

Cabinet

Wednesday 15 November 2017 at 2.00 pm

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

The Press and Public are Welcome to Attend

Membership

Councillor Julie Dore	(Leader of the Council)
Councillor Olivia Blake	(Cabinet Member for Finance and Deputy Leader)
Councillor Ben Curran	(Cabinet Member for Planning and Development)
Councillor Jackie Drayton	(Cabinet Member for Children, Young People & Families)
Councillor Jayne Dunn	(Cabinet Member for Neighbourhoods and Community Safety)
Councillor Mazher Iqbal	(Cabinet Member for Business and Investment)
Councillor Mary Lea	(Cabinet Member for Culture, Parks and Leisure)
Councillor Bryan Lodge	(Cabinet Member for Environment and Streetscene)
Councillor Cate McDonald	(Cabinet Member for Health and Social Care)



PUBLIC ACCESS TO THE MEETING

The Cabinet discusses and takes decisions on the most significant issues facing the City Council. These include issues about the direction of the Council, its policies and strategies, as well as city-wide decisions and those which affect more than one Council service. Meetings are chaired by the Leader of the Council, Councillor Julie Dore.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. 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.

FACILITIES

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

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

**CABINET AGENDA
15 NOVEMBER 2017**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
Appendix A to Item 9 – 'Land at Hoyle Street, Sheffield'- is not available to the public and press because it contains exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person.
- 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 - 18)
To approve the minutes of the meeting of the Cabinet held on 18 October 2017.
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny** (Pages 19 - 22)
Call-In of Leader's Decision on Changes to Environmental Maintenance Services

Report of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee.
- 8. Retirement of Staff** (Pages 23 - 26)
Report of the Executive Director, Resources.
- 9. Disposal of Land at Hoyle Street, Sheffield** (Pages 27 - 36)
Report of the Executive Director, Place.
- 10. A Strategic Review of Inclusion and Special Educational Needs & Disabilities Provision in Sheffield** (Pages 37 - 48)
Report of the Executive Director, People Services.
- 11. Revenue Budget and Capital Programme Monitoring 2017/18 as at 31/8/17** (Pages 49 - 94)
Report of the Executive Director, Resources.

- 12. Month 6 Capital Approvals**
Report of the Executive Director, Resources.

(Pages 95 - 130)

**NOTE: The next meeting of Cabinet will be held on
Wednesday 13 December 2017 at 2.00 pm**

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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.

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Cabinet

Meeting held 18 October 2017

PRESENT: Councillors Julie Dore (Chair), Olivia Blake, Jackie Drayton, Jayne Dunn, Mazher Iqbal, Mary Lea, Bryan Lodge and Jack Scott

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Ben Curran and Cate McDonald.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 **RESOLVED:** That the press and public were excluded during consideration of items 10 'Month 10 Capital Approvals' (see minute 12 below) and 11 'Devonshire Quarter' (see minute 13 below) as they contained exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person.

3. DECLARATIONS OF INTEREST

2.1 Councillor Bryan Lodge declared a personal interest in agenda item 10 – 'Month 10 Capital Approvals' as an employee of Carillion.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the previous meeting of the Cabinet, held on 20 September 2017, were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question in respect of the Tree Strategy

5.1.1 David Dilner asked whether the Tree Strategy would be published shortly as he had been told by the previous Cabinet Member, Councillor Terry Fox, that this would be imminent?

5.1.2 Councillor Mary Lea, Cabinet Member for Culture, Parks and Leisure, commented that there had recently been a period of consultation in respect of this. However, this was part of a wider strategy in relation to green space and woodland. Following a further comment from Mr Dilner regarding the qualifications of officers involved, Councillor Lea commented that the Council officers had professional expertise and qualifications.

5.2 Public Question in respect of Amey and Health and Safety Issues

5.2.1 David Dilner commented that he had witnessed this morning a breach of the Road

Traffic Act 1991 by Amey near to Abbeydale Road and asked what was being done as a result of continual breach of health and safety issues by Amey?

5.2.2 Councillor Bryan Lodge, Cabinet Member for the Environment and Streetscene, responded that the Health and Safety Executive worked closely with Amey. A number of allegations of breaches were referred to the Health and Safety Executive on a daily basis. If there were any issues identified, the Health and Safety Executive would work with Amey. Any allegations of breaches should be referred to the appropriate body.

5.3 Public Question in respect of Picket Lines

5.3.1 David Dilner asked if any of the Members present had stood on a picket line and stopped work? All Members of Cabinet confirmed that they had stood on a picket line.

5.4 Public Question in respect of Devolution

5.4.1 Nigel Slack asked what could the Council share about the current state of play in respect of the Sheffield City Region Combined Authority devolution deal and the potential for Barnsley and Doncaster returning to the fold?

5.4.2 The Leader of the Council, Councillor Julie Dore, responded that Barnsley and Doncaster were in the fold, so there was no question of returning to the fold. A decision had been taken at the Combined Authority not to proceed with the consultation on the deal so, as a result, the Government couldn't take this through Parliament as an Order. There was, however, a South Yorkshire Mayoral Order still in place which Barnsley and Doncaster were still a part of and an election for a Mayor would be held in May 2018. This Mayor would now have very limited powers.

5.4.3 Councillor Dore added that, even if the Combined Authority decided to go out for consultation, the deadline of May 2018 would not be met. She would expect the first task for the Elected Mayor would be to enter into dialogue with the Government about how more powers could be acquired. The public would not necessarily see any progress on a daily or weekly basis.

5.5 Public Question in respect of China Deal

5.5.1 Nigel Slack asked, following the recent article in the Asia Times concerning the £1bn Guodong/Sheffield deal being "on ice" could the Council clarify the following: Which business entity is this business deal with, Sichuan Guodong Construction Group or Sichuan Guodong Construction Co Ltd or some other entity? Was there a signed 'Memorandum of Understanding' and, if so, with which entity? Was there a signed exclusivity agreement for the Central Library building as proposed a year ago? And, if so, when was this signed? Were the Council aware of the \$20m lawsuit that the business was subject to at the time? Were the Council aware of the \$557m fraud investigation connected to the business and the individual involved in the City's deal? Were the Council aware of Jerry Cheung's doubts over the deal, as expressed in the article? At the time of the deal in July 2016 the

Council promised openness and transparency around this deal, so what was the current situation?

5.5.2 Mr Slack added that, considering the developments around the secrecy of the Streets Ahead contract, was this deal going to go the same way? How will China's decision to restrict external investment in 'irrational' acquisitions, taken in August, affect the deal given that two of the sectors being restricted were property and hotels?

5.5.3 Councillor Julie Dore responded that a number of Freedom of Information requests had been received following the Asia Times article and these, including Mr Slack's query, would be responded to appropriately.

5.6 Public Question in respect of Council Contracts

5.6.1 Nigel Slack referred to a question he had asked at the Full Council meeting, held on 4 October, in relation to part of a contract awarded to Carillion. Mr Slack commented that there was no response to the substantive questions about this framework agreement. Can the Council therefore answer those parts of the question?

5.6.2 Councillor Julie Dore requested that Eugene Walker, Executive Director, Resources respond to Mr Slack's question. Mr Walker commented that, in relation to framework contracts, there were various arrangements for joint contracting across South Yorkshire. At this time there was no business contracted with Carillion. If and when any contractors on the framework were used, a financial assessment would be made at that time. Although the question was directed at Councillor Bryan Lodge, the relevant Cabinet Member was Councillor Olivia Blake, Cabinet Member for Finance. The only Member influence was on individual projects and the Council had a process for declaring interests where there was a conflict of interest.

5.6.3 Councillor Bryan Lodge added that, although he was an employee of Carillion, he had no knowledge of the contract referred to in the question. Councillor Julie Dore further added that when the Council agreed to proceed with the framework there were policies and procedures which needed to be followed.

5.7 Public Question in respect of Legal Action

5.7.1 Nigel Slack referred to a further question he had asked at the Full Council Meeting held on 4 October 2017 concerning an email threatening legal action against two individuals if they refused to condemn the actions of other individuals. Mr Slack commented that he had not received a response to this question.

5.7.2 Councillor Bryan Lodge responded that he wasn't aware of the email prior to it being sent out. However, he understood the sentiment of it. The Co-Chairs of the Sheffield Tree Action Groups (STAG) had stated that they wanted to engage with the Council and should be telling people not to go inside the barriers if they didn't want to give the impression that they condoned it.

5.8 Public Question in respect of Meersbrook Park

5.8.1 Nigel Slack asked, in light of protestors being handed committal notices whilst standing in Meersbrook Park recently, with reference to paragraph 95 of the recent High Court Injunction which stated 'There will in addition be an order in the same terms against persons unknown being persons intending to enter or remain in safety zones erected on public highways in the City of Sheffield', could the Council show when the park in question became a 'Public Highway' and will they now be under a statutory duty to maintain the whole of the park or will they formally rescind the committal notices handed out on those days?

5.8.2 Councillor Bryan Lodge responded that warning letters had been sent out, but there were only two named persons sent committal notices.

5.9 Public Question in respect of Technical Solutions under the Streets Ahead Contract

5.9.1 Nigel Slack commented that he had seen a conversation on Twitter involving a member of the public and a Labour Party Councillor. This conversation implied that for the Council to accept any monies towards alternative technical solutions under the Streets Ahead contract, as proposed at the last Cabinet meeting in respect of Western Road, this would be illegal. Could the Council confirm or deny this suggestion? The Council had also received a proposal for the Vernon Oak highway alterations to be paid for by a charity, will they consider this? Will they suspend actions against that tree until such consideration has been completed?

5.9.2 Councillor Bryan Lodge stated that the Council had written to Trees for Cities saying that if it was prepared to grant funding, the Council would look at that. It would need to be undertaken by competent, trusted contractors. He had liaised with Ward Councillors in respect of this. Community Infrastructure Levy (CIL) funding could have been allocated for this, but Ward Councillors decided not to take up that offer. No further funding would be allocated from the Council's Corporate Budget. Councillor Lodge awaited a response from Trees for Cities.

5.9.3 Councillor Julie Dore added that there were many occasions where organisations or businesses wish to carry out works where it was not the Council's responsibility or the Council could not afford, such as dropped kerbs or housing improvements. Legislation would insist on the need for quality and to follow guidance. It was not, however, illegal for others to contribute to works undertaken but policies, procedures, legislation and guidelines would have to be followed.

5.10 Public Question in respect of Twitter Conversations with Councillors

5.10.1 Nigel Slack stated that, over the last few days, he had been in conversation on Twitter with two senior Labour Councillors, including a member of the Cabinet, who had chosen this very public medium to, in one case, imply evidence in a Scrutiny report that was not in the report and, in another case, accuse 'Greens' of law breaking. Will the Council address these issues within the ruling party or are they happy to ignore such flagrant bad conduct so long as it is outside the Council Chamber?

5.10.2 Councillor Julie Dore acknowledged that Twitter was a very public medium and would expect Councillors to engage, if it was appropriate. If Mr Slack was aware of any comments in a public place that he believed needed to be followed up, he should follow the appropriate process and submit a formal complaint.

6. ITEMS CALLED-IN FOR SCRUTINY

6.1 The Policy and Improvement Officer submitted a report of the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee setting out the findings of the Committee's work on oral and dental health in Sheffield.

6.2 The Chair of the Scrutiny and Policy Development Committee, Councillor Pat Midgley and Emily Standbrook-Shaw, Policy and Improvement Officer, attended the meeting to introduce the report and answer questions from Cabinet.

6.3 **RESOLVED:** That Cabinet:-

(a) notes the findings of the Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee on Oral and Dental Health in Sheffield that are being taken up with NHS England and Sheffield's Director of Public Health; and

(b) requests the Director of Public Health, in consultation with the Cabinet Member for Health and Social Care, to re-examine the issue of water fluoridation and set out his findings and any proposals in a future executive report, keeping the Scrutiny Committee informed of progress.

6.4 Reasons for Decision

Having carried out this work, the Scrutiny Committee felt that it was appropriate to make these recommendations to Cabinet, with the aim of improving oral and dental health in Sheffield, and reducing inequalities in oral health and access to services.

6.5 Alternatives Considered and Rejected

The Committee heard and discussed many issues during the course of this work. This report sets out the issues that the Committee wanted to see progress on.

7. RETIREMENT OF STAFF

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

RESOLVED: That this Cabinet :-

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

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
<u>People Services</u>		
Jane Last	Teacher, Specialist Support Service	33
Maureen Lawless	Senior Private Sector Housing Officer	29
Catherine Stenton	Supervisory Assistant, Shooters Grove Primary School	32
<u>Place</u>		
Stephen Beech	Supervisor, Sheffield Botanical Gardens	50

(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. COMMISSION OF ALTERNATIVE PROVISION

8.1 The Executive Director, People Services submitted a report seeking Cabinet approval to re-commission existing Alternative Provision beyond February 2018 and improve the existing framework to enable dynamic purchasing and increased diversity of provision that better meets the needs of young people in Sheffield.

8.2 **RESOLVED:** That Cabinet:-

(a) approves the re-commissioning of the Alternative Provision Framework as detailed within the report; and

(b) delegates authority to the Executive Director, People Services, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to:

(i) proceed with the implementation of the procurement strategy for a framework arrangement for the Alternative Provision for the academic years 2018-19, 2019-20 and 2020-21 as discussed and agreed with Commercial Services, as set out and in line with the report;

(ii) award such contracts following the procurement process; and

(iii) take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

8.3 **Reasons for Decision**

Lifelong Learning, Skills and Communities request that Cabinet uphold the recommendations made earlier in the report to ensure business continuity is achieved and to provide a futureproof framework that will allow for the continued development of Alternative Provision in Sheffield.

8.4 **Alternatives Considered and Rejected**

Consideration was given as to whether there should be a separate commission for each of the key cohort groups. This option was rejected as:

- It would be time consuming for applicants to make several similar applications if they deliver services to more than one cohort group
- Commercial and Legal services are confident that the commission can be designed to satisfactorily accommodate all cohorts without need for multiple commissions or contracts
- Quality is maintained and risk is reduced by standardising practice (where applicable) across all contracts.

9. **STEP UP TO SOCIAL WORK**

9.1 The Executive Director, People Services submitted a report regarding the Step up to Social Work Programme.

9.2 **RESOLVED:** That Cabinet:-

- (a) notes the contents of the report;
- (b) notes that the Council has entered into the Grant Funding Agreement for the Step Up To Social Work Programme as the lead authority for the Yorkshire and Humberside Regional Partnership;
- (c) approves that Inter Authority Contracts between the authorities of the Partnership, which have been agreed in principle, are now executed;
- (d) approves that the Council enters into an extension of contract with Salford University for Cohort 5; and
- (e) delegates authority to administer the Department for Education (DfE) funding awarded to the Partnership to Sheffield City Council's Assistant Director of Children and Families Fieldwork Services.

9.3 **Reasons for Decision**

9.3.1 The Step Up to Social Work programme is a national initiative which is wholly funded by the Department for Education by way of a grant. This funding includes a bursary payment for each successful student on the degree programme, funding

of the University course, funding for training and supervision of each student whilst they are placed in their host authority across the region and administration of funding by the lead authority.

- 9.3.2 The programme has been running since 2010 and has flagship status both regionally and nationally. The Yorkshire and Humberside Regional Partnership is the largest of the 22 national partnerships participating in the Step up to Social Work programme. This initiative has produced 158 high calibre graduates since its initiation and 98% of these graduates have been successful in gaining employment as social workers in authorities across this region. This initiative has proven to be highly successful in resolving recruitment difficulties in social work in children and families and raising standards in social work education.
- 9.3.3 This year the DfE have approved funding for the Yorkshire and Humberside region to host 37 students which means that external funding awarded will be £1.3m for the 14 month programme which will start in January 2018. Admissions recruitment takes place in June/July 2017. Sheffield is the lead authority and acts as the broker for the grant funding with the responsibility of distribution of funding to each authority as directed by the Department for Education and oversees the success of the programme.
- 9.3.4 The 10 local authorities in the Partnership include: Barnsley MBC, Doncaster Children's Services Trust, Calderdale County Council, East Riding of Yorkshire Council, Hull City Council, North Lincolnshire Council, North East Lincolnshire Council, Rotherham MBC, City of York Council and Sheffield City Council. Letters of Commitment from all these authorities were received at the point of submitting the bid and Inter Authority Contracts have been prepared in accordance with the DfE template. The Grant Offer Letter from the Department for Education was received on 15 June 2017. Salford University were procured to deliver the 14 month post graduate degree programme for Cohort 4 with an agreed extension for Cohort 5 and the relevant contract terms have been agreed (Appendix 1). The grant will be paid on a monthly basis and any underspend on funding as at March 2019 will be repaid to the DfE.

9.4 **Alternatives Considered and Rejected**

- 9.4.1 Sheffield City Council has been the lead authority for the Step up to Social Work programme since its inception at a pilot stage in 2010. The Regional Partnership is the largest in the country and is highly praised by the DfE for its success. The DfE looks upon Sheffield for expert guidance and we are currently providing support and advice to the new West Yorkshire and North Yorkshire Regional Partnership.
- 9.4.2 Sheffield City Council has been invited to join a DfE advisory group of research into the retention and progression of social work graduates from the Step Up to Social Work and Frontline.
- 9.4.3 Sheffield City Council wishes to continue to act as the lead authority for Step up to Social Work within the Yorkshire and Humberside region as it raises the profile of the Authority not only for the workforce across the region but nationally.

- 9.4.4 Sheffield City Council continues to be the lead authority for the trailblazer Teaching Partnership for the South Yorkshire region providing expert advice for new Teaching Partnerships. The South Yorkshire Teaching Partnership allows Sheffield City Council to contribute nationally to the future and raising of standards of social work education which includes Step up to Social Work and the future Social Work Apprenticeship degree programme.

10. WESTFIELD FA HUB PROJECT

- 10.1 The Executive Director, Place submitted a report seeking authority to enter into a lease and Leisure Services Management Agreement with Pulse Soccer Limited for the operation of the Westfield Football Hub, and to dispose of public open space at Westfield to Pulse Soccer Limited and Mosborough Rugby Club via leases.

10.2 RESOLVED: That Cabinet:-

- (a) delegates to the Executive Director, Place, in consultation with the Director of Legal and Governance, the authority to enter into the Collaboration Agreement and a Grant Agreement with the Sheffield Football Trust;
- (b) delegates to the Executive Director, Place, in consultation with the Director of Legal and Governance, the authority to enter into a Leisure Services Management Agreement with Pulse Soccer Limited for an initial period of 8 years, to manage the facility at Westfield;
- (c) notes the previous Cabinet decision of 26th March 2008 to dispose of the land to the Sheffield & Hallamshire County Football Association and now revises that decision and authorises the Chief Property Officer and the Director of Legal and Governance to dispose of the public open space at Westfield to Pulse Soccer Limited via a lease for the period of 8 years and via another lease to the Mosborough Rugby Club for a period of 25 years;
- (d) delegates authority to the Executive Director, Place, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, to agree the terms of the various agreements detailed within this report or any other legal documentation needed to achieve the outcomes set out within the report; and
- (e) delegates authority to the Executive Director, Place, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, to take such other steps as may be deemed appropriate to achieve the outcomes set out in this report.

10.3 Reasons for Decision

- 10.3.1 This preferred option at Westfield is the final stage in the development of the three current hub sites. It also supports the local authority's city-wide strategy to

improve access to sport, health and well-being. The collaboration with the Football Association (FA) also supports their national strategies aimed at improving access to year-round, high quality footballing facilities.

