

Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

Tuesday 22 October 2019 at 4.30 pm

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

The Press and Public are Welcome to Attend

Membership

Councillors Denise Fox (Chair), Ian Auckland (Deputy Chair), Neale Gibson, Dianne Hurst, Alan Hooper, Abdul Khayum, Bryan Lodge, Mohammed Mahroof, Barbara Masters, Ben Miskell, Moya O'Rourke, Sioned-Mair Richards, Chris Rosling-Josephs, Martin Smith and Paul Turpin

Substitute Members

In accordance with the Constitution, Substitute Members may be provided for the above Committee Members as and when required.

PUBLIC ACCESS TO THE MEETING

The Economic and Environmental Wellbeing Committee exercises an overview and scrutiny function in respect of the planning, development and monitoring of service performance and other issues in respect of the area of Council activity relating to planning and economic development, wider environmental issues, culture, leisure, skills and training, and the quality of life in the City.

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

Scrutiny Committee meetings are normally open to the public but sometimes the Committee 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.

If you require any further information about this Scrutiny Committee, please contact Deborah Glen, Policy and Improvement Officer on 0114 27 35065 or [email deborah.glen@sheffield.gov.uk](mailto:deborah.glen@sheffield.gov.uk)

FACILITIES

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

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

**ECONOMIC AND ENVIRONMENTAL WELLBEING SCRUTINY AND POLICY
DEVELOPMENT COMMITTEE AGENDA
22 OCTOBER 2019**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (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 - 10)
To approve the minutes of the meeting of the Committee held on 3rd September, 2019
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public
- 7. Sheffield City Council Brexit Update** (Pages 11 - 18)
Report of the Executive Director of Resources
- 8. Sheffield City Trust Update** (Pages 19 - 26)
Report of the Director of Finance and Commercial Services
- 9. Work Programme 2019/20** (Pages 27 - 32)
Report of the Policy and Improvement Officer
- 10. Date of Next Meeting**
The next meeting of the Committee will be held on Tuesday, 12th November, 2019, at 4.30 pm, in the Town Hall

This page is intentionally left blank

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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

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

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

You **must**:

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

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

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

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

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

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

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

You have a personal interest where –

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

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

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

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

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

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

This page is intentionally left blank

Economic and Environmental Wellbeing Scrutiny and Policy Development
Committee

Meeting held 3 September 2019

PRESENT: Councillors Denise Fox (Chair), Ian Auckland (Deputy Chair),
Dianne Hurst, Alan Hooper, Abdul Khayum, Bryan Lodge,
Mohammed Mahroof, Barbara Masters, Ben Miskell, Sioned-
Mair Richards, Chris Rosling-Josephs, Martin Smith and Paul Turpin

.....

(NOTE: Prior to the meeting, the Committee visited the Energy Recovery Facility.)

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Neale Gibson and Moya O'Rourke.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 23rd July 2019, were approved as a correct record, subject to the amendment of Item 7 – Tackling Air Pollution – Sheffield's Clean Air Zone Proposals, by the substitution of the words 'recommends that the comments now raised with regard to extending the consultation on the proposed implementation of the Clean Air Zone period beyond the summer holidays be forwarded to Councillor Bob Johnson (Cabinet Member for Transport and Development) and other relevant officers, for consideration' for the words in paragraph 7.6 (d).

4.2 Arising from comments raised by Councillor Paul Turpin, regarding his opinion of the accuracy of a response provided in Item 6 - Sheffield City Region - Review Of Bus Services, relating to the survey as part of the consultation, the Policy and Improvement Officer (Deborah Glen) stated that she would refer the issue back to Jo Kaczmarek (Mayoral Manifesto Policy Lead and Bus Review Secretariat, Sheffield City Region) for her comments.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Brian Holmshaw questioned what the volume of nitrogen oxide emissions was

from the chimney at the Energy Recovery Facility.

- 5.2 Gillian Charters (Head of Waste Management) stated that data on such emissions were published on Veolia's website on a monthly basis.

6. RECYCLING PERFORMANCE

- 6.1 The Committee received a presentation from Gillian Charters (Head of Waste Management) on recycling performance.

- 6.2 Ms Charters referred to statistics on Sheffield's recycling performance from 2001; highlighting Sheffield's recycling performance in terms of dry, compost and combined materials, as compared with the other core cities; the performance of the four South Yorkshire Local Authorities in 2018/19; and Sheffield's performance regarding paper and card and mixed dry recyclable collections during the years 2016/17, 2017/18 and 2018/19. She also referred to statistics on the whole City average, whole City highest and whole City lowest recycling rates, based on kilograms per household, in terms of paper and card and mixed dry recyclables for the City as a whole and in specific areas of the City being targeted by the Waste Management Service. Ms Charters concluded by referring to the Council's mandatory requirements in terms of waste collection and suggested solutions in terms of improving the service.

