

# Cabinet

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**Wednesday 17 October 2018 at 2.00 pm**

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

**The Press and Public are Welcome to Attend**

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## **Membership**

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|                           |  |
|---------------------------|--|
| Councillor Julie Dore     | (Leader of the Council)                                  |
| Councillor Olivia Blake   | (Cabinet Member for Finance and Deputy Leader)           |
| Councillor Lewis Dagnall  | (Cabinet Member for Environment and Streetscene)         |
| Councillor Jackie Drayton | (Cabinet Member for Children & Families)                 |
| Councillor Jayne Dunn     | (Cabinet Member for Education & Skills)                  |
| Councillor Mazher Iqbal   | (Cabinet Member for Business and Investment)             |
| Councillor Mary Lea       | (Cabinet Member for Culture, Parks and Leisure)          |
| Councillor Chris Peace    | (Cabinet Member for Health and Social Care)              |
| Councillor Jack Scott     | (Cabinet Member for Transport and Development)           |
| Councillor Jim Steinke    | (Cabinet Member for Neighbourhoods and Community Safety) |

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## **PUBLIC ACCESS TO THE MEETING**

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

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://www.sheffield.gov.uk). You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. You may not be allowed to see some reports because they contain confidential information. These items are usually marked \* on the agenda.

Members of the public have the right to ask questions or submit petitions to Cabinet meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Cabinet meetings are normally open to the public but sometimes the Cabinet may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

Cabinet decisions are effective six working days after the meeting has taken place, unless called-in for scrutiny by the relevant Scrutiny Committee or referred to the City Council meeting, in which case the matter is normally resolved within the monthly cycle of meetings.

If you require any further information please contact Simon Hughes on 0114 273 4014 or email [simon.hughes@sheffield.gov.uk](mailto:simon.hughes@sheffield.gov.uk).

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## **FACILITIES**

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

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

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**CABINET AGENDA  
17 OCTOBER 2018**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**

Appendices 3-10 of item 12 'Future of the Revenues and Benefits Service' and Appendices 1-3 of item 13 'Care at Night Service' are 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 - 12)

To approve the minutes of the meeting of the Cabinet held on 19 September 2018.
- 6. Public Questions and Petitions**

To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny**

The Director of Legal and Governance will inform the Cabinet of any items called in for scrutiny since the last meeting of the Cabinet
- 8. Retirement of Staff** (Pages 13 - 16)

Report of the Executive Director, Resources.
- 9. Community Infrastructure Levy Neighbourhood Portion** (Pages 17 - 42)

Joint report of the Executive Director, People Services and the Executive Director, Place..
- 10. Assistive Technology and Call Handling Services to Support People in their Homes (City Wide Care Alarms - Kit/Calls Project)** (Pages 43 - 52)

Report of the Executive Director, People Services.

11. **Month 5 Capital Approvals** (Pages 53 - 76)  
Report of the Executive Director, Resources.
12. **Future of the Revenue and Benefits and Financial Business Transactions Services** (Pages 77 - 130)  
Report of the Executive Director, Resources.
13. **Care at Night Service** (Pages 131 - 164)  
Report of the Executive Director, People Services.

**NOTE: The next meeting of Cabinet will be held on  
Wednesday 21 November 2018 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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

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

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

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

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

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

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Cabinet

Meeting held 19 September 2018

**PRESENT:** Councillors Julie Dore (Chair), Olivia Blake, Lewis Dagnall, Jackie Drayton, Jayne Dunn, Mazher Iqbal, Mary Lea, Chris Peace, Jack Scott and Jim Steinke

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**1. APOLOGIES FOR ABSENCE**

1.1 There were no apologies for absence.

**2. EXCLUSION OF PUBLIC AND PRESS**

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

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest made at the meeting.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of Cabinet held on 18 July 2018 were approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Petition in respect of Affordable Housing

5.1.1 Michael Miller submitted a petition containing 2,569 signatures, requesting that housing developers be made to be more transparent about costs in Sheffield.

5.1.2 Mr Miller commented that current planning law stated that if a developer would make less than a 20% profit on a new development, they could ignore a Council's regulations about building affordable and social housing. Leaked documents from several developers had shown that the maths they used to work out their profit margins were purposefully misleading, allowing them to claim they will make less than 20% profit on a development by undervaluing the prices of the houses they will sell and over-costing the labour.

5.1.3 Mr Miller added that, to combat this, Islington, Greenwich, Lambeth and Bristol Councils had introduced a policy that forced developers; "viability assessments" to be made public. By bringing this maths into the public domain, Councils, campaigning groups and individuals would be able to hold developers to account and force them to use more honest maths. Would the Council therefore consider adopting this policy?

5.1.4 In response, Councillor Jack Scott, Cabinet Member for Transport and

Development, acknowledged that the large number of signatures in support of the petition highlighted the strength of feeling across the City in respect of this issue. He did not believe developers were exploiting a legal loophole in this respect but in his opinion the law deliberately assisted developers to get out of their obligations.

5.1.5 Sheffield was one of the best Councils in the country to press developers to fulfil their obligations in respect of viability. However, this did not take away the benefit of making such assessments public and Councillor Scott could see the benefit in requiring that. Developing a baseline that developers could refer to would also benefit developers in the long term.

5.1.6 Councillor Scott was supportive of developing this policy. It did need to be fair to developers but affordability to the public needed to be a priority. Councillor Scott wished to see viability assessments signed off by a named individual with the appropriate qualifications and then countersigned by the applicant. Councillor Scott therefore hoped that an executive decision in this respect could be signed off in the next couple of months. Clarification was needed as to whether a consultation process was required. Councillor Scott believed that undertaking a viability assessment at the end of the application process was the most transparent way of doing things. He concluded by thanking Mr Miller for the petition and suggested it be referred to the Safer and Stronger Communities Scrutiny and Policy Development Committee for consideration.

5.1.7 The Leader of the Council, Councillor Julie Dore, added that the Council did scrutinise viability assessments. The problem for the Council was the lack of the resources available to scrutinise the assessments as much as they would like as a result of Government cuts. She agreed with the views of Councillor Scott and that there should be two stages in the planning process in respect of viability – at the beginning and at the end of the process. Councillor Dore believed that a national policy in respect of this should be introduced and encouraged people to lobby the Government to achieve this.

5.1.8 **RESOLVED:** That the petition be referred to the Safer and Stronger Communities Policy and Development Committee for consideration.

## 5.2 Public Question in respect of Wind Flow

5.2.1 Nigel Slack commented that, with ambitions in the City Centre for ever taller building blocks, he had expressed concern, to Councillors and developers, about the awareness of developers about wind-flow issues at ground level of such buildings. Mr Slack added that clearly no one would wish to create a Bridgewater House (Leeds) effect within the City Centre.

5.2.2 Mr Slack therefore asked what requirements did planning place on developers in respect of wind-flow modelling for new proposals? In light of the strong winds (40mph) yesterday and with Climate Change making extreme weather events more frequent, what wind speeds were they expected to consider?

5.2.3 Mr Slack further asked had the City created a measure of acceptable levels of

pedestrian safety or comfort and how might this be measured or monitored? Did any expectation on developers include the impact of light debris around the City and any associated vortex hazards?

5.2.4 Councillor Jack Scott responded that he was ambitious for the City in respect of development. As part of the planning process, developers were required to submit a micro climate assessment. This would inform detailed design negotiation and evaluations. There were a number of examples across the City where measures had been put in place which were designed to prevent a vortex or wind hazard.

5.2.5 However, Councillor Scott added that the issue required further policy development work and this would be included in the Local Plan in due course. If Mr Slack had any specific concerns related to particular buildings, these should be reported to building control.

### 5.3 Public Question in respect of Academies

5.3.1 Nigel Slack commented that, in January, it was highlighted that a number of Academy Schools were either in the red and, in conjunction with already dire levels of Government investment in Sheffield schools funding, we were seeing schools subject to unaccountable profiteering management and with about as much public scrutiny as Starbucks. Mr Slack believed that profit was now being placed ahead of pupil needs, including their safety, and the Education and Skills Funding Agency had had to intervene in some cases. Were the Council satisfied that Sheffield Academies had good levels of transparency and oversight from parents, governors and the Authority? Were the Council able to monitor Academy accounts and was there any awareness of financial risks associated with local Academies? Bearing in mind the recent reports of Sheffield pupil exclusions being above the national average, were the Council aware of the national correlation between these figures and the Academy status of the schools involved? Were the levels of exclusions a reflection of attempts by schools to improve test results and OFSTED scores?

5.3.2 In response, Councillor Jayne Dunn, Cabinet Member for Education and Skills, commented that she was not in favour of academisation and the questions Mr Slack had asked were the very questions she had been asking. Unfortunately, the Council could not insist that they saw any financial figures from academies. The Schools Forum and Learn Sheffield within the City did encourage good sharing of best practice. The Education and Skills Funding Agency could see Academies finances but the Council were not able to. She agreed that levels of exclusions were not acceptable and this was an issue of policy development that the Council was working on.

5.3.3 Councillor Julie Dore added that governing bodies had access to their school's finances and questions could be raised at governing body meetings. However, academies did not have to have Local Government appointees on their governing bodies. She shared the concerns of Mr Slack and added that the Council were working to find a solution to the problems.

### 5.4 Public Question in respect of the Walk-In Centre at Broad Lane

5.4.1 Nigel Slack referred to the saving of the Walk-In Centre on Broad Lane and asked if there was pressure put on to the Clinical Commissioning Group to bring this back to the NHS rather than as a profit making provider of NHS branded services?

5.4.2 Councillor Chris Peace, Cabinet Member for Health and Social Care, responded that it was clear that, nationally, Labour saw the NHS as the preferred provider. The CCG were meeting in respect of this tomorrow and no decision had been taken as yet. This was a good example of the democratic process as it had been discussed at Scrutiny, the Health and Wellbeing Board and at Full Council. She was clear that any proposals should not widen health inequalities in the City and negatively impact the most vulnerable in the City.

5.5 Public Question in respect of the Powers of the Sheffield City Region Mayor

5.5.1 Nigel Slack asked with responsibility for transport strategy being part of the Sheffield City Region Mayor's role, what part will the City play in guiding this process?

5.5.2 Councillor Julie Dore commented that, prior to the Mayoral Authority being created, there was an integrated South Yorkshire Transport Authority and engagement with the Mayor on transport would not be too dissimilar to the way the Council used to engage with the Transport Authority. Sheffield had its own Transport Strategy and engaged widely with partners across the City Region Authority. A City Region wide deal had not yet been signed to Sheffield's disappointment and, as a result, no devolved transport funding due to the Devolution Deal had been received from Government.

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

6.1 It was reported that there had been no decisions called-in for Scrutiny since the last meeting of the Cabinet.

**7. RETIREMENT OF STAFF**

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

7.2 **RESOLVED:** That this Cabinet :-

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

| <u>Name</u>         | <u>Post</u>                          | <u>Years' Service</u> |
|---------------------|--------------------------------------|-----------------------|
| <b><u>Place</u></b> |                                      |                       |
| Stephen Ash         | Assistant Transport Services Manager | 32                    |
| Karen Barker        | Secretary to Senior                  | 38                    |

|                   | Management Team  |    |
|-------------------|--|----|
| Ralph Bennett     | Building Control Manager                                 | 39 |
| Keith Brookes     | Enforcement Officer, Trading Standards                   | 44 |
| Maxine Clark      | Neighbourhood Support Officer                            | 20 |
| Richard Coe       | Senior Civil and Structural Engineer                     | 44 |
| Andrew Conwill    | Planning Officer, Landscapes                             | 43 |
| Janet Curbishley  | Senior Business Support Officer                          | 31 |
| Paul Fell         | Transport, Traffic and Parking Services Business Manager | 39 |
| Gillian French    | Technician , Highways Development Control                | 39 |
| Brendan Gillespie | Enforcement Assistant, Planning                          | 30 |
| Fiona Graham      | Team Leader, Estate Management                           | 34 |
| Stephen Guest     | Technical Manager, Building Services                     | 39 |
| Sandra Hall       | Housing Co-Ordinator                                     | 35 |
| Richard Harris    | Ecology Manager, Parks and Countryside                   | 28 |
| Stevenson Hewitt  | Clerk of Works   | 45 |
| Amanda James      | Housing Development Officer                              | 32 |
| John Marshall     | Assistant Markets Manager                                | 46 |
| Susan Nadin       | Bereavement Services Manager                             | 37 |
| Richard Proctor   | Transport Planning Manager                               | 35 |
| Paul Sheen        | Cost Manager   | 32 |

|               |  |    |
|---------------|--|----|
| Victor Slimm  | Driver/Plant Operative                 | 40 |
| Maurice Suter | Property Technician, Property Services | 30 |
| Susan Walker  | Community Arts Officer                 | 30 |

**People Services**

|                |   |    |
|----------------|---|----|
| Wendy Bramwell | Team Manager, Intermediate Care Assessment Team | 29 |
|----------------|---|----|

**Resources**

|              |                      |    |
|--------------|----------------------|----|
| Jon Mordecai | Trade Union Convenor | 44 |
|--------------|----------------------|----|

(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. NEW HOMES DELIVERY PLAN**

8.1 The Executive Director, Place submitted a report commenting on, and attaching, the New Homes Delivery Plan which sets out the broad principles and proposals for a programme for achieving, on average, 2,000 new homes per annum in the areas of Sheffield where they are needed over the next five years, and a longer term pipeline to sustain this level of delivery.

8.2 Councillor Jack Scott responded and stated that, in light of today's Government announcement regarding funding for social housing and infrastructure investment, it would be wise to defer this report to allow a full analysis of the Government's announcement. Councillor Julie Dore agreed and suggested the Council should examine its approach in light of this development. This was agreed by Cabinet Members.

8.3 **RESOLVED:** That Cabinet:-

- (a) in light of today's Government announcement regarding funding for future social housing development, defers a decision on the Plan to enable a full analysis of the implications of the Government's announcement and requests that a further report be submitted to the October meeting;
- (b) agrees that any work currently in progress aligned with the Plan be continued in the meantime; and
- (c) requests that any decisions required to implement the Plan prior to the October meeting be taken in accordance with the Leader's Scheme of Delegation.

**8.4 Reasons for Decision**

8.4.1 To assess the implications of today's Government announcement for the delivery of the Plan.

**8.5 Alternatives Considered and Rejected**

8.5.1 To approve the recommendations as outlined in the report.

**9. MONTH 4 CAPITAL APPROVALS**

9.1 The Executive Director, Resources submitted a report providing details of proposed changes to the Capital Programme as brought forward in Month 04 2018/19.

9.2 **RESOLVED:** That Cabinet approves the proposed additions and variations to the Capital Programme listed in Appendix 1 of the report, 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.

**9.3 Reasons for Decision**

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

9.3.2 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.

9.3.3 Obtain the relevant delegations to allow projects to proceed.

**9.4 Alternatives Considered and Rejected**

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

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

**Tel:** 27 34014

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

**Report to:** *Cabinet*

**Date of Decision:** *17<sup>th</sup> October 2018*

**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:-

| <b><u>People Services</u></b> |   | <b><u>Years' Service</u></b> |
|-------------------------------|---|------------------------------|
| Karen Barker                  | Senior Teaching Assistant Level 3,<br>Norfolk Park School | 23                           |
| Anne Broadhead                | SENCO Teacher,<br>Ecclesall Infant School                 | 37                           |
| Marjorie Reilly               | Supervisory Assistant,<br>Malin Bridge Primary School     | 20                           |

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**Author/Lead Officer of Report:**

Dawn Shaw  
Head of Libraries, Community Services and Learning & Skills

**Tel:** 273 4486

**Report of:** Jayne Ludlam - Executive Director for People Services Portfolio/Laraine Manley, Executive Director for Place Portfolio

**Report to:** Cabinet

**Date of Decision:** 17<sup>th</sup> October 2018

**Subject:** Community Infrastructure Levy Neighbourhood Portion (Local CIL)

|   |   |  |
|---|---|--|
| 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?   |   |  |
| 1. Neighbourhoods & Community Safety  |   |  |
| 2. Transport and Development  |   |  |
| Which Scrutiny and Policy Development Committee does this relate to?  |   |  |
| • Safer and Stronger Communities Scrutiny and Policy Development Committee  |   |  |
| Has an Equality Impact Assessment (EIA) been undertaken?  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| If YES, what EIA reference number has it been given? 286  |   |  |
| Does the report contain confidential or exempt information?   | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-   |   |  |
| <p><i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p> |   |  |

**Purpose of Report:**

This report seeks approval for the process for allocating the “**Neighbourhood Portion**” (currently 15%) of the Community Infrastructure Levy (**CIL**) receipts within wards that are not within a Parish Council boundary or an area in which a neighbourhood plan is in place; and delegated authority for decisions on the spending to the Head of Libraries, Community Services & Learning & Skills in consultation with the Cabinet Member for Neighbourhoods and Community Safety.

It is proposed that this authority should be exercised after engagement with communities and Ward Councillors has taken place, ensuring that monies are spent in accordance with agreed Ward Priorities.

**Recommendations:**

Cabinet is recommended:

- a) to agree that where there is no Parish Council or neighbourhood plan in place in the ward where a chargeable development has taken place, the Neighbourhood Portion is collected into a single Local CIL pot and redistributed using the process set out in this report.
- b) to authorise the Head of Libraries, Community Services & Learning & Skills in consultation with the Cabinet Member for Neighbourhoods and Community Safety, to determine (i) how the CIL Neighbourhood Portion allocated to each ward is spent, following engagement with local communities and Ward Councillors, subject to the proviso that monies are spent in accordance with agreed Ward Priorities and (ii) to determine the terms on which such expenditure is incurred including authorising the completion of any related funding agreement or other legal documentation.
- c) to authorise the Head of Libraries, Community Services & Learning & Skills to produce a Guidance Note for the Councillors and Officers, setting out how decisions on spending the CIL Neighbourhood Portion will be made, based on the details set out in this report.

**Background Papers:**

*Cabinet report: ‘A new approach for engaging and involving communities’ – July 2013*

*Cabinet report: ‘Implementing the Community Infrastructure Levy (CIL) in Sheffield’ – April 2015*

| 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:<br>Paul Schofield<br><i>HoS Finance &amp; Commercial Services Business Partner Resources and Place. Place Portfolio</i>                       |
|   |  | Legal:<br>Andrea Simpson<br><i>Governance Lawyer, Resources</i><br>Victoria Clayton and Katy McPhie<br><i>Planning and Highways Lawyers, Resources</i> |
|   |  | Equalities:<br>Ed Sexton<br><i>Equalities &amp; Involvement Officer, People Portfolio</i>  |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> |  |  |
| 2   | <b>EMT member who approved submission:</b>   | Jayne Ludlam - Executive Director for People Services Portfolio/Laraine Manley, Executive Director for Place Portfolio                                 |
| 3   | <b>Cabinet Member consulted:</b>   | Cllr. Jim Steinke - Neighbourhoods & Community Safety<br>Cllr. Jack Scott – Development and Transport  |
| 4   | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |  |
|   | <b>Lead Officer Name:</b><br>Dawn Shaw   | <b>Job Title:</b><br>Head of Libraries, Community Services and Learning & Skills   |
|   | <b>Date:</b> 9 October 2018  |  |

## 1. PROPOSAL

- 1.1 This report seeks approval for the process for allocating the Neighbourhood Portion (currently 15%) of the Community Infrastructure Levy (CIL) receipts within wards that are not within a Parish Council boundary or an area in which a neighbourhood plan is in place; and delegated authority for decisions on the spending to the Head of Libraries, Community Services & Learning & Skills in consultation with the Cabinet Member for Neighbourhoods and Community Safety. It is proposed that this authority should be exercised after engagement with local communities and Ward Councillors has taken place, ensuring that monies are spent in accordance with agreed Ward Priorities.
- 1.2 This report uses the creation of a ward based approach to community engagement and ward based funding scheme agreed by Cabinet on 17<sup>th</sup> July 2013 (*A new approach for engaging and involving communities*)<sup>1</sup> as the basis for the proposals for distribution of the Neighbourhood Portion. This approach may be subject to a review of neighbourhood working. Any changes will be reported to Cabinet in due course.

### **What is CIL and the Neighbourhood Portion?**

- 1.3 CIL is a national scheme introduced through the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (CIL Regulations) as a way of seeking contributions from developers towards essential infrastructure that is required to support new development. The principles of CIL were explained to Cabinet in a report entitled *Implementing the Community Infrastructure Levy (CIL) in Sheffield* in April 2015, and Cabinet approved the principles for a “Regulation 123 List”, setting out a list of priority infrastructure projects which the Council intends to fund either wholly or partly through CIL receipts, at that meeting. Subsequently full Council approved a CIL Charging Schedule, setting out what rates apply to certain types of development, on 3 June 2015<sup>2</sup>.
- 1.4 The 2015 Cabinet report was focussed on how CIL would be charged and outlined how the majority of it might be spent. It mentioned the concept of a “Neighbourhood Portion” but did not go into detail on how this would be distributed or what it might be spent on. This report describes proposals for the Neighbourhood Portion.