10.3.2 This option allows the Council to commence the clear nine year vision for the three hub sites at Graves, Thorncliffe and Westfield and the wider FA project. This collaboration should also encompass and facilitate the emerging objectives of the Sheffield Football Trust (SFT) listed below, whilst providing clear guidance on the % of surplus (when sinking funds and Trust running costs have been factored in) that should be allocated against each key objective;

(i) Manage the recently awarded contractual relationship with Pulse Soccer Limited to ensure the hubs are financially sustainable and the development outcomes that formed part of the tender submission are realised.

(ii) To use the revenues generated by the hub sites to support other football facilities / pitches, currently provided and subsidised by Sheffield City Council. Key grass sites that the Trust will take ownership of should be within the strategy and a clear phasing plan outlined that is in line with the SFT revenue budget available.

(iii) Develop a grounds maintenance service utilising equipment banks to drive up the quality of outlying grass pitch sites both on public pitches and club leased sites (within and outside of the SFT).

(iv) Promote sustained and increased participation in football to achieve wider social outcomes, for all participants from aged 5 up. This project should set out some more specific interventions e.g. to deliver measurable contributions to local public health targets (smoking cessation, regular activity frequencies, sexual health, mental health etc.) and identify which local stakeholders/experts could deliver this activity.

10.4 **Alternatives Considered and Rejected**

10.4.1 The FA recognised that grassroots football facilities in England are under severe pressure from local authority budget cuts. In October 2014, the FA launched a national initiative to invest in grassroots facilities and they have agreed that Sheffield would be the first city in which they deliver their programme.

10.4.2 The alternative to this would be not to enter these agreements and without investment there would be a severe decline in the quality and standards of Council football pitches.

10.4.3 The benefits to Sheffield include new and affordable facilities – artificial pitches, improved grass pitches and changing facilities; increased participation levels and improved health; major capital investment from national sources and a potential long term saving to the Council as more play is concentrated on fewer pitches. Therefore, whilst the FA's national initiative is recognition of the budget pressures faced by most local authorities, the potential opportunities and benefits are substantial for Sheffield.

- 10.4.4 Other participants are investing in grassroots facilities too, including the private sector, especially in commercially run small-sided centres or through league clubs. However, it is a stark fact that the current level of overall investment is not enough to (i) protect the current supply of grass pitches and (ii) deliver the growth in Artificial Grass Pitches that is needed to catch up with other countries and to provide a better quality, more sustainable football facility infrastructure.

11. OLYMPIC LEGACY PARK: FUTURE STRATEGY

- 11.1 The Executive Director, Place submitted a report updating Cabinet on progress at the Olympic Legacy Park (OLP) and to approve delegated authority to support the further development of the site through discussions and negotiations with potential investors in the OLP site

11.2 RESOLVED: That Cabinet:-

- (a) notes the progress that has been made in transforming the former Don Valley Stadium site to the Olympic Legacy Park through;
 - o the setting up of Legacy Park Limited (LPL) to cement public sector partnership working and create a vehicle to engage with the private sector,
 - o the construction and opening of both the academy and University Technical College,
 - o the delivery of the 3G pitch and appointment of an operator,
 - o completion of the impressive public realm on the site and its management by LPL, and
 - o the funding and agreement with Sheffield Hallam University for the building of the Advanced Well-being Research Centre;
- (b) in relation to the stadium, endorses the recommendation from LPL that the preferred solution is the one submitted by Scarborough International Property Limited (SIPL) and approve further dialogue to reach agreement with SIPL on terms for disposal so that the stadium can be delivered;
- (c) endorses the principle that Sheffield Eagles Rugby League Club should be allowed access to play at the sports stadium provided a commercial agreement can be reached with the operator;
- (d) in relation to the indoor sports arena, notes the progress that has been made so far with Park Community Arena (PCA) and approves further dialogue to reach agreement on terms for disposal with the proviso that agreement shall be reached by the end of October 2017;
- (e) notes the preferred solution for school indoor sports access is the sports arena and to endorse the principle for the school indoor sports that the access for the school be legally secured in the event of a change of ownership or operator and to note this may affect the value of any premium

to be received by the Council;

- (f) authorises the further discussion with SIPL and Sheffield Hallam University to progress options for the remaining commercial sites and wider options for the long term future of the OLP; and
- (g) delegates to the Executive Director, Resources, in consultation with the Leader; and the Chief Property Officer, authority to agree terms for disposal of sites on the OLP, and take such steps not covered by existing delegations as he feels appropriate to achieve the outcomes in the report.

11.3 **Reasons for Decision**

The option set out in the report is regarded as the best solution for delivering the vision for the site. It also allows the future development of the site with no calls on Council funding or subsidy.

11.4 **Alternatives Considered and Rejected**

A number of alternatives were considered ranging from pure commercial development through to a totally public-sector led project. The project outlined in this report, which combines commercial and public sector and aims to have both economic and social/health benefits, is by far the best option available.

12. **MONTH 5 CAPITAL APPROVALS**

12.1 The Executive Director, Resources submitted a report providing details of proposed changes to the Capital Programme as brought forward in Month 5 - 2017/18.

12.2 Members requested that the final sentence on page 122 of the agenda pack be removed as this was incorrect.

12.3 **RESOLVED:** That Cabinet:-

- (a) approves the proposed additions and variations to the Capital Programme listed in Appendix 1 and 1a, including the procurement strategies and delegates authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts; and
- (b) approves the acceptance of the grant funding detailed at Appendix 2 in the report.

12.4 **Reasons for Decision**

12.4.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

12.4.2 To formally record changes to the Capital Programme and gain Member approval

for changes in line with Financial Regulations and to reset the Capital Programme in line with latest information.

12.4.3 Obtain the relevant delegations to allow projects to proceed.

12.5 **Alternatives Considered and Rejected**

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

13. **DEVONSHIRE QUARTER**

13.1 The Executive Director, Place submitted a report in relation to the proposed acquisition of sites in the Devonshire Quarter.

13.2 **RESOLVED:** That:-

- (a) approval is granted to the acquisition of two leasehold interests and two freehold vacant sites in the Devonshire Quarter, in accordance with the details outlined in this report; and
- (b) that the decisions as to which combination of sites are acquired is delegated to the Chief Property Officer to allow flexibility in response to rapidly changing market conditions.

13.3 **Reasons for Decision**

The intended outcome is to accelerate housing delivery and kick-start the continued regeneration of the Devonshire Quarter whilst creating a more sustainable mix of housing types in the City Centre.

13.4 **Alternatives Considered and Rejected**

Do nothing – may result in the vacant sites remaining undeveloped for the foreseeable future or individual sites developed in isolation in a way that could restrict the development of the area.

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Agenda Item 7



Author/Lead Officer of Report: Alice Nicholson,
Policy & Improvement Officer

Tel: 0114 27 35065

Report of: Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

Report to: Cabinet

Date of Decision: 15th November 2017

Subject: Call-In of Leader's decision on "Changes to Environmental Maintenance Services"

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>Environment and Streetscene</i>		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny and Policy Development Committee		
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 paper reports the outcome of the Scrutiny Committee meeting held on 2nd November 2017 where a Call-In of the Leader's decision on 10th October 2017 regarding "Changes to Environmental Maintenance Services" was considered.

Recommendations:

That Cabinet:

- a) Notes the decision of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

Background Papers:

Leader of the Council's Decision on Changes to Environmental Maintenance Services

<https://imgmeetings.sheffield.gov.uk/ieDecisionDetails.aspx?ID=1887>

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> n/a
		Legal: <i>(Insert name of officer consulted)</i> n/a
		Equalities: <i>(Insert name of officer consulted)</i> n/a
<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	EMT member who approved submission:	<i>(Insert name of relevant Executive Director)</i> n/a
3	Cabinet Member consulted:	<i>(Insert name of relevant Cabinet Member)</i> n/a
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.	
	Lead Officer Name: <i>Alice Nicholson</i>	Job Title: Policy & Improvement Officer
	Date: <i>06/11/2017</i>	

Called-In Decision – Outcome of Scrutiny Committee Meeting

1. Leader's Decision

- 1.1 On the 10th October 2017 the Leader of the Council took the following decision:

Decision:

(i) the proposed changes to the street cleaning and grounds maintenance elements of the environmental maintenance service detailed in section 1.3 and Appendix A of the report are implemented in full subject to:

- a. the capital costs associated with implementing the proposed changes do not exceed the costs listed in Closed Appendix A of this report; and*
- b. the associated changes to the Contract are commercially acceptable to the Council; and*

(ii) the Leader delegates authority to the Interim Director of Finance and Commercial Services in consultation with the Executive Director, Place and the Director of Legal and Governance to vary the Streets Ahead contract following the finalisation of the capital costs required to fund the contract change and finalisation of the associated commercial changes required to the Streets Ahead contract.

2. Scrutiny

- 2.1 As per Part 4, section 16 of Sheffield City Council's Constitution, this decision was called in.
- 2.2 The Economic and Environmental Wellbeing Scrutiny and Policy Development Committee considered this call-in at a meeting held on 2nd November 2017.
- 2.3 The Committee heard from the relevant Cabinet Member, Council Officers, Councillors who called-in the decision, and member of the public. The issues discussed included detail of what will be the differences and possible impact for Street Cleaning and Grounds Maintenance, in particular resilience of Smart Bin technology, managing collection of detritus in pockets not so suited to mechanical sweeping, biodiversity and appropriate cutting of verges; make sure what should happen does happen; engaging with voluntary litter picking groups; and campaign to reduce litter.
- 2.4 The Scrutiny Committee:
- (a) agreed to take no action in relation to the called-in decision
 - (b) requests that an item be included in the work programme to examine the impact in 6 to 12 months of these changes to environmental maintenance.

3. Recommendations:

That Cabinet:

- a) notes the decision of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee
-



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: *15th November 2017*

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>People Services</u>		<u>Years' Service</u>
Carol Davies	Senior Teaching Assistant Level 3, Stocksbridge Junior School	25
Gillian Hutchinson	Teacher, Ecclesall Infant School	27
David Pullin	Teacher, Brunswick Community Primary School	24
Andy Wynne	Lead for eLearning and Capital Strategy	35
<u>Resources</u>		
Elaine Gledhill	Team Leader, Customer Services	28
Helen Lloyd	Team Leader, Customer Services	38
Dave Ross	Principal Committee Secretary	38

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Author/Lead Officer of Report:
Tammy Whitaker, Head of Property Services

Tel: 2053230

Report of: **Olivia Blake, Cabinet Member for Finance
 Ben Curran, Cabinet Member for Planning and
 Development**

Report to: **Cabinet**

Date of Decision: 15 November 2017

Subject: **Disposal of Land at Hoyle Street, Sheffield**

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input 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?	
Finance, and Planning and Development	
Which Scrutiny and Policy Development Committee does this relate to?	
Economic and Environmental Wellbeing Scrutiny Committee	
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 checked="" type="checkbox"/> No <input 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:-	
The Appendix A attached is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”	

Purpose of Report:

The report seeks authority to sell Sheffield Council's land interests in property in the vicinity of Hoyle Street and Doncaster Street to Scotfield, enabling the Council to achieve a capital receipt, bringing forward the development of housing and achieving the redevelopment of a prominent but underused site.

Recommendations:

It is recommended that the Chief Property Officer be authorised to negotiate final sale terms and a conditional contract for the sale of the land identified edged red on the attached plan and to instruct Legal to draft conditional contracts for a sale.

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 Sellars
Equalities: N/A	
<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	EMT member who approved submission: Lorraine Manley
3	Cabinet Member consulted: Olivia Blake , 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.
	Lead Officer Name: Tammy Whitaker
	Job Title: Head of Property Services
Date: 15 th November 2017	

1. PROPOSAL

- 1.1 The Council has been approached by the developer "Scotfield" who wish to acquire Council land interests at Hoyle Street and complete their assembly of a site for comprehensive redevelopment. Sheffield Council has the freehold interests in all the areas within the red line on the attached plan, with the exception of 16, 14 and 11 Mathew Street.
- 1.2 Scotfield have bought an option for property owned and occupied by a small business called Argent Steel (a firm of steel stockholders). Argent Steel occupies property which separates SCC owned land from Shalesmoor and Hoyle Street. Having acquired this position Scotfield approached SCC for an exclusivity agreement to enable them to work up a scheme for the comprehensive redevelopment of the combined Argent and SCC owned lands.
- 1.3 This site assembly has created a larger, more viable site, and avoids the difficulties of trying to develop land separated from the existing highways by old industrial buildings.
Scotfield can be regarded as a 'Special Purchaser' because they are in an enhanced position to bring forward comprehensive development across the sites identified in the report by nature of their control of the adjacent sites and it has therefore been concluded that the proposed disposal is the most likely means of facilitating the delivery of the development brief.
- 1.4 Scotfield's redevelopment scheme comprises the following:-

Mixed development of commercial/leisure, private residential for sale and rent with some student provision. The scheme comprises four main blocks plus a block of 11 town houses.

Block A 243 Student Flats

Block B 55 X 7 Bed Cluster Student Flats (385 Beds) Plus 2,637 sq ft commercial/ leisure space.

Block C 24 x Cluster Student Flats Plus 5,317 sq ft commercial / leisure space. Total 322 Student Flats

Block D 145 Private Flats

Block E 11 Townhouses

7,954 sq ft of commercial leisure space at ground floor level.
- 1.5 Having been presented with this scheme of redevelopment the City does not have to proceed to sell its property interests and could choose alternative courses of action, however Scotfield's proposals would be of great benefit to the city and it is difficult to see what alternative courses of action the city should take in the absence of Scotfield's proposals.

- 1.6 Scotfield have reviewed this proposal recently and although this scheme is possible it may change but only to the extent that some student housing could be replaced by apartments specifically aimed at the private rented sector.
- 1.7 The proposal does involve a significant element of student housing but the site also achieves much conventional housing, of which there is an acknowledged and significant shortfall in the city. Student housing in this non-suburban location would be far less problematic than if located within more peripheral residential neighbourhoods and proposals such as the one at Hoyle Street tends to divert demand away from these more sensitive locations which is advantageous.
- 1.8 Whilst ideally the Hoyle Street site would be developed out wholly for family housing this is unachievable in practical terms given the height requirements any building(s) would have to meet, and given limited market demand for family apartments. To insist on wholly family or non-student housing would therefore suppress the land value to low levels and result in a development of insufficient scale for this gateway location.

2. HOW DOES THIS DECISION CONTRIBUTE

- 2.1 The Council owned sites form the majority landholding but have been unused for around 20 years. The sale will allow the unused land to be brought into use and enable Scotfield scheme of redevelopment to be brought forward. Following redevelopment the sites will be kept in a clean and tidy condition and will generate housing for the city as well as a capital receipt for Sheffield City Council.
- 2.2 Part of the scheme proposes an impactful 19 storey tower on the corner of Hoyle Street and Shalesmoor. The proposals would form an iconic building on a landmark site to matches the ambitions Sheffield Council aspires to.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is not required to consult on the proposals, which will have to go through the statutory planning process and comply with the consultation requirements of this process

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 None

4.2 Financial and Commercial Implications - see Appendix A

4.3 Legal Implications

4.3.1 The proposal is for the Council to convey the freehold interest in the land, such sale being conditional on Scotfield securing Planning Permission for their proposed scheme of development and subject to a substantial start on the non – student element of the scheme having been made. Scotfield will deposit a separate bond of £0.5m with SCC and draw down these monies to guarantee a substantial start on the non-student element.

4.3.2 The purchaser, having agreed a purchase of the private land is considered to be a special purchaser, and the Council is able to dispose of the land on a private treaty basis in accordance with Section 123 of the Local Government Act 1972.

4.3.3 None

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing. The site has been vacant for many years and one option would be to leave the site undeveloped and not take advantage of the opportunity which has presented itself. This option would however run counter to the Councils ambitions to achieve housing and to achieve best value for its assets.

Market the site at some later date jointly with Argent Steel or try and sell the Councils land assets separately from the private landowner. The former option would simply delay arriving at the current position and risk the private landowner selling in isolation, the second option of developing the Councils land piecemeal may not be possible due to Planning constraints and Argent steel resisting any proposals that would alter their access arrangements i.e. through council land.

6. REASONS FOR RECOMMENDATIONS

6.1 As stated above, the Head of Property Services is minded to approve the disposal of this land and recommends the sale of these council assets via private treaty sale to Scotfield.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Author/Lead Officer of Report: Joel Hardwick
(co-Head of Access & Pupil Services)

Tel: ext 35476

Report of: Jayne Ludlam
Report to: Cabinet
Date of Decision: 15th November 2017
Subject: A strategic review of inclusion and Special Educational Needs & Disabilities provision in Sheffield

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? Children, Young People and Families		
Which Scrutiny and Policy Development Committee does this relate to? Children, Young People & Family Support Scrutiny		
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? EIA97		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Purpose of Report:

This report describes the current work underway to support improvements to education provision for children with Special Educational Needs and Disabilities (SEND) and those at risk of exclusion from school. It then proposes a strategic review and call for views on provision, including a period of engagement with stakeholders to shape change proposals and support the identification of potential capital projects.

Recommendations:

That Cabinet:

- i. Acknowledges and approves the work outlined at 1.4
- ii. Approves a period of engagement to further review provision as outlined at 1.6
- iii. Anticipates such further updates as are required following the period of engagement

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>Paul Jeffries</i>
	Legal: <i>Nadine Wynter</i>
	Equalities: <i>Bashir Khan</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	EMT member who approved submission: <i>Jayne Ludlam</i>
3	Cabinet Member consulted: <i>Cllr Jackie Drayton</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.
	Lead Officer Name: <i>Joel Hardwick</i>
	Job Title: <i>Co-Head of Access & Pupil Services</i>
Date: <i>6.11.17</i>	

1. PROPOSAL

- 1.1 As a city, we are committed to providing the best start in life for all Sheffield children. One vital element of this work is supporting children with Special Educational Needs and Disabilities (SEND) and those at risk of exclusion from school. This involves promoting inclusion and reducing exclusion from the education system by successfully meeting the needs of children in their local school and being responsive to changing needs. As part of this work we need to undertake a period of engagement to review provision and look in more detail at key areas. This is an important part of a strategic approach to commissioning that will enable us to shape up improvements to provision, more tailored and flexible to current and future needs.
- 1.2 The most crucial aspect in all of this work is the individual outcomes for these children and young people – the educational outcomes at each key stage and the effective preparation for adulthood and independence. The work described in this report and the call for views are vital to the city’s approach to improve individual outcomes as part of a sustainable, effective model that works for all Children and Young people with Special Educational Needs. Demand for this provision has risen, and budgets remain very tight, we are committed to the strong partnership work that is required with all stakeholders to deliver excellent outcomes for these children and young people.

