>		
	<b>Date:</b> 14 <sup>th</sup> November 2016		

**1. PROPOSAL**

*(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)*

- 1.1 *This report provides the month 6 monitoring statement on the City Council's Revenue and Capital Budget for 2016/17.*

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

*(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the decision inclusive?; does it have an impact on climate change?; does it improve the customer experience?; is there an economic impact?)*

- 2.1 *To formally record changes to the Revenue Budget and gain Member approval for changes in line with Financial Regulations.*

*Please refer to paragraph 24 of the main report for the recommendations.*

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

- 3.1 *No*

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

4.1 Equality of Opportunity Implications

- 4.1.1 *No*

4.2 Financial and Commercial Implications

- 4.2.1 *Yes. Cleared by Dave Phillips*

4.3 Legal Implications

- 4.3.1 *No*

4.4 Other Implications

- 4.4.1 *No*

**5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 *A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line*

*with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.*

**6. REASONS FOR RECOMMENDATIONS**

- 6.1 *To record formally 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.*

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30 SEPTEMBER 2016

### Purpose of the Report

1. This report provides the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme for September 2016. The first section covers Revenue Budget Monitoring, and the Capital Programmes are reported from paragraph 18.

### REVENUE BUDGET MONITORING

#### Summary

2. For the purpose of this report, we have presented the Council's financial position in two elements, namely the underlying position on the services commissioned/provided by the Council, and the position on services that are commissioned and funded jointly with the health service. This is on the basis that the approach to achieving a balanced outturn for 2016/17 will require parallel strategies.
3. The latest monitoring position at month 6 for the services commissioned/provided by the Council shows the potential for a forecast underspend of £5.2m to the year end. The position is summarised in the table below:

Portfolio	FY Variance: £000s
CYPF	5,152
COMMUNITIES	3,286
PLACE	(170)
POLICY, PERFORMANCE & COMMUNICATION	326
RESOURCES	93
CORPORATE	(13,877)
<b>GRAND TOTAL</b>	<b>(5,190)</b>

4. In terms of the month 6 overall forecast position of £5.2m underspend, the key reasons are:

- **Children, Young People and Families (CYPF)** based on trends to date are forecasting to overspend by £5.2m. Placements are reporting a £3.0m overspend; this reflects the full year impact on the current number of placements and the costs for the remainder of the year, Fieldwork Services forecast overspend of £1.0m resulting from pressures on social workers as a result of increased number of caseloads. Additional pressures within the service include delayed savings of £695k on Short Break and Direct Payments and £484k on integrated residential and disability services with health.
  - **Communities** based on trends to date are forecasting an overspend of £3.3m, due primarily to demand pressures in Care and Support relating to Learning Disability Services and Long Term Support.
  - **Place** are forecasting an underspend of £170k primarily due to small cost reductions over a number of service areas within Business Strategy and Regulation.
  - **Policy, Performance and Communications** are forecasting an overspend of £326k due to lower than anticipated advertising income as a result of contract delays.
  - **Corporate** are showing a forecast underspend of £13.9m due a number of factors resulting from a major review of corporate budgets: the release of £3.0m from the Better Care Fund contingency to relieve pressure on the Mental Health budget, £3.0m on the Corporate Redundancy budget due to lower than anticipated VER/VS applications, an anticipated £2.7m pressure relating to the Independent Living Fund not materialising in 2016/17, £2.0m reduction in borrowing costs as a result of an increase in cash balances available for investment, the use of £1.6m of Social Care reserves, and the release of £0.9m corporate contingencies set aside for potential city centre redevelopment costs as well as pay inflation in line with Living Wage Foundation rates.
5. In parallel to the above position, the Council faces a series of significant challenges in delivering savings in conjunction with the health care system. Since the 2016/17 revenue budget was set, various cost pressures and risks to funding levels have emerged. These challenges are as follows.
- **Children, Young People and Families (CYPF)** are showing a forecast overspend of £750k as a result of not yet securing agreement to joint contributions with the CCG for Children's Services.

- **Communities** are showing a forecast overspend of £4.0m, due mainly to an emerging overspend against Commissioned Mental Health Services of £3.5m and £500k of pressures arising from CCG activity in the Learning Disability Service, as the profile of demand has shifted to costs funded by SCC and not the NHS. A more integrated approach is being urgently explored.
  - **Corporate** are showing a forecast overspend of £5.8m, which is due to an anticipated shortfall in the Better Care Fund (BCF). We and the CCG agreed when the BCF was set up that £9.3m of funds would be made available in total by the two partners. The NHS would fund £5m, and the Council would fund £4.3m as a one-off in 2015/16, with the aim that the BCF would identify savings to eliminate the need for this contribution after 2015/16, or the CCG would identify a source of funds for it. However we now have a significant concern that slippage on this approach is occurring without the underlying savings yet emerging on a joint budget of £280m. SCC is the junior financial partner in this arrangement. Consequently the £4.3m is now a corporate pressure, and in addition the CCG is currently only able to guarantee £3.5m of the £5m of its share of the funding. We and the CCG continue to discuss the funding and management of the BCF.
6. The combined impact of the forecast potential underspend in Council-run services and the forecast potential overspend in services run jointly with the NHS is a forecast overspend of £5.4m at month 6. This is an improved position of £10.4m since the month 5 monitoring report. The combined position is summarised in the table below.

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
CYPF	73,029	67,127	5,902	↑
COMMUNITIES	144,582	137,296	7,286	↔
PLACE	144,776	144,946	(170)	↔
POLICY, PERFORMANCE & COMMUNICATION	2,393	2,067	326	↔
RESOURCES	54,308	54,215	93	↔
CORPORATE	(413,728)	(405,651)	(8,077)	↓
<b>TOTAL</b>	<b>5,360</b>	<b>(0)</b>	<b>5,360</b>	↓

7. The cumulative effect of funding cuts due to the national austerity programme, combined with emerging social care pressures and the challenge of securing funding from Health are making the Council's current financial predicament

extremely difficult. Based on the current trajectory, and in spite of a major review of corporate budgets, it would appear highly likely that the Council is going to overspend this year. Although emergency measures are being considered, and plans are being put in place to balance the budget for 2017/18, the strategy to bring social care pressures under control will take at least a year to implement.

## Commentary

8. The main variations since Month 5 are:
  - **CYPF** are forecasting an adverse movement of £133k since Month 5. This is due predominantly to £3.0m of additional costs on placements; this reflects the full year impact on the current number of placements and the cost of these placements for the remainder of the year.
  - **Corporate** are showing a forecast improvement of £10.5m due to the release of £3.0m from the Better Care Fund contingency to relieve pressure on the Mental Health budget, £3.0m on the Corporate Redundancy budget due to lower than anticipated VER/VS applications, £2.0m reduction in borrowing costs as a result of an increase in cash balances available for investment, the use of £1.6m of Social Care reserves, and the release of £0.9m corporate contingencies set aside for potential city centre redevelopment costs as well as pay inflation in line with Living Wage Foundation rates.
9. Full details of all reductions in spend, overspends and movements from the previous month within Portfolios are detailed in **Appendix 1**.

## Public Health

10. The Public Health ring-fenced grant is currently forecasting a £302k underspend against the original grant allocation. Further details of the forecast outturn position on Public Health are reported in **Appendix 2**.

## Housing Revenue Account

11. The 2016/17 budget is based on an assumed in year surplus of £13m which is to be used to fund the ongoing HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in-year funds



generated by the account will be used to provide further funding for the future HRA Capital Investment programme.

12. As at month 6, early indications suggest an improved full year outturn position of £4.1m. As such, the funding contribution to the capital investment programme will be revised from £13m to £17.1m. Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

### New Homes Bonus Fund

	<b>£m</b>
Income	
Reserves as at 1/04/16	-7.1
Anticipated 16/17 NHB Grant	-9.3
<b>Total Income</b>	<u>-16.4</u>
Expenditure	
2016/17 Spend to Date	0.8
Forecast to Year End	1.0
Future Years' Approved Commitments	2.2
<b>Total Expenditure</b>	<u>4.0</u>
	<u><u>-12.4</u></u>
<b>Funds Available for Investment</b>	

13. Progress continues on the delivery of the approved programme. There has been no significant variance in the period.

### Collection Fund

14. As at the end of Quarter 2 the Collection Fund is forecasting an overall deficit of £0.1m made up of a £1.7m surplus on Council Tax and a £1.8m deficit on Business Rates.
15. The Valuation Office Agency (VOA) has revalued all the business properties in the country and produced a draft list that will form the basis of the rating list for 2017 onwards. However, as a result of this work there has been a slowdown in the processing of appeals. It is anticipated by the VOA that they will begin tackling the backlog of appeals in the second half of the year, which could have a negative impact upon the outturn position for Business Rates.
16. Further details about the Quarter 2 performance of the Collection Fund can be found in **Appendix 4**.

## Corporate Risk Register

17. 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 **Appendix 5** along with any actions being undertaken to manage each of the risks.

## Capital Summary

18. The forecast for 2016/17 has decreased by £5.1m on the Month 5 forecast to £236.3m. The Approved programme budget is £250.2m, a difference of £13.8m. This represents a slippage rate of 5.5% which is up from 3.4% at Month 5. The majority of the difference is in the Housing programme which is forecasting an underspend of £9.0m arising on acquiring or building new council housing stock and refurbishment of existing properties.
19. Further details of the Capital Programme monitoring are reported in **Appendices 6 and 6.1**.

## Implications of this Report

### Financial implications

20. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2016/17, and as such it does not make any recommendations which have additional financial implications for the City Council.

### Equal opportunities implications

21. There are no specific equal opportunity implications arising from the recommendations in this report.

### Legal implications

22. There are no specific legal implications arising from the recommendations in this report.

### Property implications

23. 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

24. Members are asked to:

(a) Note the updated information and management actions provided by this report on the 2016/17 Revenue Budget position.

(b) In relation to the Capital Programme:

- (i) Approve the proposed additions to the Capital Programme listed in **Appendix 6.1**, including the procurement strategies and delegations of authority to the Interim Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
- (ii) Approve the proposed variations, deletions and slippages in **Appendix 6.1**;

And note:

- (iii) the variation authorised by directors under the delegated authority provisions; and
- (iv) the latest position on the Capital Programme.

## Reasons for Recommendations

25. To record formally 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

26. 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.

**Dave Phillips**  
**Head of Strategic Finance**



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## PORTFOLIO REVENUE BUDGET MONITORING AS AT 30 SEPTEMBER 2016

### Children Young People and Families (CYPF)

#### Summary

1. As at month 6 the Portfolio is forecasting a full year outturn of an overspend £5.9 million, an adverse movement of £133k from the month 5 position. The key reasons for the forecast outturn position are:
  - **Business Strategy** - £104k forecast overspend, the key reason is a forecast overspend of £107k on Transport, due to increased demand.
  - **Children and Families** - £5.8million forecast overspend, the key reasons are:
    - **Fieldwork Services** - a forecast overspend of £1m, this is mainly due to a forecast overspend on fieldwork staffing budgets of £329k, due to pressures on social workers and an increase in the number of caseloads, the planned tapering down model of social workers has been delayed and a number of temporary staff have been recruited to meet this increase in demand. £446k forecast overspend on non-staffing budgets, due to increased transport costs and contact time for Looked After Children. £206k forecast overspend on legal fees, due to an increase in the number of cases.
  - **Health Strategy** – a forecast overspend of £695k on Short Break and Direct Payments, due to the delay in anticipated savings due in year.
  - **Provider Services** – a forecast overspend of £484k, due to delays in anticipated savings on integrated residential and disability services with health, due in year.
  - **Early Intervention and Prevention** – a forecast overspend of £530k due to anticipated savings of £246k on uncommitted contracts, offset by a reduced expected contribution of £750k from the CCG, leaving a net overspend of £530k.
  - **Placements** – forecast overspend of £3m, this reflects the full year impact on the current number of placements and the costs of these placements for the remainder of the year. Also includes £250k overspend due to a reduction in the expected contribution from the CCG.
  - **Inclusion and Learning Service** – A forecast reduction in spend of £115k which is a number of small underspends across the service.

- **Lifelong Learning, Skills and Communities** – A forecast overspend of £122k, which is due to a number of overspends across the service.

## Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY	2,477	2,373	104	↔
CHILDREN & FAMILIES	63,852	58,061	5,791	↔
INCLUSION & LEARNING SERVICES	(138)	(23)	(115)	↔
LIFELONG LEARN, SKILL & COMMUN	6,838	6,716	122	↔
<b>GRAND TOTAL</b>	<b>73,029</b>	<b>67,127</b>	<b>5,902</b>	↑

## DSG

- The following is a summary of the position on DSG budgets at month 6:

	Month 5 £000	Month 6 £000
Business Strategy	(173)	(187)
Children and Families	149	149
Inclusion and Learning Services	1,060	1,057
Lifelong Learning, Skills and Communities	334	368
	<b>1,370</b>	<b>1,387</b>

## Commentary

- The following commentary concentrates on the changes from the month 5 position

### Business Strategy

- A forecast £104k overspend (shown in the table above) relating to cash limit and £187k forecast reduction in spend on DSG. Both cash limit and DSG are consistent with the month 5 position.

### Children and Families

- A forecast £5.8m overspend (shown in the table above) relating to cash limit and £149k forecast overspend on DSG. Both cash limit and DSG are consistent with the month 5 position.

## Inclusion and Learning Service

6. A forecast £115k reduction in spend (shown in the table above) relating to cash limit and £1.1m forecast overspend on DSG. Both cash limit and DSG are consistent with the month 5 position.

## Lifelong Learning Skills and Communities

7. A forecast £122k overspend (shown in the table above) relating to cash limit and £368k forecast overspend on DSG. Both cash limit and DSG are consistent with the month 5 position.

## Communities Portfolio

### Summary

8. As at month 6, the Portfolio is forecasting a full year outturn of an over spend of £7.3m. The key reasons for the outturn position are:

#### Performance, Information and Planning under spend of £419k:

- The underspend position for PIPS is mainly due to the pay award budget of £458k held in Executive but matched by spend across the portfolio. There are further under spends against Insurance & Mail £160k, Projects & Programmes £79k, Governance and Change £46k and Quality £52k plus other minor under spends all offset by over spends against senior management posts £67k, supplies and services £54k and business support £186k.

#### Care & Support over spend of £4.4m:

- Access, Prevention and Reablement forecasts a net over spend of £122k due to spend on agency staff across APR £174k partly netted of by an under spend on minor works and adaptations £52k.
- Learning Disabilities returned an outturn of £2.8m over spend. This is made up of:-
  - Purchasing LD is forecasting an over spend of £2.8m. This over spend is made up £3.2m of new client costs that have emerged in 2016/17, £904k of forecast unachieved savings, offset by an under spend against the clients rolled forwards from 2015/16 of £1.4m.
  - LD Assessment and Care Management is forecasting an over spend of £445k due to full year cost of additional review teams.
  - LD Provider services is forecasting an under spend of £474k due to reductions in client hours as a result of a movement of clients from in-house services to independent provision (hours moved to purchasing

budget) and the subsequent reduction in use of agency staff and bank staff.

- Long Term Support is showing an over spend of £1.5m. This comprises the net position of an over spend in adults purchasing of £1.8m, with an under spend on staff of £193k along with the saving against Forge Centre £73k due to reduction in contracts.
- Provider Services is reporting an under spend against budget of £33k. The under spend is due to a £289k reduction in spend on Carers in the Adult Placement Shared Lives Service and under spends on salaries against Care4You Business and Performance £12k and Community Support Services £104k. This is netted down by a reported over spend against City Wide Care Alarms £372k as a result of lower income than budgeted. Reablement Services report a position which is almost balanced to budget as a result of drawdown of £293k of corporate funding to cover salary costs until full implementation of the MER.
- Contributions to Care has an over spend position of £135k against budget. This figure is made up of an over spend against SCAS staffing of £57k due to additional staffing recruited to work on Appointeeships. There is also an additional pressure of £46k on Health contributions to Direct Payments. This is net of overachievements in Integrated Charge income of £210k and Residential income of £505k, offset by under achievements of £350k in Property Income and in CHC income of £397k.
- Safeguarding service is reporting an under spend of £78k as a result of spend of reduced salary and legal costs than budgeted.

**Commissioning over spend of £3.3m:**

- A forecast reduction in spend of £431k is reported by Commissioned Housing which is mainly due to a delay in implementation of new Housing Related Support Contracts coupled with annualised contracted savings.
- An over spend against Commissioned Mental Health Services of £3.4m. This is made up of a £3.8m overspend in Mental Health purchasing and £80k overspend in the S75 Mental Health contract offset by forecast under spends on the Older People Mental Health contract of £431k and the Partnership and Grant Aid budget of £52k. Further negotiations are on-going with the Care Trust to determine the cost of the S75 contract but the forecast over spend reflects current activity. There is an on-going conversation with the CCG to enable joint planning to be done in order to bring the over spend



down within 2016/17. Future forecasting will be reflective of outcomes in this work.