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<sup>1</sup> <http://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=123&MId=5145&Ver=4>  
<http://democracy.sheffield.gov.uk/documents/s8564/A%20New%20Approach%20to%20Engaging%20and%20Involving%20Communities.pdf>

<http://democracy.sheffield.gov.uk/mgAi.aspx?ID=6268>

<sup>2</sup> <http://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=154&MId=5931&Ver=4>  
<http://democracy.sheffield.gov.uk/documents/s18534/Community%20Infrastructure%20Levy%20-%20Report%20to%20Council.pdf>

<http://democracy.sheffield.gov.uk/mgAi.aspx?ID=10745>



- 1.5 The Neighbourhood Portion is 15% of CIL receipts (capped to £100 per council tax dwelling) unless a neighbourhood plan<sup>3</sup> is in place in the local council's area, or the chargeable development was authorised by a neighbourhood development order<sup>4</sup>; in both such cases the Neighbourhood Portion is increased to 25% and that is uncapped.
- 1.6 To date (October 2018) there have been no neighbourhood plans adopted in Sheffield but three are being developed in Stocksbridge, Dore & Totley and BBEST (Broomhill, Broomfield, Endcliffe, Summerfield & Tapton). Similarly there are no neighbourhood development orders in force as at the time of preparing this report, and no current intentions to introduce any. Consequently in Sheffield the Neighbourhood Portion is currently 15% in all areas of the city.
- 1.7 Where the chargeable development is in an area with a local council (a parish or town council) the Neighbourhood Portion must be passed to that local council. Sheffield has three local councils, Bradfield Parish Council, Ecclesfield Parish Council and Stocksbridge Town Council. In these areas the Neighbourhood Portion is paid over directly to them every 6 months to spend on their infrastructure priorities.

**How should the Neighbourhood Portion be allocated where there is no local council in existence?**

- 1.8 In areas where there is no local council, Regulation 59F of the CIL Regulations provides that the Council may use the Neighbourhood Portion to support development of the "relevant area", which is the part of the Council's area which is not in the area of a local council (i.e. in Sheffield's case, any part of the city other than Bradfield, Ecclesfield and Stocksbridge) by funding the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing demands that development places on an area. This affords the Council a degree of freedom as to what the Neighbourhood Portion can be spent on, and where within the city.
- 1.9 The National Planning Practice Guidance (NPPG) supplements the CIL Regulations and explains what CIL is and how it operates<sup>5</sup>. Paragraph 73 of the CIL section of the NPPG provides guidance on expenditure of the Neighbourhood Portion where there is no local council:

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<sup>3</sup> A neighbourhood plan is a document produced by a parish or town council, neighbourhood forum or a community organisation, which plans positively to support local development. It should contain policies intended to align with the strategic needs and priorities of a local area. Once adopted it has the same status as the Council's Local Plan and is used in the determination of planning applications.

<sup>4</sup> A neighbourhood development order grants planning permission for certain types of development in an area to which the order applies, without the need for a planning application to be submitted and approved by the local planning authority.

<sup>5</sup> <https://www.gov.uk/guidance/community-infrastructure-levy>; In particular paragraph 073  
Reference ID: 25-073-20140612

*“If there is no parish, town or community council<sup>6</sup>, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities”.*

- 1.10 The NPPG states that *“the government does not prescribe a specific process for agreeing how the Neighbourhood Portion should be spent”* but advises that *“Charging authorities should use existing community consultation and engagement processes”* and that *“consultation should be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates”*.
- 1.11 This report describes the consultation that has taken place so far and explains how it is proposed that communities continue to be engaged.

### **How the Neighbourhood Portion will be distributed in Sheffield**

- 1.12 CIL revenue is received through the planning system and the main priorities for spending it, with the exception of the Neighbourhood Portion, will focus on the strategic requirements of the local plan. Spend will ultimately be approved by Cabinet through the Capital Approval process. However it is clear from the NPPG that the Neighbourhood Portion is purely local money that should be spent at a local level on local priorities. This is why this report recommends that decisions on spending the CIL Neighbourhood Portion are the responsibility of Libraries and Community Services rather than the Planning Service.
- 1.13 Whilst there are no geographical limits prescribed by Government as to what constitutes “a community”, it is proposed that electoral wards are the most appropriate geographies to use to ensure we engage with the communities where development has taken place in order to decide how best to spend the Neighbourhood Portion. To date (October 2018) none of this CIL Neighbourhood Portion has been spent, other than that passed to the three local councils as referred to above.
- 1.14 The NPPG suggests that some of the neighbourhood pot could be used to develop neighbourhood plans. It is proposed that 10% of the Neighbourhood Portion will be retained to support the development of neighbourhood plans. This would form part of a separate neighbourhood planning budget that would be managed by the Planning Service. Decisions on allocating this funding to the delivery of neighbourhood plans will be made on a case by case basis in accordance with the Leader’s Scheme of Delegation and are not considered further in this report.

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<sup>6</sup> Parish and town councils are both “local” councils. A community council is the equivalent of a local council in Wales

- 1.15 The remaining 90% of the Neighbourhood Portion will be pooled to establish a city-wide (except for areas covered by local councils) “Development Investment Fund” which will be redistributed across the wards based on Indices of Multiple Deprivation (IMD)<sup>7</sup>. This is a robust, nationally recognised and independently formulated means of calculating deprivation. It combines information from seven domains to produce an overall relative measure of deprivation. The domains are combined using the following weights:
- Income Deprivation (22.5%)
  - Employment Deprivation (22.25%)
  - Education, Skills and Training Deprivation (13.5%)
  - Health Deprivation and Disability (13.5%)
  - Crime (9.3%)
  - Barriers to Housing and Services (9.3%)
  - Living Environment Deprivation (9.3%)
- 1.16 This will provide an opportunity to close the gap between the richer and poorer parts of the city. Firstly, there will be an initial calculation of the proposed redistribution on the basis of IMD. If it transpires that any ward would receive less than 10% of the Neighbourhood Portion that relates to chargeable developments in that ward on the basis of that initial proposed redistribution, then the amount that ward will receive will be topped up to ensure they receive 10%. The calculations based on IMD will then be rerun accordingly with the remainder of the Neighbourhood Portion once that 10% has been safeguarded in all wards where chargeable development has taken place. Consequently a minimum of 10% of the total CIL Neighbourhood Portion collected within a ward will be retained within the ward where the development takes place.
- 1.17 In accordance with the approach for engaging and involving communities approved by Cabinet in July 2013, each ward has a set of priorities, which have been informed by local community engagement, data and feedback from service providers / partner agencies. These are updated annually in June/July.
- 1.18 Ward councillors (as local community representatives) will consider what the Neighbourhood Portion should be spent on, based on their current ward priorities and the outcome of community consultation and engagement referred to above. The Head of Libraries, Community Services & Learning & Skills will produce a Guidance Note for councillors and officers, setting out how decisions on spending the CIL Neighbourhood Portion will be made and the process to be followed.

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<sup>7</sup> Indices of Multiple Deprivation is a robust, nationally recognised and independently formulated means of calculating deprivation. See the English Indices of Deprivation 2015 Frequently Asked Questions for additional information - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/579151/English\\_Indices\\_of\\_Deprivation\\_2015\\_-\\_Frequently\\_Asked\\_Questions\\_Dec\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/579151/English_Indices_of_Deprivation_2015_-_Frequently_Asked_Questions_Dec_2016.pdf)

The process will include:

- Every year, the amount of the Neighbourhood Portion available within each ward will be published. This figure may updated in the course of a year, should sufficient development take place across the city to merit this.
- Every year, ward councillors will invite local community and council services to identify, submit and comment on ideas for appropriate projects that could be funded, in line with ward priorities.
- To ensure the appropriate level of community engagement consultation could involve the use of social media, the Council website, public events, surveys, citizens' panels, email correspondence, information held from previous consultations, councillor briefings, discussions with other Council services and relevant stakeholders.

- 1.19 Project ideas will then be assessed by councillors who will also take into account the amounts of money involved, potential match funding, potential for pooling resources with neighbouring wards, timescales, who could deliver the project and whether it can be realistically achieved. They will then put forward proposals for consideration by the Head of Libraries, Community Services and Learning & Skills, who will authorise the spending of the CIL Neighbourhood Portion on a case by case basis, ensuring it is spent on the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area. It is expected that spend will be both internal and external to the Council, and in line with existing protocols for such.
- 1.20 Councillors may recommend that any CIL Neighbourhood Portion in any given year is not allocated immediately, allowing it to 'carry over' and build up until a reasonable amount is accumulated. Councillors may also liaise with the members for neighbouring wards and recommend that the Neighbourhood Portion is pooled.
- 1.21 Public consultation has been carried out on the proposals for distribution of the Neighbourhood Portion and how decisions to spend it will be made. This is described in detail of Section 3 of his report.
- 1.22 The development of annual ward priorities and the subsequent ongoing community engagement activity in wards goes some way in satisfying the requirement of the NPPG set out in paragraphs 1.9 and 1.10 above. In addition, the amount of Neighbourhood Portion available within each ward will be published online as part of the statutory annual CIL report.
- 1.23 The process of community engagement will be kept under review to ensure that account is taken of future developments in the city.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

2.1 The allocation of the Neighbourhood Portion within wards across the city will contribute a number of the priorities within the Corporate Plan 2015-18.

### **2.2 Thriving neighbourhoods and communities**

- Sustain high quality parks and green spaces
- Improved leisure and community facilities
- Improved streets and road safety

### **2.3 Strong Economy**

- Attract more visitors to Sheffield

### **2.4 An in-touch organisation**

- Make the best use of public money to have the greatest impact for Sheffield
- Make sure we listen, understand and respond to what people are telling us, treating them with respect at all times

## **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 An online consultation took place between 13<sup>th</sup> August and 17<sup>th</sup> September 2018 via the Council's Citizen Space portal seeking views on how the Neighbourhood Portion is allocated in non-parished areas or areas without a neighbourhood plan, as well as how local communities are involved in the decisions on how it is spent. A full report of the results of this consultation, including the Consultation Materials and Questions, can be found in Appendix 1 to this report.

3.2 The three major proposals for use of the Neighbourhood Portion set out in the consultation were

- To promote the development of neighbourhood plans across the city
- To ensure that areas of higher deprivation receive a fairer overall share
- To improve how local communities are involved in the decisions on how it is spent

The consultation asked respondents to reply to questions setting out more detail of these headline proposals and to give any further comments.

3.3 The proposal to promote the development of neighbourhood plans by retaining 10% of the Neighbourhood Portion for this purpose was supported by 51.6% of respondents. The proposal to ensure that areas of higher deprivation receive a fairer overall share by establishing a Development Investment Fund to be pooled and fairly distributed was supported by 45.2% of respondents. The proposal to improve how local communities are involved by detailing the role of ward councillors and the local community was supported by 75.3% of respondents.

- 3.4 The preamble to the questions included the statement *In areas without a local council and without a neighbourhood plan (i.e. the majority of the city), the City Council will hold the Neighbourhood Portion funds and ensure that it is spent within the “communities where development takes place”*

It is acknowledged that the phrase “communities where development takes place” (which is used in the NPPG) could be ambiguous if viewed in isolation, in that it could be read as suggesting that Neighbourhood Portion spend could be restricted to the localities where development had taken place. It is clear however from the questions that this is not what is proposed: to do so would mean that neighbourhood plans could not be promoted in any other parts of the city and that the fairer distribution, based on Indices of Multiple Deprivation (IMD), would not be possible. “Communities” in this context must therefore mean the wider communities of the city of Sheffield. This is also consistent with the definition of “relevant area” in the CIL Regulations as being the part of the Council’s area which is not in the area of a local council.

- 3.5 The responses to the question about the “Fairer Distribution” proposal, in particular, show that the respondents understood what was proposed. The question received a large number of comments, which are set out in the Consultation Report at Appendix 1 to this report. Many of these comments were critical of the proposal because it would mean there would be some distribution of monies away from localities where the development had taken place. Others however supported the proposal, feeling that the areas of greatest need should be prioritised and benefit from development across the city.
- 3.6 In their consultation responses more people agreed with the proposal than disagreed and therefore the proposal has not changed. This means that in order to achieve the principle of fairer distribution there must be some distribution away from the localities where development has taken place; but an element of the Neighbourhood Portion attributable to local development (at least 10%) will always be retained in the ward where the development has taken place, even if that is more than would be allocated on an IMD basis.
- 3.7 The NPPG suggests that local authorities should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. This consultation has engaged with those communities to formulate proposals for the use and fair distribution of the Neighbourhood Portion. Further consultation and engagement with local communities around the spending of the funding will be embedded in the decision making process (as described in paragraphs 1.18 - 1.22), and will be kept under review to ensure that account is taken of future developments in the city.

## 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 4.1 Equality of Opportunity Implications

4.1.1 An Equality Impact Assessment (EIA) has been undertaken as part of this report – ref 286. The EIA indicated that the allocation of the Neighbourhood Portion of Community Infrastructure Levy within communities based on the Indices of Multiple Deprivation will have a low level positive impact on people with disabilities, the health of residents and the VCF Sector.

### 4.2 Financial and Commercial Implications

4.2.1 The proposal has no specific financial or commercial implications, other than ensuring that funding already collected by the Council is spent in an efficient and appropriate way.

4.2.2 The financial implications of any decision on spending the Neighbourhood Portion will be considered when that decision is made.

### 4.3 Legal Implications

4.3.1 This report proposes that the Head of Libraries, Community Services and Learning & Skills be given delegated authority to determine how the Neighbourhood Portion of the Community Infrastructure Levy (CIL) distributed to each ward in accordance with the recommendations of this report is spent in consultation with the Cabinet Member for Neighbourhoods and Community Safety. The legal implications which arise from specific proposals will be considered when decisions are made about those proposals.

4.3.2 Regulation 59F of the CIL Regulations provides that the Neighbourhood Portion needs to be used to support the development of the relevant area (which is any part of Sheffield which does not have a local council) by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area. The proposals accord with Regulation 59F.

4.3.3 The NPPG, which supplements the CIL Regulations, requires that the Council engages with the communities where development has taken place and states that the Council “*should set out clearly and transparently their approach to engaging with neighbourhoods... the use of neighbourhood funds should therefore match priorities expressed by local communities*”. Again the proposals are considered to accord with the relevant guidance.

4.3.4 There is no statutory duty to consult on the proposals for distribution of the Neighbourhood Portion set out in this report, but whenever the Council chooses to carry out consultation the following principles must be adhered to:

- i) consultation must take place when the proposal is still at a formative stage;
- (ii) sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response;
- (iii) adequate time must be given for consideration and response; and
- (iv) the product of consultation must be conscientiously taken into account.

The public consultation described in Section 3 of this report, and the final proposals as recommended in this report, comply with these principles.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council must ensure the Neighbourhood Portion is spent appropriately in accordance with the CIL Regulations and have regard to the NPPG. The options available are alternative methods of allocating neighbourhood CIL, such as different governance mechanisms and/or different geographies.
- 5.2 The entirety of the Neighbourhood Portion could be retained in the ward where the development has taken place but this would remove the opportunity to close the gap between the richer and poorer parts of the city.
- 5.3 Delegations to other officers were considered but the recommendation that the Head of Libraries, Community Services and Learning & Skills in consultation with the Cabinet Member for Neighbourhoods and Community Safety is authorised to make these decisions is considered the most appropriate option and would align the Neighbourhood Portion with other ward based funding.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The recommendations made in this report are considered to be in line with the CIL Regulations and have been made with regard to the NPPG.
- 6.2 The proposals that were consulted upon received broad support and so form the basis of the recommendations.
- 6.3 The allocation of some of the Neighbourhood Portion based on Indices of Multiple Deprivation provides an opportunity to close the gap between richer and poorer areas of the city.
- 6.4 The existing ward based approach to community engagement and funding is an efficient mechanism for these decisions. Adopting a similar approach for decisions on the spending of the Neighbourhood Portion would enable better coordination with other ward based funding.

Author: Dawn Shaw

Job Title: Head of Libraries, Community Services and Learning & Skills

Date: October 2018



## Appendix 1: Use of the Community Infrastructure Levy Consultation Report

### *What we did*

An online consultation on the decision making process for allocating the Neighbourhood Portion took place between 13<sup>th</sup> August 2018 and 17<sup>th</sup> September 2018. The consultation aimed to seek views on how the Neighbourhood Portion is allocated in non-parished areas **or** those areas without a Neighbourhood Plan, as well as how local communities are involved in the decisions on how it is spent. We did this by asking people to what extent they agreed or disagreed with the guiding principles and proposals detailed below. In addition to this respondents were also given the opportunity to comment on the principles and proposals.

### Principles

We believe that the CIL Neighbourhood Portion should –

- alleviate the **burden** of development across the city
- provide the opportunity to **close the gap** between richer and poorer parts of the city
- be used to **build** physical and social community infrastructure in a sustainable way
- be allocated to electoral wards and provide local **Councillors** the opportunity to work closely with the community to decide how best allocate the fund
- be allocated in line with Councillors annual ward priorities, which have been informed by local community engagement, data and feedback from service providers / partner agencies
- be pooled with other neighbouring wards for larger projects if appropriate

We believe the CIL Neighbourhood Portion should **not** be spent on –

- Permanent or continuous revenue funding of a project
- Projects that have already secured full funding by the council or other public sector organisations (ie. double funding)
- Single-use or one-off projects (e.g. events/festivals)
- Liabilities for the council (eg. ongoing maintenance of equipment)
- Divisive or controversial schemes

### Proposals

- Promote the development of Neighbourhood Plans across the City
- Ensure a fair distribution of the CIL Neighbourhood Portion via IMD redistribution
- Making decisions – the role of ward councillors and the local community

Full text of the consultation material and Flow-Chart to accompany the consultation can be found at the end of this report.

The consultation was promoted via the Web Blogs and Social Media platforms although a number of concerns were raised that it wasn't widely promoted enough, wasn't open for long enough and was opened over the summer months. However 312 people completed the consultation which is a higher number of

responses than expected and compares favourably to other consultations ran by Sheffield City Council.

### **Findings: The Principles**

All principles received a broad base of support with all but one principle receiving more than 55% support. The principles received such a high level of support that more than twice as many people agreed with each principle than disagreed with them. With two principles the ratio of agree to disagree was over 18:1. Full details can be found in the table 1 below.

