

# Cabinet

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**Wednesday 9 October 2019 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 Jackie Drayton	(Cabinet Member for Children & Families)
Councillor Terry Fox	(Cabinet Member for Finance, Resources and Governance)
Councillor Mazher Iqbal	(Cabinet Member for Business and Investment)
Councillor Bob Johnson	(Cabinet Member for Transport and Development)
Councillor Mark Jones	(Cabinet Member for Environment, Streetscene and Climate Change)
Councillor Mary Lea	(Cabinet Member for Culture, Parks and Leisure)
Councillor George Lindars-Hammond	(Cabinet Member for Health and Social Care)
Councillor Abtisam Mohamed	(Cabinet Member for Education and Skills)
Councillor Paul Wood	(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  
9 OCTOBER 2019**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 1 - 4)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of Previous Meeting** (Pages 5 - 16)  
To approve the minutes of the meeting of the Cabinet held on 18 September 2019.
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Items Called-In For Scrutiny**  
There had been no items called-in for Scrutiny since the last meeting of the Cabinet.
- 8. Retirement of Staff** (Pages 17 - 20)  
Report of the Executive Director, Resources.
- 9. Medium Term Financial Analysis (MTFA) 2020/21 to 2023/24** (Pages 21 - 42)  
Report of the Executive Director, Resources.
- 10. Month 5 Capital Approvals** (Pages 43 - 70)  
Report of the Executive Director, Resources.
- 11. Retender of the School Catering Contract Post August 2020** (Pages 71 - 92)  
Report of the Executive Director, People Services.
- 12. Integrated Community Equipment Service Procurement** (Pages 93 - 102)  
Report of the Executive Director, People Services.

**NOTE: The next meeting of Cabinet will be held on  
Wednesday 20 November 2019 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 18 September 2019

**PRESENT:** Councillors Julie Dore (Chair), Jackie Drayton, Mazher Iqbal, Bob Johnson, Mark Jones, Mary Lea, George Lindars-Hammond, Abtisaam Mohamed and Paul Wood

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**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillor Terry Fox.

**2. EXCLUSION OF PUBLIC AND PRESS**

2.1 The Chair (Councillor Julie Dore) reported that appendix 4 to the report at agenda item 12 (See minute 11 below) - The City of Sheffield (45 Marchwood Road) Compulsory Purchase Order 2019 - was not available to the public and press because it contained exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person. Accordingly, if the content of the appendix was to be discussed, the public and press would be excluded from the meeting.

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of Cabinet, held on 17 July 2019, were approved as a correct record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Public Question in respect of Waste Collection

5.1.1 Athan referred to a complaint he had made two years ago regarding the collection of his black bin where his bin had not been collected but he had been told to leave his bin on Emily Road. Former Councillor Mohammad Maroof had spoken to the Council about the matter and Veolia had inspected the site. Veolia had agreed that the bin should be left outside the property but still had not collected it.

5.1.2 Athan had phoned to complain about the matter and the bin had been collected two days later. He now had an issue of collection of all of his bins. He had been informed that Emily Road was too narrow to collect the bin but a smaller vehicle would come and collect but this didn't happen. What can the Council do to enable his bin to be collected?

5.1.3 The Leader of the Council, Councillor Julie Dore, apologised for the poor quality of service Athan had received. Councillor Mark Jones, Cabinet Member for Environment, Streetscene and Climate Change, would pursue the matter with Veolia and ensure the bins would be collected in future.

5.2 Public Question in respect of Tree Protests

5.2.1 Benoit Compin referred to a criminal judgement against him brought by the Council which he believed was on unfair grounds. What did the Council have to say in respect of this?

5.2.2 Councillor Julie Dore commented that Mr Compin had raised the matter at the last Cabinet meeting on 17 July. She considered it strange that he believed that she made all the decisions in respect of this and that it was based on Legal advice through the Leader's Scheme of Delegation. The Chief Executive, John Mothersole, would provide a written response as a matter of urgency.

5.3. Public Question in respect of Tree Protests

5.3.1 Justin Buxton commented that, on 3 September 2019, the BBC had reported that the Council had spent £413,000 on legal costs regarding tree protesters and the Council had stated that they would receive £70,000 back in legal costs. How much had the Council received back from this? The Forestry Commission had launched an investigation and as a result would the Council receive any further costs back?

5.3.2 Councillor Dore responded that she supported the Council processes in respect of this. The Council would respond to any recommendations in the Forestry Commission investigation. She would confirm, by e-mail, how much costs the Council had recovered.

5.4 Public Question in respect of Tree Protests

5.4.1 Russell Johnson asked whether the Leader was aware of a decision which was imminent in respect of tree protesters being referred back to the High Court? What was the Council's policy in respect of this?

5.4.2 Councillor Julie Dore commented that the Council would take a decision on this at the time it was required.

5.4.3 Russell Johnson replied that, given the Forestry Commission investigation, the protests by the Sheffield Tree Action Groups (STAG) and the Its our City petition, would the Council consider its position in respect of future decision making?

5.4.4 Councillor Mark Jones replied that reflecting on all decisions was important and he was open to discussions on all issues. He was meeting with STAG this week to agree a way forward. He was learning processes already in his new role and the Council's position would evolve as a result.

5.5 Public Question in respect of the Its Our City Petition

5.5.1 Russell Johnson asked did the Its our City Petition submitted to the Council cause the Leader to reflect on her position?

5.5.2 Councillor Julie Dore stated that she was not going to reflect on her position. She welcomed the petition which had received the support of 5% of the electorate. However, she wanted to hear what the view of the other 95% of citizens of the City was. The Council would be embarking on a consultation programme in respect of this. This would involve consultation with all stakeholders and individual citizens across the City.

5.6 Public Question in respect of Heritage Sites

5.6.1 Nigel Slack commented that Sheffield appeared to have lost out on money to help heritage building on its high streets adapt to the changing face of retail in the twenty-first century. The £95 million available from competition monies from Government to the way centres respond to the changes on the high street had been allocated to 69 cities and towns throughout the country.

5.6.2 Mr Slack believed that the Coroners Court, Salvation Army Citadel, Leah's Yard and Devonshire Street all could have had a more positive story with a more positive approach to heritage assets.

5.6.3 The approach of the Heart of the City 2 scheme had changed lately to look at ways of making more from our City Centre heritage but in most cases only if there is no commercial alternative available. The Council could choose to work in partnership with the local enterprises and entrepreneurs to bring these assets back into use and at the same time promote and support the new businesses that were so vital to a new high street for the twenty-first century.

5.6.4 Mr Slack added that general powers of competence, social value considerations and others could be used to make a unique contribution to a truly Sheffield solution to its redevelopment plans. Why do we not make more of these options?

5.6.5 In Mr Slack's view, the Council seemed unable to understand what what was needed to win on the national competition stage. Leeds, Hull and Wakefield benefited again whilst Sheffield lost out. Why was that?

5.6.6 Councillor Mazher Iqbal, Cabinet Member for Business and Investment, replied that Sheffield had been successful with one of the bids to the High Street Fund and had received £25 million and had worked with a number of stakeholders to achieve that. Two other bids had proved unsuccessful. £150,000 had been received from the High Street Fund for Fargate. Stocksbridge Town Centre had been successful in its bid to the Fund but the amount of funding it would receive had yet to be confirmed.

5.6.7 Councillor Iqbal shared Mr Slack's frustration as, even if they had been awarded £95 million, this would not have been enough to bring the buildings referred to by Mr Slack back into use. The Council was working with the Heritage Lottery Fund to see if any further money was available. Councillor Bob Johnson, Cabinet Member for Transport and Development, was leading on the development of the Local Plan

but this did not hinder or prevent developments coming forward.

5.6.8 Councillor Iqbal added that the Council would work with partnerships in any forms who shared their vision. Sheffield was not in competition with other cities and was unique in itself. It had been shortlisted for European Urban City of the Year and had demonstrated that it had stayed true to its values and authenticity.

5.6.9 Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety, added that the Council looked at every property to establish whether it could be used for housing. It was looking at Birley Spa to establish whether the two flats upstairs could be used for social housing. He could not give assurances due to financial considerations but he would welcome Mr Slack sending through any more information on buildings he believed the Council should look at for social housing.

#### 5.7 Public Question in respect of Council Property

5.7.1 Nigel Slack commented that, in April 2019, he had raised at the Cabinet meeting his concerns over the way the decisions about the sale of Mount Pleasant House had been made and, in particular, the responses he had received at the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee, held on 14 March 2018. Mr Slack had raised this again at the Cabinet meeting held on 17 July 2019. He had now raised this matter again to request answers to the questions he posed. Will Mr Slack receive an answer from Property Services?

5.7.2 Councillor Julie Dore acknowledged that the issue of Mount Pleasant was an urgent issue and Mr Slack would get a response to his questions in due course.

#### 5.8 Public Question in respect of Standards Complaints

5.8.1 Nigel Slack commented that he was pleased, after 9 months, that a Standards investigation into a previous Cabinet Member had finally been resolved. He believed that the process and the resolution had been a very unsatisfactory procedure and believed that this had not been fair to himself as the complainant or the subject of the complaint. He also referred to another complaint which had been resolved in a much quicker timescale. When and where will the decisions on these two complaints be made public?

5.8.2 Councillor Julie Dore accepted that there may be a difficulty in understanding the discrepancies in the timescales for the complaints. Each case had different individual circumstances but she would look at how the Council could respond in a more efficient way. Individual cases were not made public. Complaints made through the Standards procedures were reported to the Audit and Standards Committee. If Mr Slack was unsatisfied with Council procedures regarding complaints he could refer this to the Local Government Ombudsman and Councillor Dore stated that, if people felt unsatisfied with a complaint against the Council, they should ensure that they exhaust all Council procedures in respect of complaints.

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

6.1 It was noted that there had been no items 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>
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### **Place**

Steven Bee	Plasterer, Repairs and Maintenance Service	36
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### **People Services**

Brenda Oxley	Supervisory Assistant and Cleaner, Norfolk Park Special School	27
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Christine Robinson	Care Manager Level 2, Adult Social Care	35
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### **Resources**

Martyn Riley	Senior Committee Secretary, Democratic Services	35
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(b) extends to them its best wishes for the future and a long and happy retirement; and

(c) directs that an appropriate extract of this resolution under the Common Seal of the Council be forwarded to them.

## **8. THE SHEFFIELD CITY COUNCIL DIGITAL CONNECTIVITY STRATEGY**

8.1 The Executive Director, Resources, submitted a report seeking approval of the Digital Connectivity Strategy and, in principle, the programme of activities and projects proposed within it. These activities and projects will improve digital connectivity in Sheffield, so that coverage, choice and speed of communication stays ahead of demand; and so that connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.

8.2 **RESOLVED:** That Cabinet:-

- (a) approves the Digital Connectivity Strategy and the 'direction of travel' set out therein; and
- (b) notes that the Director of Business Change and Information Solutions will seek any additional formal approvals required to implement the activities and projects described in the Digital Connectivity Strategy and summarised in this report such as the procurement of contracts for 5G, Wi-Fi and Internet of Things Networks.

### 8.3 **Reasons for Decision**

8.3.1 It is recommended that Cabinet approves the adoption of the Digital Connectivity Strategy in order to improve digital connectivity in Sheffield, so that coverage, choice and speed of communication stays ahead of demand; and so that connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.

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

#### 8.4.1 Do Nothing

The Council could choose not to adopt and implement the Digital Connectivity Strategy and to allow the market to determine the speed and coverage of next generation digital connectivity; it could choose not to work with the market to reduce barriers to investment; and it could choose not to directly intervene through, for example, concession contracts (or alternative forms of agreement).

8.4.2 However, history has shown that without public sector intervention, the market is slow to deploy infrastructure, particularly in less affluent areas of the City.

8.4.3 Public Sector Interventions since 2014 have achieved the following:

- Coverage of superfast broadband has increased from 80% to over 95% and will reach 99% of premises by 2021;
- Take-up of superfast broadband has increased from 18% to over 45%;
- Sheffield business parks were amongst the first in the country to access full fibre, gigabit, broadband;
- Business support programmes have helped SMEs use digital to sustain and grow their business;
- SMEs have received vouchers for half price connection and for half price innovation projects;
  - The city centre has one of the best public access wi-fi networks in the country.

8.4.4 The do nothing option is not recommended because, were the Council to choose not to intervene, it is likely that coverage of full fibre and 5G in Sheffield would continue to lag significantly behind the rest of the country, with many other cities competing to attract the limited resources of the market to their own areas.

## **9. SHEFFIELD DOC/FEST**

9.1 The Executive Director, Place, submitted a report informing the Cabinet of the benefits of the Council's continued sponsorship of Sheffield Doc/Fest ("Doc/Fest"), requesting approval for the continued sponsorship of Doc/Fest for a further three years in 2020, 2021 and 2022 and requesting delegated authority for the Director of City Growth, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, to enter into a grant agreement with Sheffield Doc/Fest.

9.2 **RESOLVED:** That Cabinet:-

- (a) approves the Council's commitment to fund Sheffield Doc/Fest as outlined in the Financial Appendix attached to the report; and
- (b) delegates authority to the Director of City Growth, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, to:
  - (i) enter into a grant agreement with Sheffield Doc/Fest (including negotiation and agreement of the relevant contractual terms of the grant agreement); and
  - (ii) take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

### **9.3 Reasons for Decision**

9.3.1 It is recommended that Sheffield Doc/Fest will be awarded a grant for three years, as outlined in the financial appendix and that the Director of City Growth, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, is granted delegated authority to enter into a grant agreement with Sheffield Doc/Fest.

9.3.2 Providing a three year fixed grant provides both Sheffield Doc/Fest and Marketing Sheffield with certainty that the festival can continue in Sheffield and develop its programme and reputation over the time period. It allows Sheffield to continue to benefit from the wide range of economic and other benefits described in section two of the report.

9.3.3 The proposed outcomes of the funding are to contribute to Sheffield's economy and status as a cultural and conference destination through assisting Sheffield Doc/Fest in delivering its strategy to:

- Become a world leading A list documentary film festival known for all game-changing non-fiction, all durations, all platforms;
- Continue to grow the Doc/Fest film and alternative realities funding markets into the most successful in the world, with idea to screen tracking and messaging;

- Increase its general public audience to over 30,000, with a stand out reputation for inclusiveness and outreach;
- Discover, nurture and celebrate diverse new and emerging talent; and
- Continue to significantly contribute to the local economy, including creating further activities for delegates and public audiences to engage with business and cultural activities.

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

##### 9.4.1 Alternative option 1 – Do nothing.

Providing no sponsorship for Doc/Fest would be likely to result in the permanent withdrawal of Doc/Fest from Sheffield or, at best, a significant reduction in the quality and breadth of the event, risking its international reputation and/or future relocation to an alternative city. This would be likely to mean the approximate £1,749,342 (minimum) delegate spend per year would be lost to the city, and would also have the effect of reducing the city's profile and reputation within the creative community inside and outside of Sheffield. As the conference is the city's largest conference, maintaining presence and scale is important for PR purposes.

##### 9.4.2 Alternative option 2 – Enter into a grant agreement for a period of one year

Annual grant arrangements would limit Sheffield Doc/Fest's ability to develop their programme in line with their three year strategy. A single year agreement would be likely to require a higher level of grant funding to achieve the same outcomes and so a higher cost over the three year period. A single year grant arrangement would risk Sheffield's opportunity to develop a long term plan for the festival.

### 10. **MONTH 4 CAPITAL APPROVALS**

10.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme, as brought forward in Month 4 2019/20.

10.2 **RESOLVED:** That Cabinet:-

- (a) 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; and
- (b) notes the feasibility allocations approved under delegated authority by Capital Programme Group.

10.3 **Reasons for Decision**



- 10.3.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.
- 10.3.2 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.
- 10.3.3 Obtain the relevant delegations to allow projects to proceed.