- An over spend on Public Health Drug and Alcohol (DACT) of £102k. The majority of this is due to a forecast over spend on Contract Drug costs £71k, Non-Contract Treatment costs of £51k and minor over spends against staffing £10k and Alcohol Programme £17k. Offsetting all the over spends is a negotiated reduction on the contract for DIP resulting in an under spend £48k.
- Social Care Commissioning Service forecasts an over spend of £180k. There is a forecast overspend of £248k on the British Red Cross contract for Independent Living Solutions (Equipment and Adaptations) along with an additional £18k increase in PH Communities staff due to additional resource planned to continue past the original deadline of November. This is partly offset by an under spend on staffing against ILS £46k and People Keeping Well £25k.

#### **Community Services over spend of £341k:**

- In Locality Management the over spend is within the Voluntary Sector area £197k, £57k of which is due to £119k unachieved 15/16 savings on Grants offset by a temp saving of £62k which has been found this year. The remainder is an “approved” staffing over spend on Health and Social Care integration budget £56k and loss of income from Sheffield Teaching Hospitals £72k.
- Library Services are forecast to underspend by £14k. The Libraries and Archives Service have an over recovery of income of £42k and savings on staff costs are partly eliminated by loss of World Metal Index income £56k with the associated cost of redundancies (Service closes 2016/17) and over spends on the Leadership Team of £51k.
- Public Health budgets are over spent by £157k as a result of contract values exceeding budget by £50k, the remainder £107k is as a result of an over spend on staffing due to slippage on the MER however some staff are leaving Dec 2016 so this forecast will be revised month 7.

#### **Housing General Fund under spend of £328k**

The under spend in Housing General Fund is mainly due to:

- City Wide Housing Services £182k under spend due of low uptake of small grants in Local Assistance Scheme, savings on staffing and higher than anticipated income.

- Business Planning £29k under spend resulting from savings on staffing.
- Neighbourhood Intervention and Support £218k under spend mainly as a result of higher than anticipated income and savings on staffing costs relating to Housing+ MER.
- Sustainable City projects an over spend of £101k which is under constant review as funding sources are identified.

## Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
PIP	4,655	5,074	(419)	↓
CARE AND SUPPORT	101,858	97,444	4,414	↔
COMMISSIONING	27,963	24,684	3,279	↑
COMMUNITY SERVICES	6,615	6,274	341	↔
HOUSING GENERAL FUND	3,492	3,820	(328)	↔
<b>GRAND TOTAL</b>	<b>144,582</b>	<b>137,296</b>	<b>7,286</b>	↔

## Commentary

9. The following commentary concentrates on the changes from the last report at Month 5.

### PIPS

10. A forecast £419k reduction in spend. This is an improved position of £160k from the position in Month 5.
11. The favourable movement is mainly due to funding confirmed for WFCM project £102k which was recorded as a cost pressure in month 5, and other minor improvements across the whole service.

### Care and Support

12. A forecast £4.4m over spend. This is a worsening position of £79k from the position in Month 5.
13. Assessment, Prevention and Reablement report a £122k over spend, an adverse movement of £44k since month 5. This is due to the extension of contracts for agency staff working on SPA/TOC projects.
14. Long Term Care reports an over spend of £1.5m which is a minor worsening position to that reported in month 5. The position has worsened slightly on home care and direct payments within purchasing with an offsetting improvement mainly as a result of the review of the costs of social work staff.
15. The LD position has improved by £6k from Month 5. However this is net of an increase in client costs in the purchasing area of £48k and a reduction in

staffing costs of £54k within the A & CM & LD Provider Service areas. Within Assessment & Care Management a Service Manager has now left and has not been replaced. Other staff have been moved across to fill vacancies of budgeted posts in the assessment teams from previous roles in the un-budgeted additional review teams.

16. Provider Services report an under spend £33k which is an adverse move of £11k since month 5. This adverse move is as a result of a budget moving to PIPS for a business support post £60k offset by improvement in Community Support Service.
17. Safeguarding Services report an under spend of £78k which is a slight worsening position of only £6k.

### **Commissioning**

18. A forecast £3.3m over spend. This is a worsened position by £111k from the month 5 outturn.
19. Mental Health Commissioning has worsened by a new high cost package forecast at £80k for the remainder of the year and a slight increase in the over spend in partnerships and grant aid following a re-analysis of the contracts forecast by £26k.

### **Community Services**

20. A forecast £341k over spend. This is a worsened position of £49k from the position in Month 5.
21. The worsened movement is due to Public Health staffing cost which has slipped due to delays in the implementation of the MER however 3 staff are leaving at the end of Dec 2016 so this will be reviewed in Month 7.

### **Housing General Fund**

22. A forecast £328k under spend. This is primarily due to lower than expected uptake of grants on the Local Assistance Scheme, savings on staffing and higher than anticipated income.

### **Year to date**

23. The forecast £7.3m over spend is a reduction on the extrapolated full year effect of the variance at Month 6 of £4.1m. The reasons are mainly due to payment profiles in the purchasing budgets, especially where increases in activity forecasted are not yet showing in actuals. In other areas accruals have not been taken where for example payments are made in advance or where

additional funding has been received and spend is expected on staffing and contracts as the year progresses which Month 6 figures do not include.

## Place Portfolio

### Summary

- As at month 6 the Portfolio is forecasting a £170k underspend, an improvement of £81k from the month 5 position.

### Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY & REGULATION	32,064	32,302	(238)	↓
CREATIVE SHEFFIELD	2,801	2,735	66	↓
CULTURE & ENVIRONMENT	30,128	30,161	(33)	↔
DEVELOPMENT SERVICES	79,782	79,748	34	↑
<b>GRAND TOTAL</b>	<b>144,776</b>	<b>144,946</b>	<b>(170)</b>	↔

### Commentary

24. The following commentary concentrates on key risks and changes this month

#### Business Strategy & Regulation

25. As at month 6 there is a £238k forecast underspend, which shows an improvement of £115k this month due to small cost reductions over a number of service areas.

#### Creative Sheffield

26. As at month 6 there is a small £66k forecast overspend, which shows an improvement of £104k this month due to the forecast income within the City Regeneration Division now including anticipated bid income yet to be approved, which represents a risk to the current forecast position.

#### Development Services

27. As at month 6 there is a £34k forecast overspend, which shows an adverse movement of £163k this month.

28. The key change is that the position now includes an £800k reduction in forecast savings on Streets Ahead & Parking Services (previously highlighted as at risk), which have been offset to a large extent by other contract cost reductions (£250k), additional income from Planning, Highways & transport (£250k) and a contribution from Reserves to support the Local Plan (£100k).

29. The planned savings within Streets Ahead and Parking services (£1.5m in total) continue to be progressed with a view to implementation during the latter part of 2016.

## Resources Portfolio

### Summary

30. As at month 6 the Portfolio is forecasting a full year outturn of an over spend of £93k, an improvement of £52k from the month 5 position. It is anticipated that the Resources budget will outturn at a balanced position, with the possible exception of the issues in the T & FM service which are currently under review and alternative funding being sought. The key reasons for the forecast outturn position are:

- An over spend of £249k on Customer Services due to the Customer Engagement Programme being unachievable in this financial year and incurring additional employee costs in order to maintain operational KPIs.
- An over spend of £537k on Transport and Facilities Management due to underlying repairs and maintenance expenses for lifts at Moorfoot (£80k); the one-off funding for the Voluntary Registration of Land project having now ceased and alternative funding being sought to ensure that the project is sustained (£217k); KAPs insourcing costs of £155k, although this is still under review; £50k for an Equal Pay claim in relation to Cleaning; and £35k for the Corporate Statutory Servicing and Repairs project for which funding has yet to be identified.

Offset by:

- A reduction in spend of £105k on Business Change and Information Solutions due to staffing vacancies and a year-end liability taken for mobile phones, a significant proportion of which is no longer required.
- A reduction in spend of £229k on Commercial Services (Savings) due to confirmation and re-profiling of all the Early Payment Discounts and Project Savings.
- A reduction in spend of £292k on Central Costs due mainly from reduced numbers requiring funding in relation to Former Employee Pensions.

## Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS CHANGE & INFORMATION SOLUTIONS	892	997	(105)	↔
COMMERCIAL SERVICES	707	755	(48)	↔
COMMERCIAL SERVICES (SAVINGS)	(2,327)	(2,098)	-229	↔
			0	↔
CUSTOMER SERVICES	2,773	2,524	249	↔
FINANCE	5,702	5,696	6	↔
HUMAN RESOURCES	3,393	3,460	(57)	↔
LEGAL SERVICES	3,516	3,483	33	↔
RESOURCES MANAGEMENT & PLANNING	173	174	(1)	↔
TRANSPORT AND FACILITIES MGT	16,471	15,934	537	↑
<b>TOTAL</b>	<b>31,300</b>	<b>30,915</b>	<b>385</b>	<b>↔</b>
CENTRAL COSTS	22,602	22,894	(292)	↔
HOUSING BENEFIT	406	406	(0)	↔
<b>GRAND TOTAL</b>	<b>54,308</b>	<b>54,215</b>	<b>93</b>	<b>↔</b>

## Commentary

31. The following commentary concentrates on the changes from the previous month.

### Transport and Facilities Management

32. A forecast £537k overspend, due to underlying repairs and maintenance expenses for lifts at Moorfoot (£80k); the one-off funding for the Voluntary Registration of Land project having now ceased and alternative funding being sought to ensure that the project is sustained (£217k); KAPs insourcing costs of £155k, although this is still under review; £50k for an Equal Pay claim in relation to Cleaning; and £35k for the CSSR project for which funding has yet to be identified. This is an adverse movement of £240k from the previous month.

33. The adverse movement this month is due to the KAPs insourcing costs, an Equal Pay claim in relation to Cleaning and unfunded costs for the CSSR project.

## Policy, Performance and Communications Portfolio

### Summary

34. As at month 6 the Portfolio is forecasting a full year outturn of an over spend of £326k, as per the month 5 position. The key reasons for the forecast outturn position are:

- £326k over spend due to an underlying shortfall in the anticipated income from the new advertising contracts owing to the delays in negotiations. It is anticipated that the position will improve by £100k next month.

## Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,528	2,202	326	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,393</b>	<b>2,067</b>	<b>326</b>	↔

## Commentary

35. There are no changes from the Month 5 position

## Corporate

### Summary

36. As at month 6, the Corporate portfolio is forecasting a full year outturn of a £8.1m underspend.

- **Corporate Expenditure:** Corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs.
- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

## Financial Results

37. The table below shows the items which are classified as Corporate and which include:

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
CAPITAL FINANCING	31,994	34,375	(2,381)	↓
CORPORATE ITEMS	(445,722)	(440,026)	(5,696)	↓
<b>GRAND TOTAL</b>	<b>(413,728)</b>	<b>(405,651)</b>	<b>(8,077)</b>	↓

38. Corporate are showing a forecast underspend of £8.1m over the two areas Capital Financing and Corporate Items.

39. The improvement shown within Capital Financing section is due to:
- Overall the Council is undertaking a lower level of borrowing than originally planned during 2016/17 and as a result we will incur less interest costs.
  - The new borrowing that has been undertaken during the year was at a lower rate of interest than we had anticipated so the interest rate cost incurred on the borrowing is lower.
  - Investment returns in excess of target in the first half of the financial year.
40. The improvement of £8.5m within the Corporate Transactions this month compared to month 5 is due to:
- The release of £3.0m Better Care Fund Contingency to relieve pressure on the Mental Health budget.
  - £3.0m saving on corporate redundancies due to lower than anticipated VER/VS applications.
  - The use of £1.6m Social Care reserve, and
  - The release of £900k of corporate contingencies set aside for potential city centre redevelopment costs as well as pay inflation in line with Living Wage Foundation rates.



## PUBLIC HEALTH BUDGET MONITORING AS AT 30 SEPTEMBER 2016

### Purpose of the Report

1. To report on the 2016/17 Public Health grant spend across the Council for the month ending 30 September 2016.
2. The report provides details of the forecast full year spend of Public Health grant compared to budget.
3. The net reported position for each portfolio/service area would normally be zero as public health spend is matched by a drawdown of public health grant. For the purposes of this report, and in order to identify where corrective action may be necessary, we have shown actual expenditure compared to budget where there is an underspend position.

### Summary

4. At month 6 the overall position was a forecast underspend of £302k which is summarised in the table below.

Portfolio	Forecast Full Year Expenditure	Full Year Expenditure Budget	Full Year Variance as at M6	Full Year Variance as at M5	Movement from Prior Month
CYPF	17,981	17,981	0	0	0
COMMUNITIES	12,310	12,387	-77	-47	-30
PLACE	2,652	2,783	-131	-101	-30
DIRECTOR OF PH	2,069	2,163	-94	-82	-12
Total	35,012	35,314	-302	-230	-72

5. Key reasons for the forecast under spend are:

- CYP forecast to budget.
- £77k underspend in Communities mainly due to reduced spend in Mental Health Commissioning contract activity.

- £131k underspend in Place mainly due to employee reduced spend to budget. Forecast also includes funding for posts and smoke free initiatives.
- £94k underspend in Director of PH due to reduced spend around GP health checks.

6. Key Reason for month on month changes are:

- £30k improvement in Mental Health Commissioning. Specifically, reduced spend against Older People and Partnership Contracts. However, these contracts are demand led so there is a possibility that costs will increase in the future.
- £30k improvement in Place due to additional funding for post built into the forecasts. Also, additional funding identified from SWYPT for smoke free initiatives.
- £12k improvement as a result of continuing underspends on GP Health Checks. In addition, there is anticipated savings as a result of unfilled vacancies.

## HRA BUDGET MONITORING AS AT

**30 SEPTEMBER 2016**

### Purpose of this Report

1. To provide a summary report on the HRA 2016/17 revenue budget for the month ending 30 September 2016, and agree any actions necessary.
2. The content of this report will be used as the basis of the content of the budget monitoring report to the Executive Management Team and to Members.

### Summary

3. The HRA Business Plan is based on the principle of ensuring that investment and services required for council housing is met by income raised in the HRA.
4. The 2016/17 budget is based on an assumed in year position of £13m which is to be used to fund the ongoing HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in- year funds generated by the account will be used to provide further funding for the future HRA Capital Investment programme.
5. As at month 6, early indications suggest an improved full year outturn position of £4.1m. As such, the funding contribution to the capital investment programme will be revised from £13m to £17.1m (shown in the table below). This is in line with the HRA Business Plan which sets out the Council's plans and priorities for council housing over the next five years.
6. Main areas contributing to the outturn include a net increase in income of £382k primarily as a result of a reduced level of bad debt provision offset by a higher turnover of vacant properties; a reduction in other income of £202k; a reduction in overall running costs of £2.8m and a reduction of £623k due to revised borrowing assumptions.

### Financial Results

Housing Revenue Account (excluding Community Heating)	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.NET INCOME DWELLINGS	(147,132)	(146,750)	(382)
2.OTHER INCOME	(6,322)	(6,524)	202
3.HOMES-REPAIRS & MAINTENANCE	32,437	32,870	(433)
4.DEPRECIATION-CAP FUND PROG	39,436	39,436	-
5.TENANT SERVICES	50,019	52,855	(2,836)
6.INTEREST ON BORROWING	14,507	15,130	(623)
<b>Total</b>	<b>(17,055)</b>	<b>(12,983)</b>	<b>(4,072)</b>
7.CONTRIBUTION TO CAP PROG	17,055	12,983	4,072

## Community Heating

7. The budgeted position for Community Heating is a draw down from Community Heating reserves of £293k. As at month 6 the forecast position is a contribution to reserves of £86k, an improvement of £379k. This is mainly due to lower than expected usage due to the mild weather and a reduction in overall energy costs.

Community Heating	FY Outturn £000's	FY Budget £000's	FY Variance £000's
Income	(2,842)	(2,723)	(119)
Expenditure	2,756	3,016	(260)
<b>Total</b>	<b>(86)</b>	<b>293</b>	<b>(379)</b>

## Housing Revenue Account Risks

8. 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 and changes to Housing Benefits, the Government has announced a number of further changes in the Housing and Planning bill and Welfare Reform and Work bill. These include a revision to social housing rent policy, which will reduce rents for the next three years. This will have a considerable impact on the resources available to the HRA. In addition, the Government's "Pay to Stay" proposals and other changes in the Housing and Planning bill will impact on both tenants and the HRA business plan. Work is continually ongoing to assess the financial impact of these. Other 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. These are managed through the Council's Treasury Management Strategy.
  - **Repairs and Maintenance:** Existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions) and future changes to contractual arrangements.