Despite this general level of support there was a clear minority of people who disagreed with one or more of the principles.

| <b>Table 1:<br/>The Principles</b>   | <b>Agree</b>  | <b>Disagree</b> | <b>Neither agree or disagree</b> | <b>No answer given</b> |
|--------------------------------------|---------------|-----------------|----------------------------------|------------------------|
| Burden of development principle      | 149<br>47.76% | 74<br>23.72%    | 86<br>27.56%                     | 3<br>0.96%             |
| Close the gap principle              | 174<br>55.77% | 77<br>24.68%    | 59<br>18.91%                     | 2<br>0.64%             |
| Sustainable infrastructure principle | 280<br>89.74% | 15<br>4.81%     | 16<br>5.13%                      | 1<br>0.32%             |
| Allocation principle                 | 212<br>67.95% | 45<br>14.42%    | 53<br>16.99%                     | 2<br>0.64%             |
| Ward priorities link principle       | 196<br>62.82% | 37<br>11.86%    | 77<br>24.68%                     | 2<br>0.64%             |
| Pooling principle                    | 186<br>59.62% | 69<br>22.12%    | 53<br>16.99%                     | 4<br>1.28%             |
| No revenue funding principle         | 174<br>55.77% | 52<br>16.67%    | 85<br>27.24%                     | 1<br>0.32%             |
| No double funding principle          | 275<br>88.14% | 14<br>4.49%     | 21<br>6.73%                      | 2<br>0.64%             |
| No one-off projects principle        | 175<br>56.09% | 67<br>21.47%    | 69<br>22.12%                     | 1<br>0.32%             |
| No liabilities principle             | 235<br>75.32% | 25<br>8.01%     | 49<br>15.71%                     | 3<br>0.96%             |
| No controversial schemes principle   | 197<br>63.14% | 21<br>6.73%     | 90<br>28.85%                     | 4<br>1.28%             |

The majority of comments were broadly in support of the principles however a number of the principles (particularly the principles that proposed limitations on what Local CIL should be spent on). Many people agreed to the principles around no revenue funding, no double funding, no one-off funding and no-liabilities however a number of people raised concerns that been too prescriptive around these may cause difficulties

*“This will effectively exclude many worthy projects which would undoubtedly benefit the local community. For instance, provision of a new bus shelter will instantly create an on-going revenue liability for things like maintenance and cleaning.”*



**Findings: The Proposals**

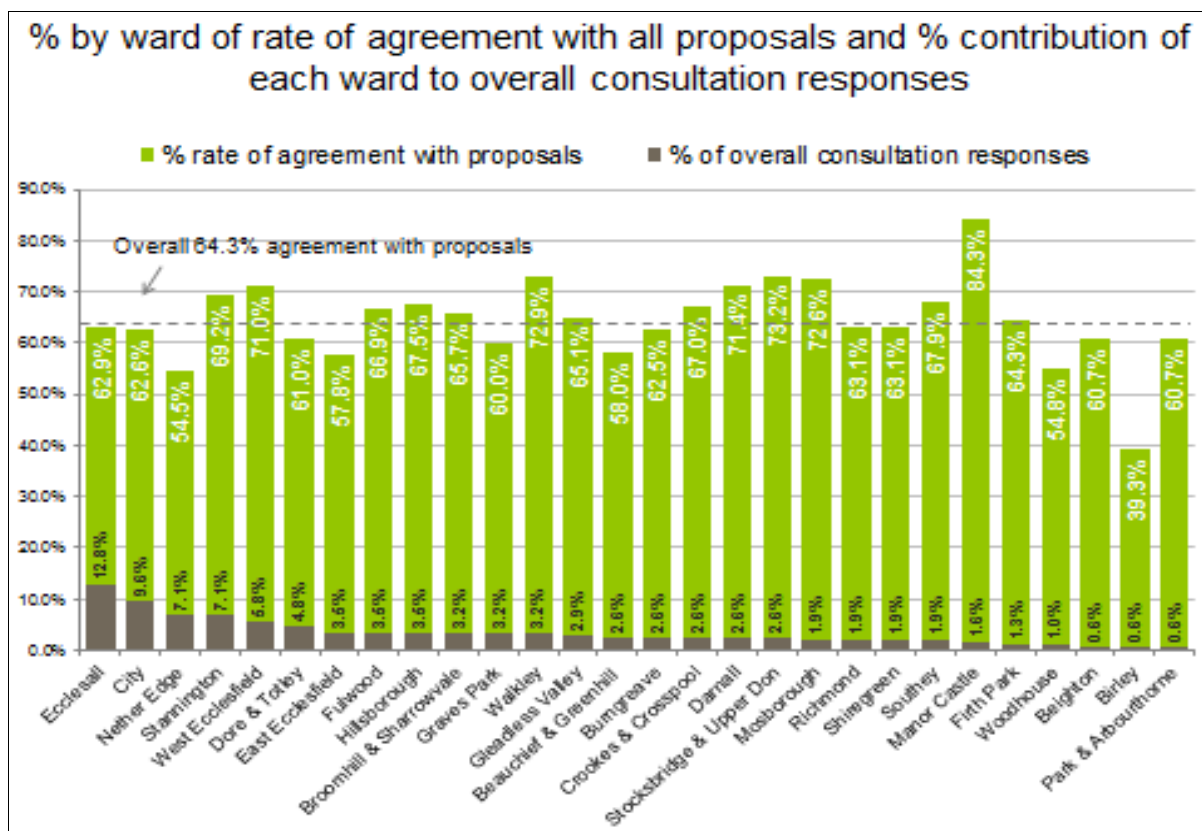
The three Proposals detailed in the consultation all received a broad base of support with two of the proposals receiving more than 50% support (see table 2 for full details). The proposal that received least support was the proposal around Fair Distribution using IMD, however over 45% of people agreed with this principle and the agree to disagree ratio was a touch under 3:2

| <b>Table 2:<br/>The Proposals</b>               | <b>Agree</b>  | <b>Disagree</b> | <b>Neither agree or disagree</b> | <b>Not answered</b> |
|---|---------------|-----------------|----------------------------------|---------------------|
| Promoting Neighbourhood Plans Proposal          | 161<br>51.60% | 61<br>19.55%    | 86<br>27.56%                     | 4<br>1.28%          |
| Fair Distribution / IMD Redistribution Proposal | 141<br>45.19% | 96<br>30.77%    | 70<br>22.44%                     | 5<br>1.60%          |
| Decision Making Proposal                        | 235<br>75.32% | 32<br>10.26%    | 40<br>12.82%                     | 5<br>1.60%          |

125 comments were received related to the proposals. These comments are summarised in the World Cloud below.



Overall respondents were happy to support both the principles and the proposals made within the consultation. The graph on the next page demonstrates the variance in overall agreement rates with the principles and proposals across the each ward in Sheffield against an all-ward average of 64.3% agreement. The graph also shows each ward contribution to the overall consultation response numbers. So, for example, Nether Edge contributed 7.1% of the total responses and there was a 54.4% agreement rate in that ward.



Graph 1: Variance in overall agreement rates by Ward

**Proposal 1: Promoting Neighbourhood Plans**

Although the proposal around promoting Neighbourhood Plans received more than 50% support there was comparatively few comments related to Neighbourhood Plans. Some supported the promotion of plans across the city

*“Neighbourhood plans should be promoted more to allow for a cohesive strategy across the city as well as investment in local priorities.”*

*“the City Council should proactively raise the profile of and help disadvantaged communities prepare neighbourhood plans.”*

Whereas others were more negative toward the idea

*“Arrangements for Ward priorities and local community plans should be scrapped. They add a time consuming layer of bureaucracy, are not well managed, and not good value for money.”*

However the majority of comments that mentioned Neighbourhood Plans focused on the challenges around setting them up and the lack of clarity about them.

*“Not all communities have the resources to produce a neighbourhood plan and should not be disadvantaged because of this.”*

*“We need more help with developing neighbourhood Plans”*

*“I feel there needs to be more clarity on these neighbourhood plans. What would a good plan look like? How comprehensive would they be? Are they just about projects or could*

*they be about service delivery improvements? Who would develop them? Who would own them? How often would they need to be refreshed? How would we know whether the plans have worked? What would the outcomes be?"*

The proposal in itself should ensure areas who want to set up a Neighbourhood Plan are able to get support to do so, however one suggestion added that

*"We should enlist the Universities to help locals draw up neighbourhood plans thus removing from the political playground."*

### **Proposal 2: Fairer Distribution**

The principle was supported by over 45% of respondents while 31% disagreed. Despite this split the majority of comments related to this issue were negative toward the proposal. The IMD split was particularly contentious with a large number of people demonstrating their unhappiness with the suggestion.

*"The proposal to provide only 1.5% funding to alleviate infrastructure problems near developments in the south west is outrageous."*

*"To spend the CIL in another ward is morally bankrupt. It is not a tax to be used for city-wide schemes."*

*"We disagree with the proposal to take CIL funding away from the neighbourhoods most affected by the negative impacts of development."*

*"The CIL should stay within the area that it was levied. Anything else is day light robbery."*

Another portion of responses questioned the fairness of the proposal suggesting that if a tangible investment was not made in the communities where the development took place it would increase resentment in the impacted neighbourhoods and put them at a disadvantage.

*"The whole point of the fund is to compensate those areas that have had development taking place. Although I can appreciate believe it may be nice to help out other communities, it's not a fair use of this particular fund."*

*"There is a principle of fairness in ensuring that local communities that have had the disruption of development, and the impact associated with this, enjoy some benefit afterward"*

*"Not enough is spent by the Council in areas which are regarded as well off, and too much responsibility is put on to volunteers."*

*"Sometimes the more affluent areas have very run down facilities but struggle to get funding for projects because they are not in deprived areas."*

However there were also a number of people in support of the IMD redistribution including from residents who lived in areas that would be negatively impacted by this redistribution.

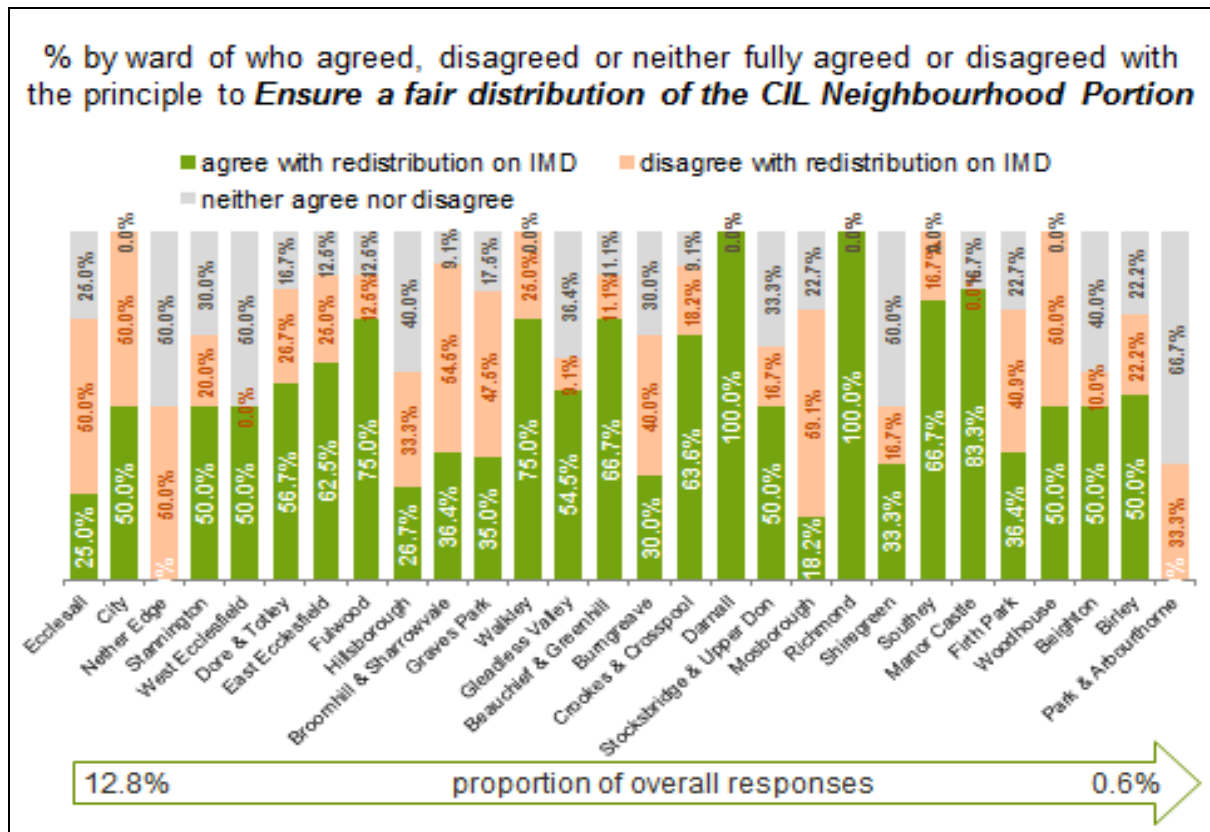
“I feel very strongly that as much of this money as possible should go to the more deprived wards. I am against even retaining 10% in the ward where the development has taken place.”

“I would like this to be prioritised for areas of Sheffield with the greatest need.”

“I believe that any available money should be spent on improving those neighbourhoods where need is greatest, i.e. the most deprived areas of the city. It is irrelevant where the levy was raised as there will be more development revenue in the most affluent areas where this levy is least needed.”

“Essentially, the money should be spread across the city rather than simply used in wards where the money has come from.”

The following graph shows the percentage of people who agreed, disagreed or neither fully agreed or disagreed with the proposal to “Ensure a fair distribution of the CIL Neighbourhood Portion” broken down by Ward (as with the previous graph wards are arranged with the highest contribution to the consultation on the left – Ecclesall to the lowest on the right – Beighton, Birley & Park)



Graph 2: % of responses by ward to the proposal re: Ensure a Fair Distribution

Finally there were a number of people who agreed in principle to redistribution but could not offer full support to the plans. One example of this is the response from the Access Liaison Group who suggested that the “Neighbourhood Component of CIL should be able to be divided between locations to improve disabled access infrastructure and services and not just tied to the vicinity of the development” they expanded on this idea suggesting that “the City Centre is a key “neighbourhood” where disabled access improvements are needed and

where such improvements benefit greater numbers of disabled people” and that “City Centre improvements have the potential to benefit greater numbers of disabled people than neighbourhood projects.” Other comments included.

*“Although it's essential for more deprived areas of the city to benefit from improved infrastructure projects, more affluent areas also need to feel included and have a say in improvements to their area.”*

*“I feel that the percentage of the neighbourhood plan retained by the ward should be larger than 10%. I realise that new developments happen in more well off areas but these developments put pressures on the infrastructures of the areas. A 60/40 split maybe.”*

*“if the redistributive effect is too blunt this will disadvantage the pockets of poverty that exist even in areas of relative wealth.”*

*The first call on CIL NP should be to meet needs consequential on the development from which they have been derived. Where no such consequential demands arise then the funds might be used elsewhere to improve community services.”*

*“Projects in the areas local to development should be given priority for funding and any excess should then be distributed.”*

### **Proposal 3: Decision making and the role of Ward Councillors and the Local Community**

Over three quarters of all responses agreed with the proposals around how Ward Councillors and the local community work together to make decisions about how project ideas are identified, submitted and consulted upon and how projects will be assessed by councillors. However despite this there were a number of comments that were unhappy with this proposal

*“All to be controlled by councillors and final decisions fed back to the local community! Scandalous hijacking - you should be honest and take the word community out of it all and replace with the word council”*

*“I am concerned that the PEOPLE do not have a proper say in the way these 'pots are spent or allocated.”*

*“I do not feel councillors are the right people to lead this. They are often bias with their own agendas.”*

*“Why can't the final decision rest with the local community? Councillors can be too heavily influenced.”*

Overall comments reflected the support for the principle however many people commented that thought should be given on how we involve local people and local communities in the decision making processes.

*“The councillors from each ward should be responsible for making decisions on the spending of the Neighbourhood Portion of CIL generated from developments in their wards”*



*"All the final decisions will be fed back to the local community" - Surely the final decisions should lie WITH the community?"*

*"Local communities and elected representatives, who are accountable, should determine how money generated locally should be spent."*

*"Strongly feel that any decisions should be in consultation with local residents or organisations, not just by councillors and the 'feedback' to communities."*

*"For the scheme to be successful, it will be essential to secure a high level of community involvement."*

## Consultation Material and Questions

### Use of the Community Infrastructure Levy

#### Overview

The Council receives a payment called a Community Infrastructure Levy (CIL) for new building projects, which is then used to fund necessary improvements in infrastructure.

We are seeking views on our proposals to use the Local CIL (Neighbourhood Portion) in Sheffield to:

- promote the development of Neighbourhood Plans across the city
- ensure that areas of higher deprivation receive a fairer overall share
- improve how local communities are involved in the decisions on how it is spent

#### Why We Are Consulting

##### Background

##### What is Community Infrastructure Levy?

*“A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area.”*

The Community Infrastructure Levy (CIL) is a planning charge paid to Councils by owners or developers of land undertaking new building projects. It is used by councils to fund improvements to the infrastructure required to support new development. This could include transport, telecommunications, energy, water supply, sewerage and drainage, schools, hospitals, health centres, sports and recreational facilities and open space.

CIL is a flexible fund. Money collected from development in one part of the city can be used to help provide essential infrastructure in another part of the city. Therefore -

- **80%** of CIL goes into a central pot and the Council decides the priority city-wide projects that will receive this funding.
- **5%** of CIL goes to the Council for administration
- **15%** is called the ‘Neighbourhood Portion’ or ‘Local CIL’ and is used to fund local infrastructure needs. Local communities will decide on how this fund is allocated.

The Council started collecting CIL in July 2015. To date (August 2018) the total CIL collected is £7.4m. **£1.1m** of this is the 'Neighbourhood Portion.'

This consultation is focused on the allocation of the Neighbourhood Portion.

##### The ‘Neighbourhood Portion’ or Local CIL

*“Anything that is concerned with addressing the demands that development places on an area”.*

Where there are **town and parish councils**, the CIL Neighbourhood Portion will be paid over directly to them and they will spend it on their infrastructure priorities. Sheffield has three local councils - Bradfield Parish Council, Ecclesfield Parish Council and Stocksbridge Town Council.

Where there is a **Neighbourhood Plan** the CIL Neighbourhood Portion is increased to **25%**. A Neighbourhood Plan gives communities direct power to develop a shared vision

for their neighbourhood and shape the development and growth of their local area. This 25% is paid to the local **Neighbourhood Forum** that has developed the Plan. Up to August 2018 there have been no Neighbourhood Plans adopted in Sheffield, although 3 are in preparation.

In non-parished areas without a Neighbourhood Plan (i.e. the majority of the city), the City Council will hold the CIL Neighbourhood Portion funds and ensure that it is spent within the ***“communities where development takes place”***

### **What we are seeking views on**

We now need your views on how the Neighbourhood Portion is allocated in non-parished areas or those areas without a Neighbourhood Plan, as well as how local communities are involved in the decisions on how it is spent.

Please see the [flowchart](#) attached to help you visualise the process we are consulting on.

### **What Happens Next**

We will carefully consider all the feedback we receive and use people's views to inform a final decision on the use of the Community Infrastructure Levy.

Link to electoral Wards in Sheffield

<https://www.sheffield.gov.uk/content/sheffield/home/your-city-council/electoral-wards.html>

Link to electoral ward priorities in Sheffield

<http://www.sheffield.gov.uk/content/sheffield/home/your-city-council/local-area-partnership.html>

Link to Indices of Multiple Deprivation in Sheffield

<http://dclgapps.communities.gov.uk/imd/idmap.html>

1. What is your name?

2. Please tell us if you are responding as a member of a community group or organisation, a resident of Sheffield or someone who works in Sheffield.

3. What is your postcode?

4. The CIL Neighbourhood Portion should alleviate the burden of development across the city.

5. The CIL Neighbourhood Portion should provide the opportunity to close the gap between richer and poorer parts of the city.

6. The CIL Neighbourhood Portion should be used to build physical and social community infrastructure in a sustainable way.

7. The CIL Neighbourhood Portion should be allocated to electoral wards and provide local Councillors the opportunity to work closely with the community to decide how best to allocate the fund.

8. Local community engagement, data and feedback from service providers and partner agencies help to set annual ward priorities. We believe the CIL Neighbourhood Portion should be allocated in line with these ward priorities.

9. The CIL Neighbourhood Portion could be pooled with other neighbouring wards for larger projects if appropriate.

10. The CIL Neighbourhood Portion should NOT be spent on permanent or continuous revenue funding of a project.

11. The CIL Neighbourhood Portion should NOT be spent on projects that have already secured full funding by the council or other public sector organisations (i.e. double funding).

12. The CIL Neighbourhood Portion should NOT be spent on single-use or one-off projects (e.g. events/festivals).

13. The CIL Neighbourhood Portion should NOT be spent on liabilities for the council (e.g. ongoing maintenance of equipment).

14. The CIL Neighbourhood Portion should NOT be spent on divisive or controversial schemes.

15. Do you have any further comments about these principles?

16. Promoting the development of Neighbourhood Plans across the City:

We plan to channel 10% of the Neighbourhood Portion that will be reinvested into those neighbourhoods wishing to develop Neighbourhood Plans.

17. Ensure a fair distribution of the CIL Neighbourhood Portion:

- Establish a Development Investment Fund – the remaining 90% of the CIL Neighbourhood Portion will be pooled and fairly redistributed across the wards that are in non-parished areas or do not have a Neighbourhood Plan. This

redistribution will be based on Indices of Multiple Deprivation (IMD) – [Link to Indices of Multiple Deprivation](#) website.

- A minimum of 10% of the CIL Neighbourhood Portion will be retained within the ward where the development takes place

#### 18. Making decisions – the role of ward councillors and the local community:

- Every year, the amount of the CIL Neighbourhood Portion available within each ward will be published.
- Every year, Ward Councillors will invite the local community and council services to identify, submit and comment on ideas for appropriate projects that could be funded, in line with their ward priorities.
- Consultation could involve the use of social media, council's website, public events, surveys, citizens' panels, etc.
- Project ideas will then be assessed by councillors who will also take into account the amounts of money involved, potential match funding, potential for pooling resources with neighbouring wards, timescales, who could deliver the project and whether it can be realistically achieved.
- All the final decisions will be fed back to the local community.

#### 19. Do you have any further comments about what we plan to do?

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**Author/Lead Officer of Report:** Sara Storey  
(Head of Access and Prevention)

**Tel:** 07867 150749

**Report of:** EMT member – Jayne Ludlam

**Report to:** Cabinet

**Date of Decision:** October 17th 2018

**Subject:** Assistive technology and call handling services to support people in their homes (City Wide Care Alarms - Kit/Calls Project)

|  |   |  |
|--|---|--|
| 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 Portfolios does this relate to? <i>Adult Social Care + Finance + Customer Services (in People portfolio and Resources portfolio)</i>  |   |  |
| Which Scrutiny and Policy Development Committee does this relate to? <i>As above</i>   |   |  |
| Has an Equality Impact Assessment (EIA) been undertaken?   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| If YES, what EIA reference number has it been given? <i>EIA 309</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:**

Two key contracts are due to expire at end April 2019. The first is for the provision of assistive technology (kit) in people's homes. The second is for the provision of call handling services (calls) connecting people using assistive technology to a call centre. Both contracts (kit and calls) are key pillars of our Social Care provision. The purpose of this report is to outline our methodology for re-tendering these kit/calls contracts and to seek permission to proceed.