#### 10.4 **Alternatives Considered and Rejected**

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

### 11. **THE CITY OF SHEFFIELD (45 MARCHWOOD ROAD) COMPULSORY PURCHASE ORDER 2019**

- 11.1 The Executive Director, Place, submitted a report seeking authority to make a Compulsory Purchase Order in respect of 45 Marchwood Road, Sheffield, S6 5LB (the Property) to allow it to be renovated and occupied. There is demand for this type of property within the area. The Property is empty and has a particularly detrimental effect on the neighbourhood in this area. Compulsory Purchase is the most appropriate course of action.
- 11.2 Discussion was had around whether, in line with the Council's priority to create mixed tenure estates, including affordable housing, consideration should be given as to whether the property should be acquired by the Council for Council housing. Further, if this option was considered appropriate, whether it should be pursued as an alternative to disposing of the property at auction. It was agreed to pursue this approach. It was acknowledged that the statement of reasons required amendment to reflect the new approach and it was therefore agreed that the Director of Legal and Governance would be given authority, in consultation with the Cabinet Member for Neighbourhoods and Community Safety, to amend the statement.
- 11.3 **RESOLVED:** That:-
  - (a) authority be given to the Council to make a Compulsory Purchase Order ("CPO") under the powers conferred by Section 17 Housing Act 1985 to acquire all land interests in respect of the land coloured pink as shown on the Order Map, attached at Appendix 3, with title 'The City of Sheffield (45 Marchwood Road) Compulsory Purchase Order 2019' (the "Order Land").
  - (b) delegates authority to the Director of Legal & Governance to make the CPO for the Order Land, and to take all necessary procedural steps prior to and

after the making of the CPO, to enable the CPO to be submitted to the Secretary of State for confirmation, including:

- In consultation with the Cabinet Member for Neighbourhoods and Community Safety, finalising the attached draft Statement of Reasons, at Appendix 1 of the report;
  - Serving notices of the making of the CPO on all persons entitled to such notice and placing all necessary notices in the press and on/around the Order Land;
  - Submitting the CPO to the Secretary of State for confirmation as soon as possible following making of the CPO; and
  - Self-confirming the CPO if authorised to do by the Secretary of State.
- (c) delegates authority to the Director of Legal & Governance to sign and serve any notices or documents necessary to give effect to these recommendations and to take all the other actions necessary to give effect to these recommendations;
- (d) as soon as the CPO is confirmed by the Secretary of State or self -confirmed where authorised by the Secretary of State, requests the Director of Legal and Governance to advertise the confirmation of the CPO and serve all necessary notices of the confirmation and once the CPO becomes operative, the Director of Legal & Governance, in consultation with the Executive Director, Resources, be authorised to execute General Vesting Declarations under the Compulsory Purchase (Vesting Declarations) Act 1981, at the earliest opportunity and to thereafter serve all necessary documents and notices of the vesting of the Order Land in the Council;
- (e) delegates authority to the Executive Director, Place, in consultation with the Director of Legal & Governance and the Executive Director, Resources, to manage the compulsory purchase process in accordance with all statutory requirements and to otherwise promote or support the promotion of confirmation of the CPO including the preparation of and giving of evidence at any public inquiry;
- (f) delegates authority to the Chief Property Officer to agree terms for the acquisition of the Order Land and to instruct the Director of Legal and Governance to complete the necessary documents; and
- (g) approves that, upon the completion of the acquisition of the Order Land, where it is decided to dispose of the land, the Chief Property Officer negotiates the disposal of the land and be authorised to instruct the Director of Legal and Governance to complete all the necessary legal documents for the completion of the disposal.

#### **11.4 Reasons for Decision**

- 11.4.1 The property has been vacant since at least 2012 and is in a poor state of repair, attracting anti-social behaviour and is having a negative impact on the local community. There is a demand for this type of property within Sheffield and the

Council has, with limited success, attempted to engage with the property owner, in an effort to get the property back into occupation, including offers to purchase the property by agreement. In addition, particularly in respect of recent enforcement action taken by the Council, the owner has failed to take reasonable steps to make the property safe. In those circumstances, as an option of last resort, the Council consider, to ensure the property is put back into occupation, that it is appropriate to seek a CPO in respect of the property.

## **11.5 Alternatives Considered and Rejected**

### **11.4.1 Demolition**

The Property is in a state of disrepair, empowering the Council to take various steps to remedy the problem, including renovation and demolition. As the Property is a semi-detached house, the demolition option would not be practical as support is required to the adjacent property. Demolition will not result in the provision of housing as it is believed that it is unlikely the owner would rebuild should this option be taken.

### **11.5.2 Renovation**

The Council's Private Housing Standards team first visited the Property in December 2016 and found it to be vacant. From this date, the Council has not observed or received any information that the property has been occupied. The owner has taken inadequate steps to prevent its deterioration despite the Council writing on several occasions to the owner to express their concern over the condition of the property and asking for the owner to explain his intentions for renovation and bringing the property back into occupation. Additionally, in March 2018, an Improvement Notice was served on the owner in order to remove Category 1 Hazards observed at the Property. No action has been taken in response to this notice as was noted during an inspection of the Property on 17 June 2019. It is therefore unlikely, should the Council do works in default, that this would result in the improvements to the Property being sustained. In those circumstances this option would be a poor use of limited resources and unlikely to achieve its purpose.

### **11.5.3 Empty Dwelling Management Orders**

These orders enable the Council to effectively step into the shoes of the owner and manage the property. To utilise this option, the Council will need to apply to the First-tier Tribunal for authority to make an interim Empty Dwelling Management Order (EDMO), carry out significant repairs, prepare an appropriate statutory compliant tenancy agreement and, with the owner's permission, let the Property and manage the tenancy. Further, if the owner did not agree to the Property being let, the Council would need to make a final EDMO, enabling it to let the Property without the owner's permission. Given that regular complaints about the Property have been received from concerned neighbours since December 2016, it is felt that the time it would take for an EDMO process to be concluded would result in an unreasonable delay in removing the negative impact this Property has had on these neighbours and the local community.

11.5.4 Purchase by Agreement

The Council have actively pursued this option which would have enabled it to sell the Property at auction, so that it could be renovated and reoccupied. On 2 October 2018 and again on 17 July 2019, the Council wrote to the owner to offer to purchase the property by agreement. No response was received by the Council to these letters.

11.5.5 Compulsory Purchase

All attempts at working with the owner have failed, as detailed in the Statement of Reasons. Due to the owner's failure to take proper action, the Property, for which there is a demand, has remained in a poor state of repair for a significant period and there is little prospect of it being brought back into occupation. For these reasons, Compulsory Purchase is the preferred option.



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

**Tel:** 27 34014

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

**Report to:** *Cabinet*

**Date of Decision:** *9 October 2019*

**Subject:** *Staff Retirements*

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

**Purpose of Report:**

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

**Recommendations:**

To recommend that Cabinet:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by the above-mentioned members of staff in the Portfolios stated;
- (b) extend to them its best wishes for the future and a long and happy retirement; and
- (c) direct that an appropriate extract of the resolution now made under the Common Seal of the Council be forwarded to those staff above with over 20 years' service.

**Background Papers: None**

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

**1. PROPOSAL**

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

<u>Portfolio</u>		<u>Years' Service</u>
<u>People</u>		
Linda Mappin	Senior Teaching Assistant Level 3, Norfolk Park Special School	21

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

**Tel:** 0114 273 5872

**Report of:** *Eugene Walker*

**Report to:** *Cabinet*

**Date of Decision:** *9<sup>th</sup> October 2019*


**Subject:** *Medium Term Financial Analysis, 2020/21 to 2023/24*

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

<p><b>Purpose of Report:</b></p> <p>The purpose of the Report is to:</p> <ul style="list-style-type: none"> <li>provide Members with details of the forecast financial position of the Council for the next 4 years, and;</li> <li>recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.</li> </ul>
<p><b>Recommendations:</b></p> <p>1. It is recommended that Members:</p> <ul style="list-style-type: none"> <li>Note the forecast position for the next 4 years;</li> </ul>

- Note, as planning assumptions, Core Council Tax increases of 2% per annum. The actual increases will be set at Full Council each March.
- Note additional flexibility was announced in the recent Spending Review for 2020/21 for a further 2% increase for the Social Care Precept. A decision to take this precept at Full Council would result in a balanced budget for 2020/21;
- Note the information contained in the capital sections of this report (paragraphs 30-39) and that decisions relating to the programmes mentioned below (paragraphs 36-39) will be sought in due course; and
- Agree the approach to budgeting and business planning.

**Background Papers:**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Dave Phillips</i>
		Legal: <i>Sarah Bennett</i>
		Equalities: No
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>Eugene Walker</i>
3	<b>Cabinet Member consulted:</b>	<i>Councillor Terry Fox 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> <i>Dave Phillips</i> 	<b>Job Title:</b> <i>Head of Strategic Finance</i>
Date: 26 <sup>th</sup> September 2019		

**1. PROPOSAL**

1.1 The purpose of the Report is to:

- provide Members with details of the forecast financial position of the Council for the next 4 years, and;
- recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

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

- 2.1 To recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

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

- 3.1 *No*

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

### 4.1 Equality of Opportunity Implications

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

### 4.2 Financial and Commercial Implications

- 4.2.1 This is a revenue & capital financial report, as such all financial and commercial implications are detailed in the main body of the report.

### 4.3 Legal Implications

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

### 4.4 Other Implications

- 4.4.1 Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor are there any arising from the recommendations in this report.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

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

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 To inform Cabinet Members of the latest changes to the Council's medium term forecasts within both revenue and capital budgets, and to provide a strategic framework for the development of budget proposals and the business planning process beyond 2020/21.

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# Medium Term Financial Analysis (MTFA)

## Purpose of the Report

1. The purpose of the Report is to:
  - provide Members with details of the forecast financial position of the Council for the next 4 years, and;
  - recommend the approach to budgeting and business planning that will be necessary to achieve a balanced budget position over the medium term.

## Executive Summary

2. The Medium Term Financial Analysis (MTFA) sets out the Council's latest financial forecast for the period 2020/21 to 2023/24. Over the next 4 years, our current view is that the Council's cumulative overall budget gap will be circa £34.6m by 2023/24, as shown in Figure 1 below. This takes account of changes to the Council's main sources of income (i.e. central government grant and local taxation), corporate expenditure (e.g. capital financing costs) and pressures on services (arising from inflation, demand or legislative changes such as the increase to the minimum wage).

Figure 1 – Summary of Projected Budget Gap for the 4 years to 2023/24

	2020/21	2021/22	2022/23	2023/24	cumulative
	£m	£m	£m	£m	£m
Increase in RSG	-0.7	0.0	0.0	0.0	-0.7
Business Rates & Council Tax Income	-15.3	0.5	-7.8	-7.9	-30.5
Spending Round Social Care Grant	-10.0	0.0	0.0	0.0	-10.0
Corporate Expenditure variations	2.1	6.0	4.4	3.7	16.2
Social Care pressures*	42.6	16.8	15.3	13.3	88.1
Other service pressures	5.0	4.1	3.9	3.9	16.9
<b>Overall Budget Gap</b>	<b>23.7</b>	<b>27.3</b>	<b>15.9</b>	<b>13.1</b>	<b>80.0</b>
Proposed Savings / Mitigations	-19.7	-11.8	-6.9	-6.9	-45.4
<b>Net Gap Still to Find</b>	<b>4.0</b>	<b>15.5</b>	<b>8.9</b>	<b>6.1</b>	<b>34.6</b>

\*2020/21 Social Care pressures include brought forward pressures of £15.9m

3. The Council's Social Care services are experiencing significant cost and demand pressures which, even with additional social care funding announced

in the 2019 Spending Round, completely outstrip growth in local taxation. Estimated total pressures on services are £105m over the four year period from 2020/21 to 2023/24, of which £88.1m (84%) relates to Social Care. Even after taking in to account £25.0m of corporate improvements and the additional £10m of Social Care funding for 2020/21, the cumulative position is a £80.0m overall budget challenge before mitigations by the end of 2023/24.

4. After significant proposed portfolio savings and mitigating actions totalling £45.4m, the net gap still to find stands at £34.6m over the MTF period. The net gap reduces by year four (2023/24) to £6.1m, but this position is subject to considerable uncertainty, particularly in relation to the low level of pressures included and the uncertainty over Government funding from 2021/22 onwards.
5. The MTF is recommending a continuation of the current approach to business planning which will focus on savings which support the Council's strategic priorities of economic growth, prevention and making the most effective use of our resources.

## **Recommendations**

6. It is recommended that Members:
  - Note the forecast position for the next 4 years;
  - Note, as planning assumptions, Core Council Tax increases of 2% per annum. The actual increases will be set at Full Council each March.
  - Note additional flexibility was announced in the recent Spending Review for 2020/21 for a further 2% increase for the Social Care Precept. A decision to take this precept at Full Council would result in a balanced budget for 2020/21;
  - Note the information contained in the capital sections of this report (paragraphs 30-39) and that decisions relating to the programmes mentioned below (paragraphs 36-39) will be sought in due course; and
  - Agree the approach to budgeting and business planning.

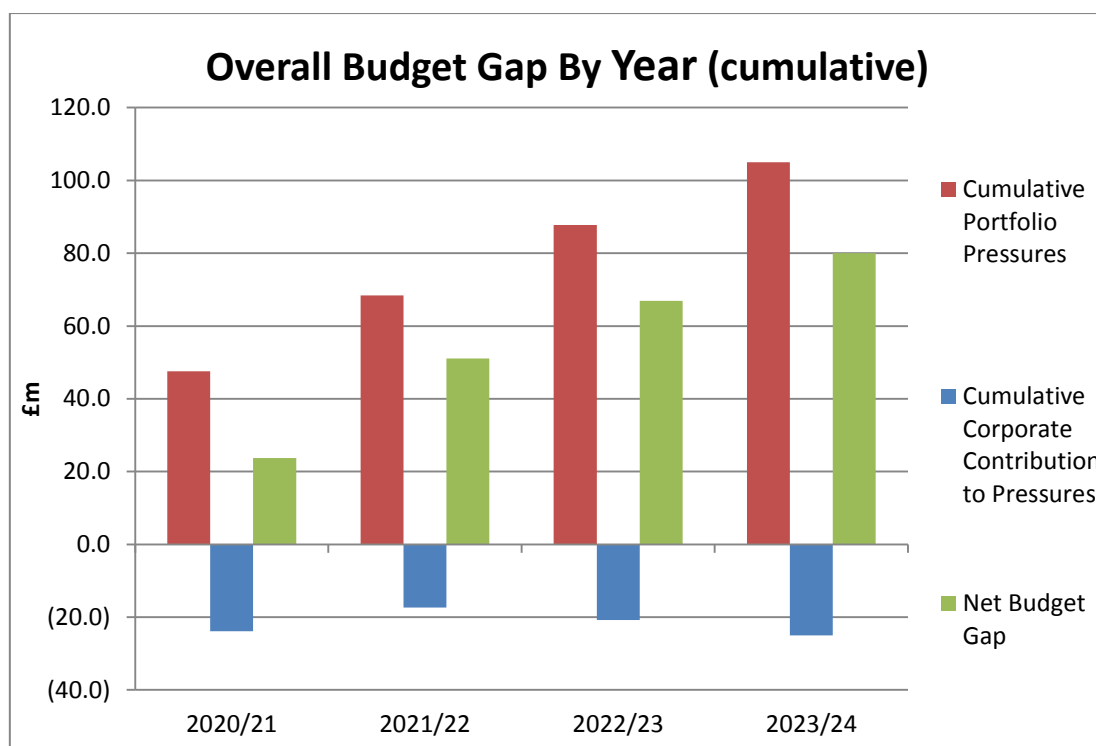
## **MTFA Contextual Information**

### **Background**

7. Every year the Council is required by law to set a balanced budget. The approval of the Council's budget in March is the culmination of the annual business planning process. This report seeks Cabinet endorsement of the proposed approach to this year's business planning process. For further details please see section on 'Balancing the Budget'.

8. The first step in the business planning process for 2020/21 is to estimate the gap between the Council's resources and expenditure.
9. For the first time since 2010/11 the Council is anticipating a real terms increase in the amount of funding it receives from Central Government. The Spending Round announced on the 4<sup>th</sup> September 2019 highlighted an increase on baseline funding in-line with CPI inflation and new monies to support adult and children's social care.
10. Additional resources are also forecast in terms of expected increases to Council Tax and Business Rates revenues.
11. Our estimates also reflect expenditure variations such as:
  - Capital financing requirements for economic development projects in the city, including Heart of the City;
  - the estimated cost of pay awards; and
  - contractual inflation on the Streets Ahead contract.
12. The budget challenge before mitigations also takes into account pressures on services arising from inflation, demand or legislative changes such as increases to the minimum wage. These pressures are currently forecast at £47.6m for 2020/21 (includes £15.9m of unresolved budget pressures from 2019/20).
13. Further details on the overall budget challenge before mitigations of £80.0m for 2020/21 to 2023/24 are detailed in **Annex 1** and **2**.
14. The chart below (figure 2) shows how the forecast cumulative gap increases over the next 4 years from 2020/21 to 2023/24 to £80.0m.