## Collection Fund 2016/17 – Quarter 2 monitoring

### Summary

1. In 2016/17 approximately £286.5m of SCC expenditure is forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
2. The Government receives 50% of the Business Rates collected (the Central Share) and uses this to finance grant allocations to local authorities. The Fire Authority receives 1% and the Council retain the remaining 49% as below.
3. Council Tax is distributed approximately 86% to SCC, 10% to the Police and Crime Commissioners Office and 4% to the Fire Authority. The SCC share is detailed below.

Income Stream	Budget 2016/17 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Council Tax	-179.9	-100.3	-181.6	-1.7
Business Rates Locally Retained	-106.6	-62.5	-104.8	1.8
<b>TOTAL</b>	<b>-286.5</b>	<b>-162.8</b>	<b>-286.4</b>	<b>0.1</b>
RSG/Business Rates Top Up Grant	-119.7	-59.9	-119.7	0.0
<b>TOTAL</b>	<b>-406.2</b>	<b>-222.7</b>	<b>-406.1</b>	<b>0.1</b>

4. As at the end of Quarter 2 the Collection Fund is forecasting an overall deficit of £0.1m made up of a £1.7m surplus on Council Tax and a £1.8m deficit on Business Rates.

### Council Tax

5. The forecast year end Gross Income chargeable to dwellings is £0.8m over budget due to a growth in the Council Tax Base (CTB) forecasts.
6. Exemptions and reductions are currently £3.9m under budget year to date however it has been prudently forecast that this will drop to £1.0m under budget by year end. The forecast year end position is primarily due to a decrease in exemptions of £0.7m.

**Business Rates**

7. The year to date position for Gross Rates Income Yield shows a surplus of £3.9m, with a surplus on Reliefs, losses on appeals and losses on collection of £3.0m. Whilst this would be a healthy position to be in at year end, there are still 2 further quarters to go. Analysis of trends has identified there will be forecast deficits on appeal losses of £4.2m and Reliefs of £0.6m. The forecast deficit on Reliefs is mainly attributable to the award of £0.9m empty property relief to a large printing business which had gone into administration, along with a number of sundry void properties.
8. Appeals are proving to be an extremely problematic area to forecast both locally and nationally due to the current revaluation preparation that is taking place for 2017. The Valuation Office Agency (VOA) has prioritised the Revaluation over settling appeals and so the backlog has increased. This led to very few appeals being settled in quarter 1, 2016. The VOA indicated that there would be a concerted effort to clear appeals following the finalisation of Revaluation data and this has been demonstrated by a significant increase in settled appeals in Q2. With this in mind and following conversations with the VOA, it is deemed prudent to increase the year end forecast for losses on Appeals.

<b>Collection Fund - Business Rates</b>	<b>Budget 2016/17 £m</b>	<b>Year to Date £m</b>	<b>Forecast Year End Position £m</b>	<b>Variance £m</b>
Gross Business Rates income yield	-260.4	-264.3	-262.4	-2.0
LESS Estimated Reliefs	37.1	35.3	37.7	0.6
Transitional Relief	0.0	0.2	0.3	0.3
Losses on Collection	2.0	1.8	2.8	0.8
Losses on Appeals re Current Year Bills	3.4	3.0	6.6	3.2
Increase (Decrease) due to appeals / bad debt provisions	0.0	0.0	1.0	1.0
<b>Net Collectable Business rates</b>	<b>-217.9</b>	<b>-224.0</b>	<b>-214.0</b>	<b>3.9</b>
Appropriation of net business rates:				
48.9% Sheffield City Council	-106.6	-109.6	-104.8	1.8
1.0% SY Fire Authority	-2.2	-2.2	-2.1	0.1
49.5% Government	-107.8	-110.9	-105.9	1.9
0.6% Designated Areas	-1.3	-1.3	-1.2	0.1
<b>Total SCC Appropriations</b>	<b>-217.9</b>	<b>-224.0</b>	<b>-214.0</b>	<b>3.9</b>

### Gross Rates Income Yield

9. The Gross Business Rates Income Yield has, to date, increased £3.9m compared to total budget. This is significantly over the budgeted position and to be prudent has been forecast to achieve a £2.0m surplus by the year end. There are still a number of properties due to enter the ratings list in late 2016/17 that could raise the yield further.
10. Another potential factor affecting gross yield and carried over from 2015/16 is the ruling on health centres which led to a reduced rateable value for all health centres across the country. This had a significant impact last year as the first tranche of refunds were paid. The remaining health centres have not been settled to date, however these have been provided for in the appeals provision and should not have a significant impact on the overall appropriations.

### Reliefs and Discounts

11. Most reliefs and discounts are generally awarded in full at the point of billing at the start of the year. The total level of reliefs awarded to the end of quarter 2 amounts to £35.3m which is £1.8m below the £37.1m in the budget. These are expected to rise to £37.7m by year end.
12. The most significant variation is in relation to Empty Property Reliefs, Discretionary Relief and Mandatory Charity Relief. The Empty Property Relief is currently £0.6m over budget with 6 months of the year remaining. This is primarily due to a large printing business which had gone into administration and a number of other properties that have recently become vacant. A further £1.5m has been prudently forecast to be utilised however it would be hoped that this is not required.
13. There is a forecast surplus on Discretionary relief due to low take-up on most schemes year-to-date. There has been no movement on these in quarter 2 and it is anticipated there will not be significant further take-up before the year end.

Reliefs	Budget 2016/17 £m	Year to Date £m	Forecast Year-End Outturn £m	Variance £m
Small Business Rates Relief	5.4	5.7	6.0	0.6
Mandatory Charity Relief	21.6	20.3	20.9	-0.7
Discretionary Relief	1.8	0.4	0.4	-1.4
Empty Property / Statutory Exemption	7.9	8.5	10.0	2.1
Partly Occupied Premises Relief	0.3	0.2	0.2	-0.1
New discretionary reliefs	0.1	0.2	0.2	0.1
	<b>37.1</b>	<b>35.3</b>	<b>37.7</b>	<b>0.6</b>

## Appeals

14. Appeals are notoriously difficult to forecast due to the lack of available information. The 2016/17 Council budget anticipated £3.4m of refunds in year resulting from appeals. This was based on historical trend analysis.
15. Losses on Appeals/ Increase in appeals provision are anticipated to be £4.2m over budget by year end. The levels of refunds currently granted stands at £3.0m for the first two quarters however it is anticipated that the VOA will increase the processing of appeals once revaluation work has been completed.
16. There is a provision of £23.7m carried forward into 2016/17. There have been no new significant appeals lodged in 2016/17; however several significant national appeals that emerged in previous years are still outstanding. There has been a reduction in the number of appeals at the moment given that it is the final year before revaluation although there is the potential for a late surge in appeals as it will be the last opportunity under the 2010 Rating list. We are still awaiting the settlement of a number of cases for health centres but these have been provided for already. The current issues with regards to ATM's and Virgin Media have still not been settled but again these have been provided for in the above provision.
17. There has been some movement on the settling of Health Centre appeals however there is still a further £3.1m expected to be paid out. The likely removal of ATM's from the rating list is anticipated to cost around £2.5m. If Virgin Media is removed from the list a further £3.7m is at risk. Given these major individual factors and the fact around a third of RV in total is under appeal it is deemed prudent to increase the appeals provision to account for this.

## Conclusion

18. Whilst the forecast position of a £0.1m deficit on the Collection Fund is not overly concerning, there are significant issues that could impact on this during the next 6 months. With regards to business rates, the length of time taken to settle outstanding appeals in conjunction with the 2017 revaluation process could see either an increase in the appeals provision or an increase in the losses on appeal. If the forecast numbers of business premises do come on line in the second half of 2016/17, this could improve the situation. Council tax is forecasting a surplus of £1.8m which could improve more if the forecast increase in reductions and exemptions is not witnessed.



## CORPORATE RISK REGISTER

This Appendix provides a brief overview of the main financial risks facing the Council in 2016/17. A more detailed schedule of these risks will be monitored by the Executive Management Team to ensure that the risks are mitigated.

### Corporate Risks

#### 2016/17 Budget Savings & Emerging Pressures

1. There will need to be robust monitoring in order to ensure that the level of savings required for a balanced budget in 2016/17 are achieved, especially given the cumulative impact of £300m of savings over the last five years (2011-16), and furthermore the backdrop of continuing reductions in Government grant from 2016/17 onwards.
2. Whilst preparing the budget 2016/17, officers identified numerous pressures which, if left unchecked, could lead to significant overspends in 2016/17 and beyond. The following pressures have been highlighted because they present the highest degree of uncertainty.

#### Capital financing costs

3. The Council currently maintains a substantial but prudent under borrowed position to help support the revenue budget and mitigate residual counterparty default risk on cash investments. In operating with an under borrowed position the Council exposes itself to interest-rate risk. This risk is exacerbated by the uncertainty created by the EU referendum decision. Recognising this, Treasury maintain a regular dialogue with the Director of Finance and the Executive Director of Resources to monitoring the risk and review mitigation opportunities.

#### Business Rates

4. Following the advent of the Government's Business Rates Retention Scheme in April 2013, a substantial proportion of risk has been transferred to local government, particularly in relation to appeals, charitable relief, tax avoidance, hardship relief and negative growth. The issue of appeals dating as far back as the 2005 rating list is the greatest risk causing concern across all authorities.
5. As at 30th September 2016, there were over 1500 properties with a rateable value of approximately £210m under appeal in Sheffield. There have been a large number of appeals lodged in the last two years relating to GP Surgeries, ATM's and Virgin Media. The decision by the

Valuation Tribunal to significantly lower the rateable value of GP's Surgeries in addition to the Government announcement to move to full academisation of schools will have a material impact on the business rates revenues collectable by Sheffield City Council in 2016/17 and beyond.

6. Not all of the £210m rateable value noted above is at risk and not all the appeals will be successful. However due to the uncertainty around these factors a prudent provision was taken during 2016/17 to mitigate the loss of income as a result of successful appeals. Actual trends on appeals were monitored in 2015/16, with any revised estimates of the impact of appeals forming part of the 2016/17 budget process. The imminent revaluation by the VOA which will take effect from April 2017 means that there is potential for a large amount of appeals in the years to follow.
7. The 2017 revaluation process being undertaken by the VOA has seen a slowdown in the number of appeals processed so far in 2016/17. It is anticipated that this will increase towards the second half of the year.
8. The draft list for the 2017 Revaluation highlights significant changes for a number of hereditaments within the city. The overall Rateable Value of the city has increase by £2.5m however within that; there are a number of increases and decrease in value. One of the largest increases relates to Virgin Media and they will see a significant rise in their RV. Given that they are already appealing their place on the local list, there is the potential for them to be removed from the Sheffield list altogether which would result in a drop in our Rateable Value. We are in regular communication with the Valuation Office to determine the result of any appeal and will lobby DCLG for further top-up grant should Virgin Media be transferred out of Sheffield

#### Implementation of savings proposals

9. The risk of delivering savings in 2016/17 in specific areas such as adult social care and waste management is considerable, given the increasing demand pressures and the levels of savings that have been achieved in previous years. To mitigate this, officers are working on the safe and legal implementation of budget proposals by:
  - Ensuring that there is a thorough understanding of the impact of proposals on different groups and communities, including undertaking Equality Impact Assessments for budget proposals and discussed with Cabinet Members

- Carrying out appropriate, meaningful consultation activity with affected communities and stakeholders, and ensuring that where the proposal affects a supplier or provider, that they undertake appropriate consultation and equalities work with service users.
- Discussing budget proposals with affected members of staff in advance of them being made public, and putting in place MER processes where required, in consultation with HR.

### **Medium Term Financial Position**

10. On 14 October 2015 Cabinet considered a report of the Executive Director of Resources entitled Medium Term Financial Strategy (MTFS) 2016/17 to 2020/21. This report provided an update of the Council's MTFS to reflect the budget decision of the Council for 2015/16 and the potential impact on the next 5 years of the Government's plans for deficit reduction. This report sets the planning scenarios for the medium term.
11. The report on the MTFS indicated that there would be ongoing reductions in Revenue Support Grant (RSG) of 20% or £23.2m per annum over the five year period to 2020/21. Following the autumn statement released in December 2015, the actual RSG cuts have been identified as circa £79m by 2019/20.
12. The Council's financial position is significantly determined by the level of Business Rates and Council Tax income. Each of these may be subject to considerable volatility and will require close monitoring and a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners.
13. The Medium Term Financial Strategy for the next five years covering 2017/18 – 2021/22 is currently being reviewed and will be presented to Cabinet in September 2016.

### **Pension Fund**

14. 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.
15. As at March 2013 the triennial review for pensions highlighted the total liability underwritten by the Council for external bodies was £17.2m. However more up to date information from the pension fund seems to suggest that these liabilities may have increased as a result of universally low bond yields in the fund. The full liability will be known

following the results of the triennial review which is currently being undertaken.

### **Economic Climate**

16. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
17. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

### **External Funding**

18. The Council utilises many different grant regimes, for example central government, Sheffield City Region and EU. Delivering projects that are grant funded involves an element of risk of grant claw back where agreed terms and conditions are not stringently adhered to and evidenced by portfolios. In order to minimise risk strong project management skills and sound financial controls are required by Project Managers along with adherence to the Leader's Scheme of Delegation to approve external funding bids.
19. As SCC funding reduces, portfolios are increasingly seeking out new sources of external funding, both capital and revenue. EU funding contracts have more complex conditions, require greater evidence to substantiate expenditure claims and are less flexible on timescales and output delivery targets. This increases the inherent risk in projects which are EU funded. Furthermore as the Council reduces its staff resources a combination of fewer staff and less experienced staff increases the risk of non-compliance with the funding contract conditions and exposes the authority to potential financial claw back.
20. Moreover, the pressure on the General Fund means that Service Managers are forced to seek more external funding such that the general level of risk associated with grants is increasing because of the additional workload this creates amongst reduced and potentially inexperienced staff.
21. The result of the recent referendum on EU membership does not in the short term change the risk profile of EU grants.

### **Treasury Management**

22. The Council has been proactively managing counter-party risk since the credit crunch of 2008. Counterparty risk arises where we have cash

exposure to bank and financial institutions who may default on their obligations to repay to us sums invested. Counterparty risk had diminished over the last financial year as banks have been obliged to improve their capital funding positions to mitigate against future financial shocks. However, the UK's decision to leave the European Union has the potential to intensify these risks as the UK's decision to exit the EU creates significant political, economic, legislative and market uncertainty which is unlikely to be resolved in the short term. The Council is continuing to mitigate counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds.

23. As part of the 2017/18 budget process, we are developing the Treasury Management and Investment Strategies, both of which were based on discussions with members and senior officers about our risk appetite. This will include a review of our counter-party risk to ensure it is reflective of the relative risks present in the economy. A cautious approach will be adopted whilst the uncertainties created by the exit from the EU are resolved and the level of market volatility returns to normal levels. Given the profound nature of the exit from the EU, we may need to review our Treasury Management and Annual Investment Strategies to ensure we have the ability to respond appropriately to market volatility
24. The Council is also actively managing its longer term need for cash. Cash flow requirements show that the Council will require new borrowing in the coming years to finance capital investment. Interest rates on borrowing have been affected by the EU referendum and the Council has drawn down some loans to lock into historically low rates where the expenditure is anticipated within the current financial year. The uncertainties caused by the UK exit from the EU will require the Council to remain vigilant to interest-rate risk, and will draw down loans in a timely manner to militate against borrowing costs rising above our target rates.
25. The Council is continuing its efforts to ensure full compliance with the increasingly stringent requirements of Payment Card Industry Data Security Standard (PCI DSS). PCI DSS is a proprietary information security standard for organizations that handle branded credit cards from the major card schemes including Visa, MasterCard and American Express.

26. As part of the 15/16 and 16/17 savings challenge, we have undertaken a small number of early payments to some of our major suppliers in return for a saving on the contract cost. To date agreements have been reached with 3 suppliers and others are being considered. There is a risk to the Council that having received payment that these companies may fail to deliver the services. This is mitigated by the existing contract protections, financial evaluations of the companies and parent company guarantees.

### Welfare Reforms

27. In April 2013, the government began to introduce changes to the Welfare system, which have had and will continue to have a profound effect on Sheffield residents including council taxpayers and council house tenants. The cumulative impact of these changes is significant. They include:

- **The Abolition of Council Tax Benefit:** replaced with a local scheme of local Council Tax Support from April 2013. The Council approved the replacement scheme, based on the reduced funding available from Government, and set up a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund which are being closely monitored.
- **Housing Benefit Changes:** Since 2013 the Government has introduced, and will continue to introduce various changes to the Housing Benefit System. These changes aim to reduce the level of benefit paid and hence potentially impact on the recipient's ability to pay rent and council tax. Consequently there may be an adverse impact in the level of arrears particularly as a result of the introduction of Universal Credit.
- **Introduction of Universal Credit:** The roll out of UC for claimants in Sheffield started in January 2016 and initially only applies to new single jobseekers. Roll out of any other type of claimant will not take place until DWP move to their "Digital Platform" for which there is no known date for Sheffield. The migration of existing working age Housing Benefit claimants will follow but this is not expected to be completed until at least 2022. The Government has recently revisited the issue of discounting Housing Benefit for pensioners and has advised that no changes will be made until after Universal Credit has been fully introduced. There are no known plans to discontinue

Housing Benefit for pensioners in the meantime future funding arrangements to cover administration and awards are still uncertain.