**Recommendations:**

- *To utilise ESPO (Procurement Services for the Public Sector) to procure both contracts to commence in May 2019, based upon the current delivery model and in line with this report.*
- *To delegate authority to Executive Director, Jayne Ludlam, and Director of Finance and Commercial Services, Marianne Betts, to award such contracts, and thereafter to enter into such agreements to secure such services, detailed and in line with this report.*
- *To delegate an authority to Executive Director, Jayne Ludlam, and Director of Finance and Commercial Services, Marianne Betts, to carry out such activities, where no existing authority exists, in order to meet the aims and objectives of this report.*

**Background Papers:**

- *Kit/calls slide-deck for workshops with key stakeholders*
- *Research undertaken to date re other local authorities and organisations*



| 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>Hayley Ashforth</i>                           |
|   |  | Legal: <i>Henry Watmough-Cownie</i>                       |
|   |  | Equalities: <i>Michelle Hawley</i>                        |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> |  |   |
| 2   | <b>EMT member who approved submission:</b>   | <i>Jayne Ludlam</i>                                       |
| 3   | <b>Cabinet Members consulted:</b>  | <i>Cllr Blake, Cllr Drayton and Cllr Peace</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. |   |
|   | <b>Lead Officer Name:</b><br><i>Sara Storey</i>  | <b>Job Title:</b><br><i>Head of Access and Prevention</i> |
|   | <b>Date:</b> <i>18/09/18</i>   |   |

## 1. PROPOSAL

- 1.1 The Council currently has 2 contracts with Tunstall Healthcare (UK) Ltd. The first is for the provision of assistive technology (kit) in people's homes and ends on 30 April 2019. The second is for the provision of call handling services (calls) connecting people using assistive technology to a call centre, and ends on 12 Jan 2019. However, the latter contract has been extended by 3.5 months to end 30 April 2019 in order to fully align the 2 contracts together. When they expire they will both have been in place for 5 years.
- 1.2 The current spend per annum is £225,000 for the call handling element; the equipment is purchased on a spot basis averaging approximately £180,000 per annum.
- 1.3 As the call handling contract has been in place with a fixed fee since 2014, an additional £130,000 per annum was agreed over and above the extension amount to cover rising costs of inflation and staffing costs

which were not accounted for in 2014. This is a 19/20 budget pressure and will require that People Portfolio make a saving somewhere else to fund this or find additional funding from an alternative source.

- 1.4 In the 5 years since these contracts were originally awarded, the world has changed greatly. Assistive technology (kit) has advanced hugely in that time with a constant flow of new innovative kit reaching the market. This includes voice activated technology, smart phone applications and smart household appliances. The technological scope for supporting independence, assisting and safeguarding vulnerable people in their homes has grown immensely.
- 1.5 In addition, the world of call handling (calls) and associated technology has also advanced greatly since these contracts were originally awarded. The move from Analog to Digital has enabled many new ways of supporting vulnerable people in their homes including via smart devices and GPS tracking.
- 1.6 Because technology has advanced so far in such a short space of time, and because it is likely to continue advancing at such speed, any new contracts awarded need to ensure the greatest possible flexibility in future. They need to ensure that we can provide the best possible kit and calls solutions to support vulnerable people in their homes throughout the lifetime of the contracts. They need to avoid being tied in to any kit and calls solutions that may become obsolete or offer poor value for money at some point during the contract period.
- 1.7 In addition, such new and modern kit/calls solutions have the potential to greatly support the Council's prevention agenda. The potential for assistive technology and call handling services to support vulnerable adults, young people and their families in their homes, promote independence and prevent incidents such as falls and hospital admissions is high. There is also significant potential to prevent social isolation and loneliness, particularly through the use of voice activated technology and through the use of technology that helps people to get out and access social activities in their local community. Whilst acknowledging that new technology can change people's lives we recognise that it can also leave vulnerable people open to exploitation, so we will ensure that any new contracts have safeguarding people at their heart.
- 1.8 Initial evidence from other local authorities and organisations shows that investment in more flexible and responsive kit/calls solutions can both improve outcomes and deliver efficiencies longer term. Initial research in this area has found that Hampshire County Council has developed a partnership with a kit/calls provider, which claims to have provided greatly improved customer solutions whilst also saving a significant amount of money to date. The evidence suggests there is considerable scope for an 'invest to save' model here in Sheffield too, since supporting people with technology and equipment and preventing risks to independence can delay the need for long term social care support.

Yorkshire Ambulance Service plus York, Barnsley and Wakefield Councils have also adopted more flexible and responsive approaches to kit/calls provision.

- 1.9 A number of possible options for future delivery models have been explored including:
- As is - both call handling (calls) and assistive technology (kit) being provided by an external provider, with installation and response remaining in-house and provided by SCC as now.
  - All in-house – calls, kit and installation/response all provided in-house.
  - All external – calls, kit and installation/response all provided externally.
- 1.10 Assessment of these models has concluded that the 'As is' option remains the best delivery model moving forward due to the higher cost and risk factors of the alternatives.
- 1.11 However, although the delivery model will remain the same, it is widely recognised that the equipment and call handling service needs to change and develop to ensure it has the best fit for Sheffield.
- 1.12 The timing of this needs to be right, currently the expiration of the contracts doesn't allow for :-
- Further exploration of the market, its potential to develop and innovate, and the likely cost of that innovation.
  - The potential to do further scoping to link with other activities such as the procurement of the community equipment and loan service (which expires in 2020).
  - The opportunity to work with strategic health partners who are currently exploring call handling options (e.g. the 111 service).
- 1.13 It would be a missed opportunity if integration of these activities was not at least considered, especially as the outcomes may have financial benefits as well as improving the experience for individuals.
- 1.14 To be able to explore these options an interim solution is needed which allows for a new and very different specification in the shorter term but gives time to look at other integrated delivery models.
- 1.15 Based on the above, our kit/calls proposal is as follows:
- To use the ESPO (*local authority owned purchasing and supply consortium*) for a minimum period of 12 months to procure a call centre provider. *The contract will have a start date of May 2019 and a new contract specification with increased flexibility and innovation. The ESPO is nationally recognised and includes some*

of the major suppliers. Therefore, this is also a chance to use this period as a test of what is really possible.

- To use the ESPO equipment framework for a minimum period of 12 months to purchase equipment as and when required.
- To delegate authority to Executive Director, Jayne Ludlam, and Director of Finance and Commercial Services, Marianne Betts, to award such contracts, and thereafter to enter into such agreements to secure such services, detailed and in line with this report.
- To delegate an authority to Executive Director, Jayne Ludlam, and Director of Finance and Commercial Services, Marianne Betts, to carry out such activities, where no existing authority exists, in order to meet the aims and objectives of this report.

1.16 During the period the contracts are provided by the ESPO, we will:

- Evaluate the new call handling specification and whether it provides best fit and the right level of flexibility.
- Develop a further understanding of future demand and supply in the market.
- Scope the feasibility of integrating some of the functions with strategic partners and other service contracts.
- Look at the invest to save options in the provision of monitored and non-monitored technology solutions.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 This proposal fully supports the Council's corporate objectives via the People's Recovery Plans and SCC 2020. Based on evidence from elsewhere there is highly likely to be a longer term 'invest to save' potential from this proposal.
- 2.2 This proposal strongly supports the Council's prevention agenda. There is potential for assistive technology and call handling services to support vulnerable people in assessing need; meeting need; and supporting preventative approaches that reduce and delay the need for social care support. Technology can also contribute towards improved health and wellbeing, supporting our public health agenda.
- 2.3 This proposal strongly supports the equalities and customer experience

agendas. The expanded use of up to date technology and call handling services across Sheffield will provide customers with the best possible service and outcomes. It will also enable far greater independent living for vulnerable people and greatly aid their families and carers.

- 2.4 This proposal strongly supports the integration agenda and working with strategic partners to achieve better outcomes for the people of Sheffield.

### 3. HAS THERE BEEN ANY CONSULTATION?

3.1 The proposals take account of learning from customer feedback, complaints and compliments, plus feedback from key stakeholders. They will allow a more flexible approach that will enable the service to adapt in future in response to changing customer needs.

3.2 Initial consultation has also been undertaken with lead members.

### 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 4.1 Equality of Opportunity Implications

4.1.1 Potentially highly positive – the proposal has the potential to enable far greater independent living for vulnerable people and greatly aid their families and carers.

#### 4.2 Financial and Commercial Implications

4.2.1 The funding to achieve this procurement will require the investment which is already in place for the current contracts. The additional funding supporting the contracts this year will also be required to ensure a flexible and robust interim solution.

4.2.2 This means that for each 12 month period the following will be required:

| Activity   | Cost           |
|--|----------------|
| Call Handling  | 225,000        |
| Equipment  | 180,000        |
| <b>SUB TOTAL</b>   | <b>405,000</b> |
| Additional funding which is already being paid via the current contract ( currently identified as a pressure and requires funding to be sourced – see 1.3) | 130,000        |
| <b>TOTAL</b>   | <b>535,000</b> |

4.2.3 As previously suggested however, there is potential for an invest to save and this will be pursued further in the next 12 months.

4.2.4 In addition, work is ongoing to look at the disabled facilities grant funding and whether there is an opportunity to invest this in preventative technology solutions.

#### 4.3 Legal Implications

4.3.1 The Council has a duty to meet the eligible needs of those in its area and it fulfils this duty in part through Council arranged services. The Council also has functions under the Care Act 2014 to ensure that service users:

- receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
- can get the information and advice they need to make good decisions about care and support;
- have a range of provision of high quality, appropriate services to choose from.

4.3.2 The European Convention on Human Rights requires local authorities to take into account their 'positive obligations' to actively promote and protect the rights of people as described in the Convention, and maintains that providers of publically funded care should consider themselves bound by the HRA.

4.3.3 Sheffield City Council has to comply with its own internal procurement rules and the 2015 Public Contract Regulations so that the required legal obligations for fair and open competition across the EEU are met.

#### 4.4 Other Implications

4.4.1 Public Health – the proposal has the potential to greatly improve public health, e.g. via the prevention of falls, the prevention of isolation and loneliness, and improved health and wellbeing.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Two further options were considered for both the call handling and equipment contracts:-

- Extension of existing contracts for a set period of time was

considered. However, this option was rejected because it is not commercially or legally compliant. In addition it fails to provide the flexibility and innovation required of the contracts moving forward.

- Open tenders for both contracts. This option was rejected because even though it would offer greater flexibility, it would not allow for further market testing to take place, or testing to understand the actual cost of provision. It would also prevent any opportunity to integrate the current services with other activities and other strategic partners.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 This proposal is our preferred option because the delivery model is tried and tested with the lowest cost/risk factors and the proposed procurement of the service will enable increased flexibility and innovation and at the same time allow integration opportunities and rationalisation of services to be explored.

6.2 The outcome will be new assistive technology and call handling (kit/calls) contracts that are:

- More flexible and sustainable
- Innovative and up to date
- Customer focused and responsive
- Providing the right kit, to the right people at the right time
- Empowering - enabling greater independent living
- Supportive - helping vulnerable people and their carers
- Preventative - preventing falls and social isolation
- Investing to save - enabling future savings via prevention

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**Author/Lead Officer of Report:**  
Damian Watkinson,  
Finance Manager

**Tel:** 0114 273 6831

**Report of:** *Eugene Walker, Executive Director, Resources*

**Report to:** *Cabinet*

**Date of Decision:** *17<sup>th</sup> October 2018*

**Subject:** *Capital Approvals for Month 05 2018/19*

|  |   |  |
|--|---|--|
| 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? <b><i>Finance and Resources</i></b>  |   |  |
| Which Scrutiny and Policy Development Committee does this relate to?<br><b><i>Overview and Scrutiny Management Committee</i></b>   |   |  |
| 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> |   |  |

|  |
|--|
| <b>Purpose of Report:</b>  |
| <i>This report provides details of proposed changes to the Capital Programme as brought forward in Month 05 2018/19.</i> |

**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;
- Give authorisation to accept the grants from the Environment Agency as detailed in Appendix 2;
- Give authorisation to accept the grant from the Marine Management Organisation (MMO)/European Maritime Fisheries Fund if the key features of the grant are as outlined in Appendix 2;
- Delegate authority to the Director of City Growth in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance, to decide whether or not to accept the Management Organisation (MMO)/European Maritime Fisheries Fund grant in the event that the key features of the grant are not as outlined in Appendix 2.

**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>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  | <b>EMT member who approved submission:</b>   | <i>Eugene Walker</i>  |
| 3  | <b>Cabinet Member consulted:</b>   | <i>Councillor Olivia Blake<br/>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. |   |
| <b>Lead Officer Name:</b><br><i>Damian Watkinson</i> |  | <b>Job Title:</b><br><i>Finance Manager Business partner Capital</i>        |
| <b>Date: 26/09/18</b>                                |  |   |

# **MONTH 05 2018/19 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 05 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:

- 2 additions of specific projects to the capital programme creating a net increase of £3.5m;
- 1 variation creating a net decrease of £0.7m;
- 1 request for feasibility funding of £6k – to note only
- 1 procurement strategy for approval with no increase to budget

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**

3.1 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 schemes to be delivered and Appendix 2 in relation to grants to be accepted.

### **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 (and Appendix 2 in relation to grants to be accepted).

### **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.

**Finance & Commercial Services | Commercial Business Development**

**September 2018**

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| Scheme name & summary description |  | Value<br>£'000 |
|-----------------------------------|--|----------------|
| <b>A</b>                          | <b>Economic growth</b>   |                |
|                                   | New additions  |                |
| Page 59                           | <p><b>Culvert Renewal Scheme</b></p> <p><b>Why do we need the project?</b></p> <p>Sheffield’s citywide network of culverted watercourses is old and coming to the end of the expected design life. Many of the culverts were installed in or before the Victorian era and have deteriorated to such an extent that they present a risk of flooding to homes, businesses, schools, roads and other critical assets and infrastructure. The conclusion of the feasibility study is that a first block of 9 of the 48 culverts should be invested in without delay by reconstruction and or strengthening works.</p> <p><b>How are we going to achieve it?</b></p> <p>Works will be undertaken to renew and strengthen 9 culverted watercourses, the condition of which are significantly deteriorated, extending the asset life by up to 70 years. Works will include internal structural lining (estimated length 1856 meters), new pipeline (estimated length 253 meters), diversion of culvert into the public highway with a new pipeline and transfer of ownership to the City Council (estimated length 510 metres), new manhole chambers to improve access for culvert maintenance, replacement of substandard inlet debris screens reducing the risk of blockage and surface land reinstatement to the original condition where required.</p> <p>The culvert locations are as follows:- Shay House Lane (Stocksbridge), Fox Hill / Penistone Road (Wadsley Bridge), Tongue Gutter (Parson Cross), Pack Horse Lane (High Green), Allen Croft Brook (Stocksbridge), Fulwood Road (Fulwood), Crimicar lane (Fulwood), Deer Park (Stannington) and Dobcroft Road / Pingle Avenue (Millhouses).</p> <p><b>What are the benefits?</b></p> <p>The 9 culverted watercourses comprising Block 1 of the culvert renewal programme will:</p> <ol style="list-style-type: none"> <li>1. Protect 3,887 homes from the impact of flooding.</li> <li>2. Protect 1,035 businesses and 18 development sites from the impact of flooding.</li> <li>3. Protect 11 educational facilities from the impact of flooding</li> <li>4. Protect 12 medical, emergency and rescue facilities from the impact of flooding</li> <li>5. Protect 46 utility sub-stations from the impact of flooding</li> <li>6. Make 6 major roads resilient to watercourse flooding with avoidance of the risk of disruption, injury and loss of life to road users.</li> <li>7. Make 16 highway network main routes resilient to watercourse flooding</li> <li>8. Prevent future serious injuries or fatalities.</li> <li>9. Avoid £27.8 million of third party damages over the extended life of the assets.</li> </ol> | 3,067.5        |

**When will the project be completed?**

August 2020

**Funding Risks and Issues**

The total cost of the project is £3,067,500 and is funded as follows:-

| Funding Body  | 2018-19 (000) | 2019-20 (000) | 2020-21 (000) | Total (000) | Status  |
|---|---------------|---------------|---------------|-------------|---|
| Defra FCERM Grant in Aid (GiA Environment Agency)               |               | 1,235.1       |               | 1,235.1     | Refer to Grants for Acceptance section  |
| Defra FCERM Grant in Aid (GiA Environment Agency):- Contingency |               | 495.7         |               | 495.7       | Refer to Grants for Acceptance section. The EA have confirmed approval of the contingency element however, this will not be released until the risks have been realised |
| Environment Agency [EA] Local Levy                              | 125.0         | 275.0         |               | 400.0       | Refer to Grants for Acceptance section  |
| Growth Investment Fund [Sheffield City Council]                 |               |               | 936.7         | 936.7       | Approved  |
|   | 125.0         | 2,005.8       | 936.7         | 3,067.5     |   |

| Funding Source | Refer to above table | Amount | 3,067.5 | Status | Refer to above table | Approved | Refer to above table |
|----------------|----------------------|--------|---------|--------|----------------------|----------|----------------------|
|----------------|----------------------|--------|---------|--------|----------------------|----------|----------------------|

**Procurement** Competition through YORcivil2 Regional Framework

**Lower Don Valley Sanderson’s Weir Fish Pass**

**Why do we need the project?**

Sanderson’s weir is one of only two remaining barriers to fish movement along the River Don, and the other one (in Rotherham) is currently being addressed. Installing the fish pass would mitigate the issues relating to restricted fish movement and increase marine diversity, including the return of a sustainable salmon population to the river Don, as well as benefiting brown trout and coarse fish. The free passage of migratory fish is a key requirement of the Water Framework Directive (WFD), and is being used as an indicator for assessing whether water bodies are meeting Good Ecological Potential or Status.

**How are we going to achieve it?**

Construct a concrete fish pass with aluminium bottom baffles.

**What are the benefits?**

450



The fish pass will improve the river ecology, with a wider variety of fish using the river, which will in turn support greater diversity of associated species and result in improved water quality. The fish pass will also provide a place to stop and reflect, for users of the Five Weirs walk footpath and cycle route, as they pass through this area of Sheffield. Returning and publicising thriving fish populations in the River Don could increase interest and participation in angling, as well as general engagement with the river, and the associated economic and public health benefits of an accessible, ecologically-diverse river.

**When will the project be completed?**

July 2019

**Funding Risks and Issues**

The total cost of the project is £450k and is funded as follows:-

| Funding Body                                      | 2018-19 (000) | 2019-20 (0000) | Total (000) | Status   |
|---|---------------|----------------|-------------|--|
| European Maritime Fisheries Fund (EMFF)           | 100           | 0              | 100         | Refer to Grants for Acceptance section (Appendix 2)<br>The EMFF will not confirm the bid until the tender stage. In the event the bid is not successful, the Environment Agency have confirmed they will underwrite the £100k. |
| Defra FCERM Grant in Aid (GiA Environment Agency) | 0             | 350            | 350         | Refer to Grants for Acceptance section (Appendix 2)  |
|   | 100           | 350            | 450         |  |

| Funding Source | Refer to above table   | Amount | 450 | Status | Refer to above table | Approved | Refer to above table |
|----------------|------------------------|--------|-----|--------|----------------------|----------|----------------------|
| Procurement    | Competitive quotations |        |     |        |                      |          |                      |

Variations and reasons for change

**Knowledge Gateway {Esperanto Place, Variation to Procurement Only}**

The Knowledge Gateway project was approved by Cabinet in April 2018. Part of the approved scope of the project and budget is to provide Enabling Works for the main Knowledge Gateway Contract. We are now seeking approval for the procurement strategy only for the removal of the Units which will enable the re-configuration of Esperanto Place; the replacement of the access steps from Arundel Gate and provide links / views from Norfolk St and Arundel Gate.