Current Issues in Meeting Need

- 1.3 There are a number of issues that drive the need for further consideration of the way the city’s education system works for these children and their families:
- Outcomes: performance indicators remain inconsistent and whilst there have been some improvements, there remains much to do if the city is to consistently narrow the gap in progress made by SEN children compared to non-SEN children across all age ranges
 - Basic population driver: The school-age population has grown by 7% this decade and will continue growing – it is anticipated to rise by a further 5% in the next 5 years. On current patterns that would translate into approximately 50 additional special school places.
 - Changing patterns in need/demand: Rise in the number of children identified with Autistic Spectrum Disorder (ASD) alongside a rise in the proportion of ASD pupils who are placed in a Special School; the high proportion of children with Social, Emotional, and Mental Health (SEMH) needs placed in special school; a rise in fixed-term and permanent exclusions; small but financially significant number of children with complex needs; and a recent rise in the proportion of children with Moderate Learning Difficulties (MLD) placed in

Special Schools

- Budgetary pressure: demand has risen in recent years with a static budget. Based on an assessment of the current cohort the Education Funding Agency's indicative allocation for Sheffield in 2018/19 would be £60m, compared to an actual allocation of £53m. This area of work must be placed on a sustainable footing by targeting resources in the most effective way
- Recent trends in inclusion: in Sheffield 31% of children with Education, Health and Care Plans attend a mainstream school (not including pupils placed in integrated resources). This has dropped from 40% since 2012 and currently compares to 41% nationally and 36% across similar cities. Further the number of permanent exclusions has risen and sits above national benchmarks.
- Pressure on schools: there are a number of pressures on schools from the standards agenda to the budgetary pressures at school level that must be acknowledged as part of any strategy around inclusion.
- Parental confidence: Parents report low confidence across the board in regards to how the city is meeting their child's Special Educational Needs. This includes issues around the timeliness of the EHCP process and the communication and support to families through this period.

Current Work

1.4 As part of the ongoing drive for improvement there are a number of areas of work seeking to enhance Sheffield's offer and outcomes:

- 0-25 Lifecycle Approach: Moving to a whole lifecycle approach from the early years supporting as many children and young people as possible on a journey towards independence. Improving integration with partners to enable the earliest identification of needs, early intervention and prevention and support key transitions.
- Localities: the city operates a number of systems through a breakdown of the city and its schools into seven localities. Part of this work has included devolving funding from the high needs block to schools, managed by groups of schools at a locality level, to support SEND/inclusion priorities, particularly for those with Education, Health, and Care Plans (EHCP). Multi-Agency Support Teams are also organised around localities and this development can further the city's objectives of having better, tailored provision available within each part of the city to build successful families and increase participation in local schools
- Early Years Centres of Excellence: the development of three Early Years Centres of Excellence from within existing structures, to align with the localities, to support the prevention and early intervention agenda by working with early years providers to identify and support children age 0-5 with SEND as early as possible, including increasing school readiness for all children.

- New Special School: Sheffield has been successful in the first stage of developing a proposal for a new Special School. This is a programme that is being run by the Department for Education and the Sheffield school would be a small provision of 40-60 places for children with some of the most complex needs, particularly around ASD and SEMH. This would be aimed at better meeting the needs of these children and sustainably supporting better outcomes within the local offer of provision.
- Joint Commissioning and partnership working: collaborative work between the Council and the NHS to integrate funding and commissioning decisions to make care for Sheffield people more coordinated. There is also an Inclusion Taskforce that brings together schools and the Council to drive improvements in this area. We have also given a commission to the Sheffield Parent Carer Forum to develop and enhance the Sheffield Local Offer.
- Short Breaks Review: The Council and Sheffield NHS CCG have worked together to review short break services for the parent carers of disabled children, hearing the views of children and young people, parent carers, staff and providers on what works well and what we might be able to do differently.
- Future in Mind: Sheffield was successful in bidding for funding from the NHS Future in Mind programme. The programme is aimed at improving children and young people's emotional wellbeing and mental health. The strategy is based upon core priorities around resilience, prevention, and early intervention; improving access to services; caring for the most vulnerable children; accountability and transparency; and, developing the workforce to better support this area of work.
- New commissions developed to support inclusion: there are now a number of small interventions and support programmes in place with special schools offering outreach, operating hubs in mainstream schools, and groups of schools operating joint nurture provision.
- MyPlan and the Sheffield Support Grid: Sheffield has been seeking ways to provide better and more consistent support to children across all levels and types of need and enable better planning and common understanding of need. The Support Grid is a common framework for Sheffield to help when assessing and reviewing the needs of a child or young person. This can then be applied when drawing up a plan for each individual - MyPlans take a person-centred approach, much like an EHCP, and are primarily for children with lower levels of need or complexity than an EHCP.
- Parenting Offer: a programme of parenting support, recognising the hugely important role that parents and families play in achieving good outcomes for children to help break the cycle of vulnerability.

1.5 This work forms a significant part of our work to improve the local offer and ultimately the outcomes for these children and young people. Set behind this work is a substantial ongoing effort to improve the way

families and schools are supported through this process – to improve their experience, the timeliness at each stage of the process including ongoing reviews, and to improve the overall confidence in the Sheffield offer.

Areas for Further Development

- 1.6 The overall strategy for inclusion sets a positive approach to ensuring improved outcomes for children with Special Educational Needs and Disabilities and those at risk of exclusion from school. Within this there is further development work to do to ensure that the system is continuing to address gaps and disconnections, increasing flexibility to meet changing needs, and ensuring resources are targeted effectively. This report is therefore proposing a period of engagement with stakeholders to further develop our approach in the following areas:
- i. Reviewing SEND provision – to enable the earliest identification of need, increasing early intervention and prevention; reviewing Integrated Resources (IR) in the city - towards enhancing support within localities and in particular improving support for the city's growing ASD needs; supporting the inclusion of more children and young people in mainstream schools in their local area; and, where appropriate identifying capital projects that could support these outcomes under the special provision capital fund.
 - ii. Creating a continuum of support and provision for children and young people who have been, or are at risk of being, excluded from school

i. Reviewing SEND Provision

- 1.8 Early intervention and prevention: the best way to drive sustainable, long-term improvements in outcomes and the transition to adulthood is to identify needs early and offer support that enables children to successfully retain access to local mainstream provision, including at key transition points. As part of the next period we need to review the work to identify needs early, the support that is available to families, schools and early years providers, and the funding model around this area.
- 1.9 Integrated Resources: There are currently four secondary and eight primary Integrated Resources. They are not equally distributed across the city, have a variety of specialisms, and do not evenly cover the full primary age range. The starting points for discussion in the next period is to:
- look at how Integrated Resources (IRs) could provide more even coverage across the city as part of their localities
 - to consider ways in which IRs could support the growing number of children with ASD in their local area, perhaps through a hub model, providing local places as well as offering support to other local schools and linking support from wider services
- 1.10 Special Schools: There are currently six secondary and four primary special schools with a total of around 1100 children in September 2017.

We are seeking to move towards a model that is more effectively focussed on the pupils whose needs and outcomes depend on a special school setting, whilst better supporting children with SEND in their local mainstream school. We therefore need to review the current provision with a view to changes that would:

- Ensure the special school offer across the city is meeting the current and expected future needs
- Improve the offer of support in local mainstream schools, working through the locality model, to improve outcomes into post-16 and beyond

ii. Transforming support and provision for children and young people who have been, or are at risk of being, excluded from school

1.11 Sheffield currently has a central provision, the Sheffield Inclusion Centre, providing education for the city's excluded pupils alongside some specialist outreach services in the primary phase. We would like to consider establishing a continuum of provision that would better support the most complex needs and successful reintegration into school, alongside a greater focus on support being available locally for early intervention to prevent exclusion. The starting point for engagement with stakeholders is to shape proposals that would:

- Provide personalised support for the most complex and challenging children & young people
- Provide a 'middle tier' of support that offer placements in partnership with mainstream schools with a view to successful re-integration of pupils through a whole family, multi professional and therapeutic approach. In order that the child, family and school can access the support they need to enable the child to be successful in a local mainstream school setting.
- Consider how specialist outreach services are made available to reduce school placement breakdown, improve mainstream school practice and confidence working with pupils, and improve parental confidence in their local school's ability to successfully support pupils with complex needs.

2. NEXT STEPS

2.1 The proposal is to take time in the next period to review provision through focussed engagement with stakeholders. This would take place over the remainder of the autumn term, with a view to drawing early conclusions in the new year.

2.2 At this stage we would naturally have a focus on key stakeholders who are already involved, taking in schools and providers along with families with children in provision, particularly through the Sheffield Parent Carer Forum as a representative group from which to also liaise with other

family and young person support groups. We will include opportunities for involvement through workshops, meetings with individual and groups of schools, and an online survey to allow for a wider contribution.

- 2.3 The special provision capital fund requires a list of potential projects to be published by 14th March 2018. This must be subject to engagement with stakeholders in the lead up to publication and this requirement would be covered under the engagement outlined above.

3. HOW DOES THIS DECISION CONTRIBUTE?

- 3.1 This is an area of work that contributes in a number of ways to the priorities outlined in the Council's Corporate Plan:

- An in touch organisation – understand the increasingly diverse needs of individuals in Sheffield so the services are designed to meet these needs
- Strong economy – local people to have the skills they need to get jobs and benefit from economic growth
- Thriving neighbourhoods and communities – access to great, inclusive schools, people feel safe, and local people and communities are able to get involved
- Better health and wellbeing – helping people to be healthy and well by promoting and enabling good health whilst preventing and tackling ill health. Provide early help and look to do this earlier in life to give every child the opportunity to have a great start in life.
- Tackling inequalities – making it easier for individuals to overcome obstacles and achieve their potential, supporting individuals and communities to help themselves and each other, so the changes they make are resilient and long lasting. Enable fair treatment, taking account of disadvantages and obstacles that people face

4. HAS THERE BEEN ANY CONSULTATION?

- 4.1 The report is seeking agreement to engage further with stakeholders on the areas described in the report. This will assist us to plan and deliver these services in a way that makes best use of our resources and ensures decisions reflect the needs and priorities of the city.
- 4.2 It will take a number of forms described above and the results will be reported back to Cabinet as necessary to inform further decision making.

5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

5.1 Equality of Opportunity Implications

- 5.1.1 Decisions 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

5.1.2 The Equality Act 2010 identifies the following groups as a protected characteristic:

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

5.1.3 An Equality Impact Assessment has been carried out and highlights the areas for engagement are vital to the city's approach to improve equality of opportunity and individual outcomes as part of a sustainable, effective model that works for all Children and Young people with Special Educational Needs that meets current and future needs. Further EIA's will be undertaken for the change proposals that emerge following the engagement.

5.2 Financial and Commercial Implications

5.2.1 The targets around inclusion can only be met if resources are targeted effectively. The following outcomes have been identified as part of the draft Sheffield Inclusion Strategy 2017-2022 under the key theme around support, provision and commissioning:

- By August 2018, Sheffield will have in place or in the process of being commissioned the right provision so that all children and young people are able to access placements that meet their education, health and care needs.
- By December 2018 we will ensure that provision is available within a learner's local area, that meets individual and local area needs by further developing a Locality Model
- Children and young people who are unable to be adequately supported in their local mainstream provision, are accessing an appropriate placement as close to their homes as possible.
- There is a range of appropriate care provision for young adults so that if a young person is unable to access employment they will have the opportunity to engage in meaningful activities in line with their age.
- All families will be able to access appropriate support to meet a

child's unmet care needs through appropriate early intervention, targeted and specialist provision.

- Young people with additional health needs will have the treatment and advice to manage and reduce the impact of their health needs so that they are enabled to access education and are prepared for adulthood

5.2.2 These outcomes must be underpinned by sensible performance measures looking at outcomes for young people, proportionate reductions in placement breakdowns (both mainstream moves into special and permanent exclusions), and an increase in the extent to which children have their needs met in their local area, and for the highest needs within Sheffield and the local region. These measures would need to be monitored at the city level, but also within local areas through localities, in order to see this area of work on a sustainable financial footing and ensure that resources are targeted where they are needed.

5.2.3 The current level of spend on SEN will create a financial pressure for 2018/19 which is being incorporated into the overall portfolio financial strategy. From 2019/20 onwards a sustainable financial position is required. Achievement of the outcomes in the Sheffield Inclusion Strategy mentioned in 5.2.1 must enable that sustainable financial position, supported by more detailed financial modelling on place numbers and average provision costs to confirm the overall financial impact. This model will be continually developed over the period of engagement and will be incorporated into the portfolio financial strategy to ensure viability.

5.3 Legal Implications

5.3.1 Part 3 of the Children and Families Act 2014 places legal duties on Local Authorities to identify and assess the special educational needs (SEN) of children and young people for whom they are responsible and must then ensure that those children and young people receive a level of support which will help them "achieve the best possible educational and other outcomes". There is also a requirement to ensure that children, their parents and young people are involved in discussions and decisions about their individual support and about local provision. This report and a review of provision form part of Sheffield's continued drive to meet those duties successfully.

5.4 Other Implications

5.4.1 Property implications may arise from any capital proposals that come forward and these would be reported through the appropriate channels once known.

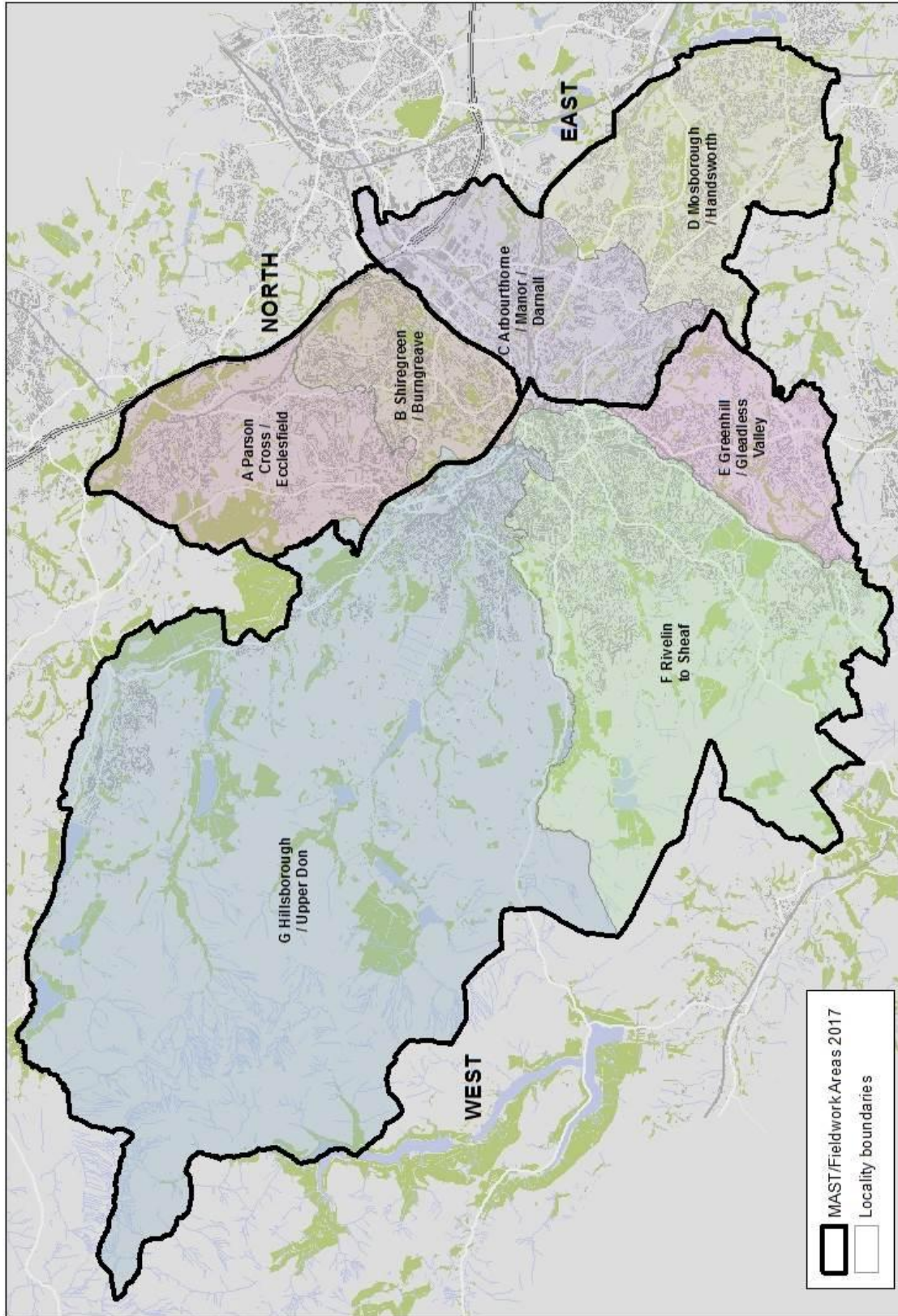
6. **ALTERNATIVE OPTIONS CONSIDERED**

6.1 The period of engagement would give a good opportunity to consider alternatives prior to taking forward any further decision making.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The next period of engagement should provide a route for all stakeholders to input into this important area of work. This would enable us to build on the improvements that are already underway in a way that is more attuned to the current and future needs of these children and families.
- 7.2 The outcome should ultimately be to improve individual outcomes as part of a sustainable, effective model of provision that works for all Children and Young people with Special Educational Needs and Disabilities.

APPENDIX 1: Locality Map





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: *15 November 2017*

Subject: *Revenue and Capital Budget Monitoring 2017/18 –
As at 30th September 2017*

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? <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 Q2 monitoring statement on the City Council’s Revenue and Capital Budget for 2017/18.

Recommendations:

Cabinet are asked to:

- (a) Note the updated information and management actions provided by this report on the 2017/18 Revenue Budget position and the monitoring information on the Capital Programme..
- (b) Consider for approval the request for carry forward funding in **Appendix 7**.

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	EMT member who approved submission: <i>Eugene Walker</i>
3	Cabinet Member consulted: <i>Councillor Olivia Blake Cabinet member for Finance and Resources</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.
	Lead Officer Name: <i>Dave Phillips</i> 
	Job Title: <i>Head of Strategic Finance</i>
Date: 6 th November 2017	

1. PROPOSAL

- 1.1 This report provides the quarter 2 monitoring statement on the City Councils Revenue and Capital Budget for 2017/18

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 To formally record changes to the Revenue Budget and gain Member approval for changes in line with Financial Regulations.

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 There are no specific equal opportunity implications arising from the recommendations in this report.

4.2 Financial and Commercial Implications

- 4.2.1 The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2017/18, and as such it does not make any recommendations which have additional financial implications for the City Council.

4.3 Legal Implications

- 4.3.1 There are no specific legal implications arising from the recommendations in this report.

4.4 Other Implications

- 4.4.1 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.

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 note the latest position against the Revenue Budget and Capital Monitoring. Also to formally agree the carry forward proposed in appendix 7.

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30 SEPTEMBER 2017

Purpose of the Report

1. This report provides the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme to September 2017. The first section covers Revenue Budget Monitoring, and the Capital Programme is reported at paragraph 17.

REVENUE BUDGET MONITORING

Summary

2. As at month 6, the Council is showing a forecast overspend of £17.5m. It should be stressed that this position is prior to ongoing action by portfolios to identify savings and contain pressures. The position may be further mitigated as work continues following a review of the deliverability of saving identified in the 17/18 budget.
3. The overall Council position is summarised in the table below.

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
CYPF	79,365	68,229	11,136	↑
COMMUNITIES	142,546	136,136	6,410	↓
PLACE	193,547	193,671	(124)	↓
POLICY, PERFORMANCE & COMMUN	2,355	2,463	(108)	↔
RESOURCES	39,553	39,229	324	↓
CORPORATE	(439,835)	(439,728)	(107)	↔
GRAND TOTAL	17,531	-	17,531	↓

4. In terms of the month 6 forecast overspend position of £17.5m, the key reasons are:

People are forecasting to overspend by £17.5m for the following main reasons:

- Learning Disabilities Purchasing is forecasting an £8.9m overspend. This is inclusive of £1.6m in pressures relating to demand growth and fee increases.
- Long Term Care Purchasing is forecast to overspend by £1.7m due to increased activity, owing to improved pathways and reduced delayed transfers of care.