- Potentially the biggest impact of the introduction of UC is on the HRA and collection of rent. Support towards housing costs is currently paid through housing benefit direct to the HRA; in future this will be paid through UC direct to individuals. It is estimated that this could double or even treble the cost of collection and increase rent arrears by £12m by the end of 2020/21. However, impacts are uncertain at present as there is limited data available therefore estimates will be reviewed as we learn from the roll out. There will also be an impact on the current contract with Capita and internal client teams.

## **Children, Young People and Families Risks**

### **Education Funding**

28. As part of the Spending Review and Autumn Statement 2015, the Government has announced savings of £600 million to be made from Education Services Grant (ESG), including phasing out the additional funding schools receive through the ESG. The government has launched a consultation on changes to policy and funding proposals from 2017, this will reduce the Council's ESG by £3.3m, with only funding being received for retained duties only which is currently £1.1m, but changes to policy could impact on this funding.
29. Schools are entitled to receive a proportion of the Council's Dedicated Schools Grant (DSG) which schools forum have decided can be de-delegated back to CYPF to fund central services. Academies can on conversion choose whether to buy into those services thus creating a potential funding gap. Up to £500k could be at risk to centrally funded services should Academies choose not to buy back those services funded from de-delegated DSG from the local authority.
30. 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. In 2016/17 this cost to the Council is estimated at around £300k and remains a risk for any future conversions, especially with the expansion of the academy conversion programme.
31. Also as part of the Spending Review and Autumn Statement 2015, the government announced that it will introduce a national funding formula for schools, high needs and early years. The government had planned to introduce this new funding formula from 2017/18; however, the new



system will now apply from 2018/19. The government has launched a detailed consultation; further details and the financial impact for Sheffield are expected later in 2016.

### **Communities Risks**

32. In 2015/16 a recurrent gap of £9.3m in the council's funding was bridged using £5m of CCG funding and council reserves. For 2016/17, the CCG contribution so far identified is £3.5m. As with last year, the remainder will need to be funded from temporary sources until such time as sustainable savings proposals are developed from within the Better Care Fund in order to balance the budget for future years. Work to identify these remains ongoing.
33. There has been increasing pressure in recent months on Mental Health purchasing budgets as a result of some changes to care packages managed by the Care Trust. Whilst these changes are the right thing to do from a system wide perspective, they have a disproportionate impact on SCC. Work is currently underway to assess the viability of managing these budgets under a pooled arrangement within the Better Care Fund.

### **Place Risks**

#### **2016/17 Revenue Budget savings**

34. The Place budget comprises three significant contracts - Streets Ahead programme, waste management contracts and the South Yorkshire Passenger Transport Levy – which together absorb 80% of the General Fund support. The Portfolio cannot meet projected reductions in local authority funding by cutting only the remaining 20% of the budget without a significant reduction in services. Thus in the 2015-16 Business Planning round, the Portfolio's strategy was based on reducing the cost of these contracts to preserve the other services.
35. The South Yorkshire Transport Levy has been successfully reduced but not the Streets Ahead or waste management contracts. The Portfolio has now embarked on a review of all the other services seeking a business-like approach to service delivery. Realising the efficiencies and opportunities within this review is crucial to maintaining the current Place savings. The review is at an early stage and requires swift implementation, along with a number of other strategic interventions, if the necessary revenue budget savings are to be realised in 2017/18. Failure to do so will very probably create an overspend for the Council.



36. In light of the above risks, a review of waste services has taken place with a staged strategy agreed. As with any service change, there is a risk to the continuity of service delivery and in the longer term there is a potential financial risk if the expected investment does not result in better value services. There is also a risk to the short term achievement of the 2016/17 budget savings if the project timetable slips. In order to mitigate the risks a robust governance structure has been put in place to review progress and issues and make decisions to ensure that the optimum solution is achieved.
37. The Council has entered into a 25 year contract with Amey to maintain and renew the public highway. Part of this work involves the replacement of trees which are damaging the pavement with new varieties which are more suitable to a roadside location. The Council has successfully defended a legal challenge on the application of its policy. It has agreed a revised policy in respect of the removal of trees involving some public consultation. The hiatus in the programme caused by the legal action and potential subsequent delays during the consultation could make the Council vulnerable to substantial additional charges from the contractor.
38. The Month 6 forecast shows that up to £1.7m of the 2016/17 budget saving initiatives in Development Services (£1.1m on the Streets Ahead contract) had not been achieved. These will roll forward to 2017/18 as part of the base budget and create an immediate pressure in that and future years unless a sustainable mitigating cost saving can be identified.

### **Housing Revenue Account Risks**

#### **Housing Revenue Account (HRA)**

39. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. Major changes for social housing have been set out in the Welfare Reform and Work Bill and the Housing and Planning Bill. The full details and resource implications of the policy changes on the HRA are still emerging. In particular changes to the extension of Right to Buy to Housing Association tenants funded by the sale of “high value” council homes as they fall vacant, Pay to Stay proposals – Higher Rents for High Earners, the introduction of fixed term tenancies and further Welfare Reform changes. The impacts on the HRA are continually being assessed.

Other 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. These are continually re-assessed as part of the overall debt HRA strategy.
- **Repairs and Maintenance:** existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions). The ongoing programme of proactive repair and improvement on roofing and heating systems in particular should help to mitigate this particular risk. This may be mitigated to some extent in the longer term by the insourcing of the Repairs and Maintenance service scheduled for April 2017.

## Capital Programme Risks

### Capital Receipts and Capital Programme

40. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the depressed market and the impact of the Affordable Housing policy. This could result in over-programming / delay / cancellation of capital schemes.

#### Housing Regeneration

41. There is a risk to delivering the full scope of major schemes such as Park Hill because of the instability in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved.

#### Olympic Legacy Park

42. The Council supports the development of the Olympic Legacy Park to regenerate the Lower Don valley. Some parts of the infrastructure need private party or external funding to realise the vision. The Council has an obligation to provide a number of facilities to the educational establishment facilities on site against a very tight timescale. If the other site developments do not proceed in time, the Council may have to step in with funding which will place additional strain on the funding of the capital programme.

#### Bus Rapid Transit (BRT) North

43. The project is significantly over budget and a year behind schedule due to the discovery of asbestos on land which was previously thought to have been decontaminated, and, an unchartered sewer which has had to be relocated. The latest estimate of the unfunded spend is a further

£1.1m on top of the £1.0m additional approved grant by Cabinet in September. A number of options are being pursued, including litigation against those at fault and allocation of anticipated future planning related development fees.

#### Sheffield Retail Quarter

44. The Council has committed to incur around £60m to acquire land, secure planning consent, and appoint a development manager to deliver the new retail quarter in the city centre. The scheme is being funded through prudential borrowing which will be repaid from the increased Business Rates that the completed scheme will produce (known as Tax Incremental financing (TIF)). The financing costs are being capitalised while the scheme is in development. There is a risk that if the scheme ceases to be active that the financing costs of circa £3m pa will have to be provided for from existing budgets. There is also a longer term risk that if the scheme does go ahead that the business rates generated are not sufficient to cover the financing costs. In order to mitigate these risks the Council is working closely with its advisors and potential tenants to ensure that a viable scheme is being developed. It is also ensuring that the level of TIF is set at a prudent level.
45. In addition to the £60m already committed, the Council may in future have to invest substantial sums (potentially several hundred million pounds) to create the public realm and develop a proposition which an external investment developer would take forward. This may also involve the construction of buildings on a speculative basis with only part of the building pre let. The Council has recently approved a further £86m for the construction of the first building in the Retail Quarter on this basis.

#### Schools Expansion programme

46. In February 2016 the Cabinet approved a report setting out the need to provide additional places in primary, secondary and Sixth Form establishments. The immediate demand for places in the next three years will require the Council to commit funds ahead of receipt from central government. The latest estimate of the gap is a maximum of £20m in 2018/19 after mitigating action. In subsequent years it expects to receive sufficient funding to repay the cash flow by 2020/21.
47. In the event of a change of government policy which reduced the financial support available to local authorities' capital programmes, the Council would very probably be faced with a greater affordability gap in

the schools' capital programme than as already been identified above requiring it to contribute its own capital resources.

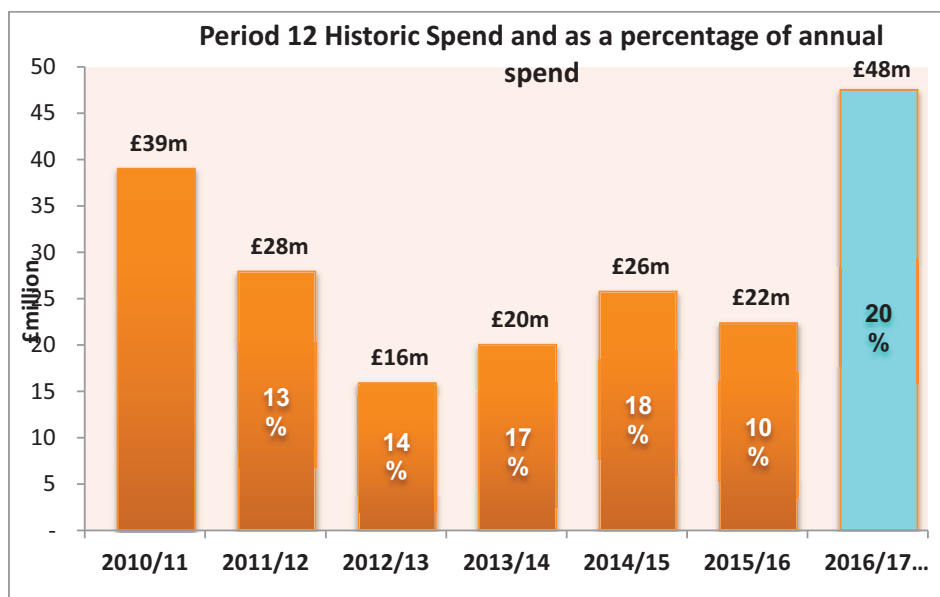
48. The Council already faces pressure to maintain the condition of the school building estate so there is a limited opportunity to divert funds earmarked for maintenance to support the school place expansion programme. The Council has taken steps to minimise this exposure by challenging the construction industry to build to a specific cost target against Education Funding Agency standards, and, matching the provision of some 16 – 18 year places to demand..

## CAPITAL PROGRAMME MONITORING

AS AT 30 September 2016

### Summary

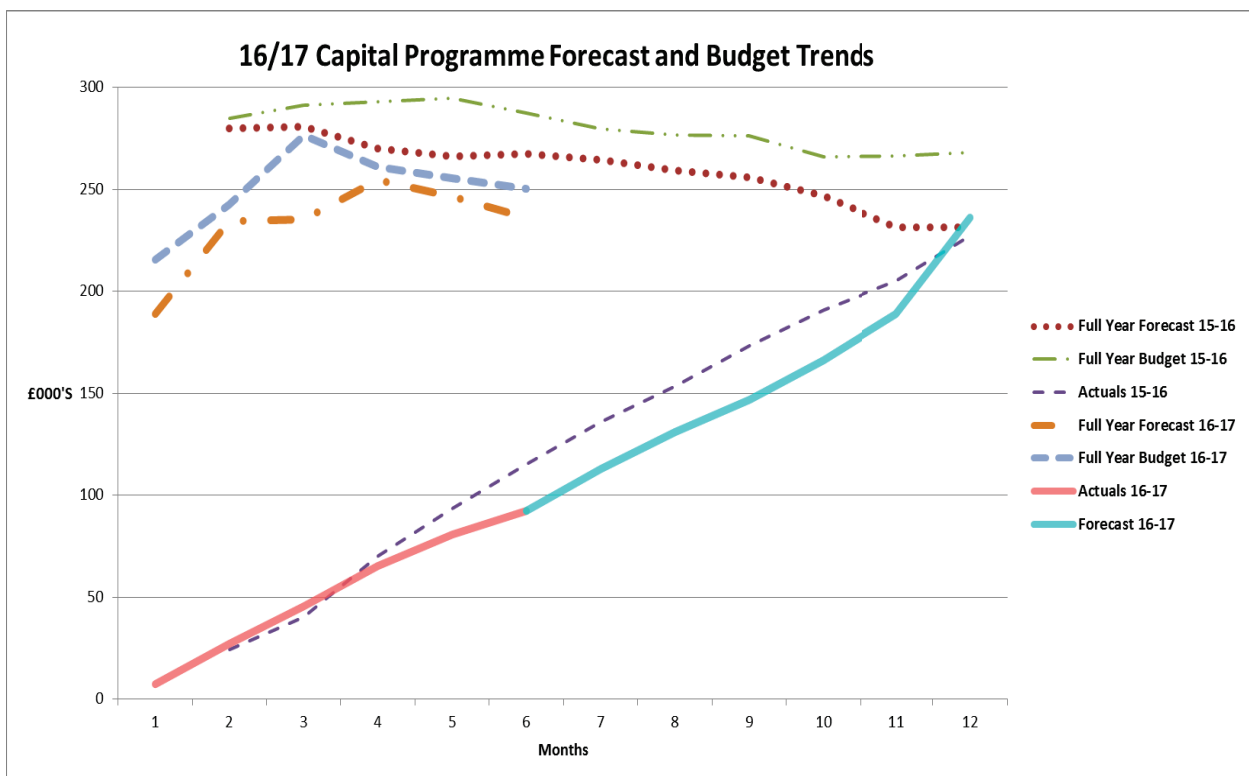
1. The forecast for 2016/17 has decreased by £5.1m on the Month 5 forecast to £236.3m. The Approved programme budget is £250.2m, a difference of £13.8m. This represents a slippage rate of 5.5% which is up from 3.4% at Month 5. The majority of the difference is in the Housing programme which is forecasting an underspend of £9.0m arising on acquiring or building new council housing stock and refurbishment of existing properties.
2. The table at paragraph 4 below shows that at Month 6, the year to date spend is £19.8m (21%) below programme reflecting further £9.7m of slippage in the last month primarily in Housing (£6.2m) and Place (£2.5m).
3. The chart at paragraph 5 shows that capital programme spend rates in 2016/17 are slipping behind those seen in 2015/16 when the Outturn was £232m. The current forecast is £236.3m and predicts the largest Month 12 spend seen in the Capital Programme since monitoring was introduced in 2010-11. Extrapolating current spend rates, and assuming all £1m+ projects deliver the current forecast, the Outturn will probably be about £225m. However, the rate of increase required looks to be very optimistic and a figure in the £200m - £210m looks more likely at this stage.



4. Financials 2016/17

<b>Portfolio</b>	<b>Spend to date</b>	<b>Budget to Date</b>	<b>Variance to date</b>	<b>Full Year forecast</b>	<b>Full Year Budget</b>	<b>Full Year Variance on Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CYPF	11,816	15,972	(4,157)	25,895	27,679	(1,784)
Place	23,517	26,954	(3,437)	63,754	65,848	(2,093)
Housing	35,105	44,717	(9,612)	91,929	100,919	(8,989)
Highways	4,572	5,518	(945)	11,830	10,083	1,747
Communities	36	70	(34)	361	325	36
Resources	1,273	2,888	(1,616)	12,950	15,716	(2,766)
Corporate	16,180	16,180	0	29,582	29,582	0
<b>Grand Total</b>	<b>92,500</b>	<b>112,300</b>	<b>(19,800)</b>	<b>236,301</b>	<b>250,150</b>	<b>(13,849)</b>

5. Forecast trends



## 6. Capital Programme

	2016-17 £m	2017-18 £m	Future £m	Total £m
Month 5 Approved Budget	255.2	208.2	267.7	731.2
Additions	2.5	0.7	0.0	3.2
Variations	-3.7	-0.5	-0.1	-4.4
Slippage & Acceleration	-3.9	0.2	3.7	0.0
Month 6 Approved Budget	250.2	208.6	271.3	730.0

The programme remains largely unchanged at £730m.

### PROJECT MANAGEMENT

7. From the start of this year the Council has introduced an improved system of reporting and monitoring project delivery which collects in one place, all project highlight reports which are accessible to all users.
8. This should give better visibility of performance and lead to improved project controls because:
  - Project Managers will their monthly highlight reports in SharePoint - showing key issues, risks and items for the Sponsor to review - and these are visible to all as well as providing a central repository which can be used in future audit work of external funders;
  - Project sponsors can review and approve the reports within SharePoint; and
  - Programme Boards will receive a “dashboard” report showing the status of projects. This should lead to improved supervision, better control and thus improved delivery performance of projects.