Utilities will be disconnected and various Surveys carried out prior to the Contractor taking possession. The Contractor will remove any asbestos,

|          |   |  |               |      |               |                                   |                 |   |                           |
|----------|---|--|---------------|------|---------------|-----------------------------------|-----------------|---|---------------------------|
|          | softstrip the buildings, demolish down to lower ground floor slab ensuring that any walls providing structural support to the retaining wall to Arundel Gate are maintained / adapted.  |  |               |      |               |                                   |                 |   |                           |
|          | <b>Procurement</b>  | Competition through SCC's Minor Works Demolition Framework Agreement 2015 / 2019 |               |      |               |                                   |                 |   |                           |
| <b>B</b> | <b>Transport</b>  |  |               |      |               |                                   |                 |   |                           |
|          | New additions   |  |               |      |               |                                   |                 |   |                           |
| Page 62  | <p><b>Cycling Supporting Infrastructure</b></p> <p><b>Why do we need the project?</b></p> <p>The overall aim of this project is encourage and increase cycling across the city by providing supporting infrastructure. This will include an increased number of cycle stands, installation of publically accessible work-stands and cycle pumps enabling cyclist to fix and go, replacement of non-compliant barriers and boulders and the installation of counters in appropriate locations for cycle usage monitoring.</p> <p><b>How are we going to achieve it?</b></p> <p>A feasibility study will be undertaken to produce a shortlist of locations for cycle stands, cycle pumps and cycle counters. A shortlist will also be produced for the removal of inappropriate barriers alongside providing replacement options. This may include some consultation with Public Rights of Way and with the Police.</p> <p><b>What are the benefits?</b></p> <p>The principle benefit of this scheme is to increase cycling levels and the potential benefit it can bring to congestion and improved air quality. The monitoring will provide actual cycle usage numbers rather than estimates or relying on the annual cordon counts or census data every 10 years.</p> <p><b>When will the project be completed?</b></p> <p>The feasibility study will be completed by the end of November 2018</p> |  |               |      |               |                                   |                 | 6 |                           |
|          | <b>Funding Source</b>   | Local Transport Plan   | <b>Amount</b> | 6.1k | <b>Status</b> | Ring-fenced for Transport project | <b>Approved</b> |   | Part of annual allocation |
|          | <b>Procurement</b>  | N/A In house   |               |      |               |                                   |                 |   |                           |
|          | Variations and reasons for change (please specify all that apply: budget increase / budget reduction / reprofiling / scope change / procurement)  |  |               |      |               |                                   |                 |   |                           |
|          | <b>None</b>   |  |               |      |               |                                   |                 |   |                           |

|          |                                   |  |
|----------|-----------------------------------|--|
| <b>C</b> | <b>Quality of life</b>            |  |
|          | New additions                     |  |
|          | None                              |  |
|          | Variations and reasons for change |  |
|          | None                              |  |
| <b>D</b> | <b>Green and open spaces</b>      |  |
|          | New additions                     |  |
|          | None                              |  |
|          | Variations and reasons for change |  |
|          | None                              |  |
| Page 63  |                                   |  |
|          | New additions                     |  |
|          | None                              |  |
|          | Variations and reasons for change |  |
|          | None                              |  |
| <b>E</b> | <b>Housing growth</b>             |  |
|          | New additions                     |  |
|          | None                              |  |
|          | Variations                        |  |
|          | None                              |  |
| <b>F</b> | <b>Housing investment</b>         |  |
|          | New additions                     |  |
|          | None                              |  |

|          |  |  |      |
|----------|--|--|------|
|          | Variations and reasons for change  |  |      |
|          | None   |  |      |
| <b>G</b> | <b>People – capital and growth</b>   |  |      |
|          | New additions  |  |      |
|          | None   |  |      |
|          | Variations and reasons for change  |  |      |
| Page 64  | <b>Mechanical Replace Brunswick Primary {Budget Reduction}</b><br><b>Scheme description:</b><br>This project was originally budgeted at £833.3k to undertake a full Heating System replacement at Brunswick Primary School.<br><b>What has changed?</b><br>A subsequent decision has been made to limit works to boiler replacement and essential repair works only, to a value of £137.6k. The remaining saving will be used to deliver further school condition works.<br><b>Variation type:</b><br>Budget reduction |  | -696 |
|          | <b>Funding</b>   | Funds to be returned to the Department for Education – Condition Allocation balance held by People – Capital & Growth - CYPF |      |
|          | <b>Procurement</b>   | N/A  |      |
| <b>H</b> | <b>Essential compliance and maintenance</b>  |  |      |
|          | New additions  |  |      |
|          | None   |  |      |
|          | Variations and reasons for change  |  |      |
|          | None   |  |      |

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|   |                                   |
|---|-----------------------------------|
| I | <b>Heart of the City II</b>       |
|   | New additions                     |
|   | None                              |
|   | Variations and reasons for change |
|   | None                              |

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|   | Scheme name, summary description of key terms  | Funder                                    | Value<br>£'000 |
|---|--|---|----------------|
| A | <b>Economic growth</b>   |   |                |
|   | <p><b>Culvert Renewal Scheme</b><br/> <b>See Appendix 1, Section A for scheme details.</b><br/> <b>Financial and Commercial Implications.</b></p> <p>The EA has approved grant of £1,235,048 Grant In Aid (GiA) and £400,000 Local Levy towards the programme costs as defined in the cost breakdown. The EA has also confirmed approval of the contingency element however this cannot be released until the risks have been realised (i.e. when we are in a position to submit a valid reason for increased costs up to £495,724).</p> <p>The grant offer is subject to terms and conditions set out in the Memorandum Relating to Capital Grants. Key features (not exclusive) are summarised as follows:</p> <ul style="list-style-type: none"> <li>• Grant is provide on the understanding that the programme is completed. Grant may be withheld should the programme not be completed.</li> <li>• The grant must be spent on capital projects.</li> <li>• Competitive tendering should be undertaken unless there is a good reason to use another method.</li> <li>• Sale of the land or asset funded by the grant demands a repayments of a share of the proceeds.</li> <li>• Authorised entry to the work area and provision for inspection of the work must be available to the funder, at all reasonable times.</li> <li>• All funded work must be maintained and necessary repairs must be carried out promptly.</li> <li>• The grant is made on th basis of “whole life” costs and so include an allowance for future maintenance.</li> <li>• Grant becomes due once the programme is satisfactorily completed. However due to the cost of the programme the funder may make interim payments during the work.</li> </ul> | Environment Agency [FCERM and Local Levy] | 2,131          |

|  |   |  |  |
|--|---|--|--|
|  | <ul style="list-style-type: none"> <li>• A final account must be submitted within two years of completion.</li> <li>• If the terms and conditions are not met the funder may withhold the grant.</li> <li>• The Project Manager will need to read, understand and comply with all terms and conditions of the grant.</li> </ul> <p>If approved work is due to commence Qtr4 18/19.</p> <p><b>Legal Implications</b></p> <p>The local authority has a duty under section 9 of the Flood and Water Management Act 2010 as the Lead Local Flood Authority to develop, maintain, apply and monitor a strategy for local flood risk management in the area. The Sheffield Watercourse Culvert Renewal Programme has been identified by the Council’s own risk assessment as a project which is eligible for funding. The Environment Agency may under section 16 of the same legislation provide funding for such projects. In a letter dated 28th June 2018, the Environment Agency approved an application for funding with specified terms, subject to the guidance document accompanying it.</p> <p>The Council has the power to do anything incidental to its functions (s111, Local Government Act 1972). This includes the acceptance of grant funding.</p> <p>The grant must be used on specific projects outlined in the Sheffield Watercourse Culvert Renewal Programme Outline Business case submitted to the Environment Agency as part of our application for funding. The expenditure of the grant is subject to the Approval of Application letter and the Grant Memorandum relating to capital grants for local authorities and Internal Drainage Boards in England under the Flood and Water Management Act 2010, Coast Protection Act 1949, and Land Drainage Act 1991.</p> <p>Payment is made in arrears, although the Environment Agency may approve interim payments. As the grant is given for a specific purpose, use of the money otherwise than in accordance with the determination letter and Memorandum could potentially lead to the funding being reclaimed or could reduce the amount of funding received in the future.</p> <p>As some of the culverts are on land that is not in the ownership of the Council it should in particular be noted that:</p> <ul style="list-style-type: none"> <li>• Condition 14 of the memorandum states that if we sell land or assets funded by the grant, we must repay a share of the proceeds, based on the original</li> </ul> |  |  |
|--|---|--|--|



|  |   |                                   |            |
|--|---|-----------------------------------|------------|
|  | <p>purchase financed from the grant.</p> <ul style="list-style-type: none"> <li>The Memorandum draws attention to the fact that when we applied for the grant we had to show how the 'capital asset' would be properly maintained. It goes on to say that if we fail to maintain the project for its planned lifecycle, the Environment Agency may take this into account when assessing any future application for grant.</li> </ul> <p>Given the nature of the works that this funding has been approved for (no purchase is to be funded by the grant) it seems unlikely that there will be any requirement to repay funding in the event of a sale. However, it has to be accepted that there is a small risk and the Council may wish to consider seeking to enter into appropriate legal agreements with landowners regarding sale and maintenance before any works are undertaken.</p>   |                                   |            |
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 69</p> | <p><b>Lower Don Valley Sanderson's Weir Fish Pass</b><br/><b>See Appendix 1, Section A for scheme details</b></p> <p><b>Financial and Commercial Implications.</b></p> <p>Key features of the Grant Memorandum / terms and conditions for Sanderson's Fish Pass are summarised below. The Project Manager will need to read, understand and comply with all of the grant terms and conditions.</p> <ul style="list-style-type: none"> <li>The grant is for £350,000.</li> <li>Applies to studies and projects started after 1 June 2018.</li> <li>Applications must meet the conditions relevant to flood risk management work under the Land Drainage Act 1991.</li> <li>The Grant Memorandum applies to flood /coastal erosion studies and projects which began after 1 June 2018.</li> <li>The grant must be spent on capital projects and Outcomes are what the project has delivered.</li> <li>If SCC does not deliver the project, it will no longer be eligible for capital grant funding as no capital asset has been created.</li> <li>The project must be maintained for its planned lifecycle.</li> <li>Grant is for capital spending approved for improving existing or constructing</li> </ul> | <p>Environment Agency [FCERM]</p> | <p>350</p> |

|  |   |  |  |
|--|---|--|--|
|  | <p>new, flood or coastal erosion risk management and water level management works.</p> <ul style="list-style-type: none"> <li>• Reliable commitments for match funding should be in place. (NB: At this point in time there is a working assumption that match funding of £100,000 will come from the European Maritime Fisheries Fund, but this remains to be confirmed)</li> <li>• The costs of people working on the project including overheads can be included.</li> <li>• Grant will not be available if the work has not already had approval and grant is not payable on costs funded by other Government departments.</li> <li>• SCC should complete all land-purchase/access (easement) agreements before awarding the construction contract.</li> <li>• Grant is not eligible on spending on a claim that has arisen as a result of negligence or damage that was otherwise avoidable.<br/>SCC will need a formal allocation letter from the funder, with the approved partnership grant, before work can begin.</li> <li>• SCC should draw the attention of consultants employed on the project to the conditions relating to approval.</li> <li>• If SCC does not get funder approval for spending over the approved grant amount, the funder may not allocate a supplementary grant.</li> <li>• Grants are for the specific scheme being carried out as approved. If SCC does not complete a scheme then the funder must be informed. In these circumstances, EA may withhold any grant payments that we would have otherwise paid.</li> <li>• If SCC sells land/assets funded by the grant, SCC must repay a share of the proceeds.</li> <li>• SCC must carry out an environmental impact assessment for the project.</li> <li>• SCC should get any necessary permission before applying for a grant.</li> <li>• SCC must properly maintain all FCERM work / do repairs.</li> <li>• Records must be available at all times.</li> <li>• SCC to inform the funder of the start/end date of works or the grant may be withheld.</li> <li>• Studies/schemes not providing evidence that they have assessed costs and benefits strategically will be capped at a grant rate of 45% of the approved</li> </ul> |  |  |
|--|---|--|--|

|  |   |  |  |
|--|---|--|--|
|  | <p>partnership-funding outcomes.</p> <ul style="list-style-type: none"> <li>• SCC must comply with the terms and conditions or the grant may be withheld.</li> <li>• Grant becomes due once a study, strategy or scheme is satisfactorily completed.</li> <li>• Funder may withhold the grant if SCC do not state the scheme start date or if the amount of grant needed changes over more than one financial year, without the funders agreement beforehand.</li> <li>• Defra may select some projects for Post Project Evaluation (PPE).</li> <li>• SCC must inform the funder if the amount claimed in a financial year changes by more than £100,000.</li> <li>• Deadlines must be met or SCC may no longer be entitled to the grant, unless there are exceptional circumstances.</li> <li>• SCC must adhere to any relevant European Union (EU) or other international procurement rules.</li> </ul> <p>Procurement</p> <ul style="list-style-type: none"> <li>• All public sector procurement is governed by both European Legislation and UK National Law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).</li> <li>• Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.</li> </ul> <p><b>Legal Implications</b></p> <p>The local authority has a duty under section 9 of the Flood and Water Management Act 2010 as the Lead Local Flood Authority to develop, maintain, apply and monitor a strategy for local flood risk management in the area. The Council also has the power to do anything incidental to its functions (s111, Local Government Act 1972). This includes the acceptance of grant funding.</p> |  |  |
|--|---|--|--|

|  |  |  |            |
|--|--|--|------------|
|  | <p>The grant must be used on the specific project outlined in the FCERM4 form and associated Business Case Update Report relating to the Reintroduction of the Sanderson’s Weir Fish Pass to the Sheffield Lower Don Valley Scheme submitted to the Environment Agency as part of our application for funding. The expenditure of the grant is subject to the Approval of Application letter and the Grant Memorandum relating to capital grants for local authorities and Internal Drainage Boards in England under the Flood and Water Management Act 2010, Coast Protection Act 1949, and Land Drainage Act 1991.</p> <p>Payment is made in arrears, although the Environment Agency may approve interim payments. As the grant is given for a specific purpose, use of the money otherwise than in accordance with the determination letter and Memorandum could potentially lead to the funding being reclaimed or could reduce the amount of funding received in the future.</p>   |  |            |
|  | <p><b>Lower Don Valley Sanderson’s Weir Fish Pass</b><br/> <b>See Appendix 1, Section A for scheme details</b><br/> <b>Financial and Commercial Implications</b></p> <p><b>Background</b></p> <p>The Marine Management Organisation (MMO) is proposing to make a formal grant offer of £100,000 for the Fish Pass project from the European Maritime and Fisheries Fund. The offer is expected to be made when SCC is in a position to make a tender award and not prior to this, as would usually be the case when SCC is accepting grant funding. If the £100,000 EMFF grant offer does not materialise then the Environment Agency has indicated that it will provide up to £100,000 of additional funding to compensate for any shortfall in the EMFF grant.</p> <p>In order to maximise funding for the Fish Pass project the £100,000 of EMFF money will need to be spent before the end of March 2019 and before the £350,000 of Environment Agency funding which is also allocated to this project.</p> <p>MMO have provided the Council with sample terms and conditions that they have</p> | <p>Marine Management Organisation (MMO)/European Maritime Fisheries Fund</p> | <p>100</p> |

|  |   |  |  |
|--|---|--|--|
|  | <p>indicated will be the terms and conditions that any offer will be subject to.</p> <p><b>EMFF Grant: Draft Terms and Conditions</b></p> <p>Key features (not exclusive) of the draft EMFF grant terms and conditions are summarised as below.</p> <ul style="list-style-type: none"> <li>• SCC will be expected to retain ownership of the work being funded.</li> <li>• The funder must be informed of any modifications or changes to the project including costs, funding, timescales, sale of assets and contractor changes.</li> <li>• Changes without approval may result in funding being reduced or withdrawn</li> <li>• The grant is subject to claw back if the terms/conditions are not complied with.</li> <li>• EMFF funding cannot be provided retrospectively, but there are exceptions such as costs up to 10% of total project and must be “essential to bringing an application to submission stage”</li> <li>• Projects can commence after written acknowledgement from the Funder</li> <li>• MMO funds cannot be used to buy land if it exceeds 10% of total project expenditure</li> <li>• Environmental improvement measures must comply with EU/UK legislation.</li> <li>• EU public purchasing rules must be fully applied.</li> <li>• If costs decrease then so will the EU funding (proportionately)</li> <li>• Inform the Funder if new, un-notified sources of funding are added to the project and no other sources of EU funding can be used.</li> <li>• SCC must accept, sign and return the offer letter to be eligible.</li> <li>• Funding for expenditure excludes VAT</li> <li>• To support claims, bank statements will be needed to show proof of payment.</li> <li>• Evidence of match funding will need to be provided (NB: In this instance the Environment Agency is also funding the project (£350,000).</li> <li>• The Project Manager will need to comply with the requirements and timetables for submitting claims.</li> <li>• Failure to meet project timetables may result in grant being reclaimed.</li> <li>• Records must be kept for at least 5 years and are subject to Audit.</li> <li>• If the project generates net revenue during its implementation the eligible expenditure for grant will be adjusted.</li> </ul> |  |  |
|--|---|--|--|

|          |  |  |  |
|----------|--|--|--|
|          | <ul style="list-style-type: none"> <li>• Modifications are not allowed within 5 years if these change the nature of the project.</li> <li>• Items purchased using EMFF grant must be owned and used for their original purpose for a period of 5 years.</li> </ul> <p>The Project Manager will need to read, understand and comply with all of the grant terms and conditions.</p> <p><b>Procurement</b></p> <p>All public sector procurement is governed by both European Legislation and UK National Law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and internal regulations known as ‘Contracts Standing Orders’ (CSOs).</p> <p>Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.</p> <p>Legal Implications</p> <p>The local authority has a duty under section 9 of the Flood and Water Management Act 2010 as the Lead Local Flood Authority to develop, maintain, apply and monitor a strategy for local flood risk management in the area. The Council also has the power to do anything incidental to its functions (s111, Local Government Act 1972). This includes the acceptance of grant funding.</p> <p>It should be noted that there will be no automatic increase in European funds awarded if the project costs increase. If costs decrease then so will European funding.</p> |  |  |
| <b>B</b> | <b>Transport</b>   |  |  |

|          |   |  |  |
|----------|---|--|--|
|          | None  |  |  |
| <b>C</b> | <b>Quality of life</b>                      |  |  |
|          | None  |  |  |
| <b>D</b> | <b>Green and open spaces</b>                |  |  |
|          | None  |  |  |
| <b>E</b> | <b>Housing growth</b>                       |  |  |
|          | None  |  |  |
| <b>F</b> | <b>Housing investment</b>                   |  |  |
|          | None  |  |  |
| <b>G</b> | <b>People – capital and growth</b>          |  |  |
|          | None  |  |  |
| <b>H</b> | <b>Essential compliance and maintenance</b> |  |  |
|          | None  |  |  |
| <b>I</b> | <b>Heart of the City II</b>                 |  |  |
|          | None  |  |  |

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**Author/Lead Officer of Report:**  
Tim Hardie, Head of Commercial Business  
Development

**Tel:** 0114 20 53609

**Report of:** Executive Director of Resources

**Report to:** Cabinet

**Date of Decision:** 17<sup>th</sup> October 2018

**Subject:** Future Delivery of the Revenues & Benefits and Financial Business Transactions services

|   |   |                             |
|---|---|-----------------------------|
| Is this a Key Decision? If Yes, reason Key Decision:-   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| - Expenditure and/or savings over £500,000  | <input checked="" type="checkbox"/>     |                             |
| - Affects 2 or more Wards   | <input type="checkbox"/>                |                             |
| Which Cabinet Member Portfolio does this relate to? Cabinet Member for Finance and Deputy Leader  |   |                             |
| Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee   |   |                             |
| Has an Equality Impact Assessment (EIA) been undertaken?  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| If YES, what EIA reference number has it been given? 324  |   |                             |
| 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:-   |   |                             |
| Appendices 3 to 10 are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) in that they include information relating to the financial or business affairs of any particular person (including the Council) and the balance of public interest is in the information not being released. |   |                             |

**Purpose of Report:**

The current strategy of insourcing and recommissioning IT services between December 2018 and March 2019 raises the question of how the Council should approach the remaining contract with Capita in relation to Revenues & Benefits & Financial Business Transactions (FBT) services. In the context of ongoing work around the Welfare Review and the need for a more flexible, responsive and

sustainable service delivery model it is proposed that the contract with Capita in relation to those services is brought to an end in 2020. The recommended option at this stage is to insource all services.

### **Recommendations:**

That Cabinet:

- Notes and approves the proposal for the future delivery of the Revenues & Benefits & FBT services outlined in this report and in particular that:
  - These proposals would move the Council towards the delivery of those functions through an in-house service;
  - this will necessitate early termination of the Revenues & Benefits and FBT elements of the Programme Agreement with Capita Business Services Ltd (Capita); and
  - there may be a transfer of staff from Capita into the Council that will require a formal consultation with staff affected and the Trade Unions.
- To the extent not covered by existing delegations grants delegated authority to the Executive Director of Resources in consultation with the Cabinet Member for Finance, the Director of Finance & Commercial Services and the Director of Legal and Governance as necessary to:
  - approve the procurement strategies and contract awards for the various procurements required to deliver transfer and ongoing delivery of the services;
  - utilise the appropriate contractual mechanisms to give notice to Capita to terminate the Revenues and Benefits and FBT services and Partnership elements of the Programme Agreement; and
  - take such other steps as he feels necessary to achieve the outcomes in this report.
- Gives its approval for the budget required to cover the costs of delivering the transfer of the Revenues & Benefits and FBT services to the Council including the one-off implementation and set-up costs, as set out in the financial implications of this report.
- Notes a further report will be presented to Cabinet in due course setting out the strategy for the future delivery of the services in more detail once the proposals have been fully worked up.