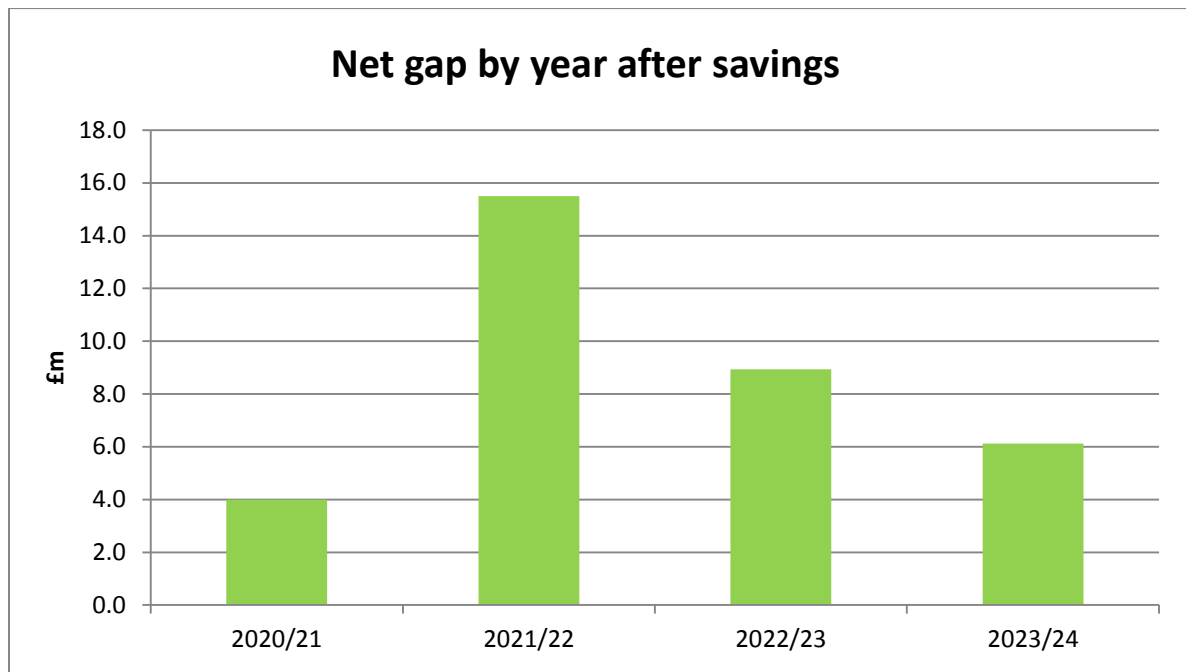
Figure 2 – Projected Budget Challenge before mitigations for the 4 years to 2023/24 (including an estimate of pressures in future years)



15. The net gap (the budget gap after planned mitigations) still to find for 2020/21 to 2023/24 now stands at £34.6m (see figures 1 & 3). The 2020/21 net gap is currently forecast at £4.0m despite forecast increases in core council tax and business rates income, additional funding from Government and portfolio mitigations. However, this forecast excludes the additional council tax income that could be generated by the Council choosing to implement the Social Care Precept, afforded by Central Government under the recent Spending Round. Member's agreement to adopt this precept would generate an additional £4.4m of income and close the 2020/21 gap.
16. The net gap figure increases, and peaks at £15.5m in 2021/22 partly as the result of the removal of a one-off Collection Fund surplus totalling £8.2m built into 2020/21 budget income.
17. Over 4 years, a net gap of the £34.6m is significant but is felt to be manageable over the medium term. Solutions will have to involve the identification of additional savings, demand management controls and the effective and prudent utilisation of the Council's reserves.
18. It has to be acknowledged that the net gap assumes the successful delivery of the £45.4m of planned mitigations over this MTFS period. This is a substantial ask given the amount of savings already delivered by the Council over the last 10 years of austerity. The successful delivery of this medium term financial strategy and implementation of the management solutions highlighted above will deliver a sustainable ongoing position for the Council. However failure to deliver these mitigations will leave the Council in a vulnerable position.



Figure 3 – Projected Net Gap for the 4 years to 2023/24



## Reform to Local Government

19. The Council's medium term financial planning continues to be hampered by short term Spending Review announcements by Government. The 2019 Spending Round announced on the 4<sup>th</sup> September 2019 is no different as it only confirms funding for 2020/21. There was welcome news that previous years one-off funding will be added to the baseline and additional funding for social care has been allocated, but effective planning beyond 2020/21 is not possible and this approach is not conducive to delivery of long-term value for money solutions.
20. The previous MTFAs published alongside the 2019/20 revenue budget in February 2019 assumed retention of business rates by Local Authorities would increase from 50% to 75% from 2020/21. Due to the current national political turbulence and the announcement of a 2019 Spending Round to cover 1 year (2020/21), increased retention has been delayed until 2021/22 and, on current plans, will be included in the 2020 Spending Review.
21. The Council continues to assume that any growth in retained rates would be matched by reductions in Government grants – in effect; the net increase in finances would be nil. This was echoed by public commentators such as the 'Public Finance' publication, and by Government comments that the change will be "fiscally neutral".
22. For the reasons set out above, and given the uncertainty of any future deals around business rates retention, we continue to assume 75% retention will be fiscally neutral, and that the impact will simply slip by one year to 2021/22.

Therefore no increase to central government funding has been assumed from 2021/22 onwards. This assumption is a key uncertainty and risk for the Council going forward.

23. In addition, the Ministry for Housing, Communities & Local Government (MHCLG) is still reviewing the formula that determines baseline funding levels for all local authorities, the Fair Funding Review. This review was also due for completion during 2019, and should have formed part of the Council's settlement for 2020/21. For the same reasons as those affecting the implementation of changes to Business Rates Retention Schemes set out above, the Fair Funding Review has also been delayed to 2021/22.
24. The results of this Review are uncertain for the Council and further consultations are expected in autumn 2019. There are potential downsides if the parts of the formula that benefit the Council (e.g. the funding for population density) are, in the round, decreased, in favour of less-advantageous measures to Sheffield. There are also potential upsides, in so far as re-baselining has the chance to recognise better our funding needs (i.e. our social care pressures and level of deprivation).
25. There is also still a question of the amount, rather than split, of funding – the formula may change in a way that advantages the Council relative to other authorities, but if the overall pot of funding from Central Government decreases, the effect of this will be minimal. Officers are continuing to represent the Council during the phases of consultation and support Members to lobby Ministers and prominent Government influencers.
26. Due to the uncertainty surrounding the outcome of this Review, the MTF takes a neutral position and assumes there will be no impact on the Council's overall funding. In the event that this position becomes clarified and the Council is materially impacted, either positively or negatively, by its outcome, then we will revise our forecasts to highlight the changes.

## Assessing the Budget Gap

### Budget Gap

27. As shown in Figure 1, the scale of the budget gap is affected by changes in the Council's resources (Revenue Support Grant - RSG, Business Rates, Council Tax and other specific grants) and expenditure, as well as one-off and exceptional items. **Annex 1** provides a more detailed breakdown of these changes.
28. **Annex 2** details all the assumptions applied in reaching the numbers in figure 1 in detail but the key assumptions in summary are:-

- **Revenue Support Grant (RSG)** - Grant reduced by £15.5m in 2019/20 as per the 2017/18 Local Government Finance Settlement, but following the 2019 Spending Round announcement, it will be expected to rise in line with inflation and deliver an increase in funding of approximately £0.7m in 2020/21. No further reductions in RSG are assumed in the MTFA in future years. This is because we anticipate the grant being rolled in to a wider change in settlement linked to the proposed move to 75% Business Rates Retention resulting in a broadly cash neutral effect at point of transfer in 2021/22.
- **Business Rates** - A business rates growth model to analyse potential growth has been developed by a multi-disciplinary team of Council officers. This model pulls information from a variety of sources in order to quantify growth in our business rates base. We have assumed relatively prudent growth in the model. A potential major retail development has been delayed and is currently under consultation. This delay has resulted in the reversal of a forecast decline in business rates whilst the development was expected to be under construction. This reversal has led to an uplift of £4m in the business rates base for 2020/21. It is possible that the development may still go ahead, which will have a negative impact on the business rates base whilst under construction, but would cause significant increases in business rate income in the longer-term (outside of the period of this MTFS).
- **Inflation** on the business rates multiplier is based on the forecasts made by the Office for Budget Responsibility as at April 2019 - CPI (e.g. 2.0% for Q3 2019/20). From 2019/20 the inflation figure changed to CPI from RPI in line with the policy announced by the former Chancellor in the 2015 Autumn Statement. Top-up Grant to compensate for this change is forecast to rise in line with Government announcements.
- **Council Tax** - The Government has announced a 4% referendum trigger for Council Tax for 2020/21. This is composed of a 2% Adult Social Care precept and 2% for Core Council Tax. The MTFS has a planning assumption of a 2% per annum rise in Core Council Tax from 2020/21 to 2023/24, although the actual Council Tax level will be set by members each year including any decision to take the 2% Social Care Precept in 2020/21. The tax base for Sheffield is growing and provides us with enough confidence to forecast an increase of 1,000 new Band D equivalent properties for 2020/21 and 1500 for each of the remaining 3 years. We assume that the number of properties claiming discounts/reliefs in future years and Local Council Tax Support Schemes will stay the same.

- **Pension Contributions** – a triennial review of the amounts to be paid to South Yorkshire Pensions Authority for years 2020/21 to 2022/23 is expected later this year. It is anticipated that the amounts paid in relation to the past service deficit will reduce following improved Fund performance over the last 18 months. This reduction is likely to be partly offset by increases to the Future Service Rate resulting from stock market uncertainty surrounding Brexit and increased pension liabilities resulting from legal challenges to public sector pensions such as the recent McCloud case.
- **Adult Social Care Grant** – For the purposes of this MTFA the Council is assuming these new monies are distributed nationally in line with ‘adults social care RNF formula’ and will not carry any new burdens on service delivery. This assumption is highlighted in the Financial Risk Annex 3 but is felt to be secure enough for inclusion.
- **Pay Inflation** - 2% pay inflation year on year in line with the recently agreed national pay award. This inflation is to be absorbed by portfolios.
- **Pay Strategy** – An estimated £8.4m of pay and reward costs has been included over the period of this MTFA to reflect the overall funding envelope which the Council believes is affordable given its current financial pressures. This is above the 2% pay inflation that portfolios have added to their pressures. It also allows for the cost of increments to be taken corporately rather than by portfolios.
- **Portfolio Pressures** - By far the largest component of the pressures the Council faces relates to Social Care. The Government has provided some specific additional Social Care funding for the past three years. The baselining of this funding, along with an additional £1bn nationally for social care, were announced in the recent 2019 Spending Round. Whilst additional funding is welcome, with pressures of around £42.6m for 2020/21 and only £10m of ongoing additional social care funding provided, the increased funding is clearly insufficient to enable ongoing delivery of current services. The challenge is compounded over the medium term, with a further £45.5m of social care cost pressures for 2021/22 to 2023/24.

29. The budget gap has been assessed on a relatively neutral basis. Our ‘base case’ has some upsides (e.g. we hope our pensions’ deficit payments will fall from 2020/21 when the actuary completes our next triennial valuation), but also some financial risks that, should they materialise, would have a significant impact on the Council’s ability to achieve a balanced budget position. See **Annex 3** for the details of the main financial risks. Some examples include:

- **Change in Forecast Pressures** - Figure 1 highlights a significant reduction in the level of pressures from 2021/22 onwards when compared to 2020/21 (even when the brought forward £15.9m pressure is removed). Given the size of the current forecast Budget Gap and against a net revenue budget of around £400m, any ability to deal with any adverse change in forecast pressures, when resources are severely constrained, will be a key challenge.
- **Non-delivery of savings** - The base case assumes all the savings we have declared will be achieved, or alternative sources of savings will be found.
- **Local Government Reform** - As mentioned in the previous sections, the possible impact of 75% local retention of Business Rates and the Fair Funding Review have not yet been reflected in the table due to uncertainty around any transfer mechanisms and financial impacts on the Council.

## Capital Programme

30. Capital spending pays for buildings, roads and council housing and for major repairs to them. It does not pay for the day-to-day running costs of council services. Therefore for budgetary purposes, the Capital Programme is kept separate to the General Fund revenue budget. The revenue consequences of capital expenditure, in terms of interest payments and allowances for the consumption of capital assets (known as the Minimum Revenue Provision or MRP) have been included however. The next update to the Capital Programme will be presented to Cabinet in February 2020.
31. The largest forecast area of capital expenditure is the Heart of the City Two (HotC2) project, which aims to revitalise the City Centre with additional high quality office, retail and residential spaces. This project is timetabled to occur over the next six years, and incur up to £470m of capital expenditure, which should be largely recouped by the sale of the redevelopments. This scheme will require cash-flowing by the Council however, with the revenue consequences forecast as peaking at £2.3m in 2022/23. We have allowed for this sum in this MTF. If the forecasts of asset sales fail to reach expectations, then additional revenue impacts will occur, and consequent reductions in services will have to be made to compensate. This remains a key area of financial risk for the Council.
32. As at July 2019 the budget for the Capital Programme for 2019/20 totalled £187.1m and the five year programme to 2023/24 is £636.9m. Through the Strategic Commissioning exercise Cabinet members have identified key

projects (both existing and new) for their respective portfolio areas with lead officers. This is intended to inform the short, medium and long-term demands on the future Capital Programme.

33. There are four key programmes that, in due course, Members will be asked to provide a more detailed steer on. Getting a steer on these four projects will enable us to move on to the next stage of Strategic Commissioning and refine our priorities and begin the process of financial planning.
34. Longer-term, our strategic approach on the Corporate Estate needs separate review and discussion. The status quo position severely limits our ambitions and the timescales over which they can be delivered. Conversely, disposal of assets can provide income for further investment in strategic priorities. Identifying a route that will help us agree some general principles we can then apply to the estate and help with individual decision making needs to be part of the overall approach.
35. The four key programmes are as follows:

#### **Town Hall**

36. A number of longstanding essential compliance and maintenance works (ECM) have been identified and require attention. The future role and function of the building needs review before agreeing the investment required. A full reconfiguration would require commitment to a significant investment programme. Our approach needs to be aligned to the wider city centre vision and the Central Library.

#### **Central Library & Graves Art Gallery**

37. Options range from ECM to a major redevelopment with estimated costs varying significantly dependent upon preferred option and agreed specification.

#### **John Lewis Partnership**

38. How does JLP feature in the long term plans for the city centre redevelopment and HOTC2? Stated ambition of JLP is to remain in their current location. SCC currently lease the site to JLP on a peppercorn rent with a 40 year term remaining.

#### **Sheffield International Venues (SIV)**

39. Options to be explored range from ECM to investments in the entire SIV estate. We need to decide on its operating model and the strategic vision for the city's leisure offering.

## **Housing Revenue Account**

40. The Housing Revenue Account (HRA) is the statutory financial account of the Local Authority as landlord. The Council owns approximately 39,700 homes that are home to around 45,400 tenants, together with their families or other occupiers. In addition, 4,500 leaseholders also receive housing services from the Council. It is the Council's current and future tenants and leaseholders who are impacted by the decisions made in the HRA Business Plan.
41. For budgetary purposes, the HRA is kept separate to the General Fund revenue budget, hence any proposed changes to the HRA business plan are not expected to have any impact on the MTF. The next update to the HRA Business Plan will be presented alongside the HRA revenue budget for 2020/21 to Cabinet in February 2020.

## **Approach to Balancing the Budget for 2020/21**

42. Following nine years of the Government's austerity programme and given the scale of the year-on-year reductions we have faced, it is becoming increasingly difficult to balance our budget whilst protecting our front-line services. We are therefore seeking to focus activities on the Council's key priorities of economic growth, prevention and making effective use of our resources.
43. These priorities are supported by a refresh of the four-year transformative strategic change programmes intended to release savings, along with a Council-wide continuing search for lower level "tactical" reductions in expenditure, where we have identified that there is scope for further efficiencies in individual services.
44. Current savings and pressure mitigations proposals identified by this approach, supported by forecast increases in council tax and business rates revenues and additional social care funding, should result in a balanced budget position for 2020/21. To achieve balance requires real focus on the delivery of proposed savings and adoption of the Social Care Precept. If the precept is implemented this would afford Members and service managers time to consider the impact of the longer term pressures on priorities and service delivery, to enable the delivery of a more sustainable medium term strategy.

## **Reserves**

45. The Medium Term Financial Analysis is prepared against a backdrop of uncertainty and potential risk. There is nothing new in this, and whilst some of the risks have been managed by the Council for many years, it is important that the Council has adequate financial reserves to meet any unforeseen expenditure. For an organisation of the size of Sheffield City Council, relatively small movements in cost drivers can add significantly to overall expenditure.

46. The Executive Director of Resources and Section 151 officer has reviewed the adequacy of reserves and feels the short-term potential impacts on reserves would be sustainable provided services were able to deliver proposed mitigation plans.

## **Implications and Alternative Options**

### **Implications**

47. Financial & Commercial Implications
- This is a revenue & capital financial report, as such all financial and commercial implications are detailed in the main body of the report.
48. Legal Implications
- There are no specific legal implications arising from the recommendations in this report.
49. Equal Opportunities Implications
- There are no specific equal opportunities implications arising from the recommendations in this report.

### **Alternative Options**

50. 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.