### Commentary

9. The Top 20 projects in the Capital Programme accounts for 67% of the current 2016/17 budget. The key **forecast variances** from Budget at Month 5 include:
  - Housing programme is forecasting to be £9.0m below budget by the year end. Two appointed contractors on the new Build Housing Phase 2 (£4.5m)

and Obsolete Heating (£3.7m) projects have gone into administration causing a delay whilst the work was reprocured. The New Build project spend will be re-profiled in December;

- Place programme is forecast to be £2.1m below budget principally due to 2 projects. The Lower Don Valley Flood Defence project is forecasting £1.4m slippage. This is a novel and complex project with multiple interventions along the river and has been very difficult to forecast the rate of spend and progress. The Sheffield Retail Quarter is also forecasting £1.2m (4%) of slippage.
- The Highways programme is forecasting to be £1.7m above budget due to further contaminated land costs associated with the construction of the BRT North link. This report seeks approval at **Appendix 6.1** for a further £1.1m to complete the project;
- The CYPF programme is forecast to be £1.8m below Budget of which £1.5m is due to anticipated final costs being below the approved budget on 5 projects offset by a potential overspend at Hallam. £0.3m of the £0.7m work at Aldine House Secure Unit is forecast to slip into 17/18 following a re-design of the accommodation.

Year to date variance

- Of the £10.1m year to date variance, £3.7m and £3.4m is on the Schools and Housing programmes respectively. In the Schools Condition programme, £1.2m is due to anticipated cost savings on projects which have been procured at a lower cost. The remaining variance is on approximately fifteen schemes each of which are £0.1m to £0.2m behind budget.
- In Housing, which is £9.6m behind budget at Month 6, a slow start by the contractor on the Kitchen and Bathrooms refit programme plus lower levels of work required to the initial homes has left this programme £1.9m behind the planned profile. The Council Housing Acquisitions and Repairs programme is £2.9m behind plan because there have not been suitable properties coming onto the market to acquire. £1.8m of the Sock Increase project is to be re-profiled into future years as part of the overall management of the HRA Budget. Heating and New Build projects are £1.8m and £1.4m behind plan respectively.
- Resources Capital programme is £1.6m behind with several projects each recording a £100k - £150k of slippage.



## Risks

10. A number of school expansion programmes are being brought forward for approval in this report in order to provide the required number of places for children already in education. This will require the Council to spend in advance of receiving from central government the funding for these places. Without any mitigation this funding gap could peak at approximately £30m in 2018/19 on the basis of the current build programme and known/estimated costs.
11. The Council has taken steps to minimise this exposure by challenging the construction industry to build to a specific cost target against Education Funding Agency standards, and, matching the provision of some 16 -18 year places to demand. As part of this work a target of a maximum gap of £20m has been set.
12. Assuming there is no change in the current education funding regime, no further significant building expansion beyond that reported to Cabinet in February 2016, and no significant structural loss or defect in the existing school estate, this funding gap would be eliminated by 2020/21. The risks surrounding capital funding for the Schools programme are discussed in more detail in **Appendix 5**.
13. There are two projects where the anticipated final costs are at risk. On the Lower Don Valley Flood defences, the unknown workload and novel nature of the design creates an inherent risk of overspend. This project is grant funded promising specific outcomes which could lead the Authority exposed to claw back or putting in its own funds if further Flood Defence grants cannot be secured.
14. The BRT North project is forecast to further overspend by up to £1.1m on the last approved amount. The Authority will fund that using future Community Infrastructure Levy income and from litigation against parties alleged by the Council to be at fault.

## Approvals

15. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.

Below is a summary of the number and total value of schemes in each approval category:

- 11 additions to the capital programme with a net value of £259k:
- 13 variations to the capital programme amounting to a net increase of £1.5m;

- 2 revised Procurement Strategies; and
- 1 slippage requests of £29k; and

Further details of the schemes and grants listed above can be found in **Appendix 6.1**

Scheme Description	Approval Type	Value £000	Procurement Route
<b>THRIVING NEIGHBOURHOODS AND COMMUNITIES</b>			
<b>GREAT PLACE TO LIVE :-</b>			
<b>Highways</b>			
<p><b>BB Sheffield Gleadless KBR (Better Buses)</b>            To implement traffic improvement measures which together will significantly reduce journey times for buses and other traffic, bringing about major improvements to bus timetable reliability. Increased bus use will have a secondary benefit of reducing queues for other traffic.</p> <p>The current approved budget for this scheme is £381k            Costs from prior phases still to be met are £39k+£60k = £99k</p> <p>The next phase of works for the Gleadless Road scheme to construct a section of inbound bus lane on Blackstock Road, allowing buses to reach the head of the queue at Gleadless Road/Blackstock Road junction and, via a give way use gaps in traffic to bypass the existing traffic signals without affecting the signal timings. The costs will be within the £620K shown on the bill of quantities. The final fees and other costs are estimated at £35K made up of SCC project management costs (including HMD fees of £15k) of £25k and Arney fees £10k</p> <p>£620k Construction + £35k Fees = £655k            Therefore costs in 16/17 will be £99k + £655k = £754k</p> <p>A budget increase of £754k-£380k = £373k is therefore requested for 16/17</p> <p>17/18: £18k refund from statutory undertakers has been forecast as a contingency in</p>	Variation	391 (16/17 373 17/18 18)	Covered by Schedule 7 under the Highways PFI Contract

<p>2017/18 post scheme completion on site</p> <p>Funded by Better Buses 2</p>					
<p><b>BN962 Bus Agreement/Bus Hotspots</b>  Change of scope due to less Better Buses grant awarded for 16/17 than expected.</p> <p>To improve bus journey times and journey time reliability, thus helping as part of a package of measures to achieve the Councils corporate priority of achieving a target of a 2% increase, annually, in bus patronage.</p> <p>Design and construct a scheme to improve 6 bus stops along Dykes Hall Road from Middlewood Rd to just past its junction with Ben Lane. Bus stop boxes will provide 'passing places' enabling all traffic to move more smoothly along the road and enabling buses to pull in right to the boarding point, where raised kerbs and tactile tiles will enable all users to board the vehicle.</p> <p><b>Funded by Better Buses and Local Transport Plan (LTP)</b>  Funding approved by Better Buses and LTP will actually reduce the current approved SCC budget:  The current approved budget for this scheme is £776k</p> <p>Estimated costs 16/17:  Scheme Development/Implementation £25k  Design and Construction £300k  Total £325k</p> <p>Estimated costs for 17/18:  Development, Design and Construction £225k</p>	<p>Variation</p>	<p>-226  +11</p>			<p>Covered by  Schedule 7 under  the Highways PFI  Contract</p>

Appendix 6.1

<p>A budget reduction of £776k-£325k-£225k = £226k is therefore requested</p> <p>N.B. Added is the allocation from the Danger Reduction Scheme for RS Audits £4k and Programme Mgt Costs of £7k = £11k <b>funded by Local Transport Plan (LTP)</b></p> <p><b>Safety Camera Digital Upgrade</b></p> <p>Reprofile of costs including £29k into 2017/18</p> <p>To replace all the “wet film” safety cameras in South Yorkshire with digital cameras. The installation includes 26 speed cameras, 6 red light cameras, and associated camera housing installations with appropriate data communication connections.</p> <p>Delays in the project have been due to:</p> <ul style="list-style-type: none"> <li>-Contractor not following appropriate highways works procedures</li> <li>- Poor service from utilities contractor to provide the telephone lines needed</li> <li>- Contractor was appointed in November 2014 but project approval wasn't given until April 2015 which meant Contractor resources by then were split between a similar project in Rotherham and this one.</li> </ul> <p>In discussion with the Contractor the programme needed going forward has been agreed and this includes some costs slipping into 17/18.</p> <p>Total cost of the project remains at £820k</p> <p>Funded by £87k Local Transport Partnership (LTP) and the rest from South Yorkshire Safer Roads Partnership as a revenue contribution to capital (N.B. acceptance of the grant not approved yet)</p>	Slippage	-29	n/a
<p><b>Housing</b></p> <p><b>Electrical Upgrade Project</b></p> <p>The Council Housing Service owns and maintains just below 41,000 dwellings and must maintain the electrical safety of residents both to tenant's homes and to external and</p>			
	Addition	27,116	YORBuild Framework 2

<p>communal areas. We are required keep pace with standards that are implemented through industry legislation. This Project is for electrical improvement work to dwellings. Work to the external &amp; communal areas will be the subject of a further business case/s. This submission sets out a budget plan for the period 2016-21 to meet the recommendations of the National Inspection Council for Electrical Installation Contracting (NICEIC) and other industry recommendations and provide some enhancements for tenants to over 24,000 dwellings in this 5 year period. A further Business Case will be presented in future years to complete the programme to the remaining 16,000 to 17,000 dwellings.</p> <p>The aim of this project is to bring all properties over time up to a <b>modern day electrical standard</b>. This programme will include the following:</p> <ul style="list-style-type: none"> <li>• Install Isolation Switch (where necessary)</li> <li>• Carry out an initial periodic condition test and report</li> <li>• Replace consumer units (where necessary only) to provide improved RCD protection and safety for residents</li> <li>• Address Category 1, 2 and 3 issues identified by the periodic test</li> <li>• Ensure earth bonding is adequate (where necessary)</li> <li>• Install earth wiring to lighting circuits (where necessary)</li> <li>• Install additional sockets and / or improve the spread of sockets</li> <li>• Install Hard Wired Smoke alarms</li> <li>• Install Carbon Monoxide Detectors – risk based approach</li> <li>• Install external lighting to houses, bungalows &amp; flats (where no communal lighting presently)</li> <li>• Carry out a final periodic test (if further work carried out) to verify all electrics are operating correctly</li> </ul> <p>The average cost per dwelling has been estimated as £1.2K but until the programme commences it is difficult to provide accuracy regarding this. See Table A below. The tender documents will be written in such a way so as to not overstate the work content if it transpires to be less.</p> <p><b>Table A - Electrical Upgrade programme - Overall Cost of Work to 41,000 dwellings</b> The table below shows the cost of the whole scheme if carried out to all 41,000 dwellings. This Business case</p>			
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Appendix 6.1

covers the first 24,000 dwelling only			
Type of Work	% of stock (41,000) requiring work	Estimated Number of properties	
Isolation Switches	60%	24,600	
Consumer Unit	25%	10,250	
Category 2 & 3 Repairs	70%	28,700	
Earth Bonding	5%	2,050	
Earth Wiring to lighting circuits	15%	6,150	
Additional Sockets / spread of sockets	60%	24,600	
Hard Wired Smoke Alarms	75%	30,750	
Carbon Monoxide Detectors	10%	4,100	
External Lighting	60%	24,600	
Additional Testing	100%	41,000	
Average Cost		Total Cost	

Planned Capital Expenditure						
Year	1:2016/17	2:2017/18	3:2018/19	4:2019/20	5:2020/21	Total
<b>CDS &amp; Finance Fees</b>	£33,600	£34,000	£34,000	£34,000	£34,000	£169,600
<b>Works</b>	£766,400	£7,831,666	£6,831,666	£6,831,666	£4,684,922	£26,946,320
<b>Total Capital Cost</b>	£800,000	£7,865,666	£6,865,666	£6,865,666	£4,718,922	<b>£27,115,920</b>

The Programme will be funded by The Housing Revenue Account. A block provision of funding has been included in the existing Capital Programme and will be reduced in line with this approval.

The principal outcome of this project is that the Housing Service will be adhering to recommendations of the NICEIC and remedying the findings of the periodic electrical test.

Homes will be safer for residents by providing a better distribution and increased number of electrical sockets removing the need for trailing cables and extension boxes. Homes will be more secure e.g. external lighting will reduce burglary and hard wired smoke alarms in homes at risk will improve escape in the event of a fire. Carbon Monoxide detectors where applicable will further enhance safety.

The number of Electrical Responsive repairs should reduce as the testing programme will be more frequent and issues could be dealt with on the Electrical Upgrade programme. Repairs will be less costly using the upgrade project as opposed to the responsive repairs programme as the work can be planned at lesser cost through the outsourced contract. Two contractors are to be selected by using YORBuild2 Framework by selecting the highest scoring contractors from a mini competition.



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<p><b>Electrics (CHS)</b> This reduction is to draw down funds for the Electrical Upgrade project as detailed above.</p> <p><b>Programme Management</b> The council currently pay £5.4m per year under the terms of a long standing legal arrangement with Places for People (PfP) Housing Association (formerly UKHT), to provide social rented housing in the city. This has previously been funded from General Fund Revenue budget. The payments are used by the HA to finance a bond issued in 1995 for 25 years, the bond consolidated the refinancing of the previous funding agreement relating to the building of the properties. The agreement gives the Council 90% nomination rights over the properties. This is a one off payment for 2016/17, £2.7m payable in Sept 16 and £2.7m in Feb 17. Future year's payments will be dependent on other funding options and will be subject to Executive Director consultation. The £5.4m PfP payment is funded from Housing Capital Receipts. The PfP payments are made under the provisions of Section 24 of the Local Authority Govt Act 1988.</p>	<p>Variation</p> <p>Variation</p>	<p>-27,116</p> <p>5,400</p>	<p>N/A</p> <p>N/A</p>
<p><b>New Build Council Housing Phase 1</b> The New Build Council Housing Project aims to build 90 new Council homes for Affordable Rent, to meet commitments in the HRA Business Plan. This variation is to increase the original budget of £7.475m by £365k. Principal cost increases relate to services and utilities: £190k in total, largely due to diversions and relocations previously not thought to be required. Contract variations have also been required for: enabling sprinkler systems (£86k) and post-handover security costs (£25k). Commuted sums for highways and open space maintenance that were not identified during the Planning process total £62k. Other miscellaneous costs arising during the construction process bring the total budget increase required to £365k. The additional cost is funded by the Housing Revenue Account by reducing the allocation to future Housing stock increases.</p>	<p>Variation</p>	<p>365</p>	<p>N/A</p>
<p><b>Stock Increase Council Housing</b> This submission is to reduce the 2016/17 budget allocation by £365k and allocate it to 97552 New Build Phase 1 due to an increase in costs to the New Build Phase 1 scheme as detailed above in New Build Council housing Phase 1.</p>	<p>Variation</p>	<p>-365</p>	<p>N/A</p>

<p><b>21a Creswick Street Conversion</b>                  This property is a ground floor property which is part of a 2 storey block of Mod-type flats on the Langsett estate. There are 5 other 1 bedroom flats within the block all of which at the time of writing this report are let. It has been used in the past as a meeting room and more recently as a mess room/store for Estate Officers who vacated it in March 2015. There is now no requirement for a meeting room or store in this location and no other appropriate use has been identified for the property in its current format.</p> <p>An options appraisal for the property shows it can be converted to a 1 bedroomed flat and refurbished to a Decent Homes standard for an initial cost of £29k.</p> <p>The other 1 bedroom properties in the block are all currently let and they generate a weekly income of £68.90pw and £3k annually. Consultation has been carried out with the Vacant Management Unit and the Access to Housing Team which indicates that there is a healthy demand for this type of property in the area. The last two similar properties marketed on the estate generated an average of 66 bids per property.</p> <p>This project is funded by HIRA with the initial investment being paid back after year 11.</p> <p>This is a small works contract and therefore ideal for competitive tender amongst local contractors.</p>	<p>Addition</p>	<p>29</p>	<p>3 Quotes from Sheffield –based contractors</p>
<p><b>Essential Investments (CHS)</b>                  This is to draw down the funding for Creswick Road detailed above</p>	<p>Variation</p>	<p>-29</p>	
<p><b>Parsons Cross Park Entrance</b>                  Parson Cross District Park is owned by the Council and identified as one of 10 green spaces in the city’s suburbs that are underused, have poor linkages to the surrounding neighbourhoods and are threatened by reducing maintenance budgets. Despite significant investment in the area in recent years to the South and West of the park (the District Centre and new housing) there is no formal entrance on this side.</p> <p>Through the Planning consultation and approval process, the design and layout of the</p>	<p>Addition</p>	<p>12</p>	<p>N/A</p>

Sheffield Housing Company (SHC) new housing at Falstaff and its landscaping has created routes that lead to a new entrance to serve these developments. They are also required to undertake the works to create the entrance.  
 As 'Conditioned' through the Planning process SHC will enhance the entrance by providing Public Art Entrance Markers

The proposal, is to use £12k of Public Art Section 106 monies (balance from the now completed public art project in Chaucer Square) to add to the SHC project and make the entrance markers of an appropriate scale and quality allowing them to be read from the street as well as from within the development.  
 This request is to enable £12k of Section 106 Public Art Monies to be used in conjunction with £25k allocated by Sheffield Housing Company (SHC) to undertake public art in relation to their development at Falstaff (Parson Cross).