## Background Papers:

- None

| Lead Officer to complete:-  |  |   |
|---|--|---|
| 1   | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.   | Finance: Paul Schofield   |
|   |  | Legal: David Hollis   |
|   |  | Equalities: Michelle Hawley   |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> |  |   |
| 2   | <b>EMT member who approved submission:</b>   | Eugene Walker   |
| 3   | <b>Cabinet Member consulted:</b>   | Olivia Blake  |
| 4   | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |   |
|   | <b>Lead Officer Name:</b><br>Tim Hardie  | <b>Director Job Title:</b><br>Head of Commercial Business Development |
|   | <b>Date:</b> 9 <sup>th</sup> October 2018  |   |

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## 1. **PROPOSAL**

### 1.1 **Strategic Context**

The Capita Partnership contract commenced in 2009, under which Capita is responsible for the delivery of various Council services until January 2022. Capita and the Council agreed to insource Customer Services including the Contact Centre in 2016 and Human Resources services in 2017. We have also brought to an end the cashiers and schools HR services. In addition to IT, the following services continue to be part of the Capita contract:

#### 1.1.1 Revenues and Benefits Service

This provides the largest customer service of any part of the Council, comprising the administration and operation of the Council's Council Tax, Business Rates and Benefits services. These services include:

- Housing Benefit and Council Tax Support to over 50,000 residents
- Council Tax billing and collection to over 240,000 households
- Business Rates billing and collection to over 17,000 businesses.

#### 1.1.2 Financial Business Transactions Service (FBT)

Provides a crucial role in ensuring that the Council meets its responsibilities for paying its suppliers and other creditors. Its objectives are to ensure that payments are made quickly and accurately and to provide prompt and appropriate responses to creditor or service enquiries.

#### 1.1.3 In providing these services our aim is to:

- Help support some of our most vulnerable residents through Housing Benefit and Council Tax Support;
- Demonstrate our commitment to customer service;
- Maximise two crucial sources of income through Council Tax and Business Rates; and
- Contribute to the Council's priorities of tackling poverty and increasing social justice.

Our challenge is to deliver these objectives in a way that is responsive

to the challenges of welfare reform, including the introduction of Universal Credit, as well as providing support to our residents and businesses at a time of economic uncertainty.

- 1.1.4 The contract budget for these services in 2018/19 is £7.4m; the detail is shown in Table 1.

*Table 1: Contract Budget for Capita Services 2018/19*

| <b>Service</b>                     | <b>Contract Budget<br/>£'000</b> |
|------------------------------------|----------------------------------|
| Revenues                           | 2,644                            |
| Benefits                           | 3,499                            |
| Financial Business Transactions    | 428                              |
| Partnership Management (pro-rated) | 839                              |
| <b>Total</b>                       | <b>7,410</b>                     |

- 1.1.5 The current strategy of insourcing and recommissioning IT services between December 2018 and March 2019 raises the question of how the Council should approach the contract in relation to Revenues & Benefits & FBT services. The Council has the option of exercising a break clause in the contract in order to terminate it in January 2020 prior to contract expiry in January 2022.

- 1.1.6 Latest national speed of Housing Benefit processing statistics show that Sheffield meets the average processing time of the other Metropolitan District Councils (MDCs). Sheffield's Business Rates collection performance is slightly above the average of MDCs but its in-year Council Tax collection rate is in the bottom quartile. However, our in-year Council Tax collection rates are broadly in line with the average performance of other core cities in England, which is a better comparator in terms of those cities having similar characteristics to Sheffield.

- 1.1.7 In deciding on the strategic priorities for the Revenues & Benefits service there is a key link with the ongoing work, supported by Future.Gov, on Welfare Review and the replacement of Housing Benefit for those of working age with Universal Credit. The outcome of the Welfare Review will partly shape the future service requirements of Revenues & Benefits. Determining the future of Revenues & Benefits is the key driver for decision making, with FBT dealt with separately under each option.
- 1.1.8 At this point further detailed work is therefore needed to understand the best future operating model for the delivery of the Revenues and Benefits and Financial Business Transactions services. This proposal focuses on short term changes in the delivery of the services. With more granular visibility of how the services operate and the control of service delivery to enable the services to be shaped to meet the Council's future needs around welfare reform.
- 1.1.9 A further report will be brought back to Cabinet at a later date when this design work has been completed, setting out further detail on the options and their implications for future change to how the services will be delivered and the recommended course of action.

## 1.2 **Options Analysis**

### 1.2.1 Options

Fully understanding the best service operating model, how this will impact on the customer journey and the commercial and financial implications of a particular approach in relation to these is a complex task. Detailed work has therefore been undertaken to help understand the best overall solution for the delivery of the Revenues & Benefits & FBT services. The Council has now completed its initial analysis of the following options:

1. **Do nothing** – i.e. the baseline position of remaining with Capita under the current contract until 2022
2. Terminate the Capita Contract and **insource all services** in 2020
3. Terminate the Capita Contract and **re-procure all services** in 2020

4. **Hybrid Delivery** – i.e. combination of the insourcing and reprocurement options above
5. **Renegotiation** – i.e. remaining with Capita until either 2020 or 2022 on the basis of reducing the current cost of the contract.

*Not shortlisted*

6. Recommission a new single supplier for all services – discounted as this would provide no significant benefits over current arrangements;
7. Enter into a shared service with local partners – discounted as there is no specific demand from other partners and this would be complex and risky to establish if there was;
8. Create a mutual organisation to deliver the services – discounted as would introduce large risk for critical services to be delivered by a new organisation with few if any comparator models elsewhere;
9. Set up an Arm's Length Management Organisation – discounted as this would be lengthy to establish and would not enable the Council to have the level of direct control it requires;
10. Decommissioning the service in whole or in part – discounted as services relate to our statutory functions;
11. Transfer some or all responsibilities to the community, trust, charity, service user group or other body (Including Social Enterprises) - discounted as would introduce large risk for critical services to be delivered by a new organisation with few if any comparator models elsewhere;
12. Create a public-private partnership, through a strategic contract or joint venture company – discounted as this would essentially be recreating a similar arrangement to what is currently in place and would, therefore, not deliver any significant benefits.

- 1.2.2 A detailed SWOT analysis has been completed in respect of the following options. Initial cost modelling has also been undertaken to identify the estimated financial impact of each option.
- 1.2.3 The analysis is subject to a number of assumptions at this stage, included in Appendix 6. The cost models illustrate the potential savings

and pressures from the different scenarios listed above and is limited to the information we have available at this time. Further analysis will be undertaken on detailed actual primary costs as part of this appraisal process.

#### 1.2.4 **Recommended Option**

The recommended option is to take back direct control of the Revenues, Benefits and FBT services, with transfer or reprocurement of some elements of their supply chain.

Under this option the Council would terminate the Capita Partnership in 2020 and insource Revenues & Benefits & FBT services.

An insourced service could provide opportunities for savings, based on the broad assumptions outlined in Appendix 6. The insourced staff would be auto enrolled into the Local Government Pension Scheme where staff are not already members. The costings produced based on these assumptions are purely to illustrate the level of risk and opportunity in this scenario.

1.2.5 Current modelling indicates the potential savings of the insourcing and reprocurement options are broadly comparable. Whilst a reprocurement could drive savings there is no guarantee of the actual benefits until we have gone to the market. Whether a lower market price could be achieved whilst maintaining current levels of service delivery is also subject to question. The key advantage of the recommended option is this would give the Council control of Revenues & Benefits & FBT from 2020 with full transparency of operations and underlying costs. This would provide better opportunities for joined up working within the Council and developing service delivery to meet changing needs and priorities.

1.2.6 The key risk identified with this option is the potential drop over the longer term in current performance levels for Revenues & Benefits which will have a direct impact on frontline services. This is drawn from lessons learned from the Customer Services insourcing. Further resources could be utilised to maintain current service standards but this would be at additional cost, which would erode the savings opportunity. In addition, the Council has no direct operational experience for running these services in-house, since they were



originally outsourced 20 years ago. Whilst transferring staff will bring knowledge and experience with them, staff at a more senior level may not transfer. This also represents a risk with regards to maintaining current performance levels, particularly in the short-term.

1.2.7 It should also be noted that the current financial guarantees on Council Tax, New Homes Bonus and Single Person Discount would no longer apply. This would leave the risk of under-recovery and/or income generation entirely with the Council.

1.2.8 Table 2 lists a summary of the above potential advantages and disadvantages of this option.

*Table 2: Advantages and Disadvantages of the Recommended Option*

| <b>Advantages</b>  | <b>Disadvantages</b>   |
|--|--|
| This option would give the Council control of Revenues & Benefits & FBT to meet changing needs and priorities. | Potential drop over the longer term in current performance levels for Revenues & Benefits without further transformation |
| Provides full transparency of operations and underlying costs  | Economies of scale across the current contract could be lost.  |
| Flexibility to make quick decisions on different elements of service delivery.                                 | Financial guarantees on Council Tax, New Homes Bonus and Single Person Discount would no longer apply                    |
| Operating costs savings from partnership cost reductions   | Initial investment in transition and exit costs  |
| Provides better opportunities for joined up working within the Council   |  |

1.2.9 As part of planning the transfer of Revenues and Benefits and FBT services comprehensive commercial options are being appraised to determine and inform the make or buy decision in relation to the ancillary services, products and systems upon which the Revenues &

Benefits and FBT services rely. The routes to market will demonstrate the most economically advantageous outcomes for the Council. Where a third party supply is identified as the best value option, the overarching procurement strategy will detail the route to market, which may include calling off from frameworks or running formal tenders.

- 1.2.10 Any tendering activity for the supply chain of the services will be governed in accordance with the Council's Contract Standing Orders and within the Public Contract Regulations 2015. The Council has set out its Ethical Procurement Framework demonstrating our clear commitment to maximise the Council's ability to use its discretion to apply ethical standards to behaviour throughout its supply chain and using the money we spend to increase the social value and benefits for local people and businesses. We expect that the supply chain will share our desire to create a city economy that works for all by paying their taxes, respecting workers' rights and equal opportunities, and invest in the talent of their employees through good training and healthy, safe working conditions.

### 1.3 **Options Analysis For Third Party Contracts**

Understanding the best operating model for the activities currently delivered by third parties for Revenue, Benefits and FBT services following transfer to the Council is a complex task. How this impacts on the customer journey and the commercial and financial implications of a particular approach needs consideration.

Detailed work needs to be undertaken to understand the best overall solution for the delivery of these services at the point of transfer of the service back to the Council based on the principles of:

- least amount of service disruption for customers
- maximise opportunities to generate cost savings
- delivery of quick wins wherever possible
- low risk to ensure a smooth service transfer

There are six known ICT and non ICT services currently delivered by third parties within the Capita Group:

1. Print and Mail – delivered by CIC (Mansfield)
2. Integra (SCC's finance system) – delivered by CIBS

3. Academy (IT System used by Revenues and Benefits)
4. Scanning (associated with SCC's financial business transactions) – delivered by CIC (Darlington)
5. Flexible Resource (to meet peak periods of activity) – delivered by Capita Local Public Services
6. Bailiff services

We anticipate there may be more third party services delivered via our contractual relationship with Capita which will be confirmed once conversations can be held with Capita subject to the decision on the future of the services. Proposals regarding the above will be developed and brought back to Cabinet in the next report on the future of the services.

#### 1.4 **Key Factors to Consider & Next Steps**

This proposal's focus is on the transfer of the services, as a number of other factors will affect what is required from the future shape of the services. These are outlined below:

##### 1.4.1 Universal Credit (UC)

The roll out of UC is due to recommence in November 2018, with bulk migration of the remaining Housing Benefit cases by March 2023. A multi-agency working group has been established to manage the impact of this change. The exact impact of UC will only become apparent as roll out continues and take up rates become known. However, this is currently considered to be a manageable risk when weighed against the advantages of implementing the identified options prior to the expiry of the Capita Contract in 2022.

##### 1.4.2 Welfare Review

The scale, scope and timescales concerning the city-wide Welfare Review work are still being developed but it is anticipated this will commence in early 2019. This work needs to be kept under review as the options are refined and a strategic approach agreed. If there is a material impact that favours one particular solution then the approach will be re-assessed in the light of this.

##### 1.4.3 Functional Structure

The Council is not bound to deliver its services for Revenues & Benefits and FBT in the same manner as under the Capita contract. It is proposed that different delivery models, aligned around a functional review, will be considered as the options are further developed.

- 1.4.4 Customer Experience  
Development of the options will also consider whether a different approach/delivery model is appropriate, taking into account customer expectations, need and ease of access to services.
- 1.4.5 Performance  
Existing performance levels are likely to continue unless we resource appropriately to deal with known areas of weakness. Some of the resource saving opportunities identified in the proposed options could be utilised to invest in service delivery and improve the service delivered to Sheffield citizens (and potentially increase council revenue collection).
- 1.4.6 This recommended option is likely to require a new operating model following transfer for the delivery of these services. If this recommendation is accepted, work will be undertaken to bring back to Cabinet a further proposal on how the services will be developed following the transfer back to direct delivery by the Council. This will be informed by developments on the factors outlined above.
- 1.4.7 Governance for a transition project has been established and has been undertaking detailed planning so that if the recommendation is approved, we can mobilise very quickly. We have developed a high level transition plan (see Appendix 4). The plan is subject to refinement once we enter into formal discussions with Capita. Our current target is to have responsibility for Revenues, Benefits and FBT services back under the Council's control, as per this recommended option in 2020.
- 1.4.8 Our strategy will be based on:
- *Transition* – move Revenues, Benefits and FBT services back under the Council's direct control and recommission the replacement services where they are required.
  - *Stabilisation* – deal with any issues that we discover post-transition, put in place the initial operating model for the services and agree the priority areas for transformation; and
  - *Transformation* – we will start the work of developing the services informed by the implementation of Universal Credit and the outcome of the Welfare Review. Further detail on what form this transformation will take will be provided in a future Cabinet report.

## 2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The Council's current Corporate Plan contains five priorities that capture the organisation's ambitions for Sheffield. These proposals support the priorities in the following ways:

- **An in-touch organisation:** Shaping the delivery of Revenues and Benefits services will help the Council to more effectively support the people of Sheffield. It will help to join up how our services deliver and enable us to be more agile in responding to the needs of customers.
- **Strong economy:** By maximising two crucial sources of income through Council Tax and Business Rates
- **Thriving neighbourhoods and communities:** By providing support to our residents, landlords, advice networks and businesses at a time of economic uncertainty
- **Better health and wellbeing:** Health and wellbeing are known to be influenced by indebtedness and quality of housing or lack of it. These proposals will help to ensure that residents receive the financial support required to secure appropriate housing and minimise Council Tax and rent arrears both of which are major contributors to indebtedness
- **Tackling inequalities:** By being responsive to the challenges of welfare reform including the introduction of Universal Credit

## 3. HAS THERE BEEN ANY CONSULTATION?

3.1 As this report addresses how the Council will continue to deliver the services rather than a change to services that will be seen by customers there is no statutory obligation to consult. Affected staff will be consulted on proposals as they progress and included in formal TUPE consultation if TUPE is found to apply. The approach on public consultation will be reviewed as part of developing our wider strategy and approach, principally in respect of the Welfare Review which will form a separate report.

## 4 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 There are some risks with the recommended option. The primary risks and their mitigations are:

- Service delivery disruption – If service delivery is disrupted due to service failure by any provider or uncoordinated delivery then support to citizens could be disrupted. To mitigate this, the initial operating model will be focused on prioritising service continuity, rather with transformational improvements aimed for after transfer, as outlined above.
- Information accuracy and availability – If the Council does not receive timely and accurate provision of information from Capita, including TUPE Employee Liability Information and Due Diligence Information, then the decisions taken to set up transferring services may not reflect the way they need to operate and this could lead to service delivery disruption. To mitigate this, we will liaise with Capita at an early stage regarding information requirements, timescales and verification processes and ensure adequate HR resource are available.
- Access to service delivery staff – If the project team and relevant services do not have access to employees to undertake meaningful consultation and gain a deep understanding of operational delivery then the tools and processes set up for the point of transfer may not be appropriate for effective delivery. To mitigate this, we will liaise with Capita at an early stage and agree consultation timescales. We will check contract documentation for responsibilities /requirements on exit and include staff access as an element of overall exit negotiations.
- Third Party TUPE challenge – 3rd party suppliers that are part of the current delivery supply chain could challenge that TUPE applies for any of their staff. To mitigate this, we will seek legal advice at an early stage after any claim to assess TUPE rights.
- Staffing Resource – Lack of visibility and information from Capita on the staffing model in particular around flexible resourcing and functions undertaken in other parts of Capita could lead to the potential that the staff level which transfers be inadequate to deliver the services.

- Staffing Resource – The changes around Universal Credit has led to Authorities increasing their reliance on temporary / short term resourcing therefore there is a potential for difficulties in recruiting additional resources with the relevant skills and experience to deliver the Revenues and Benefits function if these are required
- Financial impact not fully visible – If we discover, through the negotiation with Capita, that our cost model has underestimated costs this may impact the overall financial case for the recommended option. To mitigate this, we have based our modelling on conservative estimates and used actuals from previous impact assessments.

A more detailed analysis of key risks is included in Appendix 2 and a full risk register has been established and will be maintained while implementing the proposal.

## 4.2 **Equality of Opportunity Implications**

- 4.2.1 A full Equalities Impact Assessment (EIA) has been undertaken to assess the potential impact of the recommendations in this report in terms of equal opportunities. The following is a summary of the findings.
- 4.2.2 There will be staffing implications as a result should TUPE be deemed to apply to the transfer of Capita staff into the Council. However, there is not expected to be any disproportionate impact on staff with a particular protected characteristic.
- 4.2.3 The Council has a wide range of policies and procedures already in place to support employees and reduce potential inequalities in the workplace. Access to these policies and procedures will be available to all transferred staff to support their integration into the Council.
- 4.2.4 It will also be important to ensure that any staff transferring into the Council are given an appropriate induction to the Council so that they are aware of the support offered to staff with protected characteristics.
- 4.2.5 There is a risk of disruption to the services at the point of transfer which may have a negative impact on customers if Benefit payments are delayed or Council Tax payments not collected, however this will be mitigated through appropriate project planning. There is not expected

to be any negative impact on customers as a result of these proposals, as the services largely will deliver positive changes and improvements in the longer-term. The services will initially carry on delivering the same service to customers as they do at the moment and any proposals to change will be developed in partnership with customers and will take account their diverse needs.

- 4.2.6 The EIA has assessed the overall impact of the project as 'low', and a copy of the full EIA document is attached in Appendix 1.

#### 4.3 **Financial and Commercial Implications**

Detailed financial modelling has been undertaken on the recommended option. In order to protect the Council's negotiating position and not prejudice the delivery of the benefits in this proposal, this information is included in the closed Appendices of the report because it is commercially sensitive.

- 4.3.1 The one off costs include the cost of a project team to deliver the change quickly in order to realise the benefits as soon as possible. Adoption of this strategy will require a change in the way the Council manages the services and this will require proper investment in a transition team to ensure the changes are brought in successfully. There will need to be some upfront increase in resource to make this happen successfully in the short project delivery timescale.

#### 4.4 **Legal Implications**

- 4.4.1 The Council has a Best Value Duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" as well as the published guidance.
- 4.4.2 There are a number of legal issues that arise as a consequence of this proposal, which are summarised in Appendix 3 as part of the Commercial Negotiation Strategy.
- 4.4.3 There are no other direct legal implications from this report other than that in reaching the decisions cabinet will need to have regard to the Public Sector Equality Duty under the Equality Act 2010.
- 4.4.4 The implementation of the proposals and decisions under the delegations will pick up any necessary legal implications at that stage and these will include the following;



- Public Services (Social Value) Act 2012;
- The Public Contracts Regulations 2015 (the Regulations) – Procurements of the supporting services may be caught by EU procurement law as codified in the Regulations and will need to be compliant. The Capita Programme Agreement provides provision for the termination of services but the operation of this will still need to be compliant, in particular with Regulation 72 in respect of modifications and the requirement they must not change the economic balance of the contract in favour of the contractor in a manner which was not provided for in the initial contract; and
- Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended.

#### 4.5 **Other Implications**

Any other implications are outlined in the report.

##### 4.5.1 HR implications

At this stage, it is not possible to provide a complete assessment on all HR implications that could result from the proposals in this paper. However, the immediate apparent implications include the potential for the TUPE transfer of Capita staff.

4.5.2 These staff may include ex-Council employees who have transferred multiple times as the services have been provided by different organisations.

4.5.3 Although TUPE could apply, the proper assessment of whether TUPE will apply and which staff would be in scope of TUPE will require employee information from Capita that the Council does not have access to at this stage. If TUPE does apply, the Council will need to have sufficient time in the implementation period to make an assessment of the implications of this and undertake meaningful consultation on the transfer in accordance with the TUPE Regulations 2006 (Amended).

4.5.4 In the event that staff did transfer to SCC under the TUPE Regulations 2006 (Amended) if pay rates are currently below the Foundation Living Wage these pay rates would be uplifted to the Foundation Living Wage level.

## 5 **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Four other options were shortlisted for detailed analysis:

- 'Do nothing' and allow the contract to run until 2022.
- Reprocurement of all services.
- Hybrid Delivery
- Renegotiation

These are covered in further detail in Appendix 5

## 6 **REASONS FOR RECOMMENDATIONS**

6.1 The detailed rationale for the recommendations is set out in the report. Insourcing the services will give the Council direct control over the delivery of Revenues, Benefits and FBT services especially given the changing political and legal factors around Welfare Review and Universal Credit. It will enable the Council to implement the necessary changes to transform the services to adapt to these environmental demands in the most effective way we see fit and deliver these changes more quickly and more cost-effectively than if the services were managed by a strategic partner. This option gives us the opportunity to take back control over the future direction of the services and continue to deliver high performance through our own workforce.