- Mental Health Purchasing is forecast to overspend by £1.3m due to unachieved savings between SCC and the CCG regarding new ways of working.
- Children and Families are forecast to overspend by £10.9m. Primarily this is down to placement costs of £8m and Fieldwork Services overspending by £1.8m in increased transport costs and contact time for children in care.
- These overspends are offset by an iBCF Contribution of £5.0m. A Cabinet paper in July approved the use of this funding to offset the above care pressures.

Place are forecasting a £0.1m underspend. Overspends for slippage in savings from the Place Change Programme (£0.5m) and increase Waste Management costs (£0.4m) are offset by savings in office accommodation costs (£0.5m) and net contract savings of (£0.4m).

Resources are forecasting an increase in expenditure of £0.3m. The significant features of this position are an overspend of £0.5m on Corporate Rebates & Discounts, an overspend of £0.3m on Customer Services due to unachieved savings and an overspend of £0.1m against Business Change & Information Solutions. This is offset by a reduction of spend of £0.4m within Central Costs

Appendix 1 describes these outturn forecasts in greater detail.

Commentary

5. The main variations since Month 3 are:

People has improved by £2.2m on the Quarter 1 position. The significant movements within this are;

- A £4.9m improvement in position in Adult services due to the application of £5.0m of Better Care Funding as agreed at July Cabinet and £0.5m staff savings as a result of improved sickness management in Provider Services, offset by additional pressures relating to Home Care costs within Long Term Care of £1.0m.
- A £2.7m worsening of position within Childrens' services. This is largely due to movements within Children and Families – £2.1m of increased costs in Placements due to increased complexity of cases and £0.8m increased demand for contact time, legal fees and travel passes within Fieldwork Services relating to Children in Care. This is slightly offset an improved position of £0.2m within Business Strategy due to small improvements in a number of services areas, including the effects of the Post 16 travel policy reducing the number of travel passes purchased and increasing parental reimbursements.

Place has improved by £0.7m since the Quarter 1 report, due to relatively small forecast cost reductions across a number of service areas.

Resources and PPC have improved by a total of £0.6m. The key reasons for this are; £0.3m improvement due to a significant rebate on the agency staffing contract and £0.3m improvement within Central Costs, mainly relating to employee pension costs.

Appendix 1 describes these movements since Quarter 1 in greater detail.

6. 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.
7. Full details of all reductions in spend and overspends within Portfolios are detailed in **Appendix 1**.

Public Health

8. The Public Health ring-fenced grant is currently forecasting a £0.6m underspend against the original grant allocation. Further details of the forecast outturn position on Public Health are reported in **Appendix 2**.

Housing Revenue Account

9. The HRA income and expenditure account provides a budgeted contribution towards funding the HRA capital investment programme. As at month 6 the full year outturn position is an improvement of £0.8m from this budgeted position.
10. The main areas influencing the outturn include lower than budgeted rental income, and repairs and maintenance costs including additional fire safety work and some items which may be of a capital nature. The position will be monitored throughout the year.
11. In addition to the main HRA account, there is a £16k surplus on the ring fenced Community Heating account.
12. Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

Collection Fund

13. As at the end of Quarter 2, the local share of the Collection Fund Income Stream is forecasting an overall in-year deficit of £0.5m made up of a £2.5m surplus on Council Tax and a £3.0m deficit on Business Rates.
14. Whilst the overall in year deficit is £0.5m, it should be noted that part of the deficit on Business Rates is caused by additional reliefs, announced by the Government in March 2017, for which we did not budget. To compensate us for these additional reliefs, we will receive approximately £0.6m of additional s31 grants that will feed into the General Fund balance. If these additional grants are taken into consideration then the Collection Fund is broadly balanced.
15. Further details about the Quarter 1 performance of the Collection Fund can be found in **Appendix 4**.

Corporate Risk Register

16. 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

17. The approved capital programme budget for 2017/18 is £303.8m. The current forecast outturn is £275.1m, representing £28.7m of slippage (9.4% of the approved budget).
18. Further details of the Capital Programme monitoring are reported in **Appendix 6**.

Approval Requests

19. The Place Portfolio is requesting a total of £110k funding to be carried forward into 2018/19, relating to Major Events (£50k) and the Bereavement Service (£60k).
20. **Appendix 7** provides further detail around the financial implications.

Implications of this Report

Financial implications

21. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2017/18, and as such it does not make any recommendations which have additional financial implications for the City Council.

Equal opportunities implications

22. There are no specific equal opportunity implications arising from the recommendations in this report.

Legal implications

23. There are no specific legal implications arising from the recommendations in this report.

Property implications

24. 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

25. Cabinet are asked to:

- (a) Note the updated information and management actions provided by this report on the 2017/18 Revenue Budget position.
- (b) Consider for approval the request for carry forward funding in **Appendix 7**.

Reasons for Recommendations

26. To record formally changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations.

Alternative options considered

27. 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

PORTFOLIO REVENUE BUDGET MONITORING AS AT 30 SEPTEMBER 2017

People

Summary

1. As at quarter 2, the Portfolio is forecasting a full year outturn of an over spend of **£17.5m** on **Cash Limit budgets** and an over spend of **£1.9m** on **DSG budgets**. The **key** reasons for the outturn position on the cash limit are:

Care & Support : Learning Disabilities Purchasing (forecast overspend of £8.851m):

- Purchasing LD is forecasting an over spend of £8.851m. This over spend is made up of existing client pressures and assumed pressures of £0.7m growth for the rest of the year and £0.9m fee increases.

Care & Support: Long Term Care (LTC) Purchasing (forecast overspend of £1.7m):

- Mainly due to increased activity, owing in part to improved pathway flows including reduced Delayed Transfers of Care and reduced length of stay in STIT.

Commissioning: Mental Health Purchasing (forecast overspend of £1.3m):

- An over spend against all Commissioned Mental Health Services of £1.056m. This is due to unachieved savings across all purchased provision of £1.3m agreed between SCC and the CCG as part of the new way of working and £244k savings on Older Peoples' contract.

iBCF Funding (contribution of £5m).

- A cabinet paper in July approved the use of some of the iBCF funding allocated by Government in the spring to address some of the social care pressures. This paper described using the funding to cover some of the over spend in LD, the above MH pressure and the assumed staffing pressure from the restructuring of social care into Localities.

Children & Families (forecast over spend of £10.9m)

- Placement budgets - £8m forecast over spend due to increase in demands, particularly in high cost placements and additional support, reflecting the complexities of need for some children in care.

- Fieldwork Services - £1.8m forecast over spend mainly due to a forecast over spend of £1.7m in non-staffing budgets, due to increased transport costs and contact time for children in care.

Planning, Improvement and Performance Service (forecast underspend £321k)

- Due to vacancies in the services and restructuring of the service.

Business Strategy (forecast over spend of £245k)

- Transport – forecast over spend of £326k in the transport budgets, this is due to continued increase in demand and increases in costs.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3	FY Variance Mth 3 £000s	Diff Mth 6 to Mth 3 £000s
PIPS	6,099	6,420	(321)	↓	(161)	(160)
CARE AND SUPPORT	104,073	98,996	5,077	↓	9,713	(4,636)
COMMISSIONING	26,314	24,748	1,566	↓	1,771	(205)
COMMUNITY SERVICES	6,060	5,972	88	↔	44	44
CHILDREN & FAMILIES	68,162	57,221	10,941	↑	7,973	2,968
INCLUSION & LEARNING SERVICES	(20)	(17)	(3)	↔	6	(9)
LIFELONG LEARN, SKILL & COMMUN	6,405	6,452	(47)	↔	36	(82)
BUSINESS STRATEGY	4,818	4,573	245	↓	405	(159)
Grand Total	221,912	204,365	17,547	↓	19,786	(2,239)

DSG

2. The following is a summary of the position on DSG budgets at month 6:

	FY Variance Month 6 £000	FY Variance Month 3 £000	Diff Month 6 to Month 3 £000
Business Strategy	470	411	59
Children and Families	8	55	(47)
Inclusion and Learning Services	1,384	1,405	(21)
Lifelong Learning, Skills and Communities	45	45	0
	1,907	1,916	(9)

3. The key reasons for the forecast outturn position on the DSG position are:

Business Strategy (forecast over spend of £470k)

- Transport – forecast over spend of £295k in the transport budgets, this is due to continued increase in demand and increases in costs.
- Special School Complex Case Fund – forecast overspend of £250k, this is due to anticipated additional placement funding required from September 2017.

Inclusion and Learning Services (forecast over spend of £1.4m)

- SEND - £1m forecast over spend, there is increasing demand in Post 16 SEND provision and also an increase in high cost independent specialist placements (ISP) This is being addressed through the SEND Change Programme.
- Redesign of Education Services - £430k forecast over spend due to delays in anticipated savings. This is being addressed through the Redesign of Education Services Change Programme

Commentary

4. The following commentary reports on the main variances from the quarter 1 position.

Care and Support

5. A forecast over spend of £5.077m shown on the table above which is an improvement of £4.6m on the reported Quarter 1 position.

6. The main reasons for the movement on cash limit are:

- A favourable movement of £5.049m due to the inclusion of the iBCF agreed in the July Cabinet Report to help the bottom line of Learning Disabilities and Mental Health pressures plus also to underwrite the staffing establishment until

the full recruitment to Localities is known and confidence over forecasts can be achieved.

- Provider Services (£281k underspent): The position has improved by £520k since Quarter 1 as a direct result of improved staffing forecasts in Reablement Services. This is due to significant reductions on sickness which directly impact the need for bank pool staff. STIT have improved levels of throughput due to new initiatives to triage clients more effectively and progress them into the Independent Sector in a more timely basis.
- Access Prevention & Reablement Service (96k overspent) : improvement in the position is £204k on Quarter 1 due to the removal of agency spend to the latter part of the financial year as a result of the implementation of the new locality structure
- Long Term Care (£1.63m overspent) :The position has worsened by £1.06m since Quarter 1 mainly due to increased pressure on Home Care costs.
- Learning Disabilities (£8.824m overspent): The position has worsened by £129k since Quarter 1 mainly due to increased pressure on the purchasing budget either from transition cases or increased package costs

Commissioning

7. A forecast over spend £1.566m as per the table above which is improved on Quarter 1 by £205k.
8. The main reasons for the movement on cash limit are
 - Mental Health Commissioning (£1.058k overspent): The position has improved £457k since Quarter 1 and this is as a direct result of the activity of the new arrangements with the CCG and client reviews. The Council's position continues to improve bringing spend on purchasing below budget whilst the CCG have seen savings which they will share with us due to the pooled arrangements. The position remains over spent until such time that the savings reach a joint position of £2.5m however this is unlikely to happen this year but will be delivered in full 18/19.
 - Social Care Commissioning (£383k over spend) The position has worsened by £210k since Quarter 1 due to increased pressure on the Equipment Budget despite a new initiative to fund high cost items from the DFG capital pot and the temporary funding for the LD Reprovision team no long being available

Community Services

9. A forecast over spend position of £88k as per the table above which is worsened by £44k since Quarter 1.

10. The movement is across a number of budget heads the most significant of which is a worsened position in the Library Service mainly as a result of increased costs for staffing and utilities in Heritage Services

Planning, Improvement & Performance Service

11. PIPS is forecasting £321k under spend as per the table above which is an improved position on Quarter 1 of £160k.
12. The underspend is as a result of staffing vacancies and restructure of this area. The movement in quarter reflects further vacancies forecast until the year end.

Children & Families

13. A forecast £10.9m over spend (shown in the table above) relating to cash limit and a £8k over spend on DSG. This is an increase in the overspend of £3m from quarter 1 on the cash limit and a £47k improvement on DSG from quarter 1.
14. The main reasons for the movement on cash limit are:
 - **Placements** - An increase of £2.1m from quarter 1. The number of placements has remained relatively stable from quarter 1, however the complexity of cases has increased incurring further costs. £1.7m savings had been assumed as part of the Strengthening Families Change Programme, this is now required to offset any additional growth for the remainder of the year, so will not be available to offset any of this year's overspend.
 - **Health Strategy** - An increase of £268k from the quarter 1 position. This reflects increase in demand for short breaks and direct payments.
 - **Fieldwork Services** - An increase of £750k from the quarter 1 position. This reflects an increase in demand in support services for children in need, including contact time, legal fees and transport costs.
15. There are no significant movements in the DSG budgets for Children and Families.

Inclusion & Learning Service

16. A forecast £3k under spend (shown in the table above) relating to cash limit and a £1.4k over spend on DSG. This is an improvement of £9k from quarter 1 on cash limit and an improvement of £21k on DSG.
17. There are no significant movements in the cash limit or DSG budgets for ILS from quarter 1.

Lifelong Learning & Skills

18. A forecast £47k underspend (shown in the table above) relating to cash limit and a £45k over spend on DSG. This is an improvement of £82k from quarter 1 on cash limit and the DSG position remains consistent with quarter 1.
19. There are no significant movements from quarter 1 to report.

Business Strategy

20. A forecast £245k over spend (shown in the table above) relating to cash limit and a £470k over spend on DSG. This is an improvement of £159k from quarter 1 on cash limit and an increase in overspend of £59k on the DSG quarter 1 position.
21. The main reason for the variance in cash limit of £159k is due to a number of improvements in the forecast across the service. For example, an improvement of £57k in the transport budgets, for Post 16 travel passes. The forecast has been adjusted to reflect the new Post 16 travel policy introduced from September 2017, reducing the number of travel passes and increasing parental reimbursements.
22. There are no significant movements in DSG from quarter 1 to report.

Place Portfolio

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3	FY Variance Mth 3 £000s	Diff Mth 6 to Mth 3 £000s
BUSINESS STRATEGY & REGULATION	31,710	30,689	1,022	↑	902	120
MAJOR PROJECTS	78	95	(17)	↔	(2)	(15)
CULTURE & ENVIRONMENT	88,081	88,670	(589)	↓	(441)	(148)
HOUSING GENERAL FUND	3,619	3,886	(267)	↓	(117)	(150)
CITY GROWTH	28,040	27,792	249	↔	265	(16)
TRANSPORT AND FACILITIES MGT	42,020	42,539	(519)	↓	(206)	(313)
GRAND TOTAL	193,547	193,671	(123)	↓	401	(523)

Summary

23. As at month 6 the Portfolio is forecasting a full year outturn of £123k under budget. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation** is forecasting £1m over budget, with key variances being slippage in the delivery of planned savings on the 'Place Change Programme' (£505k) and additional cost pressures on the Waste

Management service due to economic factors including the low re-sale price of recyclates (£425k).

- **Culture & Environment** is forecasting £589kk under budget, with key variances being slippage in planned savings on the Streets Ahead Programme (£531k) offset by other contract cost reductions (£958k).
- **Housing General Fund** is forecasting £267k under budget largely from savings on overall staffing budgets.
- **City Growth** is forecasting £249k over budget, with key variances being slippage in planned savings on the 'Place Change Programme' (£495k), offset to some extent from cost savings, including vacancy management across the service (£246k).
- **Transport & Facilities Management** is forecasting £519k under budget from cost reductions being forecast in the running costs of key office accommodation.
- The overall position for the Portfolio shows an improvement of £523k since month 3, due to relatively small forecast cost reductions across a number of service areas.

Year to Date

24. Nothing significant to report.

Carry Forward Requests

25. Carry forward requests are as follows:

- £50k Major Events Investment Fund
- £60k Bereavement Services essential repair/maintenance cost.

Resources Portfolio

Summary

26. As at month 6 the Portfolio is forecasting a full year outturn of an over spend of £324k. The key reasons for the forecast outturn position are:

- An over spend of £542k on Corporate Rebates & Discounts due to there being a corporate savings target which does not yet reflect the impact of Kier insourcing and the removal of the previously received advance payment discount.
- An over spend of £258k on Customer Services due to £150k of 2016/17 BIPs savings for the Customer Experience programme still to be identified and

delays in implementing the 2017/18 BIPs saving of £141k, the staffing reductions have been made through VER/VS but will only achieve part year savings. Mitigations are in place through controls on all further recruitment.

- An over spend of £141k on Business Change and Information Solutions mainly due to under recovery of income for BCPD traded services and the dual running of the MFD contracts.

Offset by:

- A reduction in spend of £410k in Central Costs. This is made up of a £347k reduction against Former and Current Employee Pension Costs, £88k recharge income from H drive and mailbox charges and £65k from former Sheffield Homes bulk print charges, offset by a £100k overspend relating to bank charges (due to increased charges and volume).

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3	FY Variance Mth 3 £000s	Diff Mth 6 to Mth 3 £000s
BUSINESS CHANGE & INFORMATION	1,720	1,579	141	↔	182	(41)
CORPORATE REBATES & DISCOUNTS	(1,556)	(2,098)	542	↓	796	(255)
CUSTOMER SERVICES	5,744	5,486	258	↓	397	(140)
FINANCE & COMMERCIAL SERVICES	6,433	6,461	(28)	↓	(10)	(18)
HUMAN RESOURCES	3,600	3,677	(77)	↔	(136)	59
LEGAL SERVICES	3,567	3,662	(95)	↓	22	(117)
RESOURCES MANAGEMENT & PLAN	181	187	(6)	↔	(5)	(0)
TOTAL	19,689	18,954	735	↓	1,246	(511)
CENTRAL COSTS	19,459	19,869	(410)	↓	(131)	(279)
HOUSING BENEFIT	406	406	(0)	↔	0	(0)
GRAND TOTAL	39,553	39,229	324	↓	1,115	(790)

Commentary

27. This position is an improvement of £790k on the position reported at Month 3. The key reasons for this movement are;

- A £255k improvement in Corporate Rebates & Discounts due to a significant rebate from the Reed contract.
- A £140k improvement in Customer Services due mainly to confirmation of SLA core service income.
- A £117k improvement in Legal Services due to further external traded work being secured.

- A £279k improvement within Central Costs, of which £205k is in respect of former and current employee pensions.

Policy, Performance and Communications Portfolio

Summary

28. As at month 6 the Portfolio is forecasting a full year outturn of an underspend of £108k. The key reason for the forecast outturn position is:-

- A reduction in spend of £108k, mainly in relation to Policy and Improvement due to staffing vacancies.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3	FY Variance Mth 3 £000s	Diff Mth 6 to Mth 3 £000s
ACCOUNTABLE BODY ORGANISATION	0	0	0	↔	0	(0)
POLICY, PERFORMANCE & COMMUNICATIONS	2,490	2,598	(108)	↔	(63)	(45)
PUBLIC HEALTH	(135)	(135)	(0)	↔	(0)	(0)
GRAND TOTAL	2,355	2,463	(108)	↔	(63)	(45)

Commentary

29. This position is an improvement of £45k on the position reported at Month 3. The key reason for this movement is:-

- A £33k improvement in PPC, mainly due to additional HRA contribution for the Council Website.

