

Cabinet

Meeting held 30 November 2016

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

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1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2. EXCLUSION OF PUBLIC AND PRESS

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

3. DECLARATIONS OF INTEREST

3.1 Councillor Julie Dore declared a personal interest in agenda item 9 'Proposed Lease of Exchange Place Studios' (See minute 8 below) as a Member of the Arts Council Board where funding for the proposal was granted.

3.2 Councillor Jackie Drayton declared a personal interest in agenda item 12 (See minute 11 below) 'China Economic and Civic Programme Update' as a Trustee of the JG Graves Charity.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of Cabinet held on 19 October 2016 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question in relation to Question asked at Full Council on 2 November 2016

5.1.1 Nigel Slack commented that he was still awaiting a response to a question he had asked at the meeting of Full Council, held on 2 November 2016, in respect of 'Outsourced Contracts' and asked when this would be forthcoming? Mr Slack provided a copy of the question he had asked for reference.

5.1.2 Councillor Ben Curran, Cabinet Member for Finance and Resources, apologised to Mr Slack for this and accepted that the delay was unsatisfactory. Councillor Curran would continue to chase to ensure Mr Slack received a response.

5.2 Public Question in respect of Question asked at Cabinet regarding 'Covert Communications Data Capture'

5.2.1 Nigel Slack commented that he was still awaiting a response to his question

asked at the Cabinet meeting held on 19 October 2016 in respect of South Yorkshire Police utilising 'Covert Communications Data Capture' and asked if there had there been any progress on this matter?

5.2.2 As one of the Council's representatives on the Police and Crime Panel, Councillor Jackie Drayton, Cabinet Member for Children, Young People and Families, responded that the question had been asked at the last meeting of the Police and Crime Panel and the Panels minutes were available on the website. Councillor Drayton understood Mr Slack knew where to access the minutes. She also stated that he was able to attend the Police and Crime Panel as it was a public meeting and he could ask a question directly to the panel there.

5.3 Public Question in respect