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## Appendix 1: Equality Impact Assessment

EIAs - Future of Revenues and Benefits Service Page 1 of 9

 Equality Impact Assessment » EIAs: Future of Revenues and Benefits Service  

[Print this page](#)

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### Equality Impact Assessment and Consultation

Submitted for approval

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### Equality Impact Assessment

**Introductory Information**

**Reference number**  
324

**Proposal type**  
 Budget  Project

**Project name**  
Future of Revenues and Benefits Service

**Decision Type**

**Type of decision**

- Cabinet
- Cabinet Committee (e.g. Cabinet Highways Committee)
- Leader
- Individual Cabinet Member
- Executive Director/Director
- Officer Decisions (Non-Key)
- Council (e.g. Budget and Housing Revenue Account)
- Regulatory Committees (e.g. Licensing Committee)

**Lead Cabinet Member**  
Blake Olivia (LAB CLLR)

**Entered on Q Tier**  
 Yes  No

**Year(s)**

**EIA date**  
24/07/2018

**EIA lead**  
Hawley Michelle

**EIA contact**  
Markham Rob (NCC)

**Lead officer**  
Hardie Tim (CEX)

**Lead Corporate Plan priority**  
Strong Economy

**Portfolio, Service and Team**

**Cross Portfolio**  
 Yes  No

**Portfolio**

<https://apps.sheffield.gov.uk/equality-impact-assessment/Lists/EIAs/Item/displayifs.aspx?List=2a277a5a%2D75ec%...> 04/10/2018

Resources

Resources service(s)

Finance and Commercial Services

Resources team(s)

Revenues and Benefits

Is the EIA joint with another organisation (eg NHS)?

No  Yes

Brief aim(s) of the proposal and the outcome(s) you want to achieve

The current strategy of insourcing and recommissioning IT Services between December 2018 and March 2019 raises the question of how the Council should approach the contract in relation to Revenues & Benefits (R&B) & Financial Business Transaction (FBT) services. In the context of ongoing work around the Welfare Review and the need for a more flexible, responsive and sustainable service delivery model it is proposed that the contract with Capita in relation to those services is brought to an end in 2020.

The recommended option at this stage is to terminate the Capita Contract and insource all services with effect from 2020.

Impact

Under the [Public Sector Equality Duty](#) we have to pay due regard to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations

More information is available on the [Council website](#) including the [Community Knowledge Profiles](#).

Note the EIA should describe impact before any action/mitigation. If there are both negatives and positives, please outline these - positives will be part of any mitigation. The action plan should detail any mitigation.

Overview

Overview (describe how the proposal helps to meet the Public Sector Duty outlined above), Supporting Evidence (Please detail all your evidence used to support the EIA)

Some of our Revenues and Benefits customers are among the most financially vulnerable in the city however, there is not expected to be any negative impact on customers as a result of these proposals, as the Service largely will deliver positive changes and improvements in the longer-term. The service will initially carry on delivering the same service to customers as it does at the moment, and any proposals to change this service will be developed in partnership with customers and will take account their diverse needs. Furthermore, shaping the delivery of the Revenues and Benefits Service will help the Council to more effectively support the people of Sheffield by joining up our service delivery, enabling us to be more agile in responding to the needs of customers and by being responsive to the challenges of welfare reform including the introduction of Universal Credit . These proposals will also support the health and wellbeing of our residents by ensuring that they receive the financial support required to secure appropriate housing and minimise council tax and rent arrears both of which are major contributors to indebtedness.

The main staffing implications from this proposal will be as a result of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) transfer of Capita staff into the Council. However, there is not expected to be any disproportionate impact on staff with a particular protected characteristic. The Council has a wide range of policies and procedures already in place to support employees and reduce potential inequalities in the workplace. Access to these policies and procedures will be available to all transferred staff to support their integration into the Council. As part of the TUPE transfer of staff the Council will consult on any changes. This will include a series of consultation meetings with Trade unions, affected Capita staff and potentially affected Council

Impacts

Proposal has an impact on

Health

<https://apps.sheffield.gov.uk/equality-impact-assessment/Lists/EIAs/Item/displayifs.aspx?List=2a277a5a%2D75ec%...> 04/10/2018

Does the Proposal have a significant impact on health and well-being (including effects on the wider determinants of health)?

Yes  No

**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

The potential transfer of staff in the Revenues and Benefits and FBT services between employers could be a cause of concern and uncertainty for staff both working as part of the service for Capita and within potentially affected services within the Council.

These concerns could negatively impact on the mental and physical health of affected staff in both areas and they may also be concerned over how their new employer will support them with any health issues.

Affected staff within the Revenues and Benefits and FBT services and potentially affected Council services will be consulted with to understand and identify any concerns they have around service transfers and the impact this may have on them and their health. This will include explaining to them the policies and support mechanisms that the Council offer to support them with any health issues and will identify any reasonable adjustments the Council will put in place ahead of them transferring to the council.

The impact on employees who are away from work on sickness absence may be negative and again will be managed by including them in communications.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks
- The range of flexible working options
- Employment policies and support mechanisms to promote health and wellbeing

**Customers**

Yes  No

**Comprehensive Health Impact Assessment being complete**

Yes  No

Please attach health impact assessment as a supporting document below.

**Public Health Leads has signed off the health impact(s) of this EIA**

Yes  No

**Health Lead**

Age

**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

There are a minority of Revenues and Benefits staff within the Council under the age of 35 (12%) and over the age of 56 (17%). The age profile of staff in the current Revenues and Benefits and FBT service in Capita is unknown. For Capita staff transferring, they would join a workforce with a different age distribution and may experience difficulties integrating because of this. If transferring staff have a more diverse age profile then this will increase the age diversity of the Revenues and Benefits service within the Council, which existing staff may benefit from. If they do not then as part of service continuity planning the age profiles of staff and opportunities to bring in staff with a more diverse age range will be addressed.

Some Capita staff have already experienced a previous TUPE process from previous transfers. These changes may cause concerns for Capita staff, regarding places of work and line management.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks
- The range of flexible working options

**Customers**

Yes  No

**Disability**

**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

8% of Revenues and Benefits staff within the Council report that they consider themselves disabled. The proportion of staff in the Revenues and Benefits and FBT services within Capita that consider themselves disabled is not currently known, if this is higher than Revenues and Benefits staff within the Council then disabled staff transferring from Capita will join a service that has a lower proportion of disabled staff and so could be concerned over how well they will be supported by the Council.

Consultation with staff transferring to the Council will enable staff to raise and discuss concerns and to highlight any reasonable adjustments required to support staff in their work for staff that consider themselves to have a disability and these would be set up and applied following the standard Council procedures. The Council is a member of the 'Two Ticks' scheme providing support and development opportunities for disabled people. Potentially affected staff that consider themselves to be disabled will still be able to access support and these will be considered as part of changes to how people work.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks
- The range of flexible working options
- Employment policies and support mechanisms to promote health and wellbeing

**Customers**

Yes  No

**Race**

**Staff** Yes  No**Impact** Positive  Neutral  Negative**Level** None  Low  Medium  High**Details of impact**

8% of Revenues and Benefits staff within the Council are from a black and minority ethnic (BME) background, the ethnicity of the Revenues and Benefits and FBT staff within Capita is unknown. If the Capita workforce that may transfer to the Council have a greater ethnic diversity in their staff than any ethnic minority members of their staff would transfer to be part of a less ethnically diverse workforce and this may cause concern around how this may impact how they are treated.

The representation of BME staff in the workforce will need to be considered further once staff transfer. The TUPE process should not result in any negative impact on individual members of staff as a result of their equality profile. Any changes identified as a part of the TUPE process will be subject to full consultation.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks
- The range of flexible working options

**Customers** Yes  No**Sex****Staff** Yes  No**Impact** Positive  Neutral  Negative**Level** None  Low  Medium  High**Details of impact**

The Revenues and Benefits service within the Council has more female(66%) staff than male (33%). The split of male and female staff in the Revenues and Benefits and FBT service within Capita is unknown. If there are a more even gender balance in the Capita workforce than in the Council service then staff working in the Council would experience a shift in the makeup of their service once Capita staff transfer in, as would the transferring staff. This may cause staff on either side concern on what possible impact this may have on workplace culture and how they are treated.

If there is an under representation of staff of either gender in the combined workforce following any staff transfers then options to reduce any overall disparity would need to be considered further to ensure there is not a disproportionate impact on staff of either gender.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks
- The range of flexible working options
- Employment policies and support mechanisms to promote health and wellbeing

**Customers** Yes  No**Sexual Orientation**

**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

12% of Revenues and Benefits staff in the council did not declare their sexual orientation and of those that did declare this 5% report themselves as lesbian, gay, bisexual, and transgender (LGBT). There is not a more detailed breakdown available to identify the sexual orientation with this group. The proportion of staff within the Capita Revenues and Benefits and FBT service that identify as LGBT is unknown. If there are a greater proportion of staff in the Capita workforce that identify as LGBT compared to the Revenues and Benefits service in the Council then these staff could experience a shift in the makeup of their service once they transfer. This may cause them concern on what possible impact this may have on workplace culture and how they are treated.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks

**Customers**

Yes  No

**Transgender**

**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

12% of Revenues and Benefits staff in the council did not declare their sexual orientation and of those that did declare this 5% report themselves as LGBT. There is not a more detailed breakdown available to identify which of these identify as transgender. The proportion of staff in the Capita Revenues and Benefits and FBT workforce that report as LGBT is unknown. If there are a greater proportion of staff in the Capita workforce that identify as transgender compared to the equivalent workforce in the Council then these staff could experience a shift in the makeup of their service once they transfer. This may cause them concern on what possible impact this may have on workplace culture and how they are treated, though the Council has been recognised by Stonewall as an employer that promotes equality and diversity.

The Council will be in regular contact with all staff to make them aware of the key Council commitments to equality and dignity within the workforce including:

- Dignity and Respect at Work policy
- Access to Staff Equality and Inclusion Networks

**Customers**

Yes  No

**Poverty & Financial Inclusion**



**Staff**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

25% of staff in the Council's Revenues and Benefits Service earn below £20,000. There is limited visibility of the Revenues and Benefits and FBT service in Capita's current wage structure, however historic information suggests poverty and financial inclusion could be an issue for some staff who were not previously paid at levels above the Foundation Living Wage.

Any staff that may transfer into the Council would be paid at least the Foundation living wage and any staff that move to new suppliers would also be expected to be paid Foundation Living Wage as part of the terms of ethical procurement used to setup new suppliers.

Furthermore any staff that transfer to the Council would be eligible to join the Local Government Pension Scheme and likely receive an increase in employer pension contributions. Any staff that transfer to new suppliers may also have this opportunity if the Council can negotiate with suppliers to obtain admitted bodies status with the South Yorkshire Pensions Authority.

**Customers**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

Some of our Revenues and Benefits customers are among the most financially vulnerable in the city. There is not expected to be any negative impact on them as a result of these proposals as the intention is that the service will deliver positive service changes over the longer-term. However, any service disruption at the point of transfer may lead to short term hardship, for example, if benefits payments are delayed or customers are unable to pay their council tax, consequently a thorough implementation plan will be developed to mitigate the likelihood of this risk materialising.

Staff Medium

Poverty & financial inclusion has been recorded as Medium/High impact, this EIA will be escalated to Adele Robinson for corporate consideration

**Supporting Documentation**

**Cumulative impact**

**Proposal has a cumulative impact**

Yes  No

**Proposal has geographical impact across Sheffield**

Yes  No

**Local Partnership Area(s) impacted**

All  Specific

**Action Plan and Supporting Evidence**

Action plan

Full consultation and communication with staff is paramount to the successful transition of the service and supporting staff through this. This will require managers and supervisors to remain open and honest with staff. The change may be perceived as negative by some staff. The impact and expectation from staff will be managed through consultation and induction for any new staff or staff that transfer.

Any changes identified as part of a TUPE process will be subject to full consultation with affected staff. Some of the changes may result in a positive impact where the Council's 'offer' as part of the transfer provides additional benefits. Any staff transferring into the Council will be covered by the Council's 'Dignity and Respect at Work' policy or a transferred Capita equivalent policy, providing support for the resolution of any equality issues.

Any TUPE process should not result in any negative impact on individual members of staff as a result of their equality profile. Any changes identified as a part of the TUPE process will be subject to full consultation.

All staff will be made aware of the key Council commitments to equality and dignity within the workforce including:

Dignity and respect at work policy

Access to staff equality and inclusion networks

the range of flexible working options

Employment policies and support mechanisms to promote health and wellbeing

This EIA will be reviewed once further staff demographic information is known.

**Supporting Evidence (Please detail all your evidence used to support the EIA)**

Demographic information on the Council's Revenues and Benefits service  
2015 contract restatement information on Capita pay structures

**Consultation**

**Consultation required**

Yes  No

**Consultation start date**

01/01/2019

**Consultation end date**

31/12/2020

**Details of consultation**

As part of the TUPE transfer of staff the Council will consult on any changes. This will include a series of consultation meetings with Trade unions, affected Capita staff and potentially affected Council staff. There will also be one to one consultations with individual staff.

**Are Staff who may be affected by these proposals aware of them**

Yes  No

**Are Customers who may be affected by these proposals aware of them**

Yes  No

**If you have said no to either please say why**

The proposal is not yet public, but will be communicated to the staff ahead of the cabinet decision. The customers of the service are also council staff so will be communicated to at the same time.

**Summary of overall impact**

Summary of overall impact

There will be significant staffing implications as a result of the TUPE transfer of Capita staff into the Council. There is not expected to be any disproportionate impact on staff with a particular protected characteristic however the Council has a wide range of policies and procedures already in place to support employees reduce potential inequalities in the workplace. Access to these policies and procedures will be available to all transferred staff to support their integration into the Council. There is a small risk that some transferring staff may not be fully included in the consultation process due to their characteristics - in particular those staff on pregnancy/maternity/paternity leave or those absent from work due to illness or disability. This risk is covered in the action plan and managers will be expected to ensure that these staff are involved wherever possible in consultation arrangements in a manner appropriate to their needs. It is important to ensure that staff transferring into the Council are given an appropriate induction to the Council so that they are aware of the support offered to staff with protected characteristics. This is also captured in the action plan attached to this EIA.

There is not expected to be any negative impact on customers as a result of these proposals and the intention is that the service will deliver positive service changes over the longer-term. The service will initially carry on delivering the same service to customers as it does at the moment. Proposals to change this service will be developed in partnership with customers and will take account of their diverse needs. The aim of bringing the Revenues and Benefits service back into the Council is to improve the overall service to customers and enable future changes in service delivery.

**Summary of evidence****Changes made as a result of the EIA**

The current action plan is based on the standard TUPE process. This will be amended once further information on transferring staff is obtained and this EIA reviewed.

**Escalation plan****Is there a high impact in any area?**

Yes  No

**Overall risk rating after any mitigations have been put in place**

High  Medium  Low  None

**Review date****Review date**

07/01/2019

If a review date is specified, it will appear in the 'Upcoming Reviews' view when the EIA review is within 30 days.

Submitted for approval

[Type text]

## Appendix 2: Risk Assessment

| Risk Description   | Risk Owner | Before Mitigation |          |             | Risk Controls / Mitigation   | After Mitigation     |                 |                   |
|--|------------|-------------------|----------|-------------|--|----------------------|-----------------|-------------------|
|  |            | Probability       | Impact   | Level - RAG |  | Residual Probability | Residual Impact | Residual Risk RAG |
| <i>Service delivery disruption</i> – If service delivery is disrupted due to service failure by any provider or uncoordinated delivery between multiple vendors then broader service delivery could be disrupted across the Council.   | Tim Hardie | Likely            | High     | Red         | Reduce - The initial operating model will be focused on prioritising service continuity rather with transformational improvements aimed for after transfer.  | Likely               | Marginal        | Amber             |
| <i>Information accuracy and availability</i> – If the Council does not receive timely and accurate provision of information from Capita, including TUPE Employee Liability Information and Due Diligence Information, then the decisions taken to set up transferring services may not reflect the way they need to operate and this could lead to service delivery disruption for Financial & Commercial Services and other Council services. | Tim Hardie | Likely            | Moderate | Amber       | Reduce - Liaise with Capita at an early stage regarding information requirements, timescales and verification processes and ensure adequate resources are available.<br>Requests for information to be under contract exit arrangements and options to maintain a cooperative relationship between both parties will be considered as part of negotiations.<br>Fall-back – additional resource to be available to identify and rectify issues during and after service transfer. | Possible             | Marginal        | Amber             |
| <i>Access to Revenues and Benefits delivery staff</i> – If the project team and relevant services do not have access to employees to undertake   | Tim Hardie | Likely            | Moderate | Amber       | Reduce – discussion between both parties through transition governance arrangements will manage requests for access to   | Unlikely             | Marginal        | Green             |

|   |               |          |          |       |  |          |          |       |
|---|---------------|----------|----------|-------|--|----------|----------|-------|
| meaningful consultation and gain a deep understanding of operational delivery then the tools and processes setup for the point of transfer may not be appropriate for effective delivery.   |               |          |          |       | staff. We will check contract documentation for responsibilities /requirements on exit and include staff access as an element of overall exit negotiations. This will include assessment of the impact on service delivery to ensure that disruption is minimised. TUPE consultation activity will be agreed in advance at an early stage including consultation timescales. |          |          |       |
| <i>Third Party TUPE challenge</i> – If 3rd party suppliers claim TUPE applies for any of their staff, because they believe they are mostly or wholly assigned to this contract, then more staff may transfer to the Council than are needed to run the service.                           | Linsey Linton | Possible | Marginal | Amber | Reduce – The Council will seek legal advice at an early stage after any claim to assess TUPE rights and assess the service staffing needs.   | Unlikely | Marginal | Green |
| Staffing Resource – Lack of visibility and information from Capita on the staffing model in particular around flexible resourcing and functions undertaken in other parts of Capita could lead to the potential that the staff level which transfers be inadequate to deliver the service | Liz Snape     | Possible | Moderate | Amber | Reduce – gain a clear understanding of Capita current staffing model and identify at an early stage roles/areas where staff may not transfer   | Unlikely | Marginal | Green |
| Staffing Resource – The changes around Universal Credit have led to Authorities increasing their reliance on temporary / short term   | Liz Snape     | Possible | Moderate | Amber | Investigate options to ensure SCC can source additional resources through a range of providers/recruitment   | Unlikely | Moderate | Green |

|  |            |          |      |       |  |          |          |       |
|--|------------|----------|------|-------|--|----------|----------|-------|
| resourcing therefore there is a potential for difficulties in recruiting additional resources with the relevant skills and experience to deliver the Revenues and Benefits function if these are required  |            |          |      |       |  |          |          |       |
| <i>Financial impact not fully visible</i> – If we discover, through the negotiation with Capita, that our cost model has underestimated costs this may impact the overall financial case for the recommended option.   | Jane Wilby | Possible | High | Amber | Reduce – Cost modelling has been based on conservative estimates and wherever possible evidence of actual costs have been used to test modelling assumptions e.g. from previous impact assessments.  | Unlikely | Moderate | Amber |
| <i>Supply chain novations</i><br>If we are unable to novate contracts from 3rd Party or inter company suppliers that support the Revs & Bens service to the Council in the required timescales, due to contractual complexity or resourcing, then relationships with these suppliers would not be transferred by the point the Revs & Bens service transfers to continue the support delivered for other services. | Jon West   | Possible | High | Amber | Engage with Capita and suppliers at earliest opportunity to share deadlines and plan necessary contractual activities. Ensure Capita have novatable arrangements in place prior to transfer. Plan business continuity arrangements as a fallback position to cover and short term gaps in provision. | Unlikely | Moderate | Amber |

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: Andy Hare**  
**Strategic Commissioning Manager**

**Tel: 20 57139**

**Report of:** *Jayne Ludlam, Executive Director for People Services*

**Report to:** *Cabinet*

**Date of Decision:** *17<sup>th</sup> October 2018*

**Subject:** *Integrated Commissioning of 'Care at Night' Service*

|  |   |                             |
|--|---|-----------------------------|
| 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>Adult Social Care</i>   |   |                             |
| Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities &amp; Adult Social Care</i>  |   |                             |
| Has an Equality Impact Assessment (EIA) been undertaken?   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>346</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:-                                  |   |                             |
| <i>"The Appendices are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."</i> |   |                             |

**Purpose of Report:**

This report requests authority and approval for Sheffield City Council ("**SCC**") to jointly commission with Sheffield Clinical Commissioning Group ("**SCCG**") for the provision of 'Care at Night'.

The new contract will replace the existing separate contracts to deliver care services through the night:

- the Night Care Visiting Service (commissioned by SCC); and
- the Roaming Nights Care (commissioned by SCCG).