Corporate

Summary

30. As at month 6, the Corporate portfolio is forecasting a broadly balanced position at full year outturn.

- 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

31. 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 3	FY Variance Mth 3 £000s	Diff Mth 6 to Mth 3 £000s
CAPITAL FINANCING	37,795	37,896	(101)	↔	(40)	(61)
CORPORATE ITEMS	(477,630)	(477,624)	(6)	↔	(1)	(6)
GRAND TOTAL	(439,835)	(439,728)	(108)	↔	(41)	(67)

PUBLIC HEALTH BUDGET MONITORING AS AT

30th September 2017

Purpose of the Report

1. To report on the 2017/18 Public Health grant spend across the Council for the month ending 30th September 2017.
2. The report provides details of the 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 draw down 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 an underspend of £640k 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 M3	Movement from Prior Period
CYPF	16,935	16,935	0	0	0
COMMUNITIES	11,526	11,809	(283)	(96)	(187)
PLACE	2,911	3,018	(107)	(35)	(72)
DIRECTOR OF PH	1,841	2,091	(250)	(163)	(87)
Total	33,213	33,853	(640)	(294)	(346)

5. Key reasons for the forecast positions spend are:

- A £283k underspend in Communities mainly as a result of underspending in Mental Health Commissioning Partnerships and Grants and Locality Management staffing costs.
- A £107k underspend in Place mainly due to vacancy savings and 2016/17 related costs materialising as less than anticipated at the year-end.

- A £163k underspend in Director of Public Health as a result of staffing vacancies, support services underspends and liabilities that have not yet materialised on GP Healthchecks Contracts.

6. Key Reason for any significant quarterly movements are:

- The underspend in Communities is mainly as a result of vacancy savings in a number of areas (£112k), and in Locality Management a grant profiling issue of £69k which is to be corrected next month .
- The further underspend in Place is as a result of revised £30k staffing costs on Public Health Infrastructure, and South West Partnership bonus payments re 16/17 materialising at a lower cost (£44k) than previously anticipated.
- The further underspend in Director of Public Health is as a result of revised support services costs (£35k), £24k re staffing and £31k re GP Health Checks 16/17 costs materialising at a lower level than previously anticipated.

HRA Revenue Budget Monitoring 2017/18 as at 30 September

Purpose of this Report

1. To provide a summary report on the HRA 2017/18 revenue budget for the month ending 30 September, and agree any actions necessary.

Summary

2. 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.
3. The HRA income and expenditure account provides a budgeted contribution towards funding the HRA capital investment programme. As at month 6 the full year outturn position is an improvement of £0.8m from this budgeted position.
4. Main areas influencing the outturn include lower than budgeted rental income, repairs and maintenance costs include additional fire safety work and some items which may be of a capital nature. The position will be monitored throughout the year. Projected savings on overall operational costs leave the account a forecast £0.8m better off.

Financial Results

Housing Revenue Account (excluding Community Heating)	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.NET INCOME DWELLINGS	(143,869)	(144,920)	1,051
2.OTHER INCOME	(6,402)	(6,407)	5
3.REPAIRS & MAINTENANCE	33,143	32,270	873
4.DEPRECIATION-CAP FUND PROG	39,957	39,957	-
5.TENANT SERVICES	50,489	53,207	(2,718)
6.INTEREST ON BORROWING	15,269	15,269	-
Total	(11,413)	(10,624)	(789)
7.CONTRIBUTION TO CAP PROG	11,413	10,624	789

Community Heating

5. The budgeted position for Community Heating is a draw down from Community Heating reserves of £237k. As at month 6 the position is a draw down from reserves of £221k, an improvement of £16k.

Community Heating	FY Outturn £000's	FY Budget £000's	FY Variance £000's
Income	(2,511)	(2,448)	(63)
Expenditure	2,732	2,685	47
Total	221	237	(16)

Housing Revenue Account Risks

6. 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 Act and Welfare Reform and Work Act. These include a revision to social housing rent policy, which will reduce rents until March 2020. This will have a considerable impact on the resources available to the HRA. In addition, other planned Government changes in relation to fixed term tenancies and levy proposals in the Housing and Planning Act 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:
- **Welfare Reform /Universal Credit:** the Government's welfare reform continues to be a significant risk to the HRA. The risk to income collection will continue to become increasingly difficult as Universal Credit and continues to be rolled out. Mitigations are in place such as funding additional officers to manage the impacts of welfare changes on affected tenants. Work is continually ongoing analysing the financial risk to the business plan.
 - **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). There may be additional costs resulting from a review of building standards regulations following the Grenfell Tower tragedy. Work is in hand to monitor and assess the implications of developments as they unfold.
7. The HRA business plan is regularly reviewed along with expenditure plans to ensure flexibility to respond to the expected Housing and Planning Act Regulations.

COLLECTION FUND MONITORING

as at 30 September 2017

Summary

1. In 2017/18 approximately £287.8m 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 2017/18 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Council Tax	-191.0	-84.0	-193.5	-2.5
Business Rates Locally Retained	-96.7	-35.0	-93.7	3.0
TOTAL	-287.7	-119.0	-287.2	0.5
RSG/Business Rates Top Up Grant	-107.4	-53.7	-107.4	0.0
TOTAL	-395.1	-172.7	-394.6	0.5

4. As at the end of Quarter 2, the local share of the Collection Fund Income Stream is forecasting an overall in-year deficit of £0.5m made up of a £2.5m surplus on Council Tax and a £3.0m deficit on Business Rates.
5. Whilst the overall in year deficit is £0.5m, it should be noted that part of the deficit on Business Rates is caused by additional reliefs, announced by the Government in March 2017, which were not budgeted for. To compensate us for these additional reliefs, we will receive approximately £0.6m of additional S31 grants that will feed into the General Fund balance. If this is taken into consideration then the Collection Fund is broadly balanced.

Council Tax

6. The forecast year end position for Council Tax is a surplus of £2.5m. This is made up of a £1.5m increase on Gross Income chargeable to dwellings due to a growth in the Council Tax Base (CTB) forecasts and a £1.0m surplus on exemptions and reductions.

Business Rates

7. The forecast year end position for Business Rates is a £6.2m deficit of which Sheffield's share is £3.0m. The £6.2m deficit is primarily made up of year to date position for Gross Rates Income Yield shows a deficit of £14.3m, with a surplus on Reliefs, losses on appeals and losses on collection of £8.1m. More in-depth analysis of the business rates position can be found below.

Collection Fund - Business Rates	Budget 2017/18 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Gross Business Rates income yield	-255.2	-242.9	-240.9	14.3
LESS Estimated Reliefs	30.5	26.4	28.2	-2.3
Losses on Collection	3.0	1.5	2.2	-0.8
Losses on Appeals re Current Year Bills	9.8	0.3	7.8	-2.0
Increase (Decrease) due to appeals / bad debt provisions	0.0	0.0	0.0	0.0
Net Collectable Business rates	-211.9	-214.7	-202.7	9.2
Transitional Protection Payments due from Authority	13.9	10.9	10.9	-3.0
Cost of Collection allowance	0.8	0.8	0.8	0.0
Non Domestic Rating Income	-197.2	-203.0	-191.1	6.2
Appropriation of net business rates:				
49.0% Sheffield City Council	-96.7	-99.5	-93.7	3.0
1.0% SY Fire Authority	-2.0	-2.0	-1.9	0.1
49.5% Government	-97.5	-100.5	-94.5	3.0
0.5% Designated Areas	-1.0	-1.0	-0.9	0.1
Total Appropriations	-197.2	-203.0	-191.0	6.2

Gross Rates Income Yield

8. The Gross Business Rates Income Yield has, to date, decreased by £12.3 compared to total budget. This primarily down to two factors, a large reduction in in year gross rates payable and a large number of 2010 list appeals being settled. The Gross Business Rates income yield used in the budget was based on a total rateable value for the city of £547m. This rateable value has dropped to £535M due to significant reductions in the value of two major properties totalling approximately £5m, reductions in the valuations of four office blocks totalling approximately £2m along with across the board reductions of a further

£5m. This has a net impact of reducing the Gross Business Rates income yield by £6m. In addition to the reduction in the 2017 Gross Rateable Value, there has been a total of £6.5m of appeals relating to the 2010 valuation list paid out.

Reliefs and Discounts

Reliefs	Budget 2017/18 £m	Year to Date £m	Forecast Year-End Outturn £m	Variance £m
Small Business Rates Relief	10.9	10.8	10.8	-0.1
Transitional Relief	-13.9	-10.9	-10.9	3.0
Mandatory Charity Relief	22.5	21.7	22.2	-0.3
Discretionary Relief	1.3	0.2	0.2	-1.1
Empty Property / Statutory Exemption	9.3	4.8	4.8	-4.5
Partly Occupied Premises Relief	0.3	-0.3	-0.3	-0.6
New discretionary reliefs	0.1	0.0	1.3	1.2
	30.5	26.4	28.2	-2.3

9. 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 £26.4m which is £4.1m below the £30.5m in the budget. These are expected to rise to £28.2m by year end primarily due to the additional reliefs announced in the Spring budget not coming on line yet. These had not been budgeted for but we will receive section 31 grants back equivalent to the share in income lost by Sheffield Council, this amounts to approximately £0.6m.

10. The most significant variations are in relation to Empty Property Reliefs and Transitional Relief. The Empty Property Relief is currently £4.5m under budget, due to the removal of a number of properties from the list that would have qualified for Empty Property Reliefs. Transitional Relief was calculated on a certain level of Gross RV which has lowered since these initial calculations. Transitional relief is based on the change in Gross rates from 2016/17 to 2017/18 and is subject to fluctuation dependant on appeals being granted in either year.

There is a forecast deficit on New Discretionary reliefs of £1.2m due to the introduction of the new business rate reliefs in the spring budget. These will be funded by S31 grants later in the year.

Appeals

11. Appeals are notoriously difficult to forecast due to the volatility of the process. The 2017/18 Council budget anticipated £9.8m of refunds resulting from appeals. This was based on historical trend analysis and government estimates however to date we have had no data regarding any 2017 appeals under the check challenge and appeals process. This is currently being followed up with the Valuation Office.
12. Losses on Appeals/ Increase in appeals provision are currently forecast to be on budget however this position is very fluid and will require careful monitoring in the coming months.
13. There is a provision of £27.2m carried forward into 2017/18. There have been a significant number of appeals settled in the first half of 2017/18 which has reduced the provision required for 2010 appeals by over £8m. This includes the settling of a number of Health Centre cases in addition to some large scale office blocks having significant reductions in RV.
14. Following the introduction of the 2017 Valuation List, a new appeals process was introduced entitled Check, Challenge and Appeal. To date we have seen no management information in relation to 2017 appeals however the process would not allow any to appear until quarter 2 of 2017/18 at the earliest.
15. The two major outstanding issues relating to appeals concern ATM's and Virgin Media. The case concerning ATM's was recently dismissed at an Upper Tribunal (Lands Chamber). There is the possibility that the bodies bringing this appeal will take it to the Court of Appeal and so it is prudent to maintain the provision until all avenues have been exhausted. Virgin Media had a number of very specific appeals which could have potentially seen it all but removed from Sheffield Valuation list. They have announced that they will no longer attempt to do this however until all appeals have been withdrawn, it is deemed prudent to maintain this provision.

Conclusion

16. Whilst the forecast in year position of a £0.5m deficit on the Collection Fund is relatively acceptable, there are significant issues that could impact on this during the next 6 months. The additional £0.6m of s31 grants due to additional business rates reliefs actually means that the collection fund is broadly balanced.
17. The appeals provision will require careful monitoring, both in terms of 2010 list appeals settled and 2017 list appeals raised, to make sure that we have an adequate provision to cover these and not have an impact on future year's budgets.

CORPORATE RISK REGISTER

as at 30 September 2017

This Appendix provides a brief overview of the main financial risks facing the Council in 2017/18 and beyond. A more detailed schedule of these risks will be monitored by the Executive Management Team to ensure that the risks are mitigated.

Corporate Risks

2017/18 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 2017/18 are achieved, especially given the cumulative impact of £352m of savings over the term 2011-17, and furthermore the backdrop of continuing reductions in Government grant from 2017/18 onwards.
2. In the early months of 2017/18, officers identified numerous pressures which, if left unchecked, could lead to significant overspends in 2017/18 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 manageable under borrowed position (ie we have used reserves to cash-flow capital spend, rather than borrow externally) 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 on-going Brexit negotiations. Recognising this, our Treasury Management function maintain a regular dialogue with the Director of Finance and Commercial Services and the Executive Director of Resources to monitor 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.
5. There has been a concerted effort by the Valuation Office Agency to clear outstanding appeals prior to and following the launch of the 2017 Revaluation. However as at 30th September 2017, there were still over 900 properties relating to the 2010 valuation list with a rateable value of approximately £135m under appeal in Sheffield.

6. Not all of the £135m 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 2016/17, with any revised estimates of the impact of appeals forming part of the 2017/18 budget process.
7. As part of the Business Rates Retention Scheme, there is a built-in revaluation process every five years to ensure the rateable values of the properties remain accurate. This process had been delayed for 2 years but has come into effect from 1 April 2017. This has seen all hereditaments in Sheffield revalued and assigned a revised rateable value. There is the potential that there will be a large number of appeals due to this revaluation which has been taken into account when compiling the 2017/18 budget.
8. The appeals process following the 2017 Revaluation has changed and now will be known as Check, Challenge, Appeal. The aim of this system is to reduce the number of spurious and speculative appeals and reduce the time taken to process genuine appeals; however it is not known at this point how effective this new process will be. To date we have not seen any management information relating to the number of appeals that are being processed under the new Check, Challenge and Appeal process which we are continuing to press the Valuation Office on.
9. 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 remained relatively stable; however within that there are a number of increases and decrease in value.
10. The city's largest hereditament (in terms of rateable value) following the 2017 Revaluation is a national telecommunications provider whose appeals feature a claim that all of their hereditaments across the country should feature on one authority's list. We are having ongoing discussions with both the Valuation Office Agency and DCLG as to the likelihood of this occurring and any potential ramifications. This hereditament had a number of appeals in place of which a significant number have been withdrawn however we have taken the prudent approach to maintain the provision for this hereditament until all appeals have either been settled or withdrawn.

Implementation of savings proposals

11. The risk of delivering savings in 2017/18 in specific areas such as adults' and children's social care 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; and
- 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 Analysis

12. On 19th July 2017, Cabinet considered a report of the Executive Director of Resources entitled Medium Term Financial Analysis (MTFA) 2018/19 to 2022/23. This report provided an update of the Council's MTFS to reflect the budget decision of the Council for 2017/18 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.
13. The report on the MTFA indicated that there would be ongoing reductions in Revenue Support Grant (RSG) as outlined in the December 2015 Autumn Statement, which covers the period to 2020/21. The reductions in RSG are now expected to total £53.7m including 2017/18.
14. Up to the point at which the General Election was called, the local government sector was working on the assumption that 2019/20 would see the implementation of 100% business rates retention, the implications of which were covered in significant detail in last year's MTFS.
15. However the result of the General Election and subsequent omission of the Local Government Finance Bill from the Queen's Speech on the 21st June, made it clear that there are no current plans to pursue the implementation of 100% business rates retention. Informal representations from DCLG have echoed this view and highlighted that there will be no 100% business rates retention deal by 2019/20.
16. Although the figures reported in the MTFA are based around the principle of adopting 100% business rates retention from 2019/20, it was always acknowledged that the impact of such a process was anticipated to be fiscally neutral. i.e. the additional 50% business rates income would be exchanged pound for pound for existing funds provided to the Local Authority such as RSG and Public Health Grant.
17. 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.

Pension Fund

18. External bodies whose pension liability is underwritten 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.
19. The greatest risks to the Council are those schemes at risk of their pension fund closing in a deficit position. The deficit when the fund crystallises is based upon a 'least risk basis' calculation by the actuary, which results in a significantly higher deficit than if calculated on an ongoing basis. The Triennial Review which covers 2017-20 highlights the total liabilities being underwritten by the Council for external bodies is £10.4m. This figure is on an ongoing, rather than least risk, basis. In the worst case, if these funds were to crystallise, the potential liability could be much higher.
20. A review of these risks is being undertaken to ensure that any impacts of potential crystallisations are minimised.

Economic Climate

21. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
22. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

External Funding

23. 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.
24. 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.

25. 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.
26. The result of the referendum on EU membership does not in the short term change the risk profile of EU grants.

Treasury Management

27. The Council proactively manages counter-party risk especially 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.
28. As part of the 2017/18 budget process, we developed Treasury Management and Investment Strategies, both of which were based on discussions with members and senior officers about our risk appetite. This included a review of our counter-party risk to ensure it is reflective of the relative risks present in the economy. A cautious approach was 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 during 2017/18 to ensure we have the ability to respond appropriately to market volatility.
29. 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.. 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.
30. 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.

31. The Council currently has an advance payment outstanding with a major supplier in return for a saving on the contract cost. There is a risk to the Council that having received payment that this company may fail to deliver the services due under the contract. This is mitigated by the existing contract protections, financial evaluation of the company and parent company guarantee. Also as goods and services are delivered against these contracts, the level of exposure reduces over time.

Welfare Reforms including Universal Credit

32. A programme of welfare reforms, introduced in 2013, led to cuts in a range of benefits including Housing Benefit (HB) and Council Tax Support posing a risk to residents' ability to pay their rent and council tax and therefore increases in arrears.
33. The most significant reform, the introduction of Universal Credit (UC) which replaces HB for those of working age, began to be rolled out in Sheffield in 2016 with full take up expected in 2021 or later.
34. UC poses a significant risk to the Council's Housing Revenue Account as support towards housing costs, which is currently paid through HB direct to the HRA, will, under UC, be paid directly to individuals. It is estimated that this could double or even treble the cost of collection and increase rent arrears to £15m 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.
35. The Council administers a locally funded hardship scheme to provide extra support to residents who cannot pay their council tax and a government funded scheme which supports those who cannot afford to pay their rent (a review of these, and other , discretionary schemes is currently underway which aims to consolidate these different support schemes). The Council will also continue to take robust action to recover arrears from those who simply will not pay.
36. There is also a UC Project Working Group which is supporting the roll-out of UC and taking steps to ensure SCC is prepared for full take up.

People Risks – Children Young People and Families

Education Funding

37. 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.

38. 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 2017/18 this cost to the Council is estimated at around £100k and remains a risk for any future conversions, especially with the expansion of the academy conversion programme.
39. 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 2017.
40. As part of transition to a National Funding Formula, when all funding allocations to schools will be directly managed by Education Funding Agency (2019-20), Sheffield school forum is expected to review and approve all previously held centrally held allocation subject to a limitation of no new commitments or increase in expenditure over the next two years. These historical commitments are now part of central school block and school forum approval is required each year to confirm the amounts on each line. Expenditure in centrally held funding amounts to around £8m.

Children's Social Care

41. There is an increase in demand for services for children social care including demand for Unaccompanied Asylum Seeking Children. A number of transformational projects have been put in place to manage the increase in demand within available resources. Implementation of these programmes is contingent upon cross service and cross portfolio working.

People Risks – Adult Social Care

42. In 2017/18 we have a significant partnership arrangement with the CCG which includes various funding streams for core services in Adult Social Care. There is a risk that these funding streams are not sustainable long term and there would be a risk to the Council delivering core services should this funding cease..
43. In 2017/18 it is proposed to enter a pooled budget arrangement with the Clinical Commissioning Group and manage Mental Health services jointly within the Better Care Fund and identify savings through a new joined up approach to delivering services. Work needs to continue to ensure this new arrangement works for all partner organisations and that the clients receive the right level of support irrespective of where the funding of the service happens.