## Annex 1- Forecast Revenue Position 2020 - 2024

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
<b><u>Grant variations:</u></b>				
- Revenue Support Grant (RSG)	-0.7	0.0	0.0	0.0
Adult Social Care Funding	-10.0	0.0	0.0	0.0
Business Rates Grants	-3.4	0.0	0.0	0.0
<b><u>Business rate income:</u></b>				
Inflation on business rate multiplier	-2.0	0.0	0.0	0.0
Growth in Business rate base	-4.0	-1.0	-1.0	-1.0
<b><u>Council Tax income:</u></b>				
Growth in Council Tax Income	-5.9	-6.7	-6.8	-6.9
Social Care Precept	0.0	0.0	0.0	0.0
<b><u>Collection Fund surplus:</u></b>				
2020/21 Council Tax surplus paid in 2021/22	0.0	8.2	0.0	0.0
<b><u>Expenditure variations:</u></b>				
Pay Strategy	3.5	2.5	1.2	1.2
Streets Ahead contract	1.8	1.8	1.8	1.8
MSF ongoing increase	0.5	0.5	0.5	0.5
Heart of the City	0.5	0.5	0.7	0.0
Pensions	-6.0	0.0	0.0	0.0
Other	1.8	0.7	0.2	0.2
<b>TOTAL</b>	<b>-23.9</b>	<b>6.5</b>	<b>-3.4</b>	<b>-4.2</b>
<b>Year on year movement (excluding service pressures)</b>				
Social Care Pressures	42.6	16.8	15.3	13.3
Other Service Pressures	5.0	4.1	3.9	3.9
add bf position	0.0	23.7	51.1	66.9
<b>Overall Budget Gap (before savings / mitigations)</b>	<b>23.7</b>	<b>51.1</b>	<b>66.9</b>	<b>80.0</b>

## Annex 2 – Key Assumptions

Assumption / Scenario	Base Case
<b><u>Income Variations</u></b>	
RSG	<p>Inflation on RSG as per the Spending Round:</p> <ul style="list-style-type: none"> <li>£0.7m (2020/21)</li> <li>Total grant rolled into 'Rebaselining' of government funding from 2021/22</li> </ul>
Business rates	<ul style="list-style-type: none"> <li>A business rates growth model has been developed by a multi-disciplinary team of Council officers to analyse potential growth. This model pulls information from a variety of sources in order to quantify growth in the business rates base. Any forecasts of potential growth need to be treated with caution as there may be reductions in business rate income elsewhere as businesses relocate or have their rate liability re-assessed by the Valuation Office Agency (VOA).</li> <li>A potential major retail development has been delayed and is currently under consultation. This has resulted in the reversal of a forecast decline in business rates whilst the development was expected to be under construction. This reversal has led to an uplift of £4m in the business rates base for 2020/21. It is possible that the development may still go ahead which will have a negative impact on the business rates base whilst under construction although it should lead to business rates growth outside of the period of this MTFS.</li> <li>Business ratepayers can seek an alteration to the rateable value of a property by appealing to the VOA. However, because of the large volume of appeals, decisions by the VOA can take several years. A prudent provision has been taken for the appeals and as such this should not impact on the MTFA. It is difficult to arrive at a reliable estimate of the potential refunds due on outstanding appeals in addition to any new ones that may be lodged. Based on the most recent data provided by the VOA, it is assumed that the cost of refunds due to appeals will remain at 2019/20 levels.</li> <li>There are a number of reliefs against business rates liability, including small business rates relief, charitable relief, and deductions for empty properties and partly occupied premises. It is estimated that the total value of these reliefs and deductions will be approximately £46.7m.</li> <li>Inflation on business rates multiplier is based on the forecast model increasing with CPI at 2%.</li> <li>Top-up Grant is forecast to rise in line with Government announcements.</li> <li>Business Rates growth – We have assumed relatively prudent growth in line with the Business Rates Growth Model.</li> </ul>
Council tax	<ul style="list-style-type: none"> <li>The tax base for Sheffield is growing at a consistent pace and provides us with enough confidence to forecast an increase of 1000 new Band D equivalent properties for 2020/21 and 1500 for each of the next 3 years.</li> <li>The tax base for 2019/20 assumes that 38,731 properties would be eligible for discounts and exemptions. At the present time, it is assumed that the number of properties claiming discounts/reliefs in future years will remain the same. However, this figure is subject to fluctuations throughout the year, particularly as a result of student homes exemptions.</li> <li>Local Council Tax Support Scheme stays the same. The current CTSS in Sheffield which was introduced in 2013 requires council tax payers of working age to pay a minimum of 23% of their</li> </ul>

	<p>council tax bills. For financial planning purposes, it has been assumed that the scheme will not be altered in the medium term. However this will be an issue for Members to consider alongside the savings proposals for 2020/21.</p> <ul style="list-style-type: none"> <li>• The Government has announced a 4% referendum trigger for Council Tax for 2020/21. This is composed of a 2% Adult Social Care precept and 2% Core Council Tax. The MTFS has a planning assumption of a 2% rise per annum in Core Council Tax from 2020/21 to 2023/24, although the actual Council Tax level will be set by members each year including any decision to take the 2% Social Care Precept in 2020/21.</li> <li>• In-year collection rate remains at 95.5%: for budgeting purposes, the practice has been to set a prudent in-year collection rate as part of the tax base calculations, although eventually the Council recovers up to 99% of council tax. The introduction of CTSS has also had an impact on the collection rate. The forecast level of council tax income for 2020/210 assumes an in-year collection rate of 95.5% (unchanged from 2019/20).</li> <li>• No change to reliefs &amp; discounts.</li> </ul>
Collection Fund surplus/deficit	<ul style="list-style-type: none"> <li>• £8.2m of collections fund surplus is played into the 2020/21 budget but creates a pressure in 2021/22 due to its one-off nature. Not futures years surpluses are anticipated within the MTFA.</li> </ul>
Specific grants	<ul style="list-style-type: none"> <li>• Improved BCF grant is rolled into baseline funding from 2020/21</li> <li>• Winter pressure and 2019/20 ASC grant roll into the baseline</li> <li>• Adult and Children's social Care funding of £10m; new for 2020/21</li> </ul>
Other Income	<ul style="list-style-type: none"> <li>• Rental income from the Heart of the City Development of approximately £3.0m per year for 2019/20 to 2020/21. This reduces during 2021/22 after the anticipated sale of part of the development. This income along with the anticipated additional business rates mentioned above offsets the majority of capital financing costs relating to the development highlighted in the expenditure variation section below.</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>• Based upon the latest available information from the Spending Round, we are of the view that the Public Health grant will increase by 3.4% for 2020/21, after which point it is likely to form part of the exchange of grant for an increased share of business rates. This increase in funding will go some way to alleviating the financial pressures that have resulted from the previous years of grant cuts.</li> </ul>
<b><u>Expenditure Variations</u></b>	
Pay inflation	2% per annum from 2020/21, to be absorbed by portfolios
Pay strategy	The estimate of £8.4m of pay and reward costs over the period of this MTFA reflects the overall funding envelope which the Council believes is affordable given its current financial pressures. This is above the 2% that portfolios have added to their pressures. It also allows for the cost of spinal increments to be taken corporately rather than by portfolios.
Employers' national insurance	No further changes to NI anticipated.
Pension Contributions	A triennial review of the amounts to be paid to South Yorkshire Pensions Authority for years 2020/21 to 2022/23 is expected later this year. It is anticipated that the amounts paid in relation to the past service deficit will reduce following improved assets performance over the last 18 months. This reduction is likely to be partly offset by increases to the Future Service Rate resulting from stock market uncertainty surrounding Brexit but also increased liabilities resulting from legal challenges to public sector pensions such as the recent McCloud case.

Streets Ahead Contract Inflation	The Council investment in the Streets Ahead contract will result in the required amount increasing by approximately £1.8m per annum from April 2017, as planned, taking the total cost in 2020-21 to £86m.
MSF	Corporate support for Sheffield City Trust (SCT) debt charges: The additional costs shown against the 'MSF ongoing increase' line in Annex 1
Council Tax Hardship Fund	Hardship Fund increases by £0.2m per annum.
Heart of the City Capital Financing Costs	The MRP and Interest on borrowing for the city centre development will be approximately £4.6m for 2019/20, increasing to £5.6m by 2021/22, before reducing by £3.5m in 2021/22 following the sale of some of the development. As mentioned above, this additional capital financing requirement is significantly offset by the additional rental and business rates income the scheme is anticipated to generate.

## Annex 3 – Key Financial Risks

Business rates	<p>Key sensitivities relate to:</p> <ul style="list-style-type: none"> <li>• If the retail development does proceed, we could see a drop in the business rates baseline of between £4-£6m per annum. Any potential uplift in business rates income is unlikely to be realised before 24/25.</li> <li>• 2020/21 reset – no indications presently available, but could have a significant impact on the Council’s top-up grant</li> <li>• Appeals – highly volatile; the Council seeks to mitigate fluctuations in appeals by regular monitoring and communications with VOA.</li> </ul>
Council tax	<ul style="list-style-type: none"> <li>• The increasing level of Council Tax may mean that collection rates fall amongst more disadvantaged and vulnerable residents.</li> <li>• The current MTFs assumes a 2% rise in 2020/21 and 2% thereafter. Failure to act on this increase would have a material impact on our delivery of services. It will be for Council to decide the policy regarding future Council Tax increases.</li> </ul>
HoC2	<p>This scheme will require cash-flowing by the Council however, with the revenue consequences forecast to reach £1.8m by 2022/23. We have allowed for this sum in this MTFA. If the forecasts of asset sales fail to reach expectations, then additional revenue impacts will occur, and consequent reductions in services will have to be made to compensate. This remains a key area of financial risk for the Council.</p>
Better Care Fund	<p>The Council currently receives circa £4.5m from the CCG towards the funding shortfall on the Better Care Fund. Pressures elsewhere in the health sector might create budget issues for the CCG and therefore impact upon their ability to provide this funding.</p>
Fair Funding	<p>The MTFA assumes the impact of the Fair Funding review will be net nil on the Council. However, there are potential downfalls if the parts of the formula that benefit the Council (e.g. the funding for population density) are, in the round, decreased, in favour of less-advantageous measures to Sheffield. There is also the question of the amount, rather than split, of funding. If the government attempts to reduce the amount of funding available to Local Government as part of the review government spending, this could impact on Sheffield.</p>
Spending Reviews	<p>National policy announcements affecting the future of local government funding, in particular the Chancellor’s Budget due in late November each year, could have a profound effect on all sources of Central Government funding, including RSG and specific grants such as Public Health. There is only a limited level of certainty surrounding the 2020/21 announcement given the current turbulent political landscape. Future Governments may not even honour current commitments.</p>
2019/20 budget savings	<p>Any risk of further non-achievement of agreed savings in the 2019/20 budget will be reported in monthly budget monitoring reports and could increase the 2020/21 pressures.</p>
Social Care Funding	<p>The MTFA assumes the funding announced is distributed using the adults social care RNF formula and comes with no ‘new burdens’ on service delivery. Should either of these assumption proved to be incorrect, it would have a significant impact on the Council’s ability to balance the 2020/21 budget.</p>

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

**Tel:** 0114 273 6831

**Report of:** *Eugene Walker*  
**Report to:** *Cabinet*  
**Date of Decision:** *9<sup>th</sup> October 2019*  
**Subject:** *Capital Approvals for Month 05 2019/20*

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

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

Which Scrutiny and Policy Development Committee does this relate to?  
***Overview and Scrutiny Management Committee***

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

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

Does the report contain confidential or exempt information? Yes  No

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

**Purpose of Report:**

*This report provides details of proposed changes to the Capital Programme as brought forward in Month 05 2019/20.*

**Recommendations:**

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts
- Approve the making of grants as identified in Appendix 2 in principle on that basis, with the identity of the recipient to be decided in accordance with the Leaders Scheme of Delegations.

**Background Papers:**

<b>Lead Officer to complete:-</b>	
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>Tim Hardie</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>Julie Dore</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>Damian Watkinson</i>
	<b>Job Title:</b> <i>Finance Manager Business Partner Capital</i>
<b>Date:</b> 25/09/2019	



# MONTH 05 2019/20 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:

- 8 additions of specific projects to the capital programme creating a net increase of £0.965m;
- 9 variations creating a net decrease of £3.867m;
- 2 re-profiles of budget with no increase

1.3 Further details of the schemes listed above can be found in Appendix 1.

## 2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

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

## 3. BACKGROUND

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

## 4. OUTCOME AND SUSTAINABILITY

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

## 5. OTHER IMPLICATIONS

### 5.1 Finance Implications

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

### 5.2 Procurement and Contract Award Implications

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of

the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

### **5.3 Legal Implications**

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

### **5.4 Human Resource Implications**

There are no direct Human Resource implications for the Council.

### **5.5 Property Implications**

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

## **6. ALTERNATIVE OPTIONS CONSIDERED**

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

## **7. REASONS FOR RECOMMENDATIONS**

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

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

**September 2019**

Scheme name / summary description		Value £'000
<b>A</b>	<b>Economic growth</b>	
	New additions	
	None	
	Variations and reasons for change	
	None	
<b>B</b>	<b>Transport</b>	
	New additions	
<b>Page 47</b>	<p><b>Barkby Road Steps</b></p> <p><b>Why do we need the project?</b></p> <p>Sheffield Public Footpath 386 links Barkby Road and Fife Street in Wincobank. A section of the path consists of a steep set of timber steps that require significant ongoing maintenance due to high levels of use and vandalism and is funded from the Sheffield City Councils Public Rights of Way [PROW] budget.</p> <p>The overall aim of this project is to reduce the ongoing maintenance costs and also prevent possible insurance claims against the Council due to the current condition of the steps.</p> <p><b>How are we going to achieve it?</b></p> <p>Detailed design works are to be undertaken with a view to replacing the timber steps with concrete steps.</p> <p>The overall cost of the project is estimated at £110k and will be funded by Local Transport Plan [LTP].</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Improved quality of surfacing on the path, providing better accessibility for all users</li> <li>• Increased opportunities for local walking by establishing better links between local neighbourhoods</li> <li>• Improved route to schools, educational establishments and places of work</li> </ul>	110

	<ul style="list-style-type: none"> <li>• Reduced ongoing maintenance costs</li> <li>• Providing physical infrastructure which is fit for purpose and cost effective</li> </ul> <p><b>When will the project be completed?</b> March 2021</p>																
	<b>Funding Source</b>	Local Transport Plan	<b>Amount</b>	110k	<b>Status</b>	Ring-fenced for Transport Projects	<b>Approved</b>										
	<b>Procurement</b>		Existing corporate contract or procured via competitive tender if corporate contract unsuitable														
Page 48	<p><b>Parking Schemes Feasibilities [St Vincent's : Effingham Road : Parkhill]</b></p> <p><b>Why do we need the project?</b></p> <p>These proposed schemes form part of the Councils strategy to manage traffic congestion.</p> <p>There are high demands on the available parking spaces in many areas of the city. Parking pressure has continued to grow as areas have developed and there are now high levels of requests for parking schemes, to provide relief from parking pressures for local businesses, organisations and residents. The Council has previously implemented a number of permit parking zones, mainly in the area immediately around the city centre as well as in the district shopping centre at Hillsborough. These were mainly areas which suffered from the effects of high levels of unrestricted commuter parking.</p> <p>There are also high levels of parking occupancy due to the availability of free, all-day parking, restricting parking opportunities for service vehicles, emergency services, business customers and visitors. This can lead to difficulties for businesses, as customers may choose to take their business elsewhere if parking is consistently difficult.</p> <p><b>How are we going to achieve it?</b></p> <p>The Council will look at introducing new area wide and local parking schemes as well as reviewing existing area wide schemes. The first step will be to undertake feasibility studies to introduce area wide parking schemes in the St Vincent's, Effingham Road and Parkhill areas of the city. The reviews will also look at improvements to parking equipment and systems to reduce circulating traffic and reduce costs of collecting payment.</p> <p>The estimated cost of the feasibility studies are shown below and will be funded via Invest to Save.</p> <table border="0" data-bbox="358 1197 761 1388"> <tr> <td>St Vincent's</td> <td>22k</td> </tr> <tr> <td>Effingham Road</td> <td>18k</td> </tr> <tr> <td><u>Parkhill</u></td> <td><u>32k</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>72k</b></td> </tr> </table>								St Vincent's	22k	Effingham Road	18k	<u>Parkhill</u>	<u>32k</u>	<b>Total</b>	<b>72k</b>	72
St Vincent's	22k																
Effingham Road	18k																
<u>Parkhill</u>	<u>32k</u>																
<b>Total</b>	<b>72k</b>																

Page 49	<p><b>What are the benefits?</b></p> <p>The main objectives and benefits of this proposal are:</p> <ul style="list-style-type: none"> <li>• Manage traffic congestion by reducing the amount of time drivers spend searching for parking spaces</li> <li>• Improve the turnover of parking spaces through deterring all day parking via charging polices</li> <li>• Improving conditions for local businesses by ensuring the availability of convenient parking spaces for customers</li> <li>• Improve conditions for residents by ensuring the availability of convenient parking spaces for themselves and their visitors and deliveries, as well as relieving the area from traffic circulating seeking parking spaces</li> <li>• Improve environmental conditions – by managing congestion and reducing the amount of time drivers spend circulating, seeking a parking space. This should have a positive effect on air quality and noise levels</li> <li>• Improve conditions for sustainable travel modes – parking schemes can include improved facilities for walking and cycling, as well as ensuring that public transport is not impeded by inappropriate parking.</li> </ul> <p><b>When will the project be completed?</b></p> <p>30/06/2020</p>						
	<b>Funding Source</b>	Invest To Save	<b>Amount</b>	72k	<b>Status</b>	Confirmed	<b>Approved</b>
	<b>Procurement</b>		Feasibilities to be completed in-house by the Strategic Transport and Infrastructure Division.				
<p><b>93132 Kelham / Neepsend Parking Scheme</b></p> <p><b>Why do we need the project?</b></p> <p>The Kelham / Neepsend parking schemes is part of the above strategy (refer to entry above for Parking Scheme Feasibilities)</p> <p><b>How are we going to achieve it?</b></p> <p>Detailed design works are to be undertaken to design and introduce a controlled parking zone scheme in the Kelham / Neepsend areas of Sheffield.</p> <p>The total cost of the scheme is estimated at £624k plus £100k commuted sum and will be fully funded from Invest to Save</p> <p><b>What are the benefits?</b></p> <p>The main objectives and benefits of this proposal are:</p> <ul style="list-style-type: none"> <li>• Manage traffic congestion by reducing the amount of time drivers spend searching for parking spaces</li> <li>• Improve the turnover of parking spaces through deterring all day parking via charging polices</li> <li>• Improving conditions for local businesses by ensuring the availability of convenient parking spaces for customers</li> </ul>							624