The project, for the total budget of £37k, to be tendered and managed by SHC. The £12k of Council monies would be paid over at an appropriate point. The appropriate use of the Council monies would be overseen by Public Art Officer, Andrew Skelton, acting as project manager for both SHC (SHC have contracted him to manage their project on a fee earning basis) and the Council. The project team will include Jonathan Ulley from the Council's SHC client team and Kate Clark from Parks and Countryside.

Expenditure	2016/17	SHC spend For info	Total For info
Fees and costs	1,400	3,700	5,100
Artist Commission and associated costs (Inc. future maintenance)	10,000	20,000	30,000
Contingency	727	1,150	1,877
<b>Total</b>	<b>12,127</b>	<b>24,850</b>	<b>36,977</b>

Appendix 6.1

<p><b>Parks</b></p> <p><b>ECB Cricket Pitches</b></p> <p>Sheffield City Council have been selected by the England and Wales Cricket Board (ECB) as one of only 4 sites for a pilot scheme of non-turf cricket pitches and the only site in the North of England. This presents a great opportunity for SCC to add to its sports provision across the city supporting the ‘outdoor city’ philosophy.</p> <p>The project will deliver 10 non turf cricket pitches at 9 sites across the city. The grant includes an allowance for a 5 year maintenance programme for each pitch minimising impact on revenue budgets.</p> <p>The sites are:</p> <p>Graves Park x 2, Bents Green, Warminster Road, Ecclesfield Park, Mather Road, Hollinsend Playing Fields, Westfield Old School Site, Don Valley Bowl, Meadowhead School</p> <p>The installation of the pitches will improve the public sports offering across Sheffield encouraging people to do more activity. The pitches will also improve the standard of parks and the inclusion of a maintenance programme within the grant offer will ensure the pitches are well kept and may have a positive impact on maintenance costs for the park as there will be less area to maintain.</p> <p>Estimated costs:          Construction £72K          Maintenance £50K          Equipment £20K          Fees £8K  <b>Total £150K</b></p> <p>Funded by English &amp; Wales Cricket Board (ECB) grant (£85k) and SCC resources.</p>	<p>Addition</p>	<p>150</p>	<p><b>Construction and maintenance:</b>          mini-competition between 6 suppliers stipulated by England &amp; Wales Cricket Board.  <b>Equipment:</b> at least 3 competitive quotations to be invited.</p>
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<b>SUCCESSFUL YOUNG PEOPLE :-</b>				
<b>School Places Expansion</b>				
<p>The Council has a legal obligation to provide enough pupil places to meet demand and it is proposing to construct two new schools in the South West of the city to discharge this duty.</p> <p><b>New 6(8) Form Entry Secondary School - South West</b></p> <p>The Council plans to construct a new 1,200 place 6Form Entry (FE) secondary school in the South West area of the city, to include space for 300 6th-Form pupils, with a future possibility to expand to an 8FE school subject to separate funding. It currently has an authorised budget of £886.2k for initial feasibility and design works and now seeks permission to move to the build stage by requesting an increase in budget of £25.7m for further design and construction works to bring the authorised sum for the design and construction of the school to £26.6m.</p> <p>The new school will also provide sporting facilities in the Southwest area for school and community use, with a funded 3G sports pitch separately funded by the FA. The scheme is to be completed in time for occupation from September 2018 and will be the subject of a separate approval. Traditional grass pitches are already present.</p> <p>The total cost has been the subject of value engineering to mitigate the pressure from recent increased market costs. It includes the treatment of contaminated land, delivering to 'BREAM Very Good' SCC planning regulation standards and supplying the first year of furniture/equipment.</p> <p>The scheme is to be funded from the CYPF Basic Need Block Allocation DfE Grant</p>		Addition	25,714	Mini competition via YORbuild 2 framework
<p><b>Ecclesall Permanent Expansion</b></p> <p>It will provide an additional 630 primary places, to expand and transform the existing 2 FE Ecclesall Infant school into a 3FE through Primary School. The project now seeks permission to move to the build stage following initial feasibility studies bringing the budget to £5.66m in order to provide extra places in Ecclesall and to create a through primary school of 90 places per year on the Ecclesall Infant site.</p>		Addition	5,657	Mini-competition via Framework (YORbuild 2)

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<p>The scheme will provide a 2-storey extension, which is likely to contain 12 class bases accommodated on 2 floors, toilets, a cloaks area, hygiene room, staff room, group rooms, lift, stairs, a link corridor and additional kitchen space. Some internal refurbishment/reconfiguration to the existing school will also be carried out to create the additional spaces needed.</p>			
<p>The scheme is to be funded from the CYPF Basic Need Block Allocation DfE Grant.</p>			
<p><b>Basic Need Block Allocation</b>          Allocation of £31.3m to fund New 6(8) Form Entry Secondary School - South West at £25.7m and Ecclesall Permanent Expansion at £5.6m as above.</p> <p><b>Building Condition Block Allocation</b>          This block allocation is held for works identified following a systematic review by the Transport and Facilities Management team, of building condition across the Council's schools estate. Funds are requested on a priority basis – addressing the most deserving cases first and are funded annually from a Department for Education Condition grant, with the funds being allocated out to individual projects by CYPF Commissioners.</p> <p>This variation seeks to add back funds to the Condition Block Allocation, totalling £904k following final cost savings from the schemes listed below, so that they can then be allocated to the next identified Condition project(s) on the list :</p> <ul style="list-style-type: none"> <li>* Pipworth Heating Replacement: £404k</li> <li>* Manor Lodge Heating Replacement: £261k</li> <li>* Rainbow Forge Heating Replacement: £239k</li> </ul>	<p>Cabinet</p> <p>904</p>	<p>-31,354</p> <p>904</p> <p>N/A</p>	
<p><b>Pipworth Heating Replacement</b>          A general programme of building condition surveys carried out across the CYPF estate to ensure compliance with statutory requirements; ensuring emergency mechanical works are carried out in a timely manner to prevent school closures. This information is used to prioritise programmes of work that will have the most impact on maintaining buildings that are fit for purpose and prevent the closure of CYPF buildings, particularly schools. Within these programmes the data enables officers to rank buildings according to the scale and</p>	<p>Cabinet</p> <p>-404</p>	<p>-404</p> <p>N/A</p>	



<p>urgency of work required. The heating system at Pipworth Primary School had significant operational problems in 2015 and was at the end of its useful life. The system was thus identified as a priority for replacement. However, due to sudden boiler failure, Kier had to install a replacement boiler, prior to commencement of main heating programme.</p> <p>This variation of -£404k (32%) has arisen following the contract award to replace the complete heating/hot and cold water/incoming mains water systems. The funds will be added back to the CYPF Capital Building Condition Block Allocation as described above.</p>		
<p><b>Manor Lodge Heating Replacement</b> This school was suffering from major structural defects and had been held as a CYPF priority for several years. The agreed scope of works proposed to be included within mandate was:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Structural works to hall roof/windows following on from pilot scheme</li> <li><input type="checkbox"/> Structural works to undercroft</li> <li><input type="checkbox"/> Full decoration to internal hall area</li> <li><input type="checkbox"/> Upgrade of lighting within the hall</li> <li><input type="checkbox"/> Repairing a section of lifting flooring caused by damp penetration</li> <li><input type="checkbox"/> Repayment of school expenses attached to window replacement along the side elevation ( approximately £8k )</li> </ul> <p>Initially the CAF indicated potential costs of £580k for the main structural scheme, but this had assumed less favourable results of mechanical, electrical and structural surveys. However, following full survey information, the designs were completed with only minimal works being required to the mechanical / electrical installations and with structural works to the existing fire escape staircase not being required. This has resulted in a final cost saving of £261k (45%) to reflect a cost revision following contract award. The funds will be added back to the CYPF Capital Building Condition Block Allocation as described above.</p>	<p>Cabinet</p>	<p>-261</p> <p>N/A</p>

<p><b>Rainbow Forge Heating Replacement</b>          Following a rolling programme of building condition surveys carried out across the CYPF estate, this school was identified as a priority programme of work, having the most impact on maintaining buildings that are fit for purpose and preventing potential closure of the building. Within these programmes the data enables us to rank buildings according to the scale and urgency of work required.          The heating system at Rainbow Forge had significant operational problems and was it at the end of its life when the work was commissioned. The work was thus identified as a priority for replacement.          This variation of -£239k (27%) is to reflect a reduction in anticipated costs following contract award (note: the initial cost estimate provided for high expected levels of asbestos removal works, which were not ultimately required on further investigation). . The funds will be added back to the CYPF Capital Building Condition Block Allocation as described above.</p>	<p>Cabinet</p>	<p>-239</p>	<p>N/A</p>
<p><b>ESSENTIAL BUILDING WORKS</b></p>			
<p><b>Botanical Gardens Public Toilets</b>          The existing public toilets within the Botanical Gardens were installed circa 1983 and consist of a steel container converted into toilets. These are no longer fit for purpose as they do not meet current legislative requirements and are beyond economical repair.          This project originally had £6k authorised for initial feasibility works to examine the options for replacement and now seeks permission to move to the build stage by increasing the budget by £105k, to cover design &amp; construction.          The work is to be funded from an agreed amount from the Corporate Resource Pool.</p>	<p>Addition</p>	<p>105</p>	<p>Mini-competition via YORBuild 2</p>
<p><b>Dams and Watercourses Programme</b>          This project was originally authorised to ensure that dams and watercourses are maintained to the required standard across the Parks and Countryside estate. Various sites were to be addressed on a targeted priority basis.</p>	<p>Variation</p>	<p>-92</p>	<p>n/a</p>



Appendix 6.1

<p>Due to tender returns for the initial batch of work being more competitive than originally anticipated, this contract has reduced from the originally authorised amount of £250k to £157,272 and, on the advice of commercial services, a second phase scheme is to be set up (see below) to utilise the remaining budget and to be tendered via a separate procurement route to the initial work.</p> <p>Both Schemes are 100% funded from the Corporate Resource Pool funding, as agreed by Finance and the Resources Programme manager and the second phase works are to be funded from the savings on the first phase.</p>			
<p><b>Dams and Watercourses Phase 2</b>  This project was originally part of an authorised scheme to ensure that dams and watercourses are maintained to the required standard across the Parks and Countryside estate. Various sites were to be addressed on a targeted priority basis.</p> <p>Due to tender returns for the initial batch of work being more competitive than originally anticipated, this contract reduced from the originally authorised amount of £250k to £157,272 (see above) and, on the advice of commercial services, a second phase scheme has now been set up, renamed with a 'Phase 2' suffix, to utilise the remainder of the original budget due to being tendered via a separate procurement route to the initial work.</p> <p>Both Schemes are 100% funded from the Corporate Resource Pool funding, as agreed by Finance and the Resources Programme manager and the second phase works are to be funded from the savings on the first phase.</p>		<p>Addition</p> <p>92</p>	<p>Competitive Tender</p>
<p><b>General Cemetery Wall Repair</b>  This project was originally authorised for feasibility of £3.5k to look at the works required at the General Cemetery (off Cemetery Road) and the City Road Cemetery and Crematorium sites. Following this initial feasibility work, this variation now seeks to de-scope any potential works at the City Road Cemetery and Crematorium site and also request authorisation of a further £10k feasibility/survey work at the General Cemetery site.</p> <p>The total cost of the works, to be requested at a later date, which will address the collapse of</p>		<p>Variation of scope and value</p> <p>10</p>	<p>n/a</p>

<p>a wall at the General Cemetery and put in place temporary measures to make the wall secure, is estimated at £140.35k.</p>			
<p>The work is to be funded from an agreed amount from the Corporate Resource Pool.</p> <p><b>Broomhill Library Re-roofing</b></p> <p>The building in which the library is currently housed dates from the late 1800's. A technical assessment of the condition of the roof has concluded that the most cost effective solution is to re-roof the building. This request is therefore for a change of scope from the purchase of new land for a possible rebuild, to facilitate a roof replacement in order that the scheme may progress on the existing site. The library service is run by a volunteer group and is designated as an independent library. The building is let to the group on a co-delivered basis. The Council retains the freehold of the building.</p> <p>The procurement route for this project will be to utilise an existing contract for the provision of roofing services.</p> <p>The works will be funded from the Corporate Resource Pool.</p>	<p>Cabinet</p>	<p>(variation of Scope)</p>	<p>N/A</p>
<p><b>STRONG ECONOMY</b></p>			
<p><b>Highways</b></p>			
<p><b>Bus Rapid Transit North</b></p> <p>The BRT North project will provide a high speed Bus Link between Sheffield and Rotherham. The project was originally authorised at £26.6m in April 2014. Following the discovery of asbestos and a sewer running through the site, the authority was increased to £34.1m in July 15. The project is currently forecast to overspend by a further £1.04m over and above the last approved position bringing the overall increase on the original total project budget to £8.5m.</p> <p>The latest additional cost has been incurred due to various issues that have led to more costs and further delay.</p> <p>The Main issues are listed below:</p> <ul style="list-style-type: none"> <li>• Unforeseen asbestos in stockpile £500k</li> <li>• 4 weeks further delay as a result of achieving the completion £155k</li> <li>• Service slab 7 amendments - 3 weeks delay £150k</li> </ul>	<p>Variation</p>	<p>1,036</p>	<p>N/A</p>

<ul style="list-style-type: none"> <li>• Various minor Project Manager Instruction's totalling £110k</li> <li>• Claim for disruption, additional Network Rail costs and bearing costs £85k</li> <li>• Costs to achieve the Opening date (acceleration / overtime) £50k (in order to meet the service commencement date &amp; the ERDF funding deadline)</li> <li>• Temporary Barriers and road restraints (Meadowhall Way Bridge re-design) £50k</li> </ul> <p>The project was originally intended to be funded by grants from Department of Transport, the European Regional Development Fund and contributions from developers in the area. The accountable body for the grants is South Yorkshire Passenger Transport Executive but SCC is bound by a back-to-back agreement to abide by the terms of any grants and reimburse SYPTE for any clawback.</p> <p>The responsibility for funding overspends lies with the authority carrying out the works but, with the agreement of the parties, there are provisions to move underspends elsewhere in the project to mitigate the overspend.</p> <p>This variation seeks approval for sufficient additional expenditure to complete the project at the current expected level of costs.</p> <p>The additional cost will be funded from the Community Infrastructure Levy in line with the funding strategy previously approved by Cabinet.</p>		
<b>STAGE APPROVALS:-</b>		
<b>PROCUREMENT STRATEGY</b>		
<b>THRIVING NEIGHBOURHOODS AND COMMUNITIES</b>		
<b>Housing</b>		
<b>Adaptations Works (Council Housing)</b>		
<p>The option to extend the existing Adaptations Works Contract was activated in 2016 and this Contract is due to expire on 31 March 2017. Consequently, there is a requirement to re-procure a new Contract to commence from 1 April 2017. The works comprise upgrading</p>		<p>Mini-competition via YORbuild 2 Framework</p>

<p>existing, or installing new, Level Access Shower (LAS) adaptations and such works could include door widening and door replacement, folding door / room dividers, new or separate WC rooms, shower cubicles in domestic social housing and private sector properties, including houses, bungalows, flats, maisonettes, tower blocks or sheltered housing. Provision will be made within the Tender documents for the potential inclusion of works at Private Sector Housing, financed by the Disabled Facilities Grant (DFG) regime.</p>			
<p><b>Licensed Asbestos Removal to Capital and Repairs &amp; Maintenance Contracts (Council Housing)</b>  The option to extend the existing Asbestos Removals Contract was activated in 2016 and this Contract is due to expire on 31 March 2017. Consequently, there is a requirement to re-procure a new Contract to commence from 1 April 2017. This Contract will appoint a licenced asbestos remover to carryout removal works on Repairs &amp; Maintenance, Voids and to support future capital programme works. They will undertake planned removal of licenced Asbestos Containing Materials (ACM's) that pose a hazard to residents in line with the Asset Management Plan. This will effectively manage medium risk asbestos materials that are showing signs of deterioration as per the Asbestos Management Policy. This contract will support the Insourced service who do not have an asbestos licence</p>			Competitive Tender
<p><b>DIRECTOR VARIATIONS / FEASIBILITY APPROVALS:- (Note only)</b></p>			
<p><b>SUCCESSFUL YOUNG PEOPLE : -</b></p>			
<p><b>Halfway Infants Mobile Replacement</b>  This project was originally authorised to provide a mobile replacement unit at Halfway Infants School. This variation was to authorise an additional £11k required to meet the cost of the external works. The work is to be funded from the CYPF DfE Basic Need Grant.</p>	Director Variation	11	n/a
<p><b>Basic Need Block Allocation</b>  Allocation of £11K to fund Halfway Infants Mobile Replacement as above.</p>	Director Variation	-11	n/a
<p><b>Thriving Neighbourhoods and Communities</b></p>			
<p><b>Grave &amp; Millhouses Tennis Courts</b>  The proposal at Graves Park is to resurface and renovate a block of 5 tennis courts (that are</p>	Director Variation	8.5	n/a