44. For 2017/18 we have put in measures to address the budget gap on all Adult Social Care Purchasing both Older People and Learning Disabilities however the risk remains that continued demand pressures increasingly affect our position to balance. Demand management plans within service should address some of the continued pull on resources and hopefully redress some of the continued increases seen over the last two years.
45. There is a risk around legislation changes imposed by central government on future funding of social care and the potential impact on client contributions to their care.
46. For 2017/18 there is a risk that providers will seek to increase their fees, given the current level of over spend on the ASC budgets this will cause increased pressure.

Place Risks

2017/18 Revenue Budget savings

47. 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.
48. The South Yorkshire Transport Levy has been successfully reduced but not the Streets Ahead or Waste Management contracts. The Portfolio has now developed three strategic interventions including further savings from the ITA Levy which follow on from existing plans, reducing the level of support to Sports Trusts and embarking on a review of all the other services seeking a business-like approach to service delivery seeking to reduce cost or maximise income. 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 pressure for the Council.
49. 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. The action taken by the Council has resulted in a revised service offer from its strategic partner which it is now considering. This could enable the delivery of waste services at the Council's desired level of cost. 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.

50. 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.
51. £0.9m of the 2016/17 budget saving initiatives (£0.7m on the Streets Ahead contract and £0.2m in Parking Services) had not been achieved to date. These will roll forward to 2017/18 as part of the base budget and create an immediate pressure in that and future years unless these are delivered or a sustainable mitigating cost saving can be identified.
52. The Portfolio undertakes a number of complex, high profile capital projects which require strong cost control from the sponsor and project manager. Experience in 2016-17 has shown that this discipline is not present in all projects and has exposed the portfolio to a requirement to find funding from the Revenue Budget to fund the overspend.
53. Furthermore, the Council has agreed a number of contingent liabilities relating to developments within the city centre. If these were to crystallise there would be an immediate Revenue and Capital Budget impact

Housing Revenue Account Risks

54. 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 Act and Welfare Reform and Work Act. These include a revision to social housing rent policy, which will reduce rents until March 2020. This will have a considerable impact on the resources available to the HRA. In addition, other planned Government changes in relation to fixed term tenancies and levy proposals in the Housing and Planning Act 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:
 - **Welfare Reform /Universal Credit:** the Government's welfare reform continues to be a significant risk to the HRA. The risk to income collection will continue to become increasingly difficult as Universal Credit and continues to be rolled out.

Mitigations are in place such as funding additional officers to manage the impacts of welfare changes on affected tenants. Work is continually ongoing analysing the financial risk to the business plan.

- **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). There may be additional costs resulting from a review of building standards regulations following the Grenfell Tower tragedy. Work is in hand to monitor and assess the implications of developments as they unfold.
-

55. The HRA business plan is regularly reviewed along with expenditure plans to ensure flexibility to respond to the expected Housing and Planning Act Regulations.

Capital Receipts and Capital Programme

56. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the uncertain market and the impact of the Affordable Housing policy. This could result in over-programming, delay or cancellation of capital schemes.

Project Cost Control

57. There is an inherent risk within all the programme of overspending on any single project as a result of unforeseen circumstances (e.g. ground conditions or contamination) or poor management and planning. There have been several examples of this during 2016-17. The Council has made significant improvements in the management of capital projects including improved risk management, however, in the event of an overspend it will have to use its own limited resources to plug the gap.

Housing Regeneration

58. There is a risk to delivering the full scope of major schemes such as Park Hill and other regeneration schemes 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

59. The Council supports the on-going 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.

Sheffield Retail Quarter

60. 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, 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.
61. 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

62. 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 £22m in 2018/19 after mitigating action. In subsequent years it expects to receive sufficient funding to repay the cash flow by 2021/22.
63. 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 has already been identified above requiring it to contribute its own capital resources.
64. 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.

65. The modelling of the Schools Capital Programme has been based on an allocation of £21m Basic Need funding being granted in 2019/20, 20/21 and 21/22 - however the allocation that has recently been confirmed for 19/20 at lower level of £9.8m which could effectively push back the repayment period on the current advance commitment of Basic Need by 2 years. The service is challenging the basis of the allocation with the Department for Education and there may be alternative funding streams.

APPENDIX 6 -CAPITAL PROGRAMME MONITORING AS AT SEPTEMBER 2017

1 - Statement of Budget Movement

The table below summaries the movement in budget from month 3 to month 6 and Capital programme budget position as at September 17.

	2017/18	2018/19	Future	Total	Comments
Month 3 Approved Budget	289.7	179.6	289.4	758.7	The overall capital budget has increased by £30.3m since the last report to Cabinet. The key changes resulting in this increase are: - £21.9m inclusion of full costs of new Astrea Academy. - £3m inclusion of the capital element of Whole family Case Management IT system. - £1.5m increase in costs on Charter Square Enabling Works project. - £1.1m increase in Lower Don Valley Flood Defence Budget.
Additions	13.7	14.9	0.4	29.0	
Variations	0.3	0.9	0.0	1.2	
Slippage and Acceleration	0.0	0.0	0.0	0.0	
Month 6 Approved Budget	303.8	195.4	289.7	789.0	

2 - Top 20 Projects by value as at September 2017

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2017/18. This group accounts for 75% of the 2017/18 capital programme. The major in year and all year variations are explained in sections 4 and 5. None represent a major financial risk to the council.

PROJECT	Current Year									Remaining Life of Project					Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %	Delivery RAG		
OFFICES	18,911	15,118	3,793	40,086	40,119	(33)	-0.1%	G	73,001	72,910	91	0.1%	G		
CAPITAL PFI CONTRIBUTIONS	23,894	23,894	-	39,831	39,831	-	0.0%	NR	39,831	39,831	-	0.0%	NR		
PITCHED ROOFING & ROOFLINE	8,293	11,356	(3,063)	20,988	24,563	(3,575)	-14.6%	G	58,831	58,831	0	0.0%	G	See 4.3 for comments	
MARIA SCHOOL	2,901	2,622	279	14,524	15,229	(705)	-4.6%	G	25,353	25,568	(214)	-0.8%	G	Potential saving. Handover still on schedule	
ASTREA ACADEMY	2,062	3,196	(1,133)	12,475	12,504	(30)	-0.2%	A	27,002	27,002	0	0.0%	A		
MSF FINANCE	5,993	5,993	0	12,173	12,173	0	0.0%	NR	103,264	103,264	0	0.0%	NR		
SHEFFIELD RETAIL QUARTER 2	2,199	2,904	(705)	9,980	9,915	65	0.7%	G	9,980	9,980	0	0.0%	G		
SRQ - STRATEGIC DEV PARTNER	945	3,740	(2,795)	2,069	9,453	(7,383)	-78.1%	A	26,178	26,178	(0)	0.0%	A	See 4.1 for comments	
COMMUNAL AREAS-LOW RISE FLATS	3,065	3,891	(825)	6,907	8,466	(1,559)	-18.4%	G	27,086	27,086	0	0.0%	G	See 4.7 for comments	
ELECTRICAL STRATEGY	21	3,581	(3,560)	2,108	7,878	(5,770)	-73.2%	G	31,122	31,116	6	0.0%	G	See 4.2 for comments	
KITCHEN/BATHRM PLANNED REPLMT	7,006	3,779	3,227	11,529	7,875	3,654	46.4%	G	31,261	33,001	(1,741)	-5.3%	G	See 5.1 for comments	
FA PITCH (WESTFIELD)	4,786	4,792	(5)	5,818	5,818	(0)	0.0%	G	5,818	5,818	(0)	0.0%	G		
PROGRAMME MANAGEMENT COSTS GF	2,710	2,798	(88)	5,696	5,696	0	0.0%	G	23,080	23,080	0	0.0%	G		
LDV FLOOD DEFENCE WORKS	4,005	4,280	(274)	6,070	4,951	1,118	22.6%	A	6,077	4,959	1,118	22.6%	A	See 5.2 for comments	
WINDOWS & DOORS REPLACEMENT(CHS)	1,530	2,316	(786)	4,037	4,871	(835)	-17.1%	G	6,871	6,871	(0)	0.0%	G	Average costs lower than expected. Potential saving but dependent on negotiations with contractor	
SRQ HIGHWAY ENABLING WORKS	2,482	2,835	(353)	4,383	4,153	230	5.5%	A	4,436	4,153	282	6.8%	A	Review of SRQ work packages to be brought forward in December	
DISABLED FACILITIES GRANTS	1,007	1,431	(424)	2,507	4,031	(1,524)	-37.8%	G	10,507	12,031	(1,524)	-12.7%	G	See 4.8 for details	
COUNCIL HSG ACQUISITIONS PROG	1,004	1,523	(519)	3,523	3,523	(0)	0.0%	G	15,970	15,970	(0)	0.0%	G		
DIGITAL INCUBATOR	5	1,506	(1,501)	3,019	3,019	0	0.0%	NR	3,489	3,489	0	0.0%	NR		
ECCLESALL PERMANENT EXTENSION	613	376	237	2,848	2,936	(88)	-3.0%	G	5,577	5,577	0	0.0%	G		
Top 20 Value	93,433	101,930	(8,497)	210,572	227,006	(16,434)	-7.2%		534,734	536,715	(1,982)				
Rest of Programme	17,457	29,028	(11,570)	64,501	76,757	(12,256)	-16.0%		250,820	252,267	(1,447)				
Total Capital Programme Value	110,890	130,958	(20,068)	275,074	303,763	(28,690)	-9.4%		785,554	788,982	(3,428)				
% of Programme within the Top 20	84%	78%	42%	77%	75%	57%			68%	68%	58%				

3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £28.7m below budget. This represents a positive movement of £600k closer to budget than Mth 5. The majority of variance is due to the Housing Programme and the Sheffield Retail Quarter Scheme in Place. Both of these projects will bring forward proposals to re-align and re-profile budgets in December 2017.

PORTFOLIO	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
CYP	7,738	10,513	(2,775)	41,950	42,811	(862)	Slippage on Mercia school programme is key variance, however not expected to impact on handover date
Place	46,303	51,059	(4,756)	104,438	113,037	(8,599)	Items 4.1, 4.6 and 5.2 for details of key variances
Housing	29,306	39,430	(10,124)	72,254	92,293	(20,039)	See Section 4 for details of key variances
Highways	3,295	4,455	(1,160)	13,352	11,786	1,566	See items 5.3 to 5.5 for details of key variances
Communities	318	1,106	(789)	2,106	2,312	(206)	10% slippage on Whole Family Case Management IT project
Resources	34	500	(466)	1,139	1,693	(554)	Slippage on lift replacement. Reprofile due for approval
Corporate	23,897	23,894	3	39,835	39,831	3	
Grand Total	110,890	130,958	(20,068)	275,074	303,763	(28,690)	

4 - Top 10 Forecast Slippage against Full Year Budget

The table below illustrates that of the £28.7m main forecast underspends against budget, approximately £20m relates to delays in scheme delivery while the remainder relates to expected savings and/or re-profiling of allocations not yet committed. Several budget reprofiles are awaiting approval or due to be brought forward to eliminate the majority of these.

Business Unit	Directorate	FY Budget	FY variance on budget	RAG	Explanation
SRQ - STRATEGIC DEV PARTNER	PLACE	9,453	(7,383)	R	DELAY - SLIPPAGE A delay in finalising key elements of the SRQ scheme has put back detailed design. A review of timescales is due with budget re-profiling expected December 17.
ELECTRICAL STRATEGY	HOUSING	7,878	(5,770)	R	DELAY - SLIPPAGE A delay in tendering means expected contract start now November 17. Team is preparing project plan to identify addresses and priority, resources required to manage the programme and maximise take up. Budget re-profile now to be brought forward when revised outputs confirmed.
4.3 PITCHED ROOFING & ROOFLINE	HOUSING	24,563	(3,575)	R	DELAY - SLIPPAGE A review of contracts will be completed in November which will determine future procurement needs - therefore the schemes at Foxhill and Lowedges will now not be tendered in 17/18, requiring slippage of £1.2m. The remaining £2.3m of slippage is due to underperformance of one of key contractors which is being addressed. Budget re-profile brought forward.
4.4 OTHER PLANNED ELEMENTS (CHS)	HOUSING	2,268	(2,268)	A	REPROFILE OF ALLOCATION This budget represents funds not yet committed to specific projects. So no impact on outputs. Revised profile brought for endorsement.
4.5 NEW BUILD COUNCIL HSG PHASE 2	HOUSING	2,292	(2,263)	R	DELAY - SLIPPAGE 36 units to be delivered at Weakland site. Tender process has been abandoned. A specification review is to be completed and new procurement strategy submitted November 2017. A revised profile will be produced in November.
4.6 WASTE MGMT DEVELOPMENT	PLACE	2,653	(1,713)	G	EXPECTED SAVING Project is now largely complete. This is an expected saving. Revised budget to be brought forward
4.7 COMMUNAL AREAS-LOW RISE FLATS	HOUSING	8,466	(1,559)	G	REPROFILE - POTENTIAL SAVING Average costs from contractors indicate current year expenditure will be lower than budget but outputs still being delivered. Overall there is expected to be a £1m saving on this project and the budget will be reduced as part of the 18/19 Capital Programme submission.
4.8 DISABLED GRANTS	HOUSING	4,031	(1,524)	A	REPROFILE - This budget represents the total available grant to deliver adaptations to properties. A recent increase in the level of this grant has lead to funds available exceeding capacity to deliver. Work is ongoing at a strategic level in People portfolio to identify other options to maximise grant useage.
4.9 INSULATION (COUNCIL HSG)	HOUSING	1,381	(1,378)	R	DELAY - SLIPPAGE Business Case for External Render Programme to be presented to HOMES Board September 2017. Revised profile due for approval at October cabinet.
4.10 WASTE MANAGEMENT (CHS)	HOUSING	1,082	(1,082)	A	REPROFILE OF ALLOCATION This budget represents funds not yet committed to specific projects. So no impact on outputs. Activity now linked to fire safety works to tower blocks. Revised profile brought for endorsement.
Total		64,067	(28,517)		

5 - Top 10 Forecast Overspends over Full Year Budget

The table below illustrates that of the main forecast overspending projects, only that on the HR&M insourcing project may require additional SCC resources in the form of additional £35k prudential borrowing.

Business Unit	Directorate	FY Budget	FY variance on budget	RAG	Explanation	
5.1	KITCHEN/BATHRM PLANNED REPLMT	HOUSING	7,875	3,654	G	ACCELERATION - Yr4 work has been brought forward. Budget variation to Oct CPG to bring budget forward into 17/18 but reduce future years as work being completed sooner than planned. In addition, anticipated overall saving on life of project of £1.7m.
5.2	LDV FLOOD DEFENCE WORKS	PLACE	4,951	1,118	G	OVERSPEND - Due to various site issues and delays. However, Environment Agency funding to cover this shortfall has now been granted. Budget uplift and acceptance of funding to be approved at
5.3	HALLAM UNIVERSITY CYCLE ROUTE	HIGHWAYS	27	886	G	BUDGET AWAITING APPROVAL - Full Budget for scheme due for approval at October Cabinet. Fully funded from Sustainable Transport Exemplar Programme.
5.4	BN962 BUS AGREEMENT	HIGHWAYS	1,030	586	G	BUDGET AWAITING APPROVAL - Full Budget for scheme due for approval at October Cabinet. Fully funded from Sustainable Transport Exemplar Programme.
5.5	DARNALL CYCLE ROUTES	HIGHWAYS	13	416	G	BUDGET AWAITING APPROVAL - Full Budget for scheme due for approval at November Cabinet. Fully funded from Sustainable Transport Exemplar Programme.
5.6	TOTLEY PRIMARY PERM EXTN	CYP	1,214	262	G	ACCELERATION - OVERSPEND WITHIN YEAR ONLY Accelerated spend, no overspend forecast on total scheme costs.
5.7	PROGRAMME MANAGEMENT COSTS RTB	HOUSING	-	251	G	BUDGET AWAITING APPROVAL - Costs are incurred on sale of Council Houses, directly offset by a charge against the capital receipt.
5.8	SRQ HIGHWAY ENABLING WORKS	PLACE	4,153	230	A	OVERSPEND - Full review of all SRQ work packages to be brought forward in December 2017. It is anticipated that this review will realign budgets across work streams to eliminate this variance.
5.9	HR+M TRANSPORT	PLACE	1,429	228	R	OVERSPEND - Overspend now forecast following review of costs of vehicles. £192k likely to be met from Govt grants with remaining £35k from additional prudential borrowing. Budget variation to be brought forward for approval.
5.10	MECHANICAL REACTIVE	CYP	348	206	A	REPROFILE - Expected savings to be declared on individual school schemes to be re-allocated to Mechanical Reactive Budget to offset this forecast overspend. Approval for re-allocation to be
Total			21,040	7,838		

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6 - Key Issues and Risks

Key Issues

- ASTREA ACADEMY - As identified in previous months, delays in statutory undertakers' services have led to a forecast delay in full opening. Current month's expenditure was £1m behind forecast for the month. Close monitoring still required.

Key Risks

- Key risk to the programme at this point is further slippage. Work is ongoing with Project Sponsors and Project Managers to validate the forecasts of key projects predicting significant increases in expenditure in the second half of the year.

	Approval Type	Value £000
<p>Scheme Description</p>		
<p>Major Events Investment Fund</p> <ul style="list-style-type: none"> • To create an ongoing Major Events Investment Fund. This will allow the city (via the Brand Partnership) to gain match investment from partners to fund future events without causing pressure on ‘in year’ revenue budgets. The fund will also allow the event bidding process to be quicker and more agile. • SCC has traditionally funded the majority of major events across the city, which has created significant financial pressures and restricted the city bidding for new events. Where SCC has gained financial approval for potential new events this has taken a long time and in a number of instances meant we have missed the bidding deadline. To be in a stronger position to bid and be successful in gaining events we need to be able to react much quicker and have a sustainable financial resource available. • The new Major Events Strategy will address these issues by reviewing existing major events and ensuring they are within the available revenue budgets and meet our criteria. These events will form a baseline for the term of their existing contracts (ie Snooker, Doc Fest etc). The city will then use the Brand Partnership as the vehicle to identify and agree new events and finance them. The investment fund will be SCC’s contribution. • The Major Events Strategy sets clear objectives for every major event that they meet at least one of the following: <ul style="list-style-type: none"> • Significant number of people attend • Significant economic investment • Significant media and brand profile <p>This will broadly form the criteria for any spend from the Major Events Investment Fund.</p> • This has been approved by the Major Events Governance Board (Mick Crofts, Paul Billington & Edward Highfield) and forms part of the new Major Events Strategy in a sustainable way. 	<p>New</p>	<p>£50</p>

<p>Bereavement Services Investment Fund</p> <ul style="list-style-type: none"> Contributions to an Investment Fund were agreed as part of the Bereavement Service Business Plan 2015-20 to support future and ongoing improvements and developments to the service. These include refurbishments to crematoria buildings and chapels, car park extensions, improved grounds maintenance equipment , fencing and signage within cemeteries. The plan allowed for a contribution from the Fund of £92k in 2017-18, but due to slippage' it is estimated that only £30k will have been spent by the financial year-end.. It is essential to carry forward £60k in 17/18 to cover future costs of managing and improving the service to the public. In particular, the Investment Fund plan includes the future full reline of the cremators installed at Hutcliffe Wood in 2011. The cost of this work is £65k per cremator. As we have not entered into a Service Level Agreement, it is essential to hold the resources to carry out these works to be able to continue to provide cremation services within legal limits (Environmental Protection Act). Fees and charges were significantly increased in 17/18 to support other budgets. Customer expectations are understandably high and it is essential to have the resources to be able to improve our services where possible by using the Investment Fund donations. 	<p>New</p>	<p>£60k</p>
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Author/Lead Officer of Report:
Damian Watkinson,
Finance Manager

Tel: 0114 273 6831

Report of: *Eugene Walker*
Report to: *Cabinet*
Date of Decision: *15th November 2017*
Subject: *Capital Approvals for Month 6 2017/18*

Is this a Key Decision? If Yes, reason Key Decision:- Yes No
- Expenditure and/or savings over £500,000
- Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to? ***Finance and Resources***

Which Scrutiny and Policy Development Committee does this relate to?