Page 50	<ul style="list-style-type: none"> <li>• Improve conditions for residents by ensuring the availability of convenient parking spaces for themselves and their visitors and deliveries, as well as relieving the area from traffic circulating seeking parking spaces</li> <li>• Improve environmental conditions – by managing congestion and reducing the amount of time drivers spend circulating, seeking a parking space. This should have a positive effect on air quality and noise levels</li> <li>• Improve conditions for sustainable travel modes – parking schemes can include improved facilities for walking and cycling, as well as ensuring that public transport is not impeded by inappropriate parking.</li> </ul> <p><b>When will the project be completed?</b> 31/03/2020</p>							
	<b>Funding Source</b>	Invest To Save	<b>Amount</b>	624k	<b>Status</b>	Confirmed	<b>Approved</b>	
	<b>Procurement</b>		<ul style="list-style-type: none"> <li>i. Detailed design and build by direct award to Amey Hallam Highways via the non-core route under the Streets Ahead PFI.</li> <li>ii. Supply of ticket machines and associated payment and back office services via a compliant public sector framework or competitive tender process.</li> </ul>					
Variations and reasons for change								
<p><b>Wincobank 20 MPH</b></p> <p><b>Scheme description</b></p> <p>On 8 March 2012, the City Council Cabinet Highways Committee approved the 'Sheffield 20mph Speed Limit Strategy', the long-term aim of which is to establish 20mph as the maximum speed in appropriate residential areas of Sheffield. Since then 24 'sign only' 20mph speed limit areas have been introduced across the City.</p> <p><b>What has changed?</b></p> <p>Cabinet have previously approved the undertaking of detailed design works for the Wincobank 20 MPH scheme and now the project is ready to commence implementation works. The overall cost is £87.1k (including prior year spend).</p> <p>The budget will be increased by £3k and is fully funded from Local Transport Plan. The commuted sum for the completed project is expected to be £26.1k.</p> <p><b>Variation type: -</b></p>								3

	<ul style="list-style-type: none"> <li>[budget increase]</li> </ul>					
	<table border="1"> <tr> <td><b>Funding</b></td> <td>Local Transport Plan</td> </tr> <tr> <td><b>Procurement</b></td> <td>Direct award to Amey Hallam Highways via the non-core route under the Streets Ahead PFI.</td> </tr> </table>	<b>Funding</b>	Local Transport Plan	<b>Procurement</b>	Direct award to Amey Hallam Highways via the non-core route under the Streets Ahead PFI.	
<b>Funding</b>	Local Transport Plan					
<b>Procurement</b>	Direct award to Amey Hallam Highways via the non-core route under the Streets Ahead PFI.					
<b>C</b>	<b>Quality of life</b>					
	New additions					
	None					
	Variations and reasons for change					
Page 51	None					
	<b>Green and open spaces</b>					
	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	
Page 52	<p><b>City Wide Tower Block – Fire Safety</b></p> <p><b>Phase 2 Single Staircase Tower Blocks FEASIBILITY</b></p> <p><b>Why do we need the project?</b> Following the Grenfell Tower Block Fire and subsequent publication of the Hackett report all Local Authorities in the UK have been reviewing and continue to review their policies and procedures regarding fire safety of residents, particularly in high rise tower blocks. The review completed by Sheffield City Council is committed to keeping tenants safe and has identified a number of areas for improvement, particularly for high risk assets including 24 tower blocks and 30 sheltered schemes (OPIL). These matters need to be addressed to improve customer safety. The opportunity will also be taken to and improve the internal environment of these buildings through a refresh of communal areas.</p> <p><b>How are we going to achieve it?</b> Due to the scale of the works, SCC Housing is proposing a multi-phase delivery approach to these fire risk works based on priority;</p> <ol style="list-style-type: none"> <li>1. Hanover re-cladding</li> <li>2. Single Stair Case Tower Blocks (Hanover and Stannington)</li> <li>3. Tower Blocks (Callow, Leverton, Netherthorpe &amp; Upperthorpe)</li> <li>4. Sheltered Accommodation – focusing on dead leg areas and vulnerable people</li> <li>5. Other Buildings</li> </ol> <p>Phase 1 – Hanover re-cladding is currently underway and due for completion in Q3 of 19/20. Phase 2 – feasibility study for works to single staircase tower blocks. Due to having a single escape route, improvement works to these blocks needs to be prioritised.</p> <p><b>Scope</b> The scope of the feasibility and planning stages (Gateway 1-2) includes;</p> <ul style="list-style-type: none"> <li>• Identifying a preferred design strategy, procurement route and form of contract</li> <li>• Development of a design guide / standard for communal areas</li> <li>• Resident consultation</li> </ul>	108



Page 53	<ul style="list-style-type: none"> <li>• Assessment of options and development of design strategy for the installation of an Automatic Fire Suppression System (AFSS)</li> <li>• Development of schedule for FRA works - based on physical survey of 4 no voids for each tower block (8 no in total), and response to the 3rd party fire strategy</li> <li>• Investigation of existing heating systems (3 Deer Park Tower Blocks Only) and hot and cold water pipework (all four blocks)</li> </ul> <p><b>Feasibility Costs</b>                  CDS Fees £95K                  Surveys £8K                  Fire Engineer £5K                  TOTAL £112K</p>							
	<b>Funding Source</b>	HRA Block Allocation	<b>Amount</b>	£108K	<b>Status</b>		<b>Approved</b>	
	<b>Procurement</b>	i. Feasibility delivered in-house by the Capital Delivery Service. ii. Asbestos surveys via call-off from the asbestos surveying, testing and reporting framework. iii. Fire engineer / consultant and roof surveys by competitive quotes or through the Capital Delivery Partner.						
Variations and reasons for change								
<p><b>Health &amp; Safety Essential Work Block Allocation (Council Housing)</b></p> <p><b>Scheme description</b> HRA allocation for health and safety works e.g. fire safety</p> <p><b>What has changed?</b> Feasibility for Single Staircase Tower Blocks coming forward costing £112K to be drawn down from this allocation. See entry above.</p> <p><b>Variation type:</b> - Budget decrease</p> <p><b>Budget:</b>                  Current 19/20 Budget £1,845K - £108K = £1,737K                  Current 19-24 Budget £37,867K - £112K = £37,759K</p>								-108

	<b>Funding</b>	HRA	
	<b>Procurement</b>	N/A	
Page 54	<b>HRA Enveloping &amp; External Work (Council Housing)</b>		19/20 -500
	<b>Scheme description</b> HRA block allocation for Enveloping and External Work Programmes		20/21 -4,312
	<b>What has changed?</b> Following the drawdown last month of £7,867K to the new roofing programme, the rest of this allocation is now re-profiled to more closely reflect when further drawdowns are expected.		21/22 -1,456
	<b>Variation type:</b> - Re-profile		22/23 -1,599
<b>Budget:</b>			23/24 +7,867
Current 19/20 Budget £500K - £500K = £0K			
Current 20/21 Budget £5,762K - £4,312K = £1,450K			
Current 21/22 Budget £5,119K - £1,456K = £3,663K			
Current 22/23 Budget £6,418K - £1,599K = £4,819K			
Current 23/24 Budget £8,383K + £7,867K = £16,250K			
Current 19-24 Budget £26,182K - £0K = £26,182K			
	<b>Funding</b>	HRA	
	<b>Procurement</b>	N/A	
<b>G</b>	<b>People – capital and growth</b>		
	New additions		
	<b>Nurture Accommodation</b>		25
	<b>Why do we need the project?</b>		
	<ul style="list-style-type: none"> <li>A review of mainstream education provision across the city remains ongoing in relation to supporting, managing and reducing the numbers of fixed term and permanent exclusions. The use of alternative nurture based provisions have been recognised as being instrumental in</li> </ul>		

Page 55	<p>supporting both primary and secondary phase children in accessing tailored support and learning methods to support them in their learning in a mainstream setting. The purpose of the provision is to enable small numbers of children requiring support to access a learning and nurture centre that is not associated with their normal school setting.</p> <ul style="list-style-type: none"> <li>This project recommends accommodation being sought from the councils building stock and among other community owned properties that will support the nurture based provision agenda.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>When a decision is made to support refurbishment of the premises that can be used, the Local Authority will enter into a funding agreement with the premises landlord and this will be presented to the capital growth group for approval. (Details of the form of this agreement are outlined in Appendix 2)</li> <li>If the building is owned by SCC then the works will be delivered either in-house or via competitive tender.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Objectives: to provide a space that allows the nurture provisions to operate.</li> <li>Benefits: these include:                         <ul style="list-style-type: none"> <li>Children feel better supported to return to their mainstream education provider or alternatively the nurture provision will help determine a longer term education route.</li> <li>Once children have accessed nurture provision this should support them in their ability to apply themselves in a mainstream setting and should see the numbers of fixed and permanent exclusions reduce.</li> </ul> </li> </ul> <p><b>When will the project be completed?</b> Ongoing; planned for 2019 start.</p>							
	<b>Funding Source</b>	SEND Capital Grant	<b>Amount</b>	£25k	<b>Status</b>	Grant Received	<b>Approved</b>	
	<b>Procurement</b>	<p>Works may be procured via any of the compliant routes below.</p> <ul style="list-style-type: none"> <li>i. In-house delivery by the repairs and maintenance service.</li> <li>ii. By competitive quotes sourced from Sheffield contractors.</li> </ul>						

	iii. Delivery by the host organisation via grant agreement.	
Page 56	<p><b>Chancet Wood Refurbishment (feasibility)</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>• To plan and co-ordinate the re-location of Adult Social Care locality teams to new premises as part of neighbourhood working model within the communities they serve.</li> <li>• There is an opportunity for staff to work in a neighbourhood setting within the community in locality based offices to achieve the outcomes of the successful neighbourhood model.</li> <li>• The service has to move due to compulsory purchase of Love Street</li> </ul> <p><b>Why do we need to address it now:</b></p> <p>.</p> <ul style="list-style-type: none"> <li>• If not addressed now we will not be able to progress the outcomes required for successful neighbourhood working. Less time to plan and organise moving to neighbourhood sites due to pressures on the existing building being compulsory purchased.</li> </ul> <p><b>How are we going to achieve it?</b></p> <ul style="list-style-type: none"> <li>• By working collaboratively and communicating with internal and external stakeholders to ensure all building requirements/office specifications are implemented in line with the deadlines/timeframes. That these are agreed and delivered to ensure the successful neighbourhood model of working in the community.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Objectives:             <ul style="list-style-type: none"> <li>○ To ensure staff are successfully relocated into the two buildings identified (Chancet Wood and Learning Zone) as part of the neighbourhood model and continued innovation work in localities.</li> </ul> </li> <li>• Benefits:             <ul style="list-style-type: none"> <li>○ Staff will know their neighbourhood and have key community contacts and links.</li> <li>○ Enable joint working across local organisations</li> </ul> </li> </ul> <p><b>When will the project be completed?</b></p> <p>To be confirmed, post feasibility stage</p>	12.5

	<b>Funding Source</b>	Feasibility: CYP Revenue Funded	<b>Amount</b>	£12.5k	<b>Status</b>		<b>Approved</b>		
	<b>Procurement</b>		i. Feasibility delivered in-house by the Capital Delivery Service.						
Variations and reasons for change									
Page 57	<p><b>Aldine House - 2 Bed Extension &amp; MUGA</b></p> <p><b>Scheme Description</b></p> <ul style="list-style-type: none"> <li>Aldine House Secure Children’s Home (SCH) is a Local authority run provision, one of only 14 SCH’s in England.</li> <li>It is in a very secure position, having recently won a new contract for 5 of our 10 beds and having achieved 100% occupancy over the past few years. There is currently an increased demand for beds leading to a saturation of the Welfare bed market. The DfE has ring fenced grant fund which SCH’s can bid for each year to ensure they can progress, develop and add value moving forward. A bid for a total amount of £2,471,500 to deliver 2 additional beds and improved facilities has recently been successful.</li> <li>The project will improve Aldine House’s attractiveness and future survival by capitalising on economies of scale and the current high demand for secure beds by adding a two bed extension. There will also be additional outdoor and vocational space for the young people.</li> </ul> <p><b>Preferred Option following initial feasibility appraisal (approved by Cabinet in July 2019)</b></p> <ul style="list-style-type: none"> <li>Extension providing two additional bedrooms, class / multipurpose area, breakout space and staff office &amp; meeting room extension; external play area and garden space; tarmac surfacing to service the rear extension, and provision of extra parking spaces; provision of a remotely controlled entrance barrier; extended services to accommodate the new facilities – relocation of CCTV server, new standby generator, new mains panel, new incoming electrical supply.</li> </ul> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>Upon appointing a design team the proposed designs have been explored and the following opportunities have been identified allowing the scheme to be delivered as per the Preferred Option noted above: <ul style="list-style-type: none"> <li>The proposed option is base accommodation of 2 bedrooms, living room, classroom and additional staff accommodation in an efficient manner that addresses circulation issues and provides additional accommodation by making better use of roof voids. This includes the provision of the external multi use games area (MUGA).</li> <li>A plant space within the roof is proposed, but accessed from the existing building at upper ground floor, eliminating the need for a lower</li> </ul> </li> </ul>								2,337

Page 58	<p>ground floor plant room and staircase.</p> <ul style="list-style-type: none"> <li>○ The bedroom and classroom areas have been swapped over, which allows for a new bathroom and staff office/training room, to be located in the Upper Ground (UG) floor roof space over the new classroom, which does not require servicing from above which was previously additional plant or unused void space.</li> <li>○ The breakout, lobby courtyard access are combined into one location reducing the area of circulation, but also allows the corridor outside the bedrooms to be widened.</li> <li>○ The provision of the secure air-lock vehicle access provides numerous benefits solving the maintenance issues and providing a second secure arrival/departure point, either directly into the new bedroom area via the relocated staff office or into the courtyard.</li> <li>○ The proposed solution still provides two new office rooms within a secondary extension, but seeks to address the circulation issue by providing a second means and more direct route by constructing the new staff accommodation over the current plant room, linking two of the wings.</li> <li>○ This allows the current boiler / generator room to be undisturbed but would require minimal re-routing of high-level cabling and adaptations to the boiler flues within the plant room. The structure would be cantilevered over the plant room structure at a higher level than the Upper Ground floor (UG) floor, but would require no new foundations. The link points are located at current window locations, requiring just the sills to be lowered and would require the removal of the current bathroom and staff office, both of which are re-provided in this new proposal within the UG roof space over the new classroom.</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• Budget increase of £2.3m to move from feasibility to a pre-tender, outline business case stage to deliver the proposed build option outlined above, within the constraints of the fully grant funded budget.</li> <li>• A procurement strategy to progress to the full works is being brought forward for approval alongside this variation.</li> </ul> <p><b>When will the project be completed?</b></p> <ul style="list-style-type: none"> <li>• December 2020 (full project expected completion date).</li> <li>• The grant must be spent in full by 31 March 2021.</li> </ul>		
	<b>Funding</b>	DfE Secure Homes Grant (100% funding): allocation of the remaining £2,337m, from the total Grant funding of £2,471.5m.	
	<b>Procurement</b>	<ul style="list-style-type: none"> <li>i. Principal contractor will be procured by mini-competition via the YORbuild2 framework or by restricted procedure with PQQ.</li> <li>ii. Professional services by call-off from the Capital Delivery Partner framework.</li> <li>iii. Surveys by competitive quotes.</li> </ul>	
<b>High Value Equipment / Works (Disabled Facilities - Private Sector Housing)</b>		500	
<b>Scheme description</b>			

Page 59	<ul style="list-style-type: none"> <li>Community Equipment Services are pivotal to the future of the integrated services agenda. Efficient equipment provision will enable Health and Social Care services to provide managed care in an individual's home and prevent unnecessary hospital admission and readmission.</li> </ul> <p><b>What are the objectives?</b></p> <ul style="list-style-type: none"> <li>People living independently as possible and remaining safely in their own homes, and being able to return home from hospital as soon as they are fit and able to do so.</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Reduced hospital admissions. Earlier hospital discharges. Less demand for formal care services. Increased independence and wellbeing.</li> </ul> <p><b>How will this be achieved?</b></p> <ul style="list-style-type: none"> <li>Provision of equipment which will assist people to live safely and comfortably at home, preventing the need for hospital admissions and facilitating hospital discharges</li> </ul> <p><b>Delivery</b></p> <ul style="list-style-type: none"> <li>Equipment is supplied by the current approved contractor. Referrals to the contractor for equipment are made by a range of assessing staff, including Occupational Therapists, Physiotherapists, Care Managers, GPs, Hospital staff, and Community Nurses. The project is overseen by the Integrated Community Equipment Service (Sheffield City Council Commissioning).</li> </ul> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>Changes to the Private Sector Housing Assistance Policy have given the opportunity for more flexible use of the Disabled Facilities Capital grant which will allow maximum value to be extracted from the funding.</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase: £500k of funds reallocated from Disabled Facilities Grant allocation</li> </ul>		
	<b>Funding</b>	Disabled Facilities Grant	
	<b>Procurement</b>	i. The provision of equipment and / or works will continue to be procured through the existing corporate contract.	
	<p><b>Telecare/Fire Alarm Equipment (Disabled Facilities Private Sector Housing)</b></p> <p><b>Scheme description</b></p> <ul style="list-style-type: none"> <li>Telecare/smoke alarm equipment is an essential element of keeping people safe and well in their own homes allowing them to live independently with a safety net for if/when they need urgent assistance.</li> </ul> <p><b>What are the objectives?</b></p> <ul style="list-style-type: none"> <li>People living independently as possible and remaining safely in their own homes.</li> </ul>		250