- 6.3 Members of the Committee raised questions, and the following responses were provided:-

- There was a certain level of confusion for the public in terms of precisely which plastics they could put in their brown bins. The Waste Management Service believed that the message was simple in that all bottles could be recycled, and that there had been sufficient publicity and advice on this. It was acknowledged that Councils were dealing with an evolving industry, which had involved a number of changes and developments regarding recycling, and that some Councils were offering more plastic recycling. The Service was undertaking further publicity campaigns in those areas of the City where recycling rates were lower in order to further raise awareness.
- The roll out of brown bins for residents living in flats was at approximately 70%. The Waste Management Service was currently working with colleagues in the Council Housing Service in terms of looking at the use of waste shuts, and there was still a small number of flats owned by private landlords and Council Housing, where brown bins had not yet been provided. There had been a number of issues in connection with the use of brown bins by residents living in flats, which had been reflected nationally, and which related predominantly to how the Council could encourage such residents to separate their waste and carry it downstairs to the different bins.
- Sheffield's recycling rates in terms of composting were lower than the other core cities and this was due to the fact that the Council no longer provided a free garden waste collection service, which most other core cities did.

- Veolia had previously secured landfill diversion treatment when the Energy Recovery Facility (ERF) had been closed for planned maintenance, but this may be more challenging with Brexit.
- The cost of recycling material from households in the City was approximately £6 to £7 per annum.
- The average kilograms recycling performance figures were based on the number of households in the City as it was accepted that not everyone put their brown or blue recycling bins out every day they were due for collection.
- A number of local authorities had introduced household food waste collections, but had mixed performance. Where liners had been provided for the collection caddies, performance was generally better.
- The main reason as to why Sheffield ranked so low in terms of combined recycling performance was due to the fact that it did not offer a free garden waste collection service. Sheffield compared favourably with other core cities in terms of dry recycling performance.
- It was recognised that more plastics could be recycled, but there needed to be a sustainable market for these. Unfortunately, there was limited demand for the material in Europe to recycle back into new plastic, so a large amount was exported to Asia, where it often ended up in landfill.
- Gillian Charters was not in a position to respond to a query raised by Councillor Paul Turpin regarding the feasibility of catching carbon emissions from the ERF, therefore would forward the question on to the Manager of the Facility, and his response would be forwarded to all Members of the Committee.
- The Council had always worked to ensure that the amount of recyclable waste being sent to the ERF remained at a minimum, and would continue to do this. Whilst it was acknowledged that the practice of burning some plastics was not ideal, the Facility was considered to be part of an integrated system in terms of waste disposal in the City.
- There was a general reduction, over the last few years, in the levels of waste being produced in the City. The main reason for such a reduction is due to the economic climate. Also, current trends in Sheffield was growth in flats which, due to them having less storage space and outside space/gardens, tended to produce less waste.
- Levels of recycling were often determined by the socio-economic levels of a particular area, as well as other factors, such as the demographics of households, such as young families using more plastic bottles.
- There were plans to work with colleagues in the other South Yorkshire Local

Authorities to discuss possibilities with regard to food waste collections. It was envisaged if there was a scheme for the collection of food waste, approximately 6000 tonnes would be collected from households across the City per week.

- The Council, through its contract with Veolia, secured around 98% of value from all the household waste produced in the City, through its commitment to recycling and energy recovery.
- Whilst every effort was made to find a market for those plastics that could not be put in the brown bin to be transported for recycling in the European Union, a certain level of such plastic was transported abroad.

6.3 RESOLVED: That the Committee:-

- (a) notes the information reported as part of the presentation now made, and the responses to the questions raised; and
- (b) thanks Gillian Charters for arranging the visit to the Energy Recovery Facility and requests that its thanks be conveyed to Guy LeGeyt, Energy Recovery General Manager, for the presentation and visit round the Facility; and

7. WORK PROGRAMME 2019/20

7.1 The Committee received a report of the Policy and Improvement Officer (Deborah Glen) containing the Work Programme for 2019/20.

7.2 The Chair confirmed that a report on the potential effects of Brexit would be submitted to the next meeting on 22nd October 2019. Further to comments raised by Members of the Committee with regard to the ensuing uncertainty regarding Brexit, Councillor Fox stated that all the necessary arrangements had been made for an officer to attend this meeting and report on its likely impact on the City.

7.3 Further to other suggestions and comments made by Members, it was stated that (a) the issue regarding the cash flow loan to Sheffield International Venues would be added to the list of potential items to be considered and (b) arrangements would be made for City Centre Growth to be discussed at either the meeting to be held in October, or if this was not possible, in November 2019.

7.4 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made; and
- (b) approves the contents of the Work Programme for 2019/20.

8. DATE OF NEXT MEETING

- 8.1 It was noted that the next meeting of the Committee would be held on Tuesday, 22nd October 2019, at 4.30 pm, in the Town Hall.

This page is intentionally left blank



**Report to Economic and Environmental
Wellbeing Scrutiny & Policy Development
Committee
22nd October 2019**

Report of: Eugene Walker, Executive Director of Resources

Subject: SCC Brexit update

Author of Report: Chris Lowry, Policy and Improvement Officer,
chris.lowry@sheffield.gov.uk Tel: 34529

Summary:

A revised assessment of the impact of Brexit on Sheffield has been requested by the Committee. As such this report provides an update on SCC's Brexit preparations to date and provides an overview of those issues/risks deemed as having the most potential significant impact on Sheffield, with mitigations outlined to address these.