Overview and Scrutiny Management Committee

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

If YES, what EIA reference number has it been given? *(Insert reference number)*

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 Report:

This report provides details of proposed changes to the Capital Programme as brought forward in Month 6 2017/18

Background Papers:
Appendix 1, Appendix 2, Appendix 2a -

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>Marianne Betts</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	EMT member who approved submission:	<i>Eugene Walker</i>
3	Cabinet Member consulted:	<i>Councillor Olivia Blake Cabinet member for Finance and Resources</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.	
	Lead Officer Name: <i>Damian Watkinson</i>	Job Title: <i>Finance Manager Business partner Capital</i>
	Date: 6th November 2017	

MONTH 06 2017/18 CAPITAL APPROVALS

1. SUMMARY

- 1.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 6 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.
- 1.2 Below is a summary of the number and total value of schemes in each approval category:
- 5 additions to the capital programme creating a net increase of £1,938k
 - 17 variations to the capital programme creating a net reduction of £805k
 - Total net impact of the additions and variations proposed on the capital programme is an increase in investment of £1,113k
- 1.3 Further details of the schemes listed above can be found in Appendix 1.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

3. BACKGROUND

This report is part of the monthly reporting procedure to Members on proposed changes to the Council's capital programme.

4. OUTCOME AND SUSTAINABILITY

- 4.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

5. OTHER IMPLICATIONS

5.1 Finance Implications

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendix 1 in relation to the schemes to be delivered and Appendix 2 in relation to grants to be accepted and 2a in relation to grants to be issued.

5.2 Procurement and Contract Award Implications

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

5.3 Legal Implications

Any specific legal implications in this report are set out in Appendix 1; Appendix 2 in relation to grants to be accepted and Appendix 2a in relation to grants to be issued.

5.4 Human Resource Implications

There are no direct Human Resource implications for the Council.

5.5 Property Implications

Any specific property implications from the proposals in this report are set out at Appendix 1.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 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.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 7.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.
- 7.3 Obtain the relevant delegations to allow projects to proceed.

8. Recommendations

Cabinet is recommended to:

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts;
- Approve the acceptance of the grant funding detailed at Appendix 2
- Approve the making of grants as detailed at Appendix 2a

Finance & Commercial Service - October 2017

ADDITIONS		
Scheme Description	Value £000	Procurement Route
THRIVING NEIGHBOURHOODS AND COMMUNITIES		
<p>Public Health Play Renewal</p> <p>Parks & Countryside Service has received Public Health Funding to undertake projects aimed at enhancing green spaces in areas of the city with health inequality challenges. Research has shown the many health benefits linked to the provision of high quality urban green space. A comparison of health inequalities, indices of multiple deprivation, and green space quality across Sheffield shows a clear link between the measures. The challenge for SCC is to reduce the difference in mortality and morbidity rates between rich and poor, and increase the quality of life and sense of wellbeing of the whole local community.</p> <p>The Year 1 sites for the Public Health funding have been identified and the work will focus on improving the experience of users to encourage play and physical activity, and to improve the safety and perceptions of safety on the sites.</p> <p>The sites are:</p> <p>Springwell Park £10K Resurface toddler play, install basket swing, install roundabout, lay safety surfacing where equipment removed</p> <p>Cardwell Playground £30K Remove equipment/structures, lay top soil & grass seed in its place, install toddler agility equipment</p> <p>Brightside Recreation Ground £10K Remove wood chip play space, install toddler low level trim trail / agility equipment</p> <p>Hillsborough Park £15K (incl Fees) Replace toddler play unit & surfacing</p>	103	<p>5 Sites all Stand-Alone Projects</p> <p>To be delivered in-house by the Playground Team</p> <p>Play & Agility Equipment to be procured via 3 Quotes</p> <p>Independent Play Inspections to be procured to ensure the safety and quality of the works on each site</p>

<p>Middlewood Park £30K Remove / reuse existing equipment on tarmac area, replace existing surface with tarmac reducing total tarmac area, topsoil & grass seeding where tarmac reduced, install skate equipment</p> <p>Contingency £8K</p> <p>TOTAL £103K Funded by Public Health</p>		
<p>Bus Hotspots Phase 2</p> <p>£25k has been allocated from the existing Phase 1 Bus Hotspots programme to fund feasibility and preliminary design work in 2017/18 on a new phase of Bus Hotspot locations. The Sheffield Bus Hotspots programme has been developed alongside the Sheffield Bus Partnership and both parties have agreed a priority list of 21 locations based on criteria to improve bus travel in 2018/19.</p> <p>The feasibility will investigate a range of measures such as; bus stop improvements, targeted enforcement of waiting restrictions, junction improvements, Smart IT improvements, changes to priorities.</p> <p>The feasibility findings will be reviewed against confirmed 2018/19 budgets (currently £225k LTP). Funded by Better Buses Area Funding</p>	<p>25</p>	<p>n/a; Feasibility</p>
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE</p>		
<p>Dobcroft Junior Expansion - construction stage</p> <p>There are insufficient primary pupil places in the South West area of Sheffield to accommodate expected demand from September 2018. This project will provide an additional 30 places as a 'bulge year' temporary expansion. It will do this by providing an additional 30 places at Dobcroft Junior School from September 2018. The pupils will move through the school year as a 'bulge' year until they leave the school at the end of Y6 in June 2022.</p>	<p>242</p>	<p>Feasibility: in-house Construction works: YORbuild2</p>

<p>A recent Fire Risk Assessment (FRA) has indicated that the school also requires various fire risk measures to be installed. It has been recommended that the Junior temporary expansion project and the FRA project works are combined on site in order to maximise efficiencies and minimise disruption to the school and this approach was agreed at the CYPF Capital and Growth meeting on 19 September 2017. The FRA related project is being addressed separately as part of the authorised FRA programme already in place and will allow for the separate financial control of the agreed authorised amount of £164k for those works.</p> <p>This request is for an additional £242k, to be funded from the CYPF Basic Need Block Allocation, to move from the feasibility and design stage previously authorised at £36k, to the construction stage, taking the total cost of the Expansion project to £278k.</p> <p>The costs of this project were built into the financial modelling relating to the cash-flowing of the overall Schools Expansion Programme and do not represent an additional pressure above that already reported.</p>		
<p>Aldine House CCTV Upgrade</p> <p>This scheme will provide enhanced CCTV to cover areas on site at Aldine House Secure Children's Home not covered by the initial phase of CCTV equipment installed in previous years.</p> <p>The home has recently identified a shortfall in the CCTV coverage of the site which would benefit from additional cameras to keep the safety and security of all children and staff to the highest possible level.. These are issues associated with the building having been designed before CCTV was introduced to Secure Children's Homes.</p> <p>With the additional provision delivered from this second phase, the home will have a fully operational, high specification, CCTV system that provides clear and enhanced coverage of all internal and external areas, allowing for a greater level of safeguarding, training, feedback and security.</p> <p>This variation seeks to apply £68k of funds from a new Department for Education Secure Homes grant that has recently been awarded to, and accepted by, Sheffield City Council. The decision to accept the grant was taken</p>	<p>68</p>	<p>Waiver of Standing Orders as per DfE funding conditions</p>

previously in line with the Leader's Scheme of Delegation.

STRONG ECONOMY

Claywheels Lane

Claywheels is one of the largest brownfield sites in Sheffield and.

the project aims to deliver a unique, well-connected 21st century 'Sustainable Industries Park' in Sheffield, in collaboration with private sector land owners, partners and Sheffield City Region Investment Fund (SCRIF) funding. The investment will enable the attraction of new industrial activity into the site as well as the retention of existing ones and the significant creation of new jobs, directly contributing to the wider economic prosperity of Sheffield and the City Region.

Phase 1 of the scheme will cost £1500k and the overall objectives are to:-

- a) unlock £13m direct private investment in a new steel press in a high value expanding modern manufacturing sector;
- b) deliver 22 acres of reclaimed and serviced land;
- c) create approximately 22,000m² of new industrial floorspace (direct and indirect);
- d) facilitate the delivery of private investment of approximately £32m (direct and indirect), including investment from businesses in the growing 'energy from waste sector' new to the region worth up to £18m;
- e) protect 32 jobs, create a further 71 new jobs and create up to 586 construction jobs;

The construction works will be delivered by the private sector partners with Sheffield City Council acting as an agent to passport through SCRIF funding to private sector partners.

A funding agreement between Sheffield City Region (SCR) and Sheffield City Council plus two back-to-back funding agreements with the two private sector developers (Abbey and AMG) has been finalised. Phase 1 will be funded by SCRIF as follows:-

Developer	Project Cost(000)	Fees (000)	Total (000)
AMG	931	58	989
Abby	492	31	523

1500

N/A Grant Pass through

1512

Note; Any clawback liability on SCRIF funding is expected to be passed onto the private sector partners as part of the back to back agreements with Abbey and AMG. See appendix 2 and 2a for details.

VARIATIONS

Scheme Description	Variation Type	Value £000	Procurement Route
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THRIVING NEIGHBOURHOODS AND COMMUNITIES			
<p>Kitchen & Bathroom Replacement This project was initiated to carry out general internal refurbishment works to properties previously excluded, omitted or refused (by tenants) under the Decent Homes project.</p> <p>Two contractors were appointed and works began 4 months later than programmed, in April / May 2016. All properties on the address lists were to be surveyed over the remaining 4 years but the information feeding back from the contractors showed a high proportion of properties where: no work was needed, work was refused by Tenants, or no access was achieved. As a result, both Contracts started at a slow pace with reduced work content.</p> <p>To mitigate this from mid-2016 properties from future years' address lists were brought forward to assist productivity and cash-flow, and ultimately bring properties up to decent standard earlier than programmed, benefitting customers. The result is that 2017/18 is showing a forecast overspend due to works being done sooner than planned and therefore a reprofile across years is required.</p> <p>Also actual material costs are lower than originally priced resulting in the total cost of the programme 2015-2020 forecasting a saving. The reprofile can therefore also represent this change in costs.</p> <p>17/18 Current Budget £7,875K, Needed £11,529K = £+3,654K 18/19 Current Budget £7,307K, Needed £8,043K = £+736 19/20 Current Budget £7,819K, Needed £741K = £-6,131</p> <p>Total Variation/Saving £-1,741K</p>	<p>Saving & Reprofile</p>	<p>Saving -1,741</p> <p>Reprofile 3,654 17/18 736 18/19 -6,131 19/20</p>	<p>No Change</p>
<p>Insulation (Council Housing)</p>	<p>Variation &</p>	<p>Variation</p>	<p>Package 1 -</p>

<p>Sheffield City Council's housing stock contains 15 non-traditional property archetypes which make up around 3,400 low rise properties built using pre-cast reinforced concrete frames or panels, in-situ poured concrete panels, timber or steel framed structures.</p> <p>These types of properties have received varying degrees of investment over the years including significant amounts of demolition, maintenance and repair of defects and some longer term solutions in the 1990's and 2000's.</p> <p>Most of these properties have been included in a 5 year plan for 'standard' measures of work such as central heating, double glazed windows & loft insulation, and elemental work.</p> <p>Due to construction methods it's not possible to improve all these properties with a standard work package alone leaving around 861 falling below energy efficiency targets.</p> <p>4 packages of works have therefore been designed to give these properties at least a 30 year life and to insulate them creating homes that are easier to heat, have reduced energy bills, and mitigate against fuel poverty.</p> <p>Package 1 178 5Ms, Reema Houses & Bungalows Construction £3,672K + Fees £65K = £3,737K</p> <p>Package 2 176 Aireys Construction £5,821K + Fees £70K = £5,891K</p> <p>Package 3 268 Pre-Fabs, Malhouses, Wates, Iron House Construction £4,016K + Fees £63K = £4,079K</p> <p>Package 4 289 Maisonettes & Flats Construction £2,622K + Fees £10K = £2,632K</p> <p>Total Programme cost therefore £16,340K Current Approval £13,094K</p>	<p>Reprofile</p>	<p>3,246 in 20/21</p> <p>Reprofile -27 17/18 -55 18/19 +2,373 19/20 -1,561 20/21 -730 21/22</p>	<p>Design in-house then Single Stage YORBuild2 £1-4m framework</p> <p>Package 2 - Design & Build YORBuild2 £1-4m framework (Single Stage or 2 stage to be used)</p> <p>Package 3 - Design & Build 2 Stage YORBuild2 £1-4m framework</p> <p>Package 4 - feasibility by CDS then TBC</p>
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<p>Variation £3,246K to be drawn down from existing approved block allocation for Roofs & Externals for Council Housing Stock (see below).</p> <p>The budget will also be reprofiled to align with schedule of works: Current 17/18 Budget £30K, Expected Costs £3K = £-27K Current 18/19 budget £4,384K, Expected Costs £4,329K = £-55K Current 19/20 Budget £5,742K, Expected Costs £8,115K = £+2,373 Current 20/21 Budget £2,208K, Expected Costs £3,893K - £+1,685K (£3,246K from Q0080) Current 21/22 Budget £730K, Expected Costs £0K = £-730K</p> <p>Funded by HRA</p>			
<p>Roofs & Externals (Council Housing)</p> <p>This project represents a block allocation of funds to provide Roofing and External works to Council Housing Stock. This request seeks approval to transfer the £3,246k required to fund the Insulation Project (outlined above) and re-profile the remaining allocation.</p> <p><u>Drawdown to fund Insulation Project</u> 17/18 - £1,000K 18/19 - £2,246K</p> <p><u>Reprofile</u> 18/19 £-350K 19/20 £-650K</p> <p><u>New Budget</u> 17/18 £0 18/19 £5,160K 19/20 £7,105K</p>	Reduction	-3,246	N/A

Business Partner Capital

Summary Appendix 1
CPG: 23rd October 2017

<p>20/21 £7,756K 21/22 £15,600K TOTAL £35,621K</p> <p>Current Budget £38,867K Variation £-3,246K</p> <p>Funded by HRA</p>			
<p>New Build Council Housing (Phase 3) Phase 3 comprises 8 self-contained apartments for people with severe learning disabilities. Residents are likely to include individuals who are currently accommodated out-of-city, at greater expense. The Government's Winterbourne Concordat requires that they come back to Sheffield. A preferred site has been identified at Wordsworth Avenue in Parson Cross. This submission is to request approval of:</p> <ul style="list-style-type: none"> - slippage of £572k. £77k from 17/18 & £495k from 18/19 into 19/20. - a change in scope from clients with high level learning disability to a client base with a mixed learning disability in order to avoid an institutional feel and to reduce the risk of voids in future. 	<p>Slippage</p>	<p>-77 17/18 -495 18/19 572 19/20</p>	<p>As per original approval</p>
<p>New Build Council Housing (Phase 4a) The aim of this scheme is to enable and support a range of older people with different levels of need to live independent fulfilled lives. In addition, the scheme will support Adult Social Care to manage the demographic cost pressures arising from the ageing population. This submission is to request:</p> <ul style="list-style-type: none"> - slippage of £365k from 17/18 and £5.080K from 18/19 a total of £5.445k. Adding 	<p>Slippage / Budget Increase</p>	<p>1,200</p>	<p>As per original approval</p>

<p>£4.693k to 19/20 and £752k to 20/21, due to the start of the scheme being delayed</p> <p>- an increase in the value of the project of £1.2m due to a change in scope, namely to add 12, 1 bed units to the existing 120 units planned for older people. This is as a result of phase 4b (see below) being reduced by 12 units, this client group was for mixed learning disabilities. The increase the number of units takes advantage of the opportunity presented by the reduction in units proposed for Phase 4b (LD), thus continuing to maximise the potential of the wider Adlington site with no increase to the overall approved budget for the whole phase.</p>			
<p>New Build Council Housing (Phase 4b)</p> <p>The objective of this project is to develop a scheme of new, good quality homes containing elements of privacy and community, where people with a range of care and support needs can live in their own flat with dignity, enjoying some independence whilst also being able to access shared activities and social life in the communal areas of the building.</p> <p>The location of the building and its care and support model will enable integration into the local community. This model is very much part of our vision to support people with learning disabilities to live fulfilled ordinary lives. The reduction in the number of units in this scheme is in order to avoid an institutional feel and to reduce the risk of voids in future.</p> <p>This submission is to request:</p> <p>- slippage of £71k from 18/19 to 19/20 due to a later start than originally anticipated</p> <p>- a reduction of the originally approved 20 units to 8 units resulting in a £1.2m budget</p>	<p>Slippage / Budget Reduction</p>	<p>-1,200</p>	<p>As per original approval</p>

<p>reduction of this phase . The 12 units are now to be part of Phase 4a accommodation for older people (see above). This project is also requesting slippage details below.</p>			
<p>Pitched Roofing & Roofline This project delivers new roofs across the authority's council housing stock. Issues have been experienced with one of our contractors resulting in requirements to slip budget and outputs each year. Therefore instead of releasing all the 17-18 task orders at once, these will be drip fed as and when there is confidence that the current work released has been completed. This contractor is unable to deliver the planned outputs of 1784. It is now forecast to complete 1400. The 384 outputs will slip into 2018-19. The starting budget included £1.3m for Foxhill & Lowedges, which will also not be on site this year and therefore this will be slipped until this work is tendered.</p> <p>A total of £3,575,030 will be slipped from 17/18 to 18/19.</p> <p>This is funded by HRA</p>	Slippage	<p>-3,575 17/18 3,575 18/19</p>	N/A
<p>Other Planned Elementals (Council Housing) This request is to slip £2.268m of budget allocation for general council housing improvements from 2017-18 into later years of the programme. £18,000 to slip into 2020-21 and £2.250m to slip into 2021-22 as there are no schemes currently in development requiring this allocation.</p> <p>This is funded by HRA</p>	Slippage	<p>-2,268 17/18 18 20/21 2,250 21/22</p>	N/A

Business Partner Capital

Summary Appendix 1
CPG: 23rd October 2017

<p>Waste Management This block allocation is to deliver refuse chute closure and other Waste Management projects which are yet to be developed. This is a request for slippage to defer the £1,715k of allocated to this project for 2017/18 and 2018/19 into 2019/20 and 2020/21</p> <p>This is funded by HRA</p>	<p>Reprofile</p>	<p>1,082 17/18 -633 18/19 800 19/20 915 20/21</p>	<p>N/A</p>
<p>Roofs and Externals This request is to slip £1m of an allocation for external works on council housing properties from 17/18 to 21/22 as there are no plans to deliver further projects of this nature at this time.</p> <p>This is funded by HRA</p>	<p>Slippage</p>	<p>-1,000 17/18 1,000 21/22)</p>	<p>N/A</p>
<p>Bingham Tennis Courts Bingham Park currently has 9 macadam tennis courts that are in a poor state of repair and in need of refurbishment, retaining walls are beginning to collapse creating a health and safety hazard and the court surfaces are no longer suitable for play.</p> <p>Following feasibility and discussions with the Friends Group it has been recommended that courts 4 and 5 are fully refurbished as part of the city wide tennis programme. Courts 1-3 will have all fencing and equipment removed but the hard standing will be left, this was requested by the Friends Group to provide space for future projects funded by the group. Courts 6 to 9 will be landscaped over.</p> <p>Following approval of the Outline Business Case and Procurement Strategy the works were</p>	<p>Variation</p>	<p>15</p>	<p>No Change</p>