Page 60	<p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Reduced hospital admissions. Earlier hospital discharges. Less demand for formal care services. Increased independence and wellbeing.</li> </ul> <p><b>How will this be achieved?</b></p> <ul style="list-style-type: none"> <li>Installation of telecare/smoke alarm equipment which will assist people to live safely at home and generate alerts for assistance when needed.</li> </ul> <p><b>Delivery</b></p> <ul style="list-style-type: none"> <li>The project will be delivered by SCC 'City Wide Care Alarms' Service. Referrals to CWCA are made by a range of assessing staff, including Care Managers, GPs, Hospital staff, Support Workers, Independent Living Projects and Trusted Assessors. Simple equipment such as lifelines can be installed by CWCA technicians and support workers. Smoke alarms and more complex telecare equipment are installed by CWCA technicians.</li> </ul> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>Changes to the Private Sector Housing Assistance Policy have given the opportunity for more flexible use of the Disabled Facilities Capital grant which will allow maximum value to be extracted from the funding.</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase: £250k of funds reallocated from Disabled Facilities Grants allocation</li> </ul>		
	<b>Funding</b>	Disabled Facilities Grant	
	<b>Procurement</b>	i. Call handling services and telecare equipment will continue to be procured through the existing corporate contracts.	
	<p><b>Minor Works (Disabled Facilities Private Sector Housing)</b></p> <p><b>Scheme description</b></p> <ul style="list-style-type: none"> <li>To provide minor adaptations for clients within their home environment and this enables them to remain safe and well in their own homes for longer. Carrying out this type of work can help relieve pressure on public services by enabling people to be at home for longer.</li> </ul> <p><b>What are the objectives</b></p> <ul style="list-style-type: none"> <li>People remaining safely in own homes.</li> </ul> <p><b>What are the benefits</b></p> <ul style="list-style-type: none"> <li>Reduced hospital admissions / budget savings from more efficient care.</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Installation of equipment which will enable clients to live independently at home for longer.</li> </ul> <p><b>Delivery</b></p>		85



	<ul style="list-style-type: none"> <li>The project will be delivered by Adaptations Housing and Health.</li> </ul> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>Changes to the Private Sector Housing Assistance Policy have given the opportunity for more flexible use of the Disabled Facilities Capital grant which will allow maximum value to be extracted from the funding.</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase: £85k of funds reallocated from Disabled Facilities Grant allocation</li> </ul>			
	<table border="1"> <tr> <td data-bbox="170 539 322 603"><b>Funding</b></td> <td data-bbox="322 539 1998 603">Disabled Facilities Grant</td> </tr> </table>	<b>Funding</b>	Disabled Facilities Grant	
<b>Funding</b>	Disabled Facilities Grant			
	<table border="1"> <tr> <td data-bbox="170 603 555 667"><b>Procurement</b></td> <td data-bbox="555 603 1998 667">To continue with existing (procurement routes for 2019-20; quotes from local contractors)</td> </tr> </table>	<b>Procurement</b>	To continue with existing (procurement routes for 2019-20; quotes from local contractors)	
<b>Procurement</b>	To continue with existing (procurement routes for 2019-20; quotes from local contractors)			
<p>Page 61</p>	<p><b>97334 Disabled Grants</b></p> <p><b>Scheme description</b></p> <ul style="list-style-type: none"> <li>Mandatory Disabled Facilities Grants are means tested grants that are available to disabled people when works to adapt their home are judged as being 'necessary and appropriate' to meet their needs, and when it is 'reasonable and practicable' to carry them out having regard to the age and condition of the dwelling, as set out in the Housing Grants Construction and Regeneration Act 1996.</li> </ul> <p><b>What has changed?</b></p> <ul style="list-style-type: none"> <li>Following increases to the level of Disabled Facilities Grant funding from Central Government changes have been made to SCCs Private Sector Housing Assistance policy to facilitate the more flexible use of DFG funding to allow its use for the Redcross/Telecare and Minor Works Grants identified above.</li> <li>In addition further investment has been made in capacity to increase the throughput of mandatory Disabled Facilities Grants. As a result delivery of these grants is forecast to increase by £927k above the existing £1.8m budget to £2.8m.</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase of £927k</li> </ul> <p>These budget variations still leave the total Disabled Facilities Grant expenditure commitment below the total amount received in year.</p>	<p>927</p>		
	<table border="1"> <tr> <td data-bbox="170 1311 322 1372"><b>Funding</b></td> <td data-bbox="322 1311 1998 1372">Disabled Facilities Grant</td> </tr> </table>	<b>Funding</b>	Disabled Facilities Grant	
<b>Funding</b>	Disabled Facilities Grant			

	<b>Procurement</b>	i. Procurement will continue in line with the existing DFG process whereby grant recipients can directly select the contractor of their choosing to quote or through selecting from a list provided by the council of local contractors registered on Constructionline.						
<b>H</b>	<b>Essential compliance and maintenance</b>							
	New additions							
<b>Page 62</b>	<b>95619 Broomhill Library Boundary Wall (feasibility)</b> <b>Why do we need the project?</b> <ul style="list-style-type: none"> <li>The recently repaired boundary wall to Broomhill Library has collapsed. It forms a feature to the garden surrounding the library building, and in part acts as a retaining wall to adjacent neighbouring land in ownership of others.</li> <li>Leaving the wall in a state of disrepair significantly reduces the amenity of the garden and may contribute toward the erosion of adjacent neighbouring land.</li> </ul> <b>How are we going to achieve it?</b> <ul style="list-style-type: none"> <li>Repair the wall - Technical team to complete feasibility study:                             <ul style="list-style-type: none"> <li>£5k - for technical advice and procurement of localised excavation. SCC cannot commence until that has been completed. £1k for surveys.</li> </ul> </li> </ul> <b>What are the benefits?</b> <ul style="list-style-type: none"> <li>The repair will restore the amenity of the garden and retain adjacent neighbouring land.</li> <li>Objective: feasibility design and cost report.</li> </ul> <b>When will the project be completed?</b> To be confirmed from results of feasibility.						6	
	<b>Funding Source</b>	Capital receipts	<b>Amount</b>	£6,000	<b>Status</b>	Endorsed by Essential Compliance & Maintenance Group	<b>Approved</b>	

	<b>Procurement</b>	i. Feasibility delivered in-house by the Capital Delivery Service. ii. Surveys will be procured via quotation.	
Variations and reasons for change (please specify all that apply: budget increase / budget reduction / reprofiling / scope change / procurement)			
Page 63	<b>Health &amp; Safety Compliance (Corporate Estate) Block Allocation</b>		-124
	<b>Scheme description</b> Health & Safety fund for Essential Compliance & Maintenance health and safety related projects, to be drawn down and allocated to qualifying individual projects as required.		
	<b>What has changed?</b> £124k has been retrospectively drawn down to part fund Thornbridge Outdoor Centre FRA works added to the capital programme in the previous month.		
<b>Variation type:</b> - Budget decrease, resulting in all funds from this Q-Number being fully exhausted.			
<b>Budget:</b> -£124,118 to reduced allocation balance to £Nil.			
	<b>Funding</b>	Capital Receipts	
	<b>Procurement</b>	N/A	
<b>I</b>	<b>Heart of the City II</b>		
	New additions		
	None		
Variations and reasons for change (please specify all that apply: budget increase / budget reduction / reprofiling / scope change / procurement)			
	<b>Heart of the City 2 – Project Re-profiles</b>		19-20 -4,902
	<b>Scheme description</b>		20-21 +2,727
	Heart of the City 2 seeks to transform Sheffield city centre with an improved retail, working, leisure and living environment. Cabinet Approval in March		

Page 64	<p>2018 was for a phased delivery approach.</p> <p><b>What has changed?</b></p> <p>In previous months a number of HOCII budgets have been re-aligned to reflect the new approach of block by block delivery and the latest delivery programme for those blocks, this will be an evolving process as blocks are considered in more detail with regard to the specific uses, market interest etc. and when more detailed cost plans become available as blocks come forward and designs progress.</p> <p>Budget adjustments have been made to a further 2 HOCII budgets with a total net nil effect over the life of the projects. All projects are fully funded from Prudential Borrowing.</p>						21-22 +2,175																																			
	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">Budget Movement (000)</th> <th></th> </tr> <tr> <th colspan="2"></th> <th>Approved Budget (000)</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>Total Variance</th> </tr> </thead> <tbody> <tr> <td>94058</td> <td>Block B Laycock House New Build</td> <td style="text-align: right;">16,116</td> <td style="text-align: right;">-2,150</td> <td style="text-align: right;">983</td> <td style="text-align: right;">1,167</td> <td style="text-align: right;">0</td> </tr> <tr> <td>94060</td> <td>Block c Pepper Pot Building</td> <td style="text-align: right;">17,240</td> <td style="text-align: right;">-2,752</td> <td style="text-align: right;">1,744</td> <td style="text-align: right;">1,008</td> <td style="text-align: right;">0</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right; border-top: 1px solid black;">33,356</td> <td style="text-align: right; border-top: 1px solid black;">-4,902</td> <td style="text-align: right; border-top: 1px solid black;">2,727</td> <td style="text-align: right; border-top: 1px solid black;">2,175</td> <td style="text-align: right; border-top: 1px solid black;">0</td> </tr> </tbody> </table>								Budget Movement (000)							Approved Budget (000)	2019-20	2020-21	2021-22	Total Variance	94058	Block B Laycock House New Build	16,116	-2,150	983	1,167	0	94060	Block c Pepper Pot Building	17,240	-2,752	1,744	1,008	0			33,356	-4,902	2,727	2,175	0	
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<b>Funding</b>		Prudential Borrowing																																								
<b>Procurement</b>		N/A																																								

	<p><b>What has changed?</b></p> <p>The budget has been increased by £461k to cover additional acquisition costs from this pre-construction stage budget. Initially these costs were expected to be incurred at a later stage in the scheme (at the beginning of the construction phase) however there has been an opportunity to reach an agreement to acquire earlier in the process, which will avoid the need for a lengthy compulsory purchase order process. So whilst there is a budget increase at this stage it will be offset by a reduction in the already approved construction phase budget when it is released.</p> <p>The increase is funded Prudential Borrowing from the bulk allocation of £62.5M approved for HOCII</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>[budget increase]</li> </ul>		
	<b>Funding</b>	Prudential Borrowing	
	<b>Procurement</b>	N/A	
Page 65	<p><b>Heart of the City 2 [HOCII] Block Allocation</b></p> <p><b>Scheme description</b></p> <p>In June 2019, Cabinet approved a block allocation of £62.5m Prudential Borrowing for blocks H2 &amp; H3 for the following:-</p> <ul style="list-style-type: none"> <li>New retail, leisure and office provision.</li> <li>The procurement will be for both blocks but will include two distinct phases so that the pre let office building can be accelerated as required to meet the agreed tenant programme.</li> </ul> <p><b>What has changed?</b></p> <p>The block allocation has been reduced by £461k Block H Henrys Block – see entry above</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>[budget decrease]</li> </ul>		-461
	<b>Funding</b>	Prudential Borrowing	
	<b>Procurement</b>	N/A	

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	Scheme name / business unit / summary description of key terms	Recipient	Value £'000
<b>A</b>	<b>Economic growth</b>		
	None		
<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>		
	<b>Nurture Accommodation</b> As set out in Appendix 1 section G, the use of alternative nurture based provision has been recognised as instrumental in supporting some children to	To be confirmed as properties identified	Up to 25

	<p>access support to aid their learning in a mainstream setting and there is an appetite for the number of such provision to increase.</p> <p>In order to provide suitable facilities it will be necessary for the Council to consider a range of locations and options for procurement of the necessary works. For some of the nurture hubs the most appropriate and best value option may be to grant fund the owner of the facility that will host the nurture hub in order to facilitate the procurement of works to develop/improve/create facilities for a nurture hub.</p> <p><b>Financial and Commercial Implications</b></p> <p>Any/all such proposed grants will be for less than £25,000 and the grant agreement will require the grant funds to be used for completion of an agreed set of works, in compliance with any planning permissions or other approvals. Changes to the agreed works will not be permitted without the consent of the Council.</p> <p>The Grant Recipient will also agree to:</p> <ol style="list-style-type: none"> <li>1. use suitably experienced and qualified contractors and ensure that value for money and Best Value are achieved at all times;</li> <li>2. comply with all applicable laws and guidance including any guidance issued by the Council;</li> <li>3. keep full and proper records, including accounts, and to make those records available or provide other monitoring information/access to the works as required by the Council; and</li> <li>4. maintain adequate insurance both in terms of the carrying out of the works and in relation to any capital assets purchased with the grant</li> </ol>		
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	<p>funding;</p> <p>The Grant Agreement will allow the Council to require the grant to be repaid where, for example, the Grant Recipient fails to comply with the Agreement, does not commence work within a set timeframe, or seeks to sell or relinquish the premises after completion of the work.</p> <p><b>Legal Implications</b></p> <p>Sections 13(1) and 14 of the Education Act 1996 (EA 1996) place an obligation on Local Authorities to secure that efficient primary and secondary education are available to meet the demands of the population of their area.</p> <p>Where the nurture hubs are sited in schools or academies provision of the grant is facilitated by sections 16 and 18 of the EA 1996 which permit a Local Authority to assist any school that is not maintained by them and allow Local Authorities to make arrangements for the provision of education for pupils at schools not maintained by them or by any other Local Authority.</p> <p>Where the nurture hubs are sited in other facilities the Council has a general power of competence under Part 1 of the Localism Act 2011 that allows it to do anything that an individual may do (subject to any specific statutory restriction; none of which apply in this case). This power would facilitate the giving of a grant in order to enable suitable facilities to be provided to support the education of children and young people in the City.</p>		
<b>H</b>	<b>Essential compliance and maintenance</b>		
	None		

I	Heart of the City II		
	None		



**Author/Lead Officer of Report:** Leah Barratt

**Tel:** 2734767

**Report of:** *John Doyle, Deputy Executive Director*

**Report to:** *Cabinet*

**Date of Decision:** *9 October 2019*

**Subject:** *Re-tender of the School Catering Contract 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2025*

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>People</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 checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <b>590 (Attached)</b>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

**Purpose of Report:**

- This report seeks approval for procuring a new school catering contract from 1<sup>st</sup> August 2020 for 5 years ("**New School Catering Contract**"). The Council will enter into the New Catering Contract on behalf of the participating schools.

## Recommendations:

That the Cabinet:

1. acknowledges that the Council has procured a school catering contract on behalf of schools since 2001; and the existing school catering contract has commenced since August 2011 with 107 schools participating ("**Existing School Catering Contract**");
2. acknowledges that the Existing School Catering Contract is due to expire after its extension period by the end of July 2020; and agrees that the Council will continue procuring a school catering contract on behalf of participating schools who have elected to join the school catering service from August 2020 ("**Participating Schools**");
3. approves that the Council will re-tender the school catering service from 1 August 2020 to 31 July 2025 ("**New School Catering Contract**") with an option to extend for a period of 24 months if agreed between the Council and the Contractor. Each period will be at the sole discretion of the Council following consultation with the applicable Schools.
4. delegates authority to the Executive Director of People Services in consultation with the Cabinet Member for Education and Skills, the Director of Finance and Commercial Services and the Director of Legal and Governance,
  - i. To approve the procurement strategy of re-tendering the new School Catering Contract from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2025 in line with this report unless paragraph 5.3 in Schedule 2 of the Leader's Scheme of Delegation applies;
  - ii. To negotiate terms and conditions with the contractor and to award the contract in line with this report unless paragraph 5.3 in Schedule 2 of the Leader's Scheme of Delegation applies;
  - iii. To approve of a risk sharing approach that sees both contractor and the Council (acting on behalf of schools) managing the service jointly and which minimises risks for individual schools;
  - iv. To take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report; and
  - v. To advise all Participating Schools under the terms and conditions as he sees fit after consulting with the Director of Legal Services and the Director of Finance and Commercial Services. Such agreement shall:

- allow any Participating Schools to withdraw from their commitment to the new School Catering Contract at the end of year 3 of the contract period; and
- To acknowledge a single contract arrangement:
  - where schools elect to join and agree to pool their respective resources,
  - where schools receive the service that they need when they need it,
  - that is legally binding on all participating schools
  - that is not a series of separate, individual service level agreements

**Background Papers:**  
*(Insert details of any background papers used in the compilation of the report.)*  
**N/A**

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>(Insert name of officer consulted)</i> <b>Liz Gough/Helen Damon</b>
	Legal: <i>(Insert name of officer consulted)</i> <b>Rachel Ma</b>
	Equalities: <i>(Insert name of officer consulted)</i> <b>Bashir Khan</b>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>John Doyle</i>
3	<b>Cabinet Member consulted:</b> <i>Cllr Abtisam Mohammed</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>Leah Barratt</i>
	<b>Job Title:</b> <i>Service Manager, School Food Service</i>
<b>Date:</b> <i>[the date on which you have got all of the above signed off]</i>	

## 1. PROPOSAL

The Council has procured 3 previous school catering contracts on behalf of schools electing to receive the school catering service since 2001.

The Existing School Catering Contract commenced from 1st August 2011 and will run until the end of July 2020 (including extension period).

Re-tendering is considered by the responsible Officers as an appropriate legal option so that the Council will have a chance to review and update the existing contractual terms; and also to engage a contractor who can provide the best value and good quality of catering services to all Participating Schools.

The proposed New School Catering Contract will operate as follows:

- a single contract arrangement will be used and the Council will enter into the Contract on behalf of all Participating Schools who have the statutory duty to deliver a school meals service to their pupils or who have chosen to receive the school catering service under the New School Catering Contract;
- the New School Catering Contract will run from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2025 (inclusive) with an operation to extend up to 24 months;
- all Participating Schools may be entitled to terminate their catering service at the end of the 3<sup>rd</sup> year of the New School Catering Contract;
- both the Council (acting on behalf of schools) and the contractor will manage the service jointly in order to minimise risks for individual schools.