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<p>currently in poor condition) and to remove and landscape the remaining 3 courts. This improvement will also include works to the perimeter fencing and retaining walls.</p> <p>Millhouses Park has 6 full size tennis courts and 2 mini courts. The proposal is to renovate and resurface 4 tennis courts and deep clean and re-paint the remaining 2 full size courts. No work will be done to the mini courts.</p> <p>Following tender the project has come in within budget however some additional funding is required for works to the retaining wall at Graves and for a safety fence, this has now been secured from the Cobnar Cottage receipt:</p> <p>Charities Commission approval has been received for this additional £8,500 and for the £17,857 part funding of the original project scope.</p> <p>The rest of the project is funded by S106 allocated as part of the Parks Programme and Lawn Tennis Association funding of £84,684 (see appendix 2)</p> <p>Original Total Project Cost: £144,501 New Total Project Cost: £153,001</p>			
<p><b>Public Rights of Way (PROW)</b> The 2016/17 PROW improvement programme has attempted to take a balanced view of delivery across the whole of the PROW network, but it has been predominantly targeted at more urban locations in order to improve local accessibility and promote the uptake of walking and cycling to jobs, training / learning opportunities as well as leisure / business / retail. It does also contain improvements to well used and loved locations on the urban fringe such as the Easy Going Trail at Wire Mill Dam – Forge Dam and the Limb Valley. In assembling the year’s programme, all known potential schemes and requests are considered and are consulted on and prioritised with the Local Access Forum, where representatives from the full range of Access and Conservation Groups can give their views</p>	Variation	-7	Best of at least three quotes split into 3 areas as agreed with Commercial Services

<p>Project Design and Management costs are <b>£25K</b> and Construction costs are <b>£88k</b>:</p> <ul style="list-style-type: none"> <li>a) Rural Unbound Surfacing Package £15k Limb Valley Footpath &amp; Rainbow Avenue Footpath</li> <li>b) Tarmac Surfacing Package 1 £38k Pack Horse Lane, Thorncliffe, &amp; Whitely Woods</li> <li>c) Tarmac Surfacing Package 2 £23k Mansfield Rd, Delves to Subway, Delves to Moss Way, &amp; Victoria Rd Beighton</li> <li>d) Contingency £12k</li> </ul> <p>Total cost 25K+88K = £113K</p> <p>The current approved budget for this scheme is £120K A budget reduction of £120K-£113K = £7K is therefore requested</p>			
<p><b>Funded by £80K Local Transport Plan (LTP) &amp; Camera Enforcement income</b></p> <p><b>Blackburn Valley Cycle Route</b></p> <p>To reduce traffic congestion and improve air quality by providing a range of high quality travel choices to reduce the number of single occupant vehicles on the roads particularly at peak times, and encourage active travel</p> <p>A key element of the solution to achieve these aims is to build cycle infrastructure to an exceptional standard and to complete consistent routes.</p> <p>The Blackburn Valley route forms part of the strategic network from residential areas to employment, education, leisure and other trip generating sites/ locations in around Junction 35A business parks, Smithywood business park, Lower Don Valley, Chapeltown, Ecclesfield and Wincobank. This is phase 1 which covers:</p>	Variation	4 +12	Strategy approved April16 Amey core works

Appendix 6.1

<ul style="list-style-type: none"> <li>• Construction of Phase 1 cycle track between Butterthwaite Lane and Loicher Lane, incl. the refurbishment of Loicher Lane Bridge <b>£296k</b></li> <li>• Construction of Signing and lining on Loicher Lane to raise awareness of bicycle exit point to Ecclesfield <b>£7k</b></li> <li>• Construction of a cycle crossing at Deep Lane/Grange Lane <b>£22k</b></li> <li>• Legal fees for drawing up a Bridleway Creation Agreement (expected to be signed off by the landowner in September 2016) – construction won't begin until this is in place <b>£10k</b></li> <li>• Final payment for revisions to the detailed design <b>£0.5k</b></li> <li>• Project Management <b>£19k</b></li> </ul> <p>Total cost <b>£354k</b></p> <p>The current approved budget from an Outline Business Case approved at January16 CPG is <b>£350K</b> for Phase 1</p> <p>A budget increase of <b>£354k-£350k= £4k</b> is therefore requested  <b>Funded by Sustainable Transport Exemplar Project (STEP)</b></p>			
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**Author/Lead Officer of Report:** Howard Varns

**Tel:** 20 37649

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**Report of:** *Simon Green*  
**Report to:** *Cabinet*  
**Date of Decision:** *30 November 2016*  
**Subject:** *China Economic & Civic Programme Update*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000		<input type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Business and Economy/ Communities and Libraries/ Culture, Leisure &amp; Parks/ Children's and Young People</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Economic and Environmental Wellbeing/ Children, Young People and Family support/ Healthier communities and Adult Social Care.</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(not required)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

**Purpose of Report:**

To update Cabinet on the programme of activities that has been developed with Chinese partner organisations, specifically -

- 1) The trade agreements developed with the Chinese Cities of Nanchang and Daqing and to seek authority to explore possible trade delegations to these partner cities for Sheffield-based businesses.
- 2) That our Chinese Investment partner's UK company, Guodong UK Limited (Guodong) is expected to shortly begin pre-planning application discussions with the Planning Authority for a private residential development in the West Bar area of the city.
- 3) That Guodong has formally expressed an interest in undertaking feasibility studies to understand the viability of developing a 5-star hotel and improving the Art Gallery at the Central Library Building on Surrey Street.
- 4) To obtain authority to explore options for the temporary and/ or permanent relocation of the library service in the City Centre in readiness for the possible eventuality of a Hotel development being confirmed as being viable at the Central Library building.
- 5) The educational partnership that has been established with Chengdu Government and the intention to establish "sister" schools in Chengdu's high tech zone and at the Oasis Academy at the Olympic Legacy Park in the Don Valley.

**Recommendations:**

That Cabinet:

- 1) Note the Council's programme of activity with Sheffield's Chinese partners.
- 2) Authorise the completion of the required legal documents which will underpin the long-term Strategic Investment Partnership with Guodong following the signing of Heads of Terms in June 2016.
- 3) Note the expression of interest received from Guodong and authorise entering into a twelve month period of exclusivity to assess the viability of developing a 5 star hotel at the Central Library building on Surrey Street.
- 4) Approve the commencement of the negotiation of terms with Guodong regarding the library building on the principles set-out in this report.
- 5) In line with the principles outlined in this report, approve the development of options for both the temporary and the permanent relocation of the Central Library Service and the Graves Art Gallery that may be required as a result of the receipt of the hotel expression of interest
- 6) Note that the terms of the hotel proposal and the options for any impacted

services will be the subject of a future report to Cabinet prior to entering into any binding agreement.

## Background Papers:

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>(Insert name of officer consulted)</i> <b>Paul Schofield</b>
	Legal: <i>(Insert name of officer consulted)</i> <b>David Hollis</b>
Equalities: <i>(Insert name of officer consulted)</i> <b>Beth Storm</b>	
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>(Insert name of relevant Executive Director)</i> <b>Simon Green</b>
3	<b>Cabinet Member consulted:</b> <i>(Insert name of relevant Cabinet Member)</i> <b>Leigh Bramall/Jack Scott/Mary Leal/ Jackie Drayton</b>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> <i>(Insert name)</i> <b>Howard Varns</b>
	<b>Job Title:</b> <i>(Insert job title)</i> <b>Programme Manager</b>
<b>Date:</b> <i>(Insert date)</i> <b>2 November 2016</b>	

## 1. Background

- 1.1 In March 2015, the City Council established an outbound programme with Sheffield Hallam University and the University of Sheffield and World Snooker, which was focused on securing foreign direct investment from China in order to: (a) improve Sheffield's physical infrastructure, (b) improve employment and training opportunities for citizens; (c) promote the City's Universities and cultural assets, and (d) promote Sheffield's businesses and industrial specialisms.

The Council and partners targeted new and existing relationships and partnerships with China to enhance and develop our economy and the job opportunities for local people. This report seeks to provide an update on various activities and request for approvals for further actions.

## **2 The Programme of China-based Activities**

- 2.1 The Council has developed the following programme with Chinese partner organisations. It includes:
  - 2.1.1 An education partnership with Chengdu Government to develop “sister” schools in Sheffield and Chengdu,
  - 2.1.2 An agreement with Chengdu, to forge stronger civic, trade, investment, educational, cultural and sporting links,
  - 2.1.3 The agreement of trade with the Chinese Cities of Nanchang and Daqing,
  - 2.1.4 The Strategic Investment Partnership with Sichuan Guodong Group,

### **3.0 Sheffield – Chengdu Education Partnership**

- 3.1 Sheffield has been approached by Chengdu Government representatives to enter into an education partnership to develop “sister” schools in each city. This involves supporting the development of a reciprocal school in each city and then supporting these schools in building close educational and sporting ties and regular student and teacher exchanges.
- 3.2 Specifically, Chengdu has requested that Sheffield work with them to design a school in Chengdu’s high tech zone and assist in the development of course content and student and teacher exchange programmes. It is expected that the school in Sheffield will provide Mandarin classes to students along with classes in Chinese history and culture, with the equivalent being provided at the “Sheffield” school in Chengdu.
- 3.3 The development of language skills will be a key component of the educational offer in the respective schools and is particularly important in the UK where the lack of language skills, and the limited exposure to China and Chinese culture, is seen as a major weakness for businesses that are looking to expand within this rapidly developing marketplace.
- 3.4 Chengdu government representatives have been particularly impressed with the Oasis Academy at the Olympic Legacy Park in the Don Valley and its close links with the Innovation District and the Advanced Wellbeing and Research Centre. Chengdu have approach Sheffield to understand if this school can be used as the model for the “Sheffield” school in Chengdu. To this end, Chengdu have entered discussions with Bond Bryan Ltd, the designers of the Oasis Don Valley Academy, and are seeking to commission them to design a school based on the Oasis Don Valley Academy in Chengdu’s high-tech zone. This represents a significant commercial opportunity for a Sheffield-based business.
- 3.5 As the Oasis Don Valley Academy at the Olympic Legacy Park and the

“Sheffield” school in Chengdu will both have strong links with innovative and hi-tech companies it is felt this cooperation creates connections for students that foster innovation, creativity, enterprise and opportunity in both cities. Innovation is expected to be at the heart of these educational relationships and technologies are expected to be fully utilised to enable students and classrooms to be connected in order to enable and promote educational interaction and collaboration.

3.6 This is a ground-breaking initiative between the two cities, and between the UK and China, with the “Sheffield” school in Chengdu being the first English school in the Chinese state school system. At this very early stage the project is gaining significant profile with key influencers throughout China and is likely to become an exemplar model for increasing aspiration among pupils and educators in both countries by developing partnerships through education, culture-exchange and business and innovation.

3.7 The “Sheffield” school in Chengdu’s high tech zone will be open in Autumn 2018. Work is due to commence shortly with the Oasis Don Valley Academy on establishing the sister school concept and the required mechanisms for the educational partnership. It is hoped that if this model proves successful that this partnership approach can be widened across both cities.

#### **4.0 Update on the Strategic Investment Partnership between Sheffield & Sichuan Guodong**

4.1 This programme of outbound activities in China led to numerous investors expressing an interest in Sheffield. After a period of reviewing possible investment partners, a Memorandum of Understanding was signed between Guodong, Sheffield City Council and UKTI (United Kingdom Trade and Investments) in October 2015. This committed these parties to a period of joint-working to explore the possibility of establishing a long-term investment relationship.

4.2 In June 2016, the Leader and Deputy Leader of the Council agreed to establish a strategic investment partnership with Guodong. This agreement established the operating principles and an outline investment blueprint which will see Guodong invest an initial £200 million into Sheffield over the next five years via a number of residential and commercial real estate projects.

4.3 As individual investment projects begin to enter their delivery phase the investment partnership with Guodong also must move into an operational state to drive and assure the delivery of the identified projects. To facilitate this, the Heads of Terms which were agreed in June 2016 need to now be developed into full legal agreements. It is anticipated this work will commence in January 2017 and provide the detailed governance and operational framework for the long-term investment relationship.

## **5 Residential Project**

- 5.1 Guodong's first UK based project is currently in the design development stage and a target date of January 2017 has been identified for this project to enter its pre-planning application stage.
- 5.2 The private residential development is located in the West Bar area of the city centre and is expected to represent an investment of around £30million in to this area of Sheffield. The Council entered into an exclusivity agreement with Guodong to enable it to develop proposals for the site prior to agreeing Heads of Terms and entering into a conditional contract for the land.

## **6 Hotel Location Enquiry**

- 6.1 Guodong have a specific interest in developing a Hotel portfolio outside of China and are of the view that Sheffield is well placed to capture increased volumes of the business, events and conferencing market. They deem Sheffield and its surrounding area to have the latent demand for a market-leading development around a 5-star Hotel offer.
- 6.2 Guodong have been actively assessing potential options over the last six-months and have now approached the Council with information on their preferred location. They have expressed an interest in the Central Library building on Surrey Street being a possible location for a hotel development and wish to explore whether this would be possible and viable, and whether the City Council's has an appetite for such a development at the location.
- 6.3 A formal approach has been received from Guodong outlining–
  - 6.3.1 That Guodong are actively seeking to develop a 5-star Hotel in Sheffield's city centre,
  - 6.3.2 That they have reviewed potential locations in the city and their preferred site, if feasible, would be the Central Library building on Surrey Street due to its prominent location at the heart of the City and next to the theatres and transport.
  - 6.3.3 That the building's design and architectural features are considered a major asset and they would wish to protect and work to maintain and enhance it in order to preserve the building's character.
  - 6.3.4 Guodong have also asked the Council to consider whether the Graves Art gallery could continue to be based within any future 5-star Hotel development if one was to be developed. They have in outline expressed a wish to incorporate and enhance the gallery offer itself and also improve and increase public access to the collection.

## **7 City-to-City Trade Agreements**

- 7.1 Sheffield is a world-leader in the fields of advanced manufacturing and new technologies. Sheffield is of particular interest to Chinese political and business leaders because it is at an advanced stage of a journey that many Chinese cities anticipate will face them.
- 7.2 Sheffield's emergence from rapid de-industrialisation and its expertise in new technology industries, along with the promotional work undertaken to showcase the city in China, has resulted in requests being received from numerous Chinese cities to establish various partnerships. These requests have predominantly been in the fields of trade, investment, sport and education. Although Sheffield has its principle relationship in China with Chengdu. Trade and business agreements have been agreed with Nanchang and Daqing due to their strategic fit.
- 7.3 In February 2016, Sheffield signed a trade agreement with Nanchang, a wealthy and rapidly growing city which is a major hub for the aerospace, automotive, healthcare and outdoor recreation tourist sectors which strongly align with Sheffield's own specialisms.
- 7.4 In June 2016, Sheffield signed a trade agreement with Daqing. This city, in the far north of China, is built around one of the largest and most productive oil and gas fields in China. Daqing as a result is not only a wealthy city but a place that is looking to diversify away from carbon based energy and is a centre for renewable technologies. These are sectors of significant interest to Sheffield and this represent significant opportunity for manufacturing, engineering and low carbon technology businesses.
- 7.5 Work is underway to explore potential trade, investment and joint venture relationships within these cities for Sheffield-based companies and it is hoped that if companies can be aligned there may be significant opportunities. Through the networks the City Council has developed in China, and the trade agreements, it is anticipated that if there is demonstrable business potential identified, trade delegations can be supported to enable companies to take these opportunities.

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

- 8.1 The education project is expected to increase aspiration among pupils and educators in both Cities through the close collaboration between education, innovation and business sectors. With opportunities magnified through the benefit of cross-cultural exposure and direct access to language and society.
- 8.2 The expression of interest in Surrey Street provides an opportunity for the city to retain, protect and enhance an important building. The addition of a 5\* Hotel will provide an enhanced hotel and hospitality offer for visitors to the city, its theatres, conferences and events by adding a

quality of product that currently does not exist. For a city of its size without this offer, the proposal may provide the opportunity for a product that would bring significantly benefit to the local economy, creating hundreds of jobs, by attracting high value business and more of the conferencing sector.

- 8.3 The Central Library building is home to the Central Library service along with the Graves Art gallery and the Library Theatre. If the building was to be considered as the location for a 5\* Hotel, the Central Library service would need to be permanently relocated.
- 8.4 Equally, plans would need to be explored as to options for the continued and enhanced presence of the gallery in the building which ensure that the collection is maintained as a gallery with public access at least equal to the public access afforded currently but ideally with extended hours. In addition, temporary solutions for the collection during any redevelopment period would have to be resolved.
- 8.5 The Central Library service forms part of the Council's overall library offering and any temporary or permanent relocation would have to be considered in that context. This may provide a unique opportunity to develop a 21st century library service within the City Centre.