Key points to note include:

- Overview and activity of the SCC internal working group
- Ongoing work with the Chamber of Commerce and the VCF
- The identified 4 main risk areas (the impact of Brexit on business, the supply of medicines and food supplies and the EU Settlement Scheme)

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	x
Other	

The Scrutiny Committee is being asked to:

The Committee is being asked to note and discuss the report and the actions taken to date, as well as identifying any specific areas that it wishes to hear more detail on.

Background Papers:

[Exiting the EU: Supplying the health and social care sectors](#) (National Audit Office, September 2019)

[Operation Yellowhammer](#)

[Brexit – potential impacts on the SCR economy and proposed mitigation measures](#) (SCR LEP Board, January 2019)

[No Deal readiness report](#) (HM Government, October 2019)

Category of Report: OPEN

Report of the Executive Director of Resources – SCC Brexit update

1. Introduction/Context

1.1 A revised assessment of the impact of Brexit on Sheffield has been requested by the Committee. As such this report provides an update on SCC's Brexit preparations to date and provides an overview of those issues/risks deemed as having the most potential significant impact on Sheffield, with mitigations outlined to address these.

1.2 This follows two previous updates to the Committee re Brexit during 2017 and 2018.

2. Main body of report, matters for consideration, etc

2.1 Upon succeeding Theresa May as Prime Minister during July 2019, Boris Johnson has stated that the UK will be leaving the EU on the 31st October. The Government has since released a no deal readiness report that outlines preparations taken since July 2019 across a number of thematic areas including industry, citizens and services.

2.2 As a consequence, 'no deal' Brexit was deemed to be significantly more likely, and as such SCC reconstituted its internal Brexit working group to respond to, and mitigate against any identified risks.

2.3 This group (Chaired by Eugene Walker, Executive Director of Resources in his capacity as Brexit Lead Officer) comprises of cross council representation and meets on a fortnightly basis.

2.4 Building on the work conducted during spring 2019 to assess the potential impact of no deal Brexit, the group has continued to evaluate the impact on Sheffield's residents and businesses as well as SCC colleagues and service provision. At this point, there are four areas/risks that are deemed as having the most significant potential impact on Sheffield in the event of a no deal Brexit. These are:

- Business
- Supply of medicines and social care provision
- Food supplies
- What support there is in place for EU citizens resident in Sheffield to apply for UK citizenship

Business – Business readiness will not be uniform – in general larger businesses across sectors are more likely to have better developed contingency plans than small and medium sized businesses. There is also a sense that business readiness will have been impacted by EU Exit fatigue due to the second extension of Article 50 to October 31st, and that many businesses will not have the resources nor capacity to prepare to the same level of assuredness as the original March deadline for leaving the EU.

This mirrors anecdotal evidence in Sheffield that businesses are facing continued uncertainty regarding being able to plan effectively for Brexit. As a consequence, it is believed that businesses are adopting a 'wait and see' approach, with planning made all the more difficult without knowing if a deal will be secured. Should a deal be agreed, this will secure a 2 year transition period, however in the event of no deal, the UK will 'crash' out and therefore revert to trading under WTO terms.

The key issues that businesses need to understand and prepare for are:

- Duties implemented to imported and exported goods
- VAT applied to imports
- Border delays
- Change in customs documentation
- The value of sterling affecting import costs

A SCR paper from January 2019 outlined in detail the potential impact of a no deal Brexit on the SCR, with much of the detail contained still relevant 9 months later. Areas of concern highlighted include:

- The Government's own analysis shows that the Yorkshire and Humber will likely see its GDP growth by up to 8.5% over a 15-year period in the event of a no deal Brexit.
- South Yorkshire's export market is heavily dependent on the EU with 57% of the value of all goods going to this market, which means that businesses within the SCR are exposed to the negative effects of potential increased delays and tariffs. Tariff and non-tariff barriers could impose costs on business of between 5-10% in the SCR on such key sectors as advanced manufacturing.
- Lower numbers of EU workers, especially lower-skilled workers, would cause challenges to businesses in the SCR. These challenges will be greatest for sectors that dependant on EU workers to fill vacancies, such as logistics and manufacturing.

SCC response to date:

Working with the Chamber of Commerce, SCC has used part of the Brexit preparations fund made available by Government to all councils, to fund 2 x International Trade Advisors (to be based in Sheffield Chamber of Commerce). These advisors will provide advice to

businesses re any new trading requirements with the EU and any opportunities that may exist in new markets post Brexit. The recruitment of additional ITA's for Sheffield will provide a better practical level of support to businesses that other all support providers can refer into including Business Sheffield and Sheffield City Region Growth Hub

Supply of medicines – A no deal Brexit represents a significant risk to the NHS and to the care sector, with 75% of the UK's medicine supplies coming from or via the EU¹. The National Audit Office in a recent report, whilst acknowledging that there has been progress to date e.g. stockpiling six weeks' supply of drugs and arranging for emergency supplies to be fast-tracked; outlined that there are still significant gaps in current preparations.