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

In line with its aims to promote a vibrant, sustainable and strong economy, the Council will procure a citywide large catering contract on behalf of schools. By doing so:

- a significant number of pupils (approximately 22,000 meals a day, eat a school meal that meets the high standards set by national and local government;
- the Council can influence the contract specification and delivery and thereby bring public health and wellbeing strategies into the service;
- it also shows support for all the city's children and young people whether they attend a locally maintained school or an academy.

By procuring a strategically important school meals contract, economies of scale can be achieved but also a diverse delivery model that is flexible enough to be aligned with individual school's needs. The service can provide for a range of medical diets and religious requirements as well as providing a wide choice of foods.

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

- 3.1** The citywide contract approach was designed by Headteachers in 2000/2001. The basis for the service design is that each school benefits from the economies of scale by pooling their resources so that they receive the service that they need when they need it. Headteachers also wanted one charge made annually, rather than a Service Level Agreement approach which would see each school acting independently of each other. To deliver the service this way would inhibit and in some cases prevent responses to individual problems being resolved in a timely manner or slow any necessary developments to a school's service as it would be dependent on schools contributing further funds during the school year.
- 3.2** A series of meetings were held by the Client Manager with 25% of schools in the Existing School Catering Contract during the Autumn term in 2017. Schools were in favour of continuing with a new contract, procured by the Council on their behalf. Then initial discussion was carried out with the Cabinet Member and her deputy about re-tendering the contract along with an overview of the whole service during 2018.
- 3.3** A survey was conducted in October-November 2018 by the School Food Service to gauge Headteachers views on the current service, their

priorities for a food provision and whether they wanted to join a centrally procured contract. They were also asked how they wanted to be consulted – as an individual school, in their multi academy trust group or by locality meeting. The summary of the survey is attached as Appendix A. The majority of schools want to join a group school catering contract organised by the council on their behalf.

- 3.4** Following the survey, a wide ranging consultation with schools began in December 2018 through locality meetings with Headteachers. This has been followed up by individual meetings with schools and Business Managers. These are continuing until September 2019.
- 3.5** There was also a ‘soft market testing’ exercise on the 5<sup>th</sup> June 2019 where individual companies were invited into a formalised scoping discussion to find out about current market trends and difficulties. The results of this are being built into the tender specification. One such area is the development of environmentally friendly packaging and the treatment of waste food. Any national and local sustainability priorities are clearly being developed in the education catering industry as a whole, so it is right that these recent initiatives stemming from consumers be built into any school catering specification.
- 3.6** Written communication has gone out to all schools – to Headteachers, Business Managers and Chairs of Governors – which sets out the procurement timeline and the objectives as well as asking schools to tell us what their particular requirements are. The deadline for school decisions to be returned is 22<sup>nd</sup> October 2019 at the latest.

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

### **4.1 Equality of Food Provision**

All children and young people in Participating Schools must have their legal needs met, i.e. free school meals that also entitle a primary pupil to free milk. The New School Catering Contract is open to all schools and academies with the exception of PFI schools that are managed under a facilities management contract. Children with medical dietary needs are catered for and menu planning takes into account the statutory 14 allergens<sup>1</sup> as required by the Food Labelling Regulations 2016. Religious requirements can also be catered for when requested by schools, and in line with council policies, such as stunned meat. This ensures that there is an inclusive service that represents the diverse nature of the city. There is a hot, nutritious meal available for all pupils who request one in line with the legal and equality requirements.

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<sup>1</sup> Celery, cereals containing gluten (spelt, rye, barley, oats), crustaceans (prawns, crabs and lobsters), eggs, fish, lupin, milk, molluscs (mussels and oysters), mustard, tree nuts (including almonds, hazelnuts, walnuts, brazil nuts, cashews, pecans, pistachios and macadamia nuts), peanuts, sesame seeds, soybeans, sulphur dioxide and sulphites (if they are at a concentration of more than ten parts per million)



#### A Shared Risk Approach

4.2

The single contractual arrangement works for schools as the Council and the contractor will share the risks of the service management. The School Food Service manages the kitchens and equipment on behalf of schools, ensuring that the kitchen environment is managed, adhering to all health and safety legislation and is accessible at all times. This ensures that the catering contractor can fulfil their contract obligations to serve hot, nutritious food to all pupils who want a meal throughout the school year.

A key part of the compliance of the Contract is for the School Food team to audit the catering contractor's service against all appropriate legislation. This includes checking details of suppliers in particular the traceability and certification of meat, involving Trading Standards and the Public Analyst as required.

The catering contractor ensures that the schools' statutory duty is delivered every day, by bringing with them the specialist and professional knowledge of the school meals service. They are responsible for the staff, and their on-going training so they can meet the food safety and hygiene regulations as well as the national and local school food standards.

By this arrangement, school leaders can concentrate on teaching and learning, rather than managing the various aspects of running a high risk and legislatively challenging service.

#### 4.3 Financial and Commercial Implications

The New School Catering Contract is tendered on behalf of schools that have elected to join the council's contract. It is funded entirely by schools via the Dedicated Schools Grant as a subscription charge, organised and managed by the Peoples' Business Strategy teams. Other funding streams are via an external grant made by the Department For Education to schools i.e. universal infant free meals.

The New School Catering Contract is for five years as a minimum to attract the right contractor who will work in partnership with the Council and all Participating Schools. However, Participating Schools will be entitled to terminate the service through the Council at the end of year 3 should they wish.

The current value of the contract is £8.5m per year.

#### 4.4 Legal Implications

The legal responsibility for the provision of school meals transferred to the governing bodies of schools with the delegation of school meals

funding as a consequence of the School Standards and Framework Act 1998.

The provision of free school meals by maintained schools, academies and free schools to pupils of all ages that meet the criteria is a statutory provision within the Education Act 1996 (as amended) and the Children and Families Act 2014. Each school governing body has a duty to provide free lunches for eligible pupils and the opportunity for other pupils to buy a lunch each day.

The current school catering contract will expire on 31st July 2020.

The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. The arrangement for the existing school catering service by the Council (acting on behalf of schools) has proven to be a good way to help schools maximise their economies of scale and access to the most economical but high quality catering service.

Under the Public Contracts Regulations 2015 (“PCR”) catering services are a ‘light touch’ service as set out in regulations 74 to 77 of PCR and is not subject to full rigour of PCR. However, it is essential for the Council to fulfil transparency duties under the PCR in the procurement of the New School Catering Contract.

In the meantime, the Officers responsible for the procurement of school catering services shall also ensure that they comply with the Council’s Contracts Standing Orders.

The Council will enter into the New School Catering Contract on behalf of Participating Schools. To mitigate the Council's risks and avoid lengthy contract negotiation, all Participating Schools will be given a document that confirms their participation in the new school catering service arrangement by the Council. All Participating Schools must return their signed proforma that confirmed their decision to participate. It will clarify their role

- in helping to deliver the catering service, namely that they will use their best endeavours to assist the Council to comply with the terms and conditions under the New School Catering Contract, and that they will make payment of the relevant contract fees on time;
- The document will confirm the position that it is not an individual Service Level Agreement. Schools effectively pool resources to ensure that they get the service they need. This includes the management of the kitchen premises which is done by procuring two specialist contractors to cover all commercial gas and electrical equipment and all air-handling units i.e. ventilation and extraction systems. All health and safety requirements are met and ensure that the statutory duty of schools is discharged consistently and safely.

If the school becomes an academy during the term of the New School Catering Contract, the relevant academy will be required to take responsibility for what the school has agreed to participate in the New School Catering Contract unless it is otherwise agreed by the Council and the contractor.

#### 4.5 Staffing and Human Resources

There are no implications for staffing as the current contractors on site teams would transfer to a new contractor under TUPE arrangements.

#### 4.6 Property

There are no implications for property as all equipment and kitchen premises are managed on school's behalf and the contractor has the right to occupy free of charge while they are invited in to provide the service.

#### 4.7 Public Health

The contractor will work with the Council to further any public health initiatives either locally or nationally.

#### 4.8 Environmental Sustainability

The contractor will work with the Council on any environmental and sustainability initiatives that have been adopted, including the reduction or elimination of single use plastics as far as possible. This is an area of development in terms of the type and use of plastics that suppliers to the catering industry are actively reviewing and implementing. Recycling and re-using waste food will also be a feature of the New School Catering Contract.

#### 4.9 Ethical Procurement

The Council has recently agreed an ethical procurement framework which will be adopted as part of this contract. It will enable the Council on behalf of schools to:

- maximise the Council's ability to use its discretion to apply ethical standards to behaviour throughout the supply chain
- to increase the social value and benefits for local people and businesses

The Council expects all internal staff, partners and suppliers to work to these standards which assure we will:

- trade with those who comply with an Ethical Code of Conduct
- exclude suppliers committing acts of Grave Misconduct
- improve Social Outcomes for the citizens of Sheffield
- increase the power of procurement and its Local economic impact

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

There are two alternative options but neither is advantageous to the council and schools and carries significant risks:

- 5.1 Insource the service** – for the Council to be able to manage the service directly there would need to be changes to the structure within the portfolio. This change will need to be agreed with the schools. Statutory responsibility for delivering school meals rests with the governing bodies and they may choose to put alternative arrangements in place. The service has been delivered via private sector education catering specialists for 18 years and the level of training and expertise to manage a city wide service would need to be acquired. As this is a school's contract and not all schools join it, it would be hard to see what benefits there would be to the Council for funding such a change. All the costs of the service are funded by the schools that elect to join it – the Council does not fund any aspect of the service to schools. This option is therefore not recommended.

**5.2 Not offer a service to schools** – this would effectively mean that schools would have to manage the provision of a catering service directly or procure their own contracts. Both options may detract from their core purpose of teaching and learning. There may be increased costs for schools with this option due to them having to buy in expertise on due diligence checks for food safety, food labelling (e.g. 14 statutory allergens), traceability as well as managing catering teams, and procurement activities. Smaller primary and special schools would be disproportionately disadvantaged as they do not have the capacity in their administrative teams. This option is therefore not recommended

## **6. REASONS FOR RECOMMENDATIONS**

The majority of schools wish the Council to procure a catering contract on their behalf. Schools pay for the services of a contractor, a client team and all procurement costs from their individual budgets. There is no specific council funding in the delivery of the contract.

The Council benefits by having public health initiatives built into the specification.

All risks associated with large scale catering both food and finance related are contained and managed by the contractor and the client team, using expertise from within the council's Resources teams i.e. legal, commercial and financial.

## **7 RECOMMENDATIONS**

Many schools and academies do not want to directly manage catering in their schools and the single contract method is one that has been proved through consultation to be their preferred option.

Re-tendering the School Catering Contract will ensure that a high quality, value for money service can be achieved for schools. The professional expertise to manage a large scale catering activity, heavy with regulation, is assured and schools statutory duty is delivered.

The outcomes for schools are also one of flexibility in how the service is delivered in their schools, meeting the needs of their community. The Council also gains by being able to guide and influence service delivery in relation to public health initiatives and wider city priorities, such as climate change.

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Equality Impact Assessment ▶ EIAs: Re-tender of the School Catering Contract 1st August 2020 to 31st July 2025



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Tags & Notes

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## Equality Impact Assessment and Consultation

Approved

Approved by Khan Bashir (CYPD)

## Equality Impact Assessment

### Introductory Information

#### Reference number

590

#### Proposal type

Budget  Project

#### Project name

Re-tender of the School Catering Contract 1st August 2020 to 31st July 2025

### 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

Mohamed Abtisam (LAB-CLLR)

#### Entered on Q Tier

Yes  No

#### Year(s)

#### EIA date

17/06/2019

#### EIA lead

Khan Bashir (CYPD)

#### EIA contact

Barratt Leah

#### Lead officer

Sheikh Mark

#### Lead Corporate Plan priority

Better Health and Wellbeing

## Portfolio, Service and Team

### Cross Portfolio

Yes  No

### Portfolio

People Services

#### People Services service(s)

Business Strategy

#### People Services team(s)

School Food Service

### 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

To provide a high quality, group catering contract for schools commencing 1st August 2020 to 31st July 2025.

The provision of the contract ensures that schools' statutory duty of a midday meal is discharged for all pupils, including those who qualify for income based free school meals.

The contract is available to all schools and academies which helps support teaching and learning of the majority of the pupils in the city.

As part of the tender process, there will be a new policy released as part of the overall suite of documents - the Council's Ethical Procurement Policy.

## 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)

An equality analysis of the proposed contract has been carried out against the requirements of the Public Sector Equality Duty.

An EIA has been carried out and highlights that the contract from 1st August 2020 to 31st July 2025 will ensure that schools' meet their statutory duty of a midday meal for all pupils.

It is highlighted that for many children, a hot nutritional lunchtime meal is crucial as many children do not have a hot meal in the evening. National data as well as local anecdotal evidence suggests that this is on the increase in recent years.

The contract provides for medical diets for allergies and intolerances as well as Halal (and Kosher) on demand in line with the relevant Standards.

The provision of the contract ensures that schools' statutory duty of a midday meal for all pupils is discharged, including those who qualify for income based free school meals. The contract is available to all schools and academies which helps support teaching and learning of the majority of the pupils in the city. As part of the tender process, the Council's new Ethical Procurement Policy will be released as part of the overall suite of documents.



**Impacts**

Proposal has an impact on

**Health**

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

**Customers**

Yes  No

**Impact**

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

The service to the pupils must meet high quality standards and have a level of accreditation ie Food For Life Bronze level, Red Tractor meat and poultry, and Marine Stewardship Certification for fish. There is a wide choice of foods available, freshly cooked each day on site that meets the robust legally binding national School Food Standards as well as the Sheffield Catering Contract standards.

For many children the availability of a hot, nutritional meal at lunchtime is crucial as many children do not have a hot meal in the evening. National data as well as local anecdotal evidence suggests that this is on the increase in recent years.

It ensures that children from nursery age through to post 16 have access to calorie dense foods, rich in nutrients suited to their growth development.

The contract also allows for breakfast clubs and after school clubs to be provided that also support children and young people in helping them be ready for the start of the school day as well as food later in the day.

**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

**Customers**

Yes  No

**Impact**

Positive  Neutral  Negative

#### Level

None  Low  Medium  High

#### Details of impact

The provision of a school catering contract is available to nurseries, children centres, primary and secondary schools and academies which effectively gives a service from 2 years to 19 years.

Although we do not have hard data locally, national data as well as local anecdotal evidence suggests that there is an increase in recent years of the numbers of children for whom the availability of a hot, nutritional meal at lunchtime is crucial as many children do not have a hot meal in the evening. The lunchtime meals provided in school ensure that children from nursery age through to post 16 have access to calorie dense foods, rich in nutrients suited to their growth development.

The contract also allows for breakfast clubs and after school clubs to be provided that also support children and young people in helping them be ready for the start of the school day as well as food later in the day.

### Disability

#### Staff

Yes  No

#### Customers

Yes  No

#### Impact

Positive  Neutral  Negative

#### Level

None  Low  Medium  High

#### Details of impact

The school catering contract is available to special schools and mainstream schools for pupils with specific medical needs.

It also provides medical diets for allergies and intolerances in accordance with the EU Directive on 14 statutory allergens.

### Religion/Belief

#### Staff

Yes  No

#### Customers

Yes  No

#### Impact

Positive  Neutral  Negative

#### Level

None  Low  Medium  High

#### Details of impact

Halal meat is available in any school where there is sufficient demand for it.

In addition, there is an option for any pupil to choose a meal prepared using Halal meat, if that is their preference. This is rigorously monitored to ensure that Halal meals are only given to 1) those pupils who are religiously required to have Halal meat and 2) Who choose to have Halal meat.

Where there is sufficient demand, Kosher meat can be made available along the same arrangements as Halal, although there has to date not been any request for Kosher meals.

## Cohesion

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

Most of the catering personnel are locally recruited from and serve their own communities.

### Customers

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

Halal meat is available in any school where there is sufficient demand for it. There is an option for any pupil to choose a meal prepared using Halal meat, if that is their preference. This is rigorously monitored to ensure that Halal meals are only given to 1) those pupils who are religiously required to have Halal meat and 2) Who choose to have Halal meat. Where there is sufficient demand, Kosher meat can be made available along the same arrangements as Halal, although there has to date not been any request for Kosher meals.

The Council's Policy is that all Halal meat is pre-stunned. This is aligned to the Red Tractor accreditation. On occasion, pre stunning of the animal is challenged as a practice. However, many of the Halal certification bodies endorse pre stunning and 85% of all halal meat in the UK is from stunned animals according to the last RSPCA survey and other data.

The School Food Service offers to meet with parents and schools in order to talk through the policy prior to halal meat being introduced onto menus.

## Poverty & Financial Inclusion

### Staff

Yes  No

### Impact

Positive  Neutral  Negative

### Level

None  Low  Medium  High

### Details of impact

Many of the catering staff are on part time term time contracts and are amongst the lowest earners. The Foundation Living Wage was introduced into the contract terms and conditions in 2014, as well as a proportional differentiation for other staff who are above the Foundation Living Wage to help support these employees.

### Customers

Yes  No

### Impact

Positive  Neutral  Negative

**Level**

None  Low  Medium  High

**Details of impact**

The contract must provide for those children who qualify for free school meals due to their parents income and/or benefit level. It also provides for infant free school meals so that the youngest children have access to a daily nutritious meal that supports their physical and educational development, irrespective of family income levels.

The tender documents will specifically ask tenderers to put forward how they will address poverty and food insecurity in schools as part of their corporate responsibilities and suggest sustainable initiatives that support children and young people throughout the school day.