Both services typically provide support during the night with pressure care, personal care and toileting.

**Recommendations:**

It is recommended that Cabinet:

1. approves the recommendations given by the Executive Management Group (“**EMG**”) of the Better Care Fund, on 5<sup>th</sup> September 2018, in relation to the commissioning, contracting, financial and risk arrangements for the Care at Night service which will be, subject to approvals and agreement from both SCC and SCCG, covered and funded under the existing Framework Partnership Agreement relating to the Commissioning of Health and Social Care Services (“**S75 Agreement**”);

EMG’s recommendations include:

- a. approval for a revised night visiting service (now called “**Care at Night**”) to be jointly commissioned between SCC and SCCG;
  - b. approval for the Care at Night service to be managed on a ‘Jointly Managed Scheme – Integrated Commissioning Arrangements’ basis within the S75 agreement;
  - c. approval for the costs of the jointly commissioned contract for the Care at Night service to be shared between SCC and SCCG on a fixed % contribution basis which is expected to deliver a 50:50 sharing of the modelled savings. The proportionate share of costs would be split into 60% SCC and 40% SCCG. The risk-share for any future increase in costs, such as additional rounds, will be in line with the percentage splits above.
2. delegates authority to:
    - a. the Executive Director of People Services Portfolio in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to vary the S75 Agreement and any other necessary documentation that are required in order to give effect to the implementation of the EMG’s recommendations as set out in the above point 2;
    - b. the Director of Finance and Commercial Services in consultation with the Executive Director of People Services Portfolio to procure the proposed service and approve the procurement strategy;
    - c. the Executive Director of People Services Portfolio in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance:

- i. to approve the terms of the variation to the S75 Agreement and enter into all necessary documents (such as deed of variation) in order to add the Care at Night service to the S75 Agreement, in line with this report;
- ii. to approve the terms and enter into the new contract for the Care at Night service; and
- iii. to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report

| Lead Officer to complete:-  |  |  |
|---|--|--|
| 1   | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.   | Finance: <i>Hayley Ashforth</i>                          |
|   |  | Legal: <i>Rachel Ma</i>                                  |
|   |  | Equalities: <i>Ed Sexton</i>                             |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> |  |  |
| 2   | <b>EMT member who approved submission:</b>   | <i>Jayne Ludlam</i>                                      |
| 3   | <b>Cabinet Member consulted:</b>   | <i>Chris Peace</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. |  |
|   | <b>Lead Officer Name:</b> <i>Andy Hare</i>   | <b>Job Title:</b> <i>Strategic Commissioning Manager</i> |
|   | <b>Date:</b> 8 <sup>th</sup> October 2018  |  |

## 1. PROPOSAL

*(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)*

1.1 Sheffield Better Care Fund was established jointly by SCC and SCCG in 2015 under the S75 Agreement to support different integrated health and social care services through lead or joint commissioning arrangements. As part of the Ongoing Care Programme 2018-19 under the S75 Agreement, it is proposed that, as part of the 'Integrated Joint Commissioning Project', the 'Care at Night' service will be jointly commissioned by SCC and SCCG.

### 1.2 Existing services provided under two separate contracts

1.3 The new contract will replace the existing separate contracts to deliver care services through the night; the Night Care Visiting Service (commissioned by SCC) and Roaming Nights Care (commissioned by SCCG). Both services typically provide support during the night with pressure care, personal care and toileting.

1.4 Both services are commissioned on a block contract basis and are delivered in 'rounds' of two care workers travelling together to care visits and are provided citywide; the providers group the rounds geographically. A summary of the current service is provided in Appendix 2.

1.5 The key performance indicators detailed in Table 1 below have been analysed for both services for the financial year 2017-18 to assess quality versus cost, being mindful of the current variance in costs for the SCCG and SCC-commissioned services. This analysis implies that SCCG is currently paying a significant premium for a service which appears comparable in terms of the quality of the service to the SCC night service, with only a 2% differential in the hourly rate of pay received by care workers, and only 5% of the care activities delivered by the SCCG service being defined as 'delegated health activities'.

### 1.6 **Table 1: Comparison of Key Performance Indicators**

| <b>Key Performance Indicators</b>                            | <b>Night Care Visiting Service (SCC)</b> | <b>Roaming Nights Care (SCCG)</b> |
|--|--|-----------------------------------|
| Care worker annual turnover                                  | 0%                                       | 25% (2 staff out of a team of 8)  |
| Care worker satisfaction levels                              | 83% (staff survey)                       | 85% (staff survey)                |
| % of healthcare related activities delivered v/s social care | 100% social care                         | 5% (95% social care activities)   |
| Individual/family satisfaction levels                        | 68% (annual survey)                      | 70% (annual survey)               |
| No. of complaints in past 12 months                          | 0  | 0                                 |
| Number of safeguarding incidents                             | 0  | 0                                 |
| Number of compliments  | Not officially recorded                  | Not officially recorded           |

|                       |     |     |
|-----------------------|-----|-----|
| City Wide Alarm usage | 60% | 46% |
|-----------------------|-----|-----|

1.7 Both contracts have been extended to the end of March 2019 and officers from the SCCG and SCC are collaborating on the recommissioning process.

1.8 **New integrated service in a jointly commissioning contract**

1.10 As part of the commissioning process, electronic call monitoring records supplied by the incumbent providers have been analysed for a 4-week period in March/April 2018. Analysed against a number of criteria, the data enabled comparison of the two services and supported conclusions about the shape of the service to be commissioned in the future. The following conclusions can be drawn:

- Both services are very similar across most metrics.
- The services are not particularly efficient, with the SCCG service falling below their contractual requirement, influenced by a number of reasons including; demand from referrals received through STH not matching the supply in terms of the number of rounds, inability of fast track domiciliary care providers to pick up end of life cases and ineffective provider practices in optimising the care worker resource available.
- The two services experience downtime/lower demand at different times of the night providing opportunities to deliver economies of scale through one integrated service.
- Both services experience limited demand overall after 5 am.
- The available activity data strongly suggests that the service can be delivered with 5 rounds per night (the current combined contracts operate 6 rounds, 4 for the Night Care Visiting Service and 2 for Roaming Nights).

1.11 Any potential savings associated with economies of scale and the resulting reduction from 6 to 5 rounds will be placed in reserve, as a contingency to provide future investment should an additional round be required. Close monitoring of supply and demand will take place for the initial 12 weeks to ensure that the service is able to meet demand.

1.12 The service will be flexible and responsive, with the emphasis on maximising independence, with the provider empowered to take proactive measures to ensure individual's desired outcomes are achieved. The contracted provider will be accountable for ensuring capacity is utilised effectively at all times.

1.13 The new service will commence in April 2019, with the contract awarded for 5 years, with regular contract reviews and break clauses that can be exercised at any time.

## 2. HOW DOES THIS DECISION CONTRIBUTE?

*(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the decision inclusive?; does it have an impact on climate change?; does it improve the customer experience?; is there an economic impact?)*

2.1 The proposal, which is aligned with the CQC action plan in terms of moving towards person-centred integrated service provision, is aimed at supporting the vision of 'Why not home? Why not today?' when someone is ready to be discharged from hospital, through the delivery of consistently high quality services which represent value for money, to achieve the below outcomes:

- Individuals benefit from services which promote their independence and quality of life and are least intrusive, with care managers and providers trained to assess if the latest technology could be deployed such as: automated bed turning, continence management and assistive living technologies, which potentially reduce the number of visits required.
- Individuals benefit from continuity of care without the need to change care provider should their eligibility for CHC services change.
- Individuals and their families have a strong voice through regular provider-led quality-check surveys to monitor service quality and inform continual service improvement.

2.2 An improved service with a broader scope will:

- Support people to get home more quickly from hospital by providing short-term support, including wraparound care as required.
- Reduce systemic pressures and achieve better outcomes for people, for example, by enabling a family carer to have a short break or get a good night's sleep, without the cost and upheaval associated with admitting the cared for person to a care home.
- Represent value for money with service costs reflective of both the market value and the health and social care activities being delivered.
- Achieve potential savings for SCC and SCCG (see Appendix 3)
- Test out new ways of joint working between SCC and SCCG and be a staging post on the journey to fully integrated commissioning, by working through the challenges and capturing the lessons learnt on a relatively small project, informing future developments.
- Deliver a unified, consistent approach to pricing and contract management for night care.
- Create a platform for further developments, incorporating the overnight

elements of the City Wide Care Alarms and Intensive Home Nursing Service, which may realise additional structural benefits and citywide savings in future, which deliver a better service experience for users.

2.3 The new service will not simply be an aggregation of the two existing services:

- It will be a more responsive, flexible service which moves away from a task and time model and instead focuses on delivering pre-agreed service outcomes, by allowing the provider to flex call times and frequencies according to their and individuals/families judgement, without the need to refer back to assessors.
- There will be a greater focus on proactive care management with more emphasis placed on short term intervention, with regular reviews that ensure the appropriate level of services are being delivered. Individuals in receipt of care and their families will receive clear communication both verbally and through service literature clearly managing their expectations (where appropriate) that services will be provided for a short period of time during which time individuals will be enabled to regain their independence. The use of equipment will be assessed to reduce the need for face to face services at night.
- The Service Specification (see Appendix 1) will provide clarity around the specific workforce development requirements ensuring that carers achieve and maintain the necessary competencies covering both social care and delegated health activities.
- The provider will ensure that all available equipment and technology is in place to maximise individual's independence and optimise care interventions. This will include making referrals to the Community Equipment Service, Tissue Viability specialists and City Wide Care Alarms.
- The successful provider will be required to demonstrate how they will ensure that the budgeted care hours will be optimised to minimise downtime by fully utilising the available hours. Stringent contract monitoring arrangements complemented by quarterly contract review meetings will monitor performance, with the contract enabling the budgeted care hours to be flexed up (subject to approvals) or down to meet seasonal demand, ensuring the contract represents value for money.
- The pooled budget will remove the distinction between a "health" and "social care" night visit (except for charging purposes; CHC packages don't attract a contribution). People will be dealt with as people; priorities will be determined collectively, rather than from within SCC/CCG silos. The budget will be actively managed to prevent increasing costs through the lack of appropriate case management or oversight of health or social care clients.

- The service will be able to deliver night sitting as well as visiting services. To manage cost pressures, night sitting will be utilised by exception only, with authorisation required through the Head of Localities.

### **3. HAS THERE BEEN ANY CONSULTATION?**

*(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)*

#### **3.1 Extensive consultation with stakeholders has taken place throughout the recommissioning process, including the following specific activities:**

- Written contact with all current Council service users, resulting in further telephone conversations, emails and letters discussing the existing service with around 25% of the users of the service and their carers and relatives.
- Attendance at meetings with relatives of individuals residing at care homes to share their experiences, supported by additional feedback from care home staff and managers.
- Workshops with frontline workers.
- Workshops with a range of other professionals and stakeholders, including specialists in tissue viability, continence and equipment and adaptations.
- Attendance at team meetings and on an individual basis with officers at all levels of the Assessment & Care Management service.
- Meetings and information sharing with other authorities in the Yorkshire & Humber region.
- Market engagement event, attended by 23 prospective providers.

#### **3.2 In addition officers from the Commissioning service had engaged with Co:Create, a subsidiary of South Yorkshire Housing Association focussed upon supporting local authorities to use a co-production methodology in their commissioning processes. Unfortunately however Co:Create withdrew due to a strategic decision in relation to the domiciliary care arm of SYHA's business, and the plans developed were not able to come to fruition.**

#### **3.3 Commissioners have also worked with the incumbent providers throughout the recommissioning process, meeting regularly, and they are fully briefed on the timescales for, and potential outcome of, the tender process. The providers will communicate with any affected workers on an individual basis regarding TUPE rights and details of the transfer of business to the new provider once the outcome of the tender is known.**

#### **3.4 No individuals will have their existing service reduced or ended due to the new contract. The service provider for at least some individuals may change, depending on the outcome of the tender, however it is deemed preferable to communicate any changes once a conclusive outcome is known, rather than create any unnecessary concern or distress by sharing partial information.**



## 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 4.1 Equality of Opportunity Implications

4.1.1 There is no anticipated overall negative impact on the population in the long term. There may be some short term disruption to individuals should their care company not be successful in the tender, however in such circumstances, it is normal for workers to transfer to work for the new provider under TUPE regulations; so for the majority of people, the same person will continue to deliver the care and support regardless of who wins the contract. Overall though it is expected the service will have a positive impact on the people who receive the service as well as their carers now and in the future.

4.1.2 The contract will be monitored very closely during the first few months to be sure that the capacity is adequate and that the new service is meeting contractual expectations including delivering highly flexible and personalised support which changes according to the person's needs on any particular night.

### 4.2 Financial and Commercial Implications

4.2.1 Please refer to Appendix 3.

### 4.3 Legal Implications

4.3.1 Under the Care Act 2014 a local authority must exercise its functions with a view to ensuring the integration of care and support provision with health provision and health-related provision where it considers that this would:

(a) promote the well-being of adults in its area with needs for care and support and the well-being of carers in its area;

(b) contribute to the prevention or delay of the development by adults in its area of needs for care and support or the development by carers in its area of needs for support, or;

(c) improve the quality of care and support for adults, and of support for carers, provided in its area (including the outcomes that are achieved from such provision).

4.3.2 In accordance with the National Health Service Act 2006 ("NHS Act 2006"), local authorities and NHS bodies (such as SCCG) can enter into partnership arrangements to provide a more streamlined service and to pool resources, if such arrangements are likely to lead to an improvement in the way their functions are exercised.

4.3.3 In 2015, SCC and SCCG both entered into the S75 Agreement. The purpose of the S75 Agreement is to set out the terms on which SCC and SCCG have agreed to collaborate and establish a framework through which they can secure the future position of health and social care services through lead or joint commissioning arrangements.

4.3.4 The proposed commissioning and contracting arrangements for the provision of the Care at Night Service have been agreed by EMG of the Better Care Fund, subject to the respective approval from SCC Cabinet and SCCG decision maker. A summary of the proposal is as follows:

- It is proposed that the new Care at Night Service sits within the Ongoing Care service scheme (Scheme 4) of the S75 Agreement.
- The commissioning arrangement will be based on 'Jointly Managed Scheme – Integrated Commissioning Arrangements' (i.e. the scheme is funded by contributions from both partners, whilst one partner might take the lead in commissioning services). In this case, SCCG will take the lead in the procurement and SCC will lead on contract and performance management once the contract has been let.
- Both SCC and SCCG will be signatories to the service contract; CCG procurement will draft a tripartite agreement between SCC, SCCG and the new provider which SCC are to review and approve. This is consistent with the approach being adopted by the Accountable Care Partnership<sup>1</sup>:
  - A pooled budget will be created to sit as a separate budget line in the S75 agreement.
  - The risk arrangement will be jointly managed as detailed in Paragraph 3 of Part 3 of Schedule 3 of the Section 75 Agreement.
  - The specification and other terms in relation to the service will be pursuant to the provisions of the existing Scheme 4.
  - Each organisation will need to secure authority via their own governance and legal routes.

4.3.5 Subject to the respective approval from the Cabinet and CCG, variations to the S75 Agreement will be arranged in order to incorporate the Care at Night service into the existing Ongoing Care Scheme under the S75 Agreement; and the Council's responsible officer for the service shall ensure the Council's Contracts Standing Orders are complied with during the contracting process for the service.

4.3.6 The proposed arrangements have no employment implications for Council employees.

#### 4.4 Other Implications

*(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).*

4.4.1 Please refer to Table 2 for details of the additional risks considered:

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<sup>1</sup> An Accountable Care Partnership (ACP) is a group of organisations working in partnership to share responsibility for planning and delivering all health, care and wellbeing services and outcomes for a specific population.

**Table 2: Additional Risks & Mitigation**

| Risk   | Mitigation  |
|--|---|
| Insufficient interest from the market?   | <p>There is potential that the SCCG's existing provider will not bid, given the reduction in comparison to their existing rate. However, the proposed hourly rate is an uplift to the current SCC night service rate, and appears to be a reasonable adjustment, taking into account that less than 5% of SCCG's night care is delegated health activity.</p> <p>Furthermore, the current rate of pay for SCCG's commissioned night service care worker's is only 2% higher than that of the SCC's night service, indicating that the small percentage of delegated health activity can be delivered in a sustainable manner at the proposed new hourly rate.</p>   |
| Risk to quality of service   | <p>None of the comparative analysis would indicate this to be a risk. While a change of provider (as is inevitable for at least some service users if there is a move to a single provider) may create a small degree of short-term upheaval, the stable and relatively small nature of the staff team, plus the fact care workers are keen to undertake night work, makes any required training and assessment of competence more straightforward.</p> <p>The service specification is robust and has been strengthened to provide greater clarity in respect of workforce development requirements to ensure that care workers are well trained having the necessary competencies to deliver both health and social care activities. Performance management arrangements will be more rigorous.</p> <p>Separate workshops were undertaken with health and social care managers and frontline care workers from both services to identify opportunities to improve quality against the outcomes incorporated within the specification.</p> |
| Does having a single provider limit contingency arrangements, for instance in the event of provider failure? | <p>At present the Council and CCG have a single provider; there is no link between the two separate contractual arrangements. The contingency plans under the new single contract are as per any situation of provider failure i.e. seeking to maintain continuity for service users and acting upon the legal guidance received.</p> <p>In addition, the 'Care at Night' service is relatively small compared with the average domiciliary care service provision, with KPI analysis indicating night services attract a stable workforce with relatively static service demand. A larger service delivered by a single provider may well be more resistant to capacity issues, for instance staff sickness, and able to draw upon a larger pool of staff. A robust Service Resilience Plan will be a requirement of the Service Specification.</p>  |

|   |  |
|---|--|
| <p>What happens if there is a change in demand and 5 rounds isn't enough?</p> | <p>The new contract will require the provider to be increasingly flexible and responsive with the terms of the contract enabling the budgeted care hours to be flexed up and down to accurately reflect any changes in service demand.</p> <p>While it is reasonable that providers need notice to recruit staff, over the past year the SCC's night service was expanded to 4 rounds at short notice in response to increased demand from the 5Q pilot.</p> <p>The savings relating to the reduction in rounds will be allocated as a 'reserve' should an additional round be required, with close monitoring of service activities to assess the supply against the demand for the initial 12 weeks.</p>   |
| <p>Efficiencies/savings not achieved?</p>                                     | <p>What is effectively a very similar service being split between two providers creates some inherent inefficiencies and therefore reduces capacity. However the greater efficiency of the service will depend on a number of factors, not least the competence of the successful bidder.</p> <p>Similarly it is difficult to accurately gauge potential savings at present; as happened in response to 5Q, demand may change between now and next year for example. In addition, this is not a savings-led project. There is potential to broaden the scope of the service, for instance to prevent family carers reaching crisis-point, which may use some of the savings made through greater efficiency, but ultimately derive better outcomes and make savings for the wider health and social care system.</p> |

## 5. ALTERNATIVE OPTIONS CONSIDERED

*(Outline any alternative options which were considered but rejected in the course of developing the proposal.)*

### 5.1 The alternative options are as follows:

- 1) Do not provide a night care service after the existing contract is due to expire at the end of March 2019: This is not a viable option. The individuals requiring care and support during the night are often among our most vulnerable citizens. While opportunities to increase independence and reduce the amount of care required will be actively explored as part of the new arrangement, not having any night care in place is likely to result in individuals being placed in residential settings or being admitted to hospital, which is not acceptable from an operational perspective, nor a reasonable or desirable outcome for individuals and their families.
- 2) Procure contracts separately from the CCG: For the reasons outlined elsewhere in the report, to continue to procure contracts separately removes the opportunity to make collective savings and deliver a more efficient service which is better for individual users, and contradicts the

national direction of greater integration of health and social care services.

## **6. REASONS FOR RECOMMENDATIONS**

*(Explain why this is the preferred option and outline the intended outcomes.)*

6.1 The proposed jointly commissioned Care at Night service will aim to achieve the following outcomes:

- Individuals benefit from continuity of care without the need to change care provider should their eligibility for CHC services change.
- Individuals and their families have a strong voice enabled through provider-led regular quality check surveys which helps to monitor service quality and inform continual service improvement.
- People are supported to get home more quickly from hospital by providing short-term support, including wraparound care as required.
- Systemic pressures are reduced and better outcomes for people achieved, for example, by enabling a family carer to have a short break or get a good night's sleep, without the cost and upheaval associated with admitting the cared for person to a care home.
- The service represents value for money with service costs reflective of both the market value and the health and social care activities being delivered.
- Savings for SCC and SCCG are potentially achieved.
- New ways of joint working are tested as a staging post on the journey to fully integrated commissioning, by working through the challenges and capturing the lessons learned on a relatively small project.
- A unified, consistent approach to pricing and contract management for night care is implemented.
- A platform for further potential developments is created, for example incorporating the overnight elements of the CWCA and Intensive Home Nursing Service, which may realise additional structural benefits and citywide savings in future, and deliver a better experience for users.

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