The supply chain for medicines and other clinical products is being managed nationally, and NHS England (NHSE) has invested significantly in staffing to ensure contingency arrangements are in place. However, in the event of a no-deal Brexit, the Department of Health would be working in a highly uncertain environment and operating all the elements of its national strategy would be a hugely demanding task. It is however understood that NHSE is confident about vaccines and blood product coverage and that local providers have undertaken contingency planning with regard to radioisotope supply.

SCC response to date:

Locally, there is a regular meeting of the organisational leads for contingency planning across the NHS bodies in Sheffield (chaired by Greg Fell, DPH) to mitigate the threat of a no deal Brexit and to ensure consistency and commonality across the city – this meeting does not replace the assurance and contingency planning that is in place for each of those bodies as part of the Local Health Resilience Partnership.

Actions taken to date include an early warning system for community pharmacies and hospitals to report any shortages of medicines to the CCG, updating contingency plans and requiring all suppliers to do the same, communications activity to all stakeholders, work to identify the most vulnerable social care users and working with providers that we commission care from to ensure continuation of service.

Social Care – Nationally, resilience of social care is a major concern, with the caveat that it is unclear whether this is on account of the intrinsic resilience of the sector or whether these are related to no deal Brexit uncertainties. Commonly cited issues include the fragility of small and medium sized provider organisations, low rates of pay and workers being attracted to the retail sector over the winter months.

The NAO's report also comments that the care sector (nationally), is fragmented in that it relies on 24,000 companies to provide services, and that no central arrangement has been made to stockpile equipment and supplies, such as syringes and needles, most of which come from or via the EU.

¹ Exiting the EU: Supplying the health and social care sectors (National Audit Office, September 2019)

Locally there is a residual risk with respect to people who purchase their own care employ personal assistants directly, because these arrangements are between the individual and their employee/provider and we do not have the same level of oversight that we do for provision that the council directly commission. Due to this lack of oversight, it is difficult to quantify the level of risk and to judge the potential severity and impact.

SCC response to date:

Any issues that are likely to materialise locally are expected to be “slow burners” i.e. workforce make up and retention, future recruitment of social care staff. There has been, and will continue to be an emphasis on reviewing business continuity plans (both internal and those of commissioned suppliers) in order to ensure that any risks to service provision will be fully mitigated against. SCC social care services are also working with all providers to assure plans and thresholds for financial interventions

Food supplies – The government’s plans for a no-deal Brexit, as detailed in the recently released ‘Operation Yellowhammer’ warn of severe disruption to cross-Channel routes and as a consequence, affecting the supply of certain types of fresh foods. Whilst noted that this would not lead to overall food shortages “it will reduce the availability and choice of products and will increase price, which could impact vulnerable groups”². In addition the 31st October comes at the end of the British growing season, and the agri-food supply chain will be under increased pressure at this time of year, due to preparations for Christmas, which is the busiest time of the time for food retailers – the combination of these scenario’s will further exaggerate any potential shortfalls in availability.

In Sheffield, the Food Bank Network alongside other organisations, including Healthwatch, and VAS and the NHS, have expressed concern about the possible impact of a no deal Brexit on donations to foodbanks across the city. At a time of high levels of historic need (see impact of Universal Credit); any reduced donations would again have a significant impact on the most vulnerable residents of the city.

SCC response to date:

SCC doesn’t have a large food supply chain resource – the council’s school catering service is small, with most schools providing their meals and no residential social care is provided in house. As such we are managing any issues through checking on the rigour of our contractors supply chains and business continuity arrangements.

EU citizens/Settled Status Scheme

SCC response to date:

The council’s Community Services team has secured £45k worth of funding from the available European Union Settlement Scheme (EUSS) monies. This funding is supporting a number of projects/initiatives that are currently being delivered through the VCF in the city. These include:

² HMG: Operation Yellowhammer

- Roma Support Group (a national organisation) are leading in pulling together various organisations across the country and so we're assessing their work as this organisation was involved in piloting the EUSS and therefore have more experience and best practice that can be implemented locally.
- SCC Community Services have met with Clifton Learning Partnership in Eastwood to exchange best practice. Shared concern that there is a serious possibility that residents will cross the Sheffield/Rotherham "border" if one council is providing a significantly different service to the other – therefore attempting to develop a standard set of messages and a similar approach.
- Darnall Well-Being are recruiting for a number of posts, funded the Sheffield Community Investment Deal, to support the EUSS process, and have met with some key players in the community such as Firvale Community Hub, but the key issues will be employing some Roma staff/volunteers.
- Community Services have met with Sheffield Citizens Advice Bureau to see what provision they are planning in relation to EUSS in order to attempt to align and provide consistent messages.
- Darnall Wellbeing has employed 5 people, all part time, equating to 45 hours per week to provide one to one support with the EUSS application. They provide 5 sessions per week in Darnall Library, Firth Park Library, Firvale Community Hub and Central Library. To date they have provided support to 43 people, with an additional 20 people scheduled for appointments. It is too early in the application process to expect an outcome as yet.