### **Condition of the Central Library Building**

- 8.6 The Central Library building has presented increasing maintenance problems over the last 10 years, despite considerable investment made to keep the building operational. For example, in the last five years around £550,000 has been spent on essential repairs and maintenance.
- 8.7 It is estimated that to keep the building open for the next three years, it will require investment in essential works of around £2.2m. This includes works relating to the heating system; roof; fire risk and general repairs. Whilst this will secure the building's operation in the short term, experience over the last 10 years shows that continued essential investment will be required on an on-going and sizeable basis.
- 8.8 Beyond essential repairs and maintenance, it is estimated that a major refurbishment of the building would cost at least £16m and a major redevelopment (modernising the layout and uses) would cost in excess of £30m. The challenge in finding capital monies for the building are now greater than ever given the unprecedented pressure on the council's budget and the fact that the Central Library would be highly unlikely to attract significant external capital support from key public sources such as Arts Council or Heritage Lottery Fund. As such, the approach received by the Council creates the *prospect* - for the first time - of developing an enhanced, fit for purpose and sustainable central library service in different city centre location.



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

- 9.1 This report is seeking permission to explore options. The options presented back to Cabinet in a future report will deal with any consultation elements of displacing and relocating services that could arise.

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

### **10.1. Equality of opportunity Implications**

S149 Equality Act 2010 sets out what is referred to as the Public Sector Equality Duty. The council must, in all of its decision making, have regard to the obligation;

- (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.

- 10.2 There are no differential equality implications arising from the recommendations in this report. However, as proposals are further developed, they will be assessed for potential differential equality of opportunity implications on a case by case basis and Equality Impact Assessments will be carried out as required.

### **Financial and Commercial Implications**

- 10.3 The 5\* hotel proposal if it were to progress should bring significant direct and indirect financial benefits to the city albeit with some risk which could be mitigated by the terms of the commercial agreements which will underpin and effect the transaction.
- 10.4 It may likely require the Council to commit to some up-front costs to relocate the Central Library service and potentially undertake other enabling works. This proposal is in its formative stages, with further development required should the plan proceed. The benefits can be grouped into three headings:
- Economic regeneration of the city centre
  - Avoidance of a significant capital maintenance liability
  - Opportunity to improve the Revenue Budget position of the Council
- 10.5 The addition of a 5\* hotel created by a significant private investment will greatly enhance the appeal and reputation of Sheffield potentially drawing in further significant investment creating employment and GVA.

The enterprise would also substantially enhance the city's economy, which will have a further positive multiplier effect.

- 10.6 The Central Library building has a substantial maintenance liability, which as accrued over several decades. Near term works to make it compliant with building standards legislation are in the region of £2m. Longer term refurbishment is in the order of £16m and a full redevelopment into a remodelled and fully modernised library service would be in excess of £30m. The Council's Capital Programme will not have the resources to fund this work. Future plans for the building have always focused on attracting external funding from grant funding bodies but this strategy always required a significant (at least 50%) match funding from the Council and the redevelopment of the central library building would be unlikely to attract major matching external funds from Arts Council or other similar bodies.. Thus, an alternative use of this building will relieve the Council of a significant and growing financial burden whilst creating the opportunity, in the fullness of time, for an enhanced central library service in a new city—centre location
- 10.7 The direct impact of the construction of the hotel on the Council's Revenue Budget could be additional annual gross business rates in the region of £1m. Further investment in the city related to, or attracted by, this proposal, would add to this benefit. Relocating the Central Library from its current base to more modern premises will provide an opportunity to improve operations both for the user and the Council. There is the real possibility of saving on utility, insurance, maintenance and other operating costs should the library service ultimately be relocated.
- 10.8 If committing itself to this proposal the Council may incur significant revenue operating costs in the movement of the library operations and project costs to conclude the deal, temporary costs for the art collection, capital costs for the new location and potentially enabling infrastructure or other public realm works. These costs will be detailed in any future Cabinet report presenting the options.
- 10.9 These works would not be funded through the existing capital programme. However, the economic impact of the Hotel project overall is likely meet the criteria for support from the Growth Investment Fund. This report does not seek any specific financial approval and any submissions will be submitted in due course at the appropriate time.

## **11 Legal Implications**

- 11.1 The various projects referred to in this report are considered to be lawful and within the powers of the Council. All will have various other legal implications that will need to be fully considered at the time decisions are made. These include but are not limited to the power to dispose of property by way of s123 Local Government Act 1972, State Aid, EU and UK procurement law and the duty to provide a comprehensive and

efficient library service. These will be fully developed and dealt with in later reports.

- 11.2 In relation to the recommendation to enter into a period of exclusivity for the development of the Central Library Building the Council has the power under s111 Local Government Act 1972 to do anything that is calculated to facilitate, or is conducive or incidental to, the discharge of any function and this gives the power to enter into the exclusivity agreement. Alternatively the general power under the Localism Act 2011 would also permit this.
- 11.3 The land that forms the Central Library is held absolutely by the Council and is not subject to any restriction on use or disposal nor is it bound by any form of trust either express or implied. It stands on sites acquired between 1865 and 1909. The old Public Library was demolished in the early 1930s to make way for the new Central Library and Graves Gallery which cost a total of £95,000 to construct of which £30,000 was contributed as unconditional gift from Alderman J.G.Graves.'
- 11.4 The Graves Art collection is currently displayed in the Central Library and Graves Art Gallery building. The collection is held on trust and any proposals will have to have regard to the terms of the trust. Both Museums Sheffield and the Graves Trust are being consulted on options for the collection and are supportive of the proposals.

## **12 Other Implications**

### **Property Implications**

- 12.1 The proposal is to enter into an exclusivity agreement on the Central Library building for 12 months. This will allow the developer the security to employ resources to undertake feasibility and due diligence work prior to contractual commitment.
- 12.2 It will also give the Council the opportunity to identify an appropriate relocation opportunity for the short and longer terms. When both parties are in a position to proceed they will enter into a conditional contract to allow the transaction to proceed. At that stage the developer will seek planning permission and listed building consent for the proposed development, in accordance with normal practices. Once the contract is unconditional then the Council will need to provide vacant possession within an agreed period of time.
- 12.3 The land transaction is likely to be based on a long lease of the property with provisions to ensure that the property is developed out in accordance with the planning permission, its listed status and within an agreed period of time. There will also be provisions in the lease to ensure that the property remains in operational use with provisions for the lease to revert to the Council in the event of any significant default by the

lessee.

- 12.4 Exclusivity agreements have been used by the Council on a number of occasions in the past to allow prospective investors and / or developers to undertake feasibility studies prior to entering into contractual commitments with the Council. This allows both parties to ensure that the development proposals are realistic and gives the developer the confidence that any investment in resources will not be wasted by the Council entering into discussions with third parties.

### **13 ALTERNATIVE OPTIONS CONSIDERED**

- 13.1** Alternative options considered regarding the expression of interest in the Central Library building to be developed into a 5\* Hotel

13.1.1 Do nothing. This option does not take into consideration the imminent need for repairs to the building and the almost certain inability to secure major capital investment in the building as a library

13.1.2 Market the building for sale. There is no indication that there is any interest from the market in acquiring this building.

13.1.3 Undertake a feasibility study for the future of the building. This is likely to take a minimum 12 to 18 months during which time this current development proposal could be withdrawn. There will be a cost associated and no guarantee of a long term solution for the building

13.1.4 Identify funding for refurbishment of the building. There will still be an ongoing maintenance cost

- 13.2** Alternative options considered in place of establishing the trade partnership agreements with Daqing and Nanchang:

13.2.1 Do nothing: Not entering into these relationships limits opportunities for Sheffield and its businesses in these fast growing commercial centres.

13.2.2 Ad hoc: Without the city-to-city framework being established as a protocol for joint-work between the two cities, businesses would be less likely to be able deliver commercial and economic benefits from the relationships established in China.

- 13.3** Alternative options considered in place of establishing a strategic investment partnership with Guodong:

13.3.1 Do nothing: Not entering a long-term investment relationship does not support the economic and regeneration objectives of Sheffield.

13.3.2 Establish Partnerships with other organisations: The review of investor and investment opportunities that was undertaken by UKTI in 2015 established that Guodong was likely the the best fit long-term

investment partner for Sheffield.

## **14 REASONS FOR RECOMMENDATIONS**

- 14.1 The expression of interest regarding a hotel development received from Guodong presents a substantial opportunity to protect the future of an iconic building within the city centre. It also presents an opportunity to enhance the hotel offer and increase investment and employment in Sheffield.
- 14.2 This proposal provides an opportunity to give proper consideration to the future of the Central Library Service and the Graves Art Gallery, if a hotel development at this location is deemed viable.
- 14.3 Developing the investment partnership with Guodong to an operational state will enable the delivery of projects and ensure activity is performance managed.
- 14.4 The educational partnership is supported between the “Sheffield” School in Chengdu and the Oasis Don Valley Academy, along with wider collaboration between Sheffield and Chengdu, as it offers a special opportunity to increase aspiration among pupils and educators in both cities.

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**Author/Lead Officer of Report:** Michelle Gane  
**Tel:** 0114 20 53860

**Report of:** Simon Green  
**Report to:** Cabinet  
**Date of Decision:** 30/11/16  
**Subject:** The Graves Park Improvement Project ref 94503

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Culture, Parks and Leisure		
Which Scrutiny and Policy Development Committee does this relate to?		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given?	897	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>		

**Purpose of Report:**

The purpose of this report is to seek approval to spend funds from the Graves Park Charitable Trust (registered charity number 510841), in line with the charity's trusts and objects.

**Recommendations:**

For the reasons set out in this report it is recommended that the Council, in its capacity as trustee of the Graves Park Charity, approve spending £115,643 from the Charitable Trust account, which includes the income from the sale of Cobnar Cottage, for the purposes listed below.

**Background Papers:**

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

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Paul Schofield
		Legal: David Hollis
		Equalities: Beth Storm
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	Simon Green
3	<b>Cabinet Member consulted:</b>	Councillor Mary Lea
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Michelle Gane	<b>Job Title:</b> Project Officer
	<b>Date:</b> 17/11/16	



## 1. PROPOSAL

*(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)*

- 1.1 An opportunity has arisen to invest in Graves Park, for the benefit of the people of Sheffield. Graves Park is a major visitor attraction located 3 miles south of Sheffield City Centre, and at 87 hectares it is the City's largest public park. In addition to its designation as a City Park, it is also on the Local Register of Historic Parks and Gardens; contains the Grade II Listed Lodge Gates and Boundary and has an area of ancient woodlands.

Much of its popularity stems from the diverse leisure and recreational facilities contained within the Park. The Graves Park Animal Farm is home to rare breed livestock, including the charismatic Highland Cattle. Graves Park contains two playgrounds; wildlife and fishing ponds; sporting facilities (three sports pavilions, bowling greens, football, tennis, cricket and pitch and putt); woodland and nature areas and formal landscaping.

It is proposed that funds held by the Graves Park Charitable Trust (registered charity number 510841) are invested in the improvement of the Park. The object of the charitable trust is to ensure that: "The park is held on trust for the recreation of the public as public walks pleasure grounds or as an open space within the meaning of the Open Space Act 1906." A package of works have been developed which are in line with these objects:

Item	Estimated cost
Improvements in toilet provision	£27,000
Two new field shelters for the animal farm set on concrete pads	£8,600
Play improvements to Rose Garden Play area and Cobnar Road Play area	£30,000
Refurbish entrance gates and improve planting	£5,000
Footpath improvements	£24,000
Signage various	£5,000.00
SCC Commercial services fees	£1,000.00
SCC Fees (engineering etc).	£8,000
Contingency	£12,043

**Total £120,643**

Please note the costs above are estimates only. The fees cover specialist services i.e. procurement specialists, architects and engineers.

The project will be funded by the following:

Income source	Amount
Funds from the charitable account	£115,643
SCC Car parking income	£5,000
<b>Total</b>	<b>£120,643</b>

Approval is requested to use £115,643 of the funds held by the Graves Park Charitable Trust for these works. In accordance with the aims of the Graves Park Charity these improvements will enhance the recreational and uplift the

quality of the Park. The funds held by the charity include £152k generated on 26<sup>th</sup> January 2016 resulting from the sale of Cobnar Cottage. The remaining funds from the sale of the cottage (£36,357) will be invested in cricket and tennis at Graves Park, as part of another project.

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

*(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the decision inclusive?; does it have an impact on climate change?; does it improve the customer experience?; is there an economic impact?)*

- 2.1 The project supports the delivery of the Corporate Plan Priority Thriving Neighbourhoods and Communities', in relation to sustaining high quality parks and green spaces. The improvements to the park will improve the experience of visitors to the park.

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

*(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)*

- 3.1 The Council is not required to consult on the proposal however in the 2015 Parks and Countryside Customer Satisfaction Survey Graves Park was identified as the 2nd most often visited park. The survey offered a number of options which apply to all of the parks in Sheffield (and this therefore did not include the animal farm specifically). The results show that people visit Graves Park for following top 10 activities:

1. Fresh air
2. To go walking
3. To bring the children out.
4. Exercise
5. To enjoy the trees (for example looking at the trees of the park).
6. Café
7. Relaxation
8. Playground
9. Family day out
10. Wildlife watching

The project will support the ongoing popularity of the park and continuation and development of the activities enjoyed by customers.

In addition an independent study of 400 park users in Graves indicated 85% supported investing the Cobnar Cottage proceeds into park improvements.

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

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

- 4.1.1 An equality impact assessment has been carried out. The project will deliver

benefits to all users of Graves Park. Improved toilet facilities at the Charles Ashmore Road end of the Park will encourage new users to this part of the Park. Improvements to the paths will replace the loose gravel surface with tarmac, improving the accessibility. Improvements to the playground will benefit children and families. The works will benefit the local and wider community and continue the commitment to quality green space.

The improvements in this proposal should be of universal positive benefit to all local people regardless of age, race, faith, gender, sexuality, disability, etc. No negative equality impacts have been identified resulting from the proposals.

#### 4.2 Financial and Commercial Implications

- 4.2.1 The project aims to have a positive business impact. It is hoped that improving the toilets will increase encourage more people to take part in the sports and increase the income generated. Improvements to the animal farm will support the continued use of the animal farm car park. All income generated will be ring fenced in the charitable trust accounts.

#### 4.3 Legal Implications

- 4.3.1 Graves Park is held on charitable trust (registered charity number 510841) for the recreation of the public as public walks or pleasure grounds or as an open space within the meaning of the Open Spaces Act 1906. Its governing document is the Conveyance of Graves Park to the Council made on 2nd December 1925. The proceeds of the sale of any part of the land conveyed must be used to support the use of the remaining land for the purposes of the charity. Cabinet acting as Charity Trustees in their decision of 18 March 2015 resolved that the capital receipt from the sale of Cobnar Cottage (subject to a scheme from the Charity Commission confirming the power to dispose) would be invested in improving the facilities in Graves Park, rather than holding it as a permanent endowment and just applying the income to the charitable objects. The proposals set out in this report for recycling the proceeds of the sale of Cobnar Cottage into a package of improvements intended to benefit all users of the park supports the charitable purposes and is consistent with the decision of Cabinet acting as the Charity Trustees.

#### 4.4 Other Implications

*(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).*

- 4.4.1 Social impact- The works will have a positive social impact and improve the leisure and recreational facilities at Graves Park.

Environmental impact- The project will make the park more welcoming.

Heritage- Graves Park is on the Local Register of Historic Parks & Gardens; it contains a Grade II Listed Lodge (Norton Nursery), Gates and Boundary and an area of Ancient woodlands. All works in the project are intended to enhance the built and natural heritage of the site.

Reputation- The project aims to have a positive reputational impact. The project aims to reinforce the reputation of SCC as custodian of the Park and

demonstrate the ongoing commitment to continuing to manage the park for the benefit of the people of Sheffield.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

*(Outline any alternative options which were considered but rejected in the course of developing the proposal.)*

### **5.1 Option 1: Do nothing option**

The funds held in the charitable account can only be spent at Graves Park. The funds could be left in the account and generate interest for use in the future. However the Council made a commitment to local people that the funds generated by the sale of Cobnar Cottage would be used to benefit the park and there is an expectation that there will be visible improvements to the site. This is therefore not the preferred option.

## **6. REASONS FOR RECOMMENDATIONS**

*(Explain why this is the preferred option and outline the intended outcomes.)*

### **6.1 Option 2: Deliver the project as described in this report**– this is the preferred option. This option delivers a range of improvements aimed at meeting the needs of all users of the park. The project will deliver the following benefits:

- Improvements to the path network and entrances will ensure that the park is accessible and welcoming.
- Improved toilet facilities in the sports area (Charles Ashmore Road entrance) will support the development of the tennis area as a Lawn Tennis Association priority site and encourage use new users to the bowling greens, pitch and putt and cricket pitch.
- The project will deliver improvements to the play value of the park.
- Investments in signage will encourage visitors to make full use of all of the activities available and improve the visitor experience.
- The works will benefit the local and wider community and continue the commitment to quality green space.