<p>tendered and the winning return was £15,643 over budget; however additional revenue funding has been secured and external fees negotiated down making the project viable.</p> <p>Funded by: S106 £73,644 + LTA £31,000 + RCC £15,614 = £120,258</p> <p>Current Approval: £105K Budget Required: £120K Variation: £15K</p>			
<p>Bus Agreement – Bus Hotspots Phase 1 This project has current Better Buses Area funding approval for £1,183,750, which at present includes £25k to fund feasibility and preliminary design work in 2017/18 on a new phase of Bus Hotspot locations.</p> <p>A decision was taken by the Transport Sub Board to treat the new phase of works as a separate project for transparency and reporting purposes. As a result, a Director Variation has approved the reduction of this budget by £25k, which will be transferred to the feasibility project. (See corresponding entry in additions section above)</p> <p>Funded by Better Buses Area Funding</p>	<p>Director Variation</p>	<p>-25</p>	<p>n/a</p>
<p>Citywide 20 mph Zone In conjunction with the Corporate Plan, this project is to implement 20 MPH zones across the City in agreed locations.</p> <p>The £100k increase in LTP funding is to enable progression of detailed design and the construction of 20 MPH areas in the Meadowhead, Greenhill and Woodseats areas of Sheffield.</p> <p>Funded by Local Transport Plan</p>	<p>Budget increase</p>	<p>100</p>	<p>n/a</p>

<p>Darnall Cycle Routes</p> <p>The Council has a corporate objective of increasing active travel as part of its overall transport strategy designed to improve travel choice and tackle congestion. One key element of this is to build cycle infrastructure to an exceptional standard; wide, continuous, safer and direct, to facilitate journey times that compare favourably with private transport for journeys up to 5 km, and when combined with public transport for journeys over 5km. These works in the Darnall area will be divided into four phases.</p> <p>This project is to deliver phases one and two, a total of 1.6 km cycle route which incorporates 1 km being built to a higher standard than similar routes: - Phase one will run from National Cycle Network 627 at Manor through to Kettlebridge Road (a distance of approximately one km) providing a segregated cycle route with priority. Phase 2 will be predominantly lining and signing, running from Kettlebridge to Staniforth Road. The difference in the intervention is determined by existing peak hour traffic flow.</p> <p>The project currently has STEP (Sustainable Transport Exemplar Programme) funding approval in 2017/18 for £12k. The additional £413k will be funded by STEP to progress phases 1 and 2 through design and construction. The funding however is time limited and ends on 31st March 2018.</p> <p>Funded by STEP (Sustainable Transport Exemplar Programme)</p>	<p>Budget increase</p>	<p>413</p>	<p>Works to be undertaken by Amey under Schedule 7 of the Streets Ahead contract.</p>
<p>Traffic Controller Upgrades</p> <p>This project is now substantially complete and has upgraded cameras and communications equipment used to help manage traffic with the aim of ensuring reliable systems to improve journey times and journey time reliability on the key route network. This capital investment also has the benefit of reducing ongoing maintenance expenditure – so helping deliver a commitment through revenue budget planning over the last few years.</p> <p>Over a two year period the project has delivered the following: - the upgrade of 26 traffic signal</p>	<p>Budget increase</p>	<p>60</p>	<p>n/a</p>

<p>sites and 32 CCTV camera sites.</p> <p>Approval is being sought to add £60k 2017/18 STEP (Sustainable Transport Exemplar Programme) funding to fund the final costs.</p>			
INFRASTRUCTURE			
<p>HR&M Transport</p> <p>On the 1st of April 2017, the Housing Repairs and Maintenance (HR & M) Services was insourced back into SCC which created a need to procure approximately 380 new vehicles to a specification that enables the operation of an in-house Housing Repairs and Maintenance Service (HR&MS) whilst fulfilling the needs of the interim and future operating model and the requirements of the Housing service. Authorisation has already been granted for this exercise.</p> <p>The change to this programme is to note the addition of an extra £228k for 5 Fuel Cell Electric Vehicles (FCEV) part funded by a £183k DFT (Department for Transport) ULEV (Ultra Low Emission Vehicle) grant, at 75% of the vehicle procurement and operating costs, with the remainder being funded from a £45k increase in prudential borrowing. These 5 FCEV's will replace 5 diesel vehicles in the fleet and will help with the Council's ambition to increase the uptake of ULEV's within the city to improve the air quality and reduce carbon emissions.</p> <p>The decision to accept the grant was taken previously in line with the Leader's Scheme of Delegation.</p>	Cost increase	228	<ul style="list-style-type: none"> • Diesel Vehicles: Mini- competition via public sector vehicle suppliers (selected for expediency) • Electric/Hydrogen Vehicles: Waiver as specialist supplier
SUCCESSFUL CHILDREN & YOUNG PEOPLE			
<p>Aldine House Undercroft Area 2</p> <p>This scheme covers initial design works, followed by extension works at Aldine House Secure Children's Home, to provide 2 additional welfare beds and increased physical infrastructure for staff to support additional bed provision. Aldine House is a small Residential Home; it has historically struggled to provide dedicated space for essential functions such as staff meetings, training, young person reviews and visitors. This has meant that the home has had to rely on the flexible use of space and detailed planning/scheduling on the use of the available rooms.</p>	Cost increase	145	<p>In house provider - CDS architects for feasibility & design stage.</p> <p>Construction Mini-competition under YORbuild</p>

<p>If the home was to increase its bed capacity by two, it is essential that investment is made to provide the required space for support services including an extra sleeping-in room. The advantage of utilising the Undercroft area of the home to provide new space is that the works will not require planning permission and the earlier success of the music room project has proved the work is possible/achievable.</p> <p>Additional work required is now required on the underpinning of the Undercroft area to make it safe for continuation of the initially planned development outlined above.</p> <p>This variation seeks to apply £145k of funds from a new Department for Education Secure Homes grant that has recently been awarded to, and accepted by, Sheffield City Council. The works will be undertaken by the contractor already onsite.</p> <p>The decision to accept the grant was taken previously in line with the Leader's Scheme of Delegation.</p>		Framework for Construction
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Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Summary of Purpose of Grant and Grant Conditions and Obligations	Value £000
Sheffield City Region Combined Authority	Sheffield City Region Investment Fund (SCRIF)	Claywheels Lane Sustainable Industries Park	<p>Claywheels is one of the largest brownfield sites in Sheffield but due to poor site access; a lack of mains services; a patchwork of levels and hardstanding; areas of contamination and a number of derelict large chimneys and old industrial sheds on the site, no private sector investment proposals have come forward for the site for the past 20 years.</p> <p>A genuine investment interest has been shown in the site by a range of new companies at the heavier end of recycling and the generation of energy from waste sectors, together with major users of energy such as steel manufacturers. However, the developments/works proposed for the site are not viable without public sector intervention and thus the Council made an application to the Sheffield City Region Combined Authority for funding from SCRIF.</p> <p>SCRIF investment would enable both new industrial activity to be attracted into the site and the existing businesses to remain and hopefully expand. As a result the safeguarded and/or new jobs created will directly contribute to the wider economic prosperity of Sheffield and the City Region. The SCRIF will leverage in circa £32m of private sector investment.</p> <p>The project Outputs and Outcomes are as follows:-</p> <p>Works Outputs</p>	1512

			<ul style="list-style-type: none"> • To provide 8.34 acres of currently occupied land with improved access and services (electricity, gas, water and drainage) • To make 20.81 acres of currently vacant and unserviced land available for development with provision of mains electricity, gas, water and drainage and improved highways access. • The development of 8,239sqm of fully serviced industrial floor space and the construction of a new steel press. <p>Non Works Outputs</p> <ul style="list-style-type: none"> • The safeguarding of 32 jobs on the Claywheels Lane site • The development and implementation of a focused marketing campaign to secure occupation of the Sustainable Industries Park. • The creation of 35 jobs. <p>Outcomes</p> <ul style="list-style-type: none"> • The construction of 14,559 sqm of new industrial space involving the investment of £18m. • The delivery of 16 jobs, by 2020. • The delivery of a further 20 jobs by 2020. <p>The Council will enter into two funding agreements with the Sheffield City Region: one relating to outputs that will ultimately be delivered AMG Investments Limited and one relating to outputs that will ultimately be delivered by Abbey Forged</p>	
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			<p>Products. This reduces the risk to the Council as the clawback risk can now be transferred (via the funding agreements to the two landowners – please see Appendix 2a for further details) to the relevant beneficiary and any unexpected issues with one part of the project will not now result in clawback on the other. The Council will still be at risk of clawback in relation to its own fees claimed up to £88,167. This risk is seen as a very low risk and will fall away once the Works Outputs have been delivered.</p> <p>The terms of the two proposed funding agreements between the Combined Authority and the Council, which have now been finalised, also ensure that although there are desired outputs and outcomes for the project, clawback will only be applicable for the outputs.</p> <p>Other key features (not exclusive) of the Funding Agreements are summarised as follows :</p> <ul style="list-style-type: none"> • The agreements are between the Combined Authority and the Council and are for £988,918.00 (£57,668 of which relates to the Council’s fees) and £522,999.00 (£30,499 of which relates to the Council’s fees) respectively. • Expenditure and Works Outputs must be complete by 31st December 2019 • We cannot make any changes to the project that The Recipient shall not make any change to the Project that are significant or that have the potential to result in the provision of the Grant breaching any EU Rules without the Combined Authority's prior written agreement. 	
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			<ul style="list-style-type: none"> • We are obliged to arrange the prompt and efficient procurement and carrying out and completion of the Project but no specific delivery obligations of our own. • We are responsible for submitting all financial claims and so will be responsible for certifying that the amount claimed is in accordance with the Agreement and represents goods or services received and paid for and that the claim does not include any costs being claimed from any other body or individual or from the Combined Authority within the terms of another contract. • Financial claims shall be sent within 7 working days of the end of the relevant Claim Period and the Combined Authority aims to pay all duly completed claims within 30 days of receipt. • Where an amount claimed is deemed by the Combined Authority to be excessive the Combined Authority shall only be liable to reimburse so much (if any) of the claim as would reasonably have been required for that purpose. • The Council is responsible for evaluating the progress of the Project and co-operating with the evaluation undertaken by or on behalf of the Combined Authority. • Clawback of 100% of the relevant funding if the relevant works outputs are not completed • Clawback of up to 30% of the relevant funding if the 	
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			<p>relevant non-works outputs are not achieved.</p> <ul style="list-style-type: none"> The European Commission can audit grant projects and raise any issues with state aid compliance up to 10 years after the grant is awarded and the Combined Authority can demand repayment of the grant plus interest if required to do so as a result of a decision of the Commission. <p>The Combined Authority has a lot of pressure on funding allocations and over commitments. Consequently they have been clear that, unless SCC is in a position to sign the funding agreement by 1 December 2017, the funding for this project may be lost.</p>	
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Grant to be Paid to	SCC Funding Source	Project to be funded by the Grant	Conditions and Obligations	Value £000
AMG Investments Ltd (AMG)	Funding to be paid from funding received by SCC from Sheffield City Region Combined Authority (SCR)	Claywheels Lane Sustainable Industries Park	<p>AMG is an investment and asset management company owned by a high net worth Sheffield businessman, with a number of Sheffield and Rotherham properties and investments. The company has already invested in the acquisition and part clearance of the Claywheels Lane site.</p> <p>In return for Sheffield City Region Investment Fund funding AMG has agreed to carry out works with a view to achieving the following outputs and outcomes:</p> <p>AMG Works Outcomes</p> <p>1) To provide 8.34 acres of currently occupied land with improved access and services (electricity, gas, water and drainage)</p> <p>(2) To make 20.81 acres of currently vacant and unserviced land available for development with provision of mains electricity, gas, water and drainage and improved highways access.</p> <p>AMG Non Works Outputs</p> <p>(1) The safeguarding of 32 jobs on the Claywheels Lane site. A job being defined as a whole time equivalent post based on the site. These jobs will be audited 6 months after practical completion of the works outputs</p> <p>(2) The development and implementation of a focused marketing campaign to secure occupation of the Sustainable Industries</p>	931

			<p>Park.</p> <p>AMG Outcomes (1)The construction of 14,559 sqm of new industrial space involving the investment of £18m (2)The delivery of 16 jobs, by 2020.</p> <p><u>Heads of Terms</u></p> <p>The Funding Agreement with AMG will be on a back to back basis so as to passport all the obligations in the SCR Funding Agreement with the Council onto AMG.</p> <p>Purpose of Funding – To part fund the delivery of serviced land on the Claywheels Lane site for development reclaimed and clear of all obstructions with access to mains electricity, gas, water and drainage with good highways access.</p> <p>Funding – up to £931,250 – payable in arrears, at a rate of 50% paid against paid invoices on expenditure on the works specified in the schedule of works.</p> <p>All applications for payment by AMG will need to be signed off by a monitoring surveyor on behalf of the Council.</p> <p>When 95% of the funding has been paid the Council will be entitled to withhold the balance until the later of the date of practical completion and the date that the Council is satisfied</p>	
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			<p>that the project outputs have been fully achieved.</p> <p>AMG will provide the Council with a programme of works and profile of expected spend and will update this on a regular basis – keeping the Council fully informed of all changes.</p> <p>AMG will maintain full and accurate accounts for the works and supply to the Council any information it advises it requires (for example a copy of all paid invoices and supporting documentation)</p> <p>Schedule of Works that are eligible for funding (a detailed schedule of works will be required from AMG)</p> <ul style="list-style-type: none"> • Demolition of redundant structures on the site and undertake land reclamation works • The provision of a new secured electricity supply to the site having a capacity of at least 3MW • The provision of mains gas and water supplies to the site • The provision of a new site entrance to the site <p>There will be a change mechanism procedure to enable AMG to seek the Council’s permission to amend the works, provided that the Outputs remain unchanged.</p> <p>Clawback -</p>	
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			<p>If AMG fail to deliver the specified project outputs and this will result in clawback of funding as follows:</p> <p>Works Outputs - Subject to 100% Clawback Non-works Outputs - Subject to 30% Clawback</p> <p>There will be no clawback for failure to deliver all or any of the outcomes.</p> <p>Financial Guarantee - Appropriate due diligence of AMG’s financial position will be undertaken and appropriate financial guarantees put in place to protect the Council from any financial risk of AMG being unable to repay the grant before the Funding Agreement is completed.</p> <p>All works for which funding is being claimed will be procured in accordance with the Council’s Standing Orders.</p> <p>Programme Dates -</p> <p>Date of Practical Completion (PC)/Completion Date – 31st July 2019 - the date by which all funding is to be spent and PC to be achieved</p> <p>Date by which all eligible expenditure is to have been claimed from the Council – 31st August 2019.</p> <p>Date of satisfaction of non-works outputs – 31st January 2020</p>	
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			<p>Council Fees –</p> <p>On the signing of the Funding Agreement AMG will pay the Council £17,500 as a contribution towards its costs.</p>	
Abbey Forged Products (Abbey)	Funding to be paid from funding received by SCC from Sheffield City Region Combined Authority (SCR)	Claywheels Lane Sustainable Industries Park	<p>Abbey Forged Products Ltd is an established well respected Sheffield firm supplying specialist forgings to the oil exploration, energy and aerospace industries.</p> <p>They currently operate at a recently modernised plant at Beeley Wood Lane, and are seeking to grow/expand by developing a new heavy forge which will significantly widen their capability and product range. They are major users of both electricity and gas and are keen to benefit from both the potential cost savings and sustainability credentials which the availability of renewable energy generated on the Claywheels Lane Sustainable Industries site will give.</p> <p>They have purchased the former Airflow Site and aim to start construction of the new forge as soon as planning permission is secured and the SCRIF funding is confirmed.</p> <p>In return for Sheffield City Region Investment Fund funding Abbey has agreed to carry out works with a view to achieving the following outputs and outcomes:</p> <p>Abbey Works Outputs</p> <p>The development of 8,239sqm of fully serviced industrial floor space and the construction of a new steel press. These works</p>	492

			<p>to be practically completed and the press capable of operational use no later than 31st July 2019.</p> <p>Abbey Non Works Outputs The creation of 35 jobs. A job is defined as a whole time equivalent post based on the site. These jobs will be audited 6 months after practical completion of the works outputs.</p> <p>Abbey Outcomes The delivery of a further 20 jobs by 2020</p> <p><u>Heads of Terms</u></p> <p>The Funding Agreement with Abbey will be on a back to back basis so as to passport all the obligations in the SCR Funding Agreement with the Council onto Abbey.</p> <p>Purpose of Funding – To part fund the development of a new 8,239 square metre industrial building to house a new steel press by Abbey</p> <p>Funding – up to £492,500 – payable in arrears, at a rate of 50% paid against paid invoices on expenditure on the works specified in the schedule of works.</p> <p>All applications for payment by Abbey will need to be signed off by a monitoring surveyor on behalf of the Council.</p> <p>When 95% of the funding has been paid the Council will be</p>	
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			<p>entitled to withhold the balance until the later of the date of practical completion and the date that the Council is satisfied that the project outputs have been fully achieved.</p> <p>Abbey will provide the Council with a programme of works and profile of expected spend and will update this on a regular basis – keeping the Council fully informed of all changes. Abbey will maintain full and accurate accounts for the works and supply to the Council any information it advises it requires (for example a copy of all paid invoices and supporting documentation)</p> <p>Schedule of Works that are eligible for funding (a detailed schedule of works will be required from Abbey)</p> <ul style="list-style-type: none"> • The provision of a new electricity connection to the site having a capacity of at least 2.5MW • The provision of a new gas supply and gas house and substation capable of supplying 250MB/22.000kw to the site • Land reclamation works to enable the construction on the site of the new forge building • Site drainage works to enable the construction on the site of the new forge building • The provision of mains water supply to the site 	
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			<p>There will be a change mechanism procedure put in place to enable Abbey to seek the Council’s permission to amend the works, provided that the Outputs remain unchanged.</p> <p>Clawback - If AMG fail to deliver the specified project outputs and this will result in clawback of funding as follows:</p> <p>Works Outputs - Subject to 100% Clawback Non-works Outputs - Subject to 30% Clawback</p> <p>There will be no clawback for failure to deliver all or any of the outcomes.</p> <p>Financial Guarantee - Appropriate due diligence of Abbey’s financial position will be undertaken and appropriate financial guarantees put in place to protect the Council from any financial risk of Abbey being unable to repay the grant before the Funding Agreement is completed.</p> <p>All works for which funding is being claimed will be procured in accordance with the Council’s Standing Orders.</p> <p>Programme Dates -</p> <p>Date of Practical Completion (PC)/Completion Date – 31st July 2019 - the date by which all funding is to be spent and PC to be</p>	
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			<p>achieved</p> <p>Date by which all eligible expenditure is to have been claimed from the Council – 31st August 2019.</p> <p>Date of satisfaction of non-works outputs – 31st January 2020</p> <p>Council Fees –</p> <p>On the signing of the Funding Agreement Abbey will pay the Council £17,500 as a contribution towards its costs.</p>	
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