Brexit preparations funding

- 2.5 To date SCC has received £315k from central government to support Brexit preparations. This initial funding has been used on a number of projects to alleviate the above risks, including:
- Providing support to EU nationals who live in Sheffield with help to apply for Settled Status through our Customer Contact Centre based in Howden House;
 - Employing temporary staff to deal with public queries in the event of a snap election;
 - As noted above (see 2.3) - funding 2 x International Trade Advisors to provide advice to businesses re any new trading arrangements/requirements with the EU and any opportunities that may exist in new markets post Brexit; and
 - Working with the local voluntary sector and community groups across Sheffield to help identify any further support that may be required, with a particular focus on food and fuel issues.
- 2.6 SCC also feeds into and complies with, national reporting arrangements as seen through the Yorkshire and Humber Local Resilience Forum and receives regular updates from MHCLG through Tom Riordan, Chief Executive of Leeds City Council, in his role as regional lead.

EU Funding

- 2.7 Sheffield City Region was notionally allocated £191m as part of the European Structural Investment Fund programme 2014-20. Over 75% of the allocation is either contracted or is being considered by the Managing Authorities. Calls for ERDF and ESF have recently been published and the Government is planning a further round of calls in the new year to maximise the use of all ESIF funds before the end of the Programme.
- 2.8 In respect to Brexit, the Government has confirmed that it will guarantee all projects that would have been funded by the EU under the 2014-2020 programme period and in the event that the UK leaves the EU without a deal, projects delivered through the guarantee would be managed largely following existing processes.
- 2.9 Government has indicated that should EU funded programmes no longer be available after Brexit, they will be replaced through the UK Shared Prosperity Fund (UKSPF).
- 2.10 The UKSPF was part of the Conservative Party's 2017 manifesto and the Government's 2017 Industrial Strategy. In July 2018, the then Secretary of State for Housing, Communities & Local Government James Brokenshire, made a written statement about the fund. However, the consultation on the scheme that was due to be opened before the end of 2018 has not as yet been forthcoming.
- 2.11 Government has previously made clear is that UKSPF is to be the successor to - rather than a continuation of - EU structural funding. The Government's published objective is to use the UKSPF to tackle inequalities between communities by raising productivity and reducing economic disparity between regions of the UK.
- 2.12 The UKSPF will therefore now be directly influenced by central Government's economic policy – in contrast to EU Structural Funds which were an opportunity to return monies paid into the EU budget to support UK regional economic development.

3 What does this mean for the people of Sheffield?

- 3.1 It is not clear at the time of writing what form of Brexit the UK will ultimately take. It is however appearing increasingly likely that the UK will leave the EU under a no deal scenario and as such, SCC is taking all necessary precaution to ensure the effective provision of services for the city's residents.

4. Recommendation

- 4.1 The Committee is asked to note and discuss the report and the actions taken to date, as well identifying any specific areas that it wishes to hear more detail on.



Report to Economic and Environmental Wellbeing Scrutiny & Policy Development Committee

Report of: Director of Finance and Commercial Services

Subject: Sheffield City Trust Update

Author of Report: Ryan Keyworth, Director of Finance and Commercial Services
 Tammy Barrass, Head of Partnerships and Special Projects
 David Hollis, Assistant Director Legal & Governance

Summary:

Sheffield City Trust was set up in 1987 as an independent charity to oversee the running City’s sport and leisure facilities, linked to the Major Sporting Facilities that were built for the 1991 World Student Games.

The Trust has recently experienced cash flow problems and required a loan of £1m from the City Council in July 2019 to ensure it was able to continue to trade.

Work is ongoing to both stabilise the financial position of the Trust and to develop a longer term strategy for sport and entertainment in the City.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	✓
Other	

The Scrutiny Committee is being asked to:
 The Scrutiny Committee is asked to Note the report.

Background Papers:

None

Category of Report: OPEN/CLOSED

Report of the Director of Finance and Commercial Services **Sheffield City Trust Update**

1. Introduction/Context

- 1.1. Sheffield City Trust (“SCT”) was set up in 1987 to oversee the running of the City’s sport and leisure facilities, linked to the Major Sporting Facilities (“MSF”) that were built for the 1991 World Student Games. The MSF are Ponds Forge, Hillsborough Leisure Centre, the FlyDSA Arena and the former Don Valley Stadium.
- 1.2. SCT is an independent charity, regulated by the Charities Commission. The Council has no control over SCT and cannot control it. A Trustee Board oversees SCT with no Council Trustees, but a Council Member is a director of SIV and a member of SCT’s Audit Committee.
- 1.3. Sheffield International Venues (“SIV”) is a subsidiary company of SCT set up to run the facilities leased to SCT.

2. Main body of report, matters for consideration, etc

Background

- 2.1. The financial challenges that the Council has faced in recent years have also been faced by SCT

The Council has faced almost 10 years of austerity, with significant funding cuts and a consequent increase in the maintenance backlog across the Council’s asset base. This is also true for the Council-owned facilities that are leased to SCT.

Competition from low cost operators and the Leeds Arena entering the market in recent years has also impacted SIV’s financial position.

The Council and SCT have been working to reduce the subsidies paid to support SCT’s operations. The strategy was to reduce subsidy in stages from over £5m historically and £3.4m in 16/17 to £nil by 19/20. This was based on both market intelligence from national benchmarking and SCC’s own recent experience.

After the planned re-procurement exercise in 2018 was ceased for technical reasons, a 6 year business plan was developed and proposed by SCT to move to a zero subsidy by 19/20. This reduction relied on plans to grow SCTs income over the first 2 years based on investment proposal.

The proposal was agreed, but is proving to be unachievable. Deficits before the SCC subsidy over the last few years averaged £2.8m and are expected to continue at this level.

The Council will need to cover these losses, at least in the

short term, if the facilities are to remain open.

- 2.2. The Council's support underpins SCT and ensures their accounts can be signed off by their auditors
- The Council has, for many years, provided a Letter of Support to SCT as part of the annual audit process. This letter allows SCT's auditors to sign the accounts on a 'going concern' basis. The letter requires the Council to provide short term cash flow support should it be required to enable SCT to meet its financial obligations.

There is also a separate and more detailed Shortfall Agreement. This is a contract between SCT and the Council that commits the Council to fund any deficits on respect of the Major Sporting Facilities. This agreement does not cover any other facilities (eg Concord Sports Centre).

SCT's cash flow

- 2.3. SCTs cash flow is essentially in three parts
- Cash flows for SCT come in essentially three parts – each has its own set of challenges and potential timing differences. These differences need a balance of working capital (ie cash in the bank) to be kept under control:

Operations – this is cash taken in entrance fees and memberships and cash spent in running the facilities – staff salaries, utilities etc. The £2.8m budget deficit means that more cash is being spent than is received and will ultimately drain SCT's bank balance if no subsidies exist to fill the gap.

Capital – in SCT's case, this is cash generated from operations that is used for capital works. There is therefore a timing difference between cash generation and expenditure.

Ticket Sales – this is cash received from ticket sales (eg for events at the FlyDSA Arena) and the cash paid out to promoters for staging the event. The time lag between selling tickets and paying promoters can be significant – months or longer. This lag causes cash surpluses, but results in a very lumpy profile with large cash inflow and outflows happening in short spaces of time, sometimes on a single day.

- 2.4. Cash flow issues emerged in June 2019, requiring the Council to lend £1m to SCT
- SCT met with Council Officers in June 2019, advising that SCT would need to call on the Council for cash flow support within the next month.

SCT's cash position results from the £2.8m annual cash deficit, and comes after cash flow flexibility from Capital and Ticket Sales has been exhausted. This was compounded by the cyclical nature of low ticket sales over the summer period and the need for urgent capital expenditure.

The Council commissioned Grant Thornton ("GT") to

report on SCT's cash position and management reporting in July 2019. The Council also made arrangements, in full consultation with Members, for a £1m loan to be advanced to ensure that SCT continued to trade and avoid any risk of default on the Bond issued by SCT but guaranteed by the Council.

An urgent decision was deemed necessary due to the time constraints and the lack of full information on the cash position of SCT pending the work commissioned from Grant Thornton.

The loan was made on arm's length terms to comply with State Aid rules, with interest payable and the loan itself repayable on demand.

Work now in progress

2.5. The GT report has highlighted a number of reporting weaknesses

The review has not yet been finalised, but the core findings are clear:

1. SCT did not have a well-developed cash flow model (this has now been improved and reporting to the Board enhanced).
2. The lack of a cash flow model makes forecasting cash flows difficult and imprecise in part due to lumpy ticket sale cash flows. This contributed to the relatively short notice request for cash.
3. The reporting to the Trustees of SCT needs to provide more detail on the cash flow position.

Given the underlying trading position outlined above, SCC can expect further calls for support in the near future and will need to work with SCT to ensure that requests are anticipated in advance to avoid the need for urgent action in the future.

A draft of the GT report has been discussed with SCT and we expect the review to be finalised during October.

2.6. Officers have updated the set of actions that will need to be taken to alter or unwind the relationship between SCT and the Council

The existing relationship with SCT may naturally come to an end in 2024 with the end of the MSF debt. However, the process is not simple with a number of transactions that will need to be completed.

The Council has almost completed the work to confirm what needs to be done in respect of:

- The Leases between SCT and the Council
- The Luxembourg Bond
- Taxation (VAT and Stamp Duty/and Tax)
- Financial implications

- Accounting implications
- Governance arrangements and mechanisms

The work to date confirms that it should be possible to alter or end the current arrangements sooner, if that is desired.

It is also clear that the best outcome will require the Council and SCT to work together. The complexity of the arrangements means that neither organisation can act unilaterally.

Once this work is complete, it will be possible to develop and agree a course of action to alter or end the current arrangement with SCT that can be implemented at any time.

Council Officers and senior SCT staff and Trustees are meeting regularly to ensure that any action is well planned and co-ordinated.

2.7. Short Term Investment is required to keep the facilities operational

A plan has been developed to invest around £3m over the next 18 months to keep the existing facilities open and available to the public. This investment, which is included in the Council's 2020/21 budget process, will cover only the most essential works and will provide the time needed to develop the longer term strategy.

This is in addition to any Revenue support that is required to cover SCT's trading deficit.

Longer Term Strategy

2.8. The Council and SCT have been working with consultants to develop a long term vision and strategy for leisure and entertainment in the city

In recent months SCC and SCT have worked with external consultants to undertake a review of the SIV managed estate, the review concluded in June 2019.

Following the outcomes of the review further work has been commissioned to develop a long term vision and strategy for leisure and entertainment in the city.

Building condition surveys have identified a significant amount of work required to keep the facilities fit for purpose and attractive to customers. This will force a reappraisal of options in order to deliver value for money.

The new vision will provide an overarching narrative for the new look and feel for leisure and entertainment in the city. Consultants will work with senior officers, elected members and key stakeholders to shape this work.

2.9. A long term facility strategy will also be developed

The vision will be supported by a long term facilities strategy for leisure and entertainment. The facilities strategy will identify options and affordable solutions to address the future needs for leisure and entertainment in the city.

The facilities strategy will be informed by GAP analysis, scenario testing and Sport England Facility Planning models. Sport England have expressed an interest in working with SCC to develop the future strategy, there is an opportunity for SCC to apply to Sport England for funding to support this work.

-
- | | |
|--|---|
| 2.10. Options to improve the financial performance of the Arena and City Hall are also planned | Further work will also take place to identify options to improve the financial performance of the Arena and City Hall. This will include a soft market testing exercise with third party operators to obtain a market view on the two facilities, interest and appetite in partnering/operating venues and an indication of commercial principles under which they would be interested to engage. |
| 2.11. Draft strategy expected by April 2020 | This work is being progressed at pace, the draft vision and insight information will be available by January 2020, the draft strategy documents are expected to be available by April 2020. |

Next Steps

-
- | | |
|---|--|
| 2.12. Complete the work required to make longer term decisions | <p>The GT report and the technical report should be completed by the end of October.</p> <p>The short term investment is part of the 2020/21 budget process, which is scheduled for approval in March 2020.</p> <p>The longer term strategy work is expected to be completed in draft by April 2020.</p> |
| 2.13. Engagement with Council Members and members of the public | <p>Cabinet Members will continue to be briefed on strategy development and Members will be engaged via the normal process for developing and agreeing new strategies. Any decisions will be made in line with established Council processes.</p> <p>The budget process for 2020/21 will include reference to the Revenue and Capital implications of the current and future SCT position. Opposition parties will be able to seek and receive Officer advice on this and any other aspect of the Budget in line with established practice.</p> |
| 2.14. Joint Working with SCT/SIV | <p>The work done to date confirms that joint working between the Council and SCT will be required to implement any changes to the current arrangements.</p> <p>Council Officers and senior SCT staff and Trustees are meeting regularly to ensure clear communication as strategies and plans are developed and to ensure that any action is well planned and co-ordinated between the two organisations.</p> |
| 2.15. Implementation Planning | Making changes to the current Council / SCT arrangements will be complex and require careful planning. This will ensure that whatever longer term |

solution implemented is done in a way that properly manages the financial, taxation and legal risks.

The regular meetings between the Council and SCT will be a critical part of this process.

3. What does this mean for the people of Sheffield?

The facilities provided through SCT form a key part of the City's Sport and Leisure infrastructure. The work being done to stabilise the financial position of SCT and the work to develop a longer term strategy for Sport and Leisure in the City will ensure that high quality facilities continue to be available long into the future.

4. Recommendation

The Committee are asked to Note the report.

This page is intentionally left blank



Report to Economic and Environmental Wellbeing Scrutiny & Policy Development Committee Tuesday 22nd October 2019

Report of: Policy and Improvement Officer

Subject: Work Programme 2019/20: Economic and Environmental Wellbeing Scrutiny & Policy Development Committee

Author of Report: Alice Nicholson, Policy and Improvement Officer
alice.nicholson@sheffield.gov.uk
 0114 273 5065

The Work Programme is attached at Appendix 1 for the Committee's consideration and discussion. It aims to focus on a small number of issues, in depth. This means the Committee will need to prioritise issues to be included on formal meeting agendas. Where an issue is not appropriate for inclusion on a meeting agenda, but there is significant interest from Members, the Committee can choose to request a written briefing paper.

The Work Programme will remain a live document and will be brought to each Committee meeting.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	X

The Scrutiny Committee is being asked to:

- Consider and comment on the committee's draft work programme
- Identify, prioritise and agree topics for inclusion in the work programme

Background Papers: [Sheffield Council Constitution](#)

Category of Report: OPEN

Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

DRAFT WORK PROGRAMME 2019/20

Last updated: 14th October 2019

Please note: the work programme is a live document and so is subject to change.

E&EWB			
Topic	Reasons for selecting topic	Lead Officer/s	Agenda Item/ Briefing paper
Tuesday 23rd July 2019 4.30-6.30			
Air Quality Consultation	Issue carried forward from last year, Committee requested input into the consultation process and the outline business case	Laurie Brennan, Head of Policy and Partnerships Tom Finnegan-Smith, Head of Strategic Transport and Infrastructure	Agenda Item
Bus Services Review	Current Review being led by Clive Betts and supported by Sheffield City Region	Jo Kaczmarek, Sheffield City Region	Agenda Item
Draft Committee work programme 2019/20	consideration of a draft work programme for Economic and Environmental Wellbeing Scrutiny and Policy Development Committee 2018-19, including dates of meetings for year	Policy and Improvement Officer	

Tuesday 3rd September

Visit to Veolia Energy Recovery Facility	Agreed at meeting held on 23rd July 2019		Visit
Recycling progress report	Agreed at meeting held on 23rd July 2019	Gillian Charters	Agenda Item
Work programme 2019/20		Policy and Improvement Officer	Standing Item

Tuesday 22nd October

Update of Brexit impact on Sheffield	Continuing the Committee's look at the potential impact on Sheffield of Brexit	Cabinet Member for Finance, Resources and Governance; Eugene Walker; Richard Wright (SCCI); Maddie Desforges (Sheffield VAS)	Standing Item
Sheffield City Trust (SCT, this includes SIV)	Cash flow loan to SCT (SIV) - An update on why the need for the loan, implications for our city leisure offer	Cabinet Member for Finance, Resources and Governance and Cabinet Member for Culture, Parks and Leisure; Ryan Keyworth and Tammy Barass	
Work programme 2019/20		Policy and Improvement Officer	Standing Item

Tuesday 12th November - proposed agenda items TBC

<i>Monitoring and Evaluation of all transport infrastructure schemes</i>	<i>Requested by Committee following the call in of the Sheffield Inner Ring Road and Junctions Scheme during 2018/19</i>	<i>Cabinet Member for Transport and Development – Bob Johnson; Tom Finnegan-Smith</i>	Agenda Item
--	--	---	--------------------

<i>City Centre Growth and Development</i>	<i>To consider progress on the City Centre Vision, and Heart of the City</i>	<i>Cabinet Member for Business and Investment; Tammy Whitaker, Nalin Seneviratne</i>	
Work programme 2019/20		Policy and Improvement Officer	Standing Item
SCHEDULING NOT CONFIRMED: <i>Transport Strategy – Bus Services</i>	<i>Requested to be on the work programme by Committee in 2018/19. Requested reps from bus operators. To be further determined by item on 23rd July 2019; isolation and loneliness</i>	<i>Cabinet Member for Transport and Development; Sheffield City Region; SYPTE; Tom Finnegan-Services</i>	
SCHEDULING NOT CONFIRMED: <i>Transport Strategy – Role of cycling</i>	<i>Progress report requested by Committee in 2018/19</i>	<i>Cabinet Member for Transport and Development; SCR – Active Travel; Cycle Sheffield</i>	
Tuesday 14th January 20			
Annual update on Streets Ahead Contract	Committee requested this be brought to the committee annually following the Post Core Investment review of the contract in 2018/19	Cabinet Member for Environment, Streetscene and Climate Change - Mark Jones; officers	Agenda Item – cover report & presentation
Work programme 2019/20		Policy and Improvement Officer	Agenda Item / information for briefing only - presentation and report
Tuesday 17th March 20			
Scrutiny Annual Report 2018/19 Draft Content & Work Programme 2019/20	This report provides the Committee with a summary of its activities over the municipal year for inclusion in the Scrutiny Annual Report 2018-19; and a list of topics which it is recommended be put forward for consideration as part of the 2019-20 Work Programme for this committee.	Policy and Improvement Officer	Agenda Item

Items to be scheduled			
Climate Change		Cabinet Member for Environment, Streetscene and Climate Change	
Transport Strategy – Bus Services	Requested to be on the work programme by Committee in 2018/19. Requested reps from bus operators. To be further determined by item on 23rd July 2019	Cabinet Member for Transport and Development; Sheffield City Region; SYPTE; Tom Finnegan-Services	TBC when
Transport Strategy – Role of cycling	Progress report requested by Committee in 2018/19	Cabinet Member for Transport and Development; SCR – Active Travel; Cycle Sheffield	TBC when
Employability/Inclusive and Sustainable Economy	Look at Case Studies e.g. Boeing/Maclaren – job numbers, universities for progression; Pretty Little Things – positive employment practices; Meadowhall – local jobs	Cabinet Members for Business and Investment, and Education and Skills; EHN – protected characteristics participation/represented;	January 2019?
Sheffield City Region Mayoral Combined Authority & LEP	Invitation to Mayor to attend a meeting to discuss priorities, particularly transport (<i>report back on the SCR bus survey?</i>)		
University role in the economy - University of Sheffield and Sheffield Hallam University	Sheffield as a university city brings added value to the economy - what are the impacts; as a city is there more we need to do?		
Sheffield Plan	Local Development Plan	Cabinet Member for Transport and Development	
Local Development Scheme (LDS)	Revised LDS for the local development plan – ICM early October?	Cabinet Member for Transport and Development	

This page is intentionally left blank