Staff High Customers High

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

**Cumulative impact**

- Year on Year  
 Across a Community of identity/interest

**Details of cumulative impact**

The contract is designed to be flexible and bespoke to schools as far as possible. It must be able to respond to changes in school food or other relevant legislation brought about by Departments of Education and Health. The contract charge is negotiated and agreed on an annual basis and prices to all parents and students in secondary schools are reviewed to mitigate against any price increases that would affect some families more than others. Currently, 67% of all primary meals are provided free of charge, with the remaining 33% affected by any annual increases.

**Proposal has geographical impact across Sheffield**

Yes  No

**Local Partnership Area(s) impacted**

All  Specific

**Action Plan and Supporting Evidence****Action plan**

Group or issue	What action is required?	Who will lead?	V t i
<b>Health</b>	A food service that meets all current legal standards and can incorporate any changes to government legislation. The menus must be delivered to agreed standards e.g. Food For Life Bronze Level, Red Tractor and MSC[1] fish accredited which ensure a high quality ingredients and limited pre-prepared or processed food. Trading Standards carry out an annual round of testing – fat /meat ratio and species testing – that confirms the quality of meat and milk. Regular auditing of school menus and ransom spot checks at schools assist in maintaining a healthy and nutritious meal offer.	Leah Barratt Service Manager and Client Lead	C u p r e
<b>Age</b>	A daily meal service must be available to children in nursery, primary and secondary schools and academies and be age appropriate ie for nursery children, foods need to take into account their ability to chew and be mindful of their knife and fork skills. Menus must ensure that they are calorie dense to give the correct energy release and ensure the correct vitamins and mineral are available, such as calcium and iron, which is particularly appropriate for teenage pupils.	Leah Barratt Service Manager and Client Lead	T C u p r e
<b>Disability</b>	Specific and bespoke menus for special schools Medical diets are available on the provision of medical evidence.	Leah Barratt Service Manager and Client Lead	C u p r e
<b>Religion</b>	Halal meat is included in menus following a school request if there is a demand from parents. The kitchen premises are reviewed before implementation of a halal menu to ensure that no cross contamination can occur. The contractor's staff must have training on how to deliver a halal menu that highlights the religious significance of the meat or poultry and its safe handling.	Leah Barratt Service Manager and Client Lead	C u p r e
<b>Cohesion</b>	Clear policies for the introduction of halal meals, with suitable vegetarian options. Local staff employed in kitchens can assist schools in addressing any concerns regarding the menus.	Leah Barratt Service Manager and Client Lead	C u p r e
<b>Poverty</b>	Provision of free school meals each day while schools are in session to the level agreed by the council; Discussion and agreement with the contractor on annual charges in order to keep the prices as low and as stable as possible; Individual Corporate Social Responsibility initiatives in conjunction with schools to alleviate poverty or food insecurity. The Foundation Living Wage is incorporated into the terms and conditions of the workforce.	Leah Barratt Service Manager and Client Lead  School leaders for site specific plans	T C u p r e

[1] MSC fish = Marine Stewardship Counsel

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

**Consultation****Consultation required**

Yes  No

**Consultation start date**

03/12/2018

**Consultation end date**

19/07/2019

**Details of consultation**

Locality meetings have been attended that cover all schools and academies as well as specific individual meetings with groups of school staff and individual headteachers. Written communications have been sent out to all schools. There was also a survey of schools views carried out in the Autumn Term 2018 asking for their opinions on future arrangements.

**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**

**Summary of overall impact****Summary of overall impact**

The contract from 1st August 2020 to 31st July 2025 will ensure that schools' statutory duty of a midday meal for all pupils is discharged and includes those who qualify for income based free school meals. The contract has to meet national quality and accreditation standards and is available to all schools and academies.

For many children the availability of a hot, nutritional meal at lunchtime is crucial as many children do not have a hot meal in the evening. National data as well as local anecdotal evidence suggests that this is on the increase in recent years.

It also provides medical diets for allergies and intolerances in accordance with the EU Directive on 14 statutory allergens.

Halal meat is available in any school where there is sufficient demand for it as is Kosher meat, although there has to date not been any request for Kosher meals. The Council's Policy is that all Halal meat is pre-stunned and there are a range of processes and dialogue prior to introduction.

It is recognised that many of the catering staff are on part time term time contracts and are amongst the lowest earners.

The tender documents will specifically ask tenderers to put forward how they will address

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

Meeting new food standards as and when they change. Menus to be planned for schools so that choices can be altered in accordance to age, disability, religion and poverty.

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

Yes  No

If there is a high impact this EIA will be escalated to Adele Robinson for corporate consideration

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

High  Medium  Low  None

**Review date**

**Review date**

26/02/2021

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

Approved

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**Author/Lead Officer of Report:** *Liz McGrael*  
*ICES Commissioning Officer*

**Tel:** 0114 2052926

**Report of:** Sara Storey - Interim Director of Adult Social Care

**Report to:** Cabinet

**Date of Decision:** 9<sup>th</sup> October 2019

**Subject:** *Integrated Community Equipment Service (ICES)*

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"/>	
<p>Which Cabinet Member Portfolio does this relate to? <b>People Portfolio</b>  <b>Cabinet Member for Health and Social Care : Cllr Lindars-Hammond</b>  <b>Cabinet Member for Children, Families and All Age Disability: Cllr Drayton</b></p> <p>Which Scrutiny and Policy Development Committee does this relate to? <b>Healthier Communities and Adult Social Care</b></p>		
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? Ref: 628		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>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> <p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

**Purpose of Report:**

The purpose of this report is to seek approval from Cabinet to commission a redesigned Integrated Community Equipment Service (ICES). In order to do this we would also like to seek approval from Cabinet to award the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services) the authority to take the necessary steps to award the contract and implement the procurement strategy for the redesigned equipment service and for the Director of Adult Services (People Services) in consultation with the Director of Finance and Commercial Services to review and agree the pooled budget arrangements for the new service with the Sheffield Clinical Commissioning Group.

The Integrated Community Equipment Service is primarily a logistical operation currently provided by the British Red Cross. The service focuses on the supply, delivery and installation of aids and adaptations into the community. The provision of equipment at the right time and in the right way can enable the person to remain independent and active in their community for longer. Furthermore, the provision of equipment contributes to the city-wide health and social care agenda by supporting the reduction in unplanned hospital admissions and facilitating a timely hospital discharge.

The contract for the Integrated Community Equipment Service ends in June 2020 and we need a replacement arrangement to meet our statutory duties. Over the life of the current contract we have seen a significant increase in demand on the service and an increased need for more equipment to be provided urgently. Therefore, a refresh of the ICES scope and specification has been completed to ensure that the service is able to achieve better outcomes for local people and offer good value for money. The intention of Stakeholders is to require a stronger element of provider expertise in the future contract; which will bring enhanced support to commissioners and prescribers and deliver an improved service which will better meets the needs of the community served.

**Recommendations:**

Cabinet is recommended to:

1. Approve the re-commissioning of the Integrated Community Equipment Service and delegate authority to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services) to determine the appropriate procurement strategy for the provision for a redesigned Integrated Community Equipment Service.
2. Delegate authority to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance and the Head of Commissioning (People Services) to award the contract for the Integrated Community Equipment Service in accordance with the procurement strategy. The award of the contract will follow a procurement exercise and conform to Council's Contract Standing Orders (CSOs).
3. Delegate authority to the Director of Adult Services (People Services) in consultation with the Director of Finance and Commercial Services to review and agree the pooled budget arrangements for the new service with the Sheffield Clinical Commissioning Group (CCG) under the Section 75 Agreement. The process for the review will need to be agreed by both parties over the coming month.

**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: <i>(Insert name of officer consulted)</i> <b>Hayley Ashforth</b> Commercial Services <i>(Insert name of officer consulted)</i> <b>Sian Holmes</b> <b>Andrew Turpin</b>
		Legal: <i>(Insert name of officer consulted)</i> <b>David Cutting</b>
		Equalities: <i>(Insert name of officer consulted)</i> <b>Ed Sexton</b>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>John Macilwraith</i>
3	<b>Cabinet Member consulted:</b>	Cllr George Lindars-Hammond: Cabinet Member for Health and Social Care and Cllr Jackie Drayton: Cabinet Member for Children, Families and All Age Disability
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>Liz McGrael</i>	<b>Job Title:</b> <i>Commissioning Officer (ICES)</i>
<b>Date:</b> 30 <sup>th</sup> September 2019		

## 1. PROPOSAL

- 1.1 The Integrated Community Equipment Service (ICES) is jointly commissioned by Sheffield City Council and the NHS Sheffield Clinical Commissioning Group. British Red Cross were successful in winning the contract after a formal tender in 2014 and the current contract is due to end in June 2020. The present service is currently a primarily logistical one and focuses on the supply, delivery and installation of aids and adaptations into the community. It is the intention of Stakeholders from across the health and social care system to require a stronger element of provider expertise in the future contract which will bring enhanced support to the ICES Commissioning Team and those who will be prescribing equipment (e.g. District Nurses, Occupational Therapists etc.) and deliver an improved service which will better meets the needs of the community served.
- 1.2 The provision of equipment at the right time and in the right way can enable the person to remain independent and active in their community for longer. Provision of community equipment could include: moving and handling (hoist or hospital bed), bathing (bath board) or pressure care (pressure cushion) equipment, for example. The Integrated Community Equipment Service is pivotal to the future of the integrated services agenda. Efficient equipment provision will enable Health and Social Care services to provide managed care in the individual's home and prevent unnecessary hospital admission and readmission. As such it is has a key role in delivering the city's adult social care and health prevention agenda.
- 1.3 Over the life of the current contract we have seen an unprecedented increase, effectively doubling demand on the service with a subsequent increased demand for more equipment to be provided more urgently. The service is demand led and therefore, as demand has increased so therefore has expenditure on the service. For example a month on month comparison across each year of the contract highlights the increase in growth of activity:
- Total items delivered in July 2015 2,677
  - Total items delivered July 2016 3,898
  - Total items delivered July 2017: 4,885
  - Total items delivered July 2018: 5,234
- 1.4 We have monitored trends in the provision of equipment and gathered intelligence not only on the current service but through benchmarking with other services nationally. Using this information we have reviewed

the service model to create a more robust, responsive and sustainable service. Therefore, a refresh of the ICES scope and specification has been undertaken with input from stakeholders and service users to ensure an improved equipment service that will have a positive impact for Sheffield people who use the service and their carers. The review of the service scope has been undertaken with input invited from stakeholders and equipment users via a number of means as outlined in this report including: meetings, groups, networks, events and surveys.

1.5 The purpose of this report is to seek approval from Cabinet to implement a procurement strategy for the redesigned Integrated Community Equipment Service. This will include an extensive review of key elements within the current service specification including but not limited to how equipment is procured, delivered, installed and maintained. This report also seeks delegated authority for the Director of Adult Services (People Services) and Director of Finance and Commercial Services to review and agree the pooled budget arrangements for the new service with the NHS Sheffield Clinical Commissioning Group (CCG) under the Section 75 Agreement.

1.6 It should be noted that it is not possible to extend the current contract further, as this would pose a significant risk of legal challenge due to the high value of the contract and potential non-compliance with the public procurement legislation which requires a new procurement exercise.

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

2.1 The aims as set out in the Sheffield Place Based Plan are:

- To develop Sheffield as a healthy and successful city.
- Increase Health and Wellbeing.
- Reduce Health Inequalities.
- Provide children, young people and adults with the help, support and care they need and feel is right for them.

2.2 Provision of an effective efficient Integrated Community Equipment Service will contribute to achieving all four of these aims by supporting people to live more independently, continue to work and access educational opportunities. The redesigned equipment service will be delivered across all age groups to people with a wide range of physical, medical and other health and care needs. It will help to reduce health inequalities by provision of an equitable city wide equipment loan service, supporting people to increase and to maintain their independence and wellbeing leading to improved outcomes for individuals.

- 2.3 The provision of community equipment at the right time and in the right way can enable the person to remain independent and active in their community for longer. The Community Equipment Service is pivotal to the future of the integrated services agenda. Efficient equipment provision will enable Health and Social Care services to provide managed care in the individual's home and prevent unnecessary hospital admission and readmission.

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

- 3.1 Consultation with practitioners who prescribe equipment has been via Stakeholder Group Meetings, Task and Finish Groups and attendance at partner meetings/events. We are also working with service user groups and networks to ensure that people who use equipment, aids and adaptations are actively involved in shaping the new service. A Communication Plan and Equality Impact Assessment have been developed outlining how we will consult with service users and stakeholders to design a service which is more responsive to the user's needs. The new provider will be expected to directly engage with service users and practitioners to ensure continuous improvement of the service for the duration of the contract. The specification for the new service will be further shaped by consultation undertaken with service users, interest groups and practitioners.

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

#### **4.1 Equality of Opportunity Implications**

- 4.1.1 The equipment loan service has a positive impact on equality of access and opportunities. Children and Adults in Sheffield with a range of physical, health and social care needs are able to receive on loan a wide variety of items of equipment to help maintain their independence, ensure safety and support their health and well-being.

- 4.1.2 Under the Equality Act 2010 (the 'Public Sector Equality Duty') local authorities have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity, and foster good relations". A key element of the Equality Act is that of 'no delegation' – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a Duty that cannot be delegated. This means that when we are both commissioning services and contract monitoring services, equality and diversity monitoring will form a key part of the criteria used to comply with our statutory obligations.

- 4.1.3 An Equalities Impact Assessment has been carried out for this scheme of

work which recognises the benefits for particularly those with a physical or sensory disability, both children and adults. Around 17,000 people received at least one item of community equipment in 2018/19.

- 4.1.4 The Equalities Impact Assessment stipulates that the new provider be asked to supply information in a range of languages; adheres to equalities legislation; and proactively involves service users and carers as part of its monitoring and improvement planning.

#### 4.2 Financial and Commercial Implications

- 4.2.1 The expectation is that the re-tendering of this existing contract will not only ensure a more effective service is provided to customers and commissioners but will also create a more sustainable service. Bidders will be asked to set out how they will deliver the service to meet all service requirements. This first phase will involve reviewing the pooled budget arrangement and contribution from Sheffield City Council and NHS Sheffield Clinical Commissioning Group. Both budgets will be reviewed as part of detailed financial work carried out by key officers from the CCG and Council. The pooled budget will cover the vast majority of children's and adults' health and social care equipment needs in Sheffield. The estimated contract value of the new service will be between £3m to £5m per annum.

#### 4.3 Legal Implications

- 4.3.1 The Council has a number of powers and duties that are relevant to the provision of an equipment service as proposed in this Report:
- a) Under s.2 of the Chronically Sick and Disabled Persons Act 1970, the Council have a duty to provide practical assistance and additional facilities for the greater safety, comfort or convenience of people who are assessed as needing them.
  - b) Section 17 Children Act 1989 also imposes a duty on the Council to safeguard and promote the welfare of children within their area who are in need; and so far as is consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs. For the purpose of facilitating the discharge of their general duty, every local authority also has the specific duties and powers set out in Part 1 of Schedule 2 to the Act.
  - c) Section 75 of the National Health Service Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000 allows local authorities and specified NHS bodies to work jointly including having pooled budget arrangements and undertaking commissioning on each other's



behalf.

d) A number of provisions of the Care Act 2014 include:

- Section 1, Promoting individual well-being
- Section 2, Preventing needs for care and support
- Section 3, Promoting integration of care and support with health services etc.
- Section 18, Duty to meet needs for care and support
- Section 20, Duty and power to meet a carer's needs for support

The proposed service will contribute to the fulfilment of these duties.

4.3.2 The proposed contract outlined in this report has a value in excess of the threshold for contracts for services (this being £181,302) for contracts for services in the Public Contracts Regulations 2015 (the 'Regulations') and thus the procurement and contract award processes to be followed in relation to the proposed contracts will be subject to those Regulations.

4.3.3 The procurement process briefly outlined above, which will comply with the Council's Contract Standing Orders, should ensure the Council fulfils these legal obligations.

4.3.4 If there is a change in service provider this will have an impact on the staff providing the service and TUPE may apply. This will be drawn to the bidders attention so that they can consider the potential impact of TUPE and current providers will be required to share information as appropriate in accordance with their existing contracts and the TUPE legislation.

#### 4.4 Other Implications

4.4.1 Following a Soft Market Test providers of community equipment have made us aware that they are putting plans in place regarding any impact on the possible outcome of a 'No deal' Brexit on current supply chains.

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

5.1.1 **Do not re-procure:** This option is not recommended because the Council has legal duties to provide equipment to people in need as set out in section 4.3 above.

5.1.2 **Extend the contract with the current provider:** It is not possible to extend the contract further, as this would pose a significant risk of legal challenge based upon both the value of the contract and restrictions in the procurement regulations regarding extending contracts.

This option is also not recommended as the Council policy and procedures promote revisiting the market at suitable intervals to ensure we have best value, high quality services. In addition Commissioners

wish to develop the service to achieve a more efficient, effective service, greater value for money and increased impact in the City.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 The current contract for the supply and loan of equipment to help people live independently ends in June 2020. The Council has a statutory duty to undertake the provision of services proposed in this report and there are significant financial and operational efficiencies from having a joint contract with Health.

Service re-design and re-specification will also:

- Achieve better outcomes and increased value for money
- Deliver against increasing demand on the service
- Future-proof the service in light of proposed changes to legislation, guidance and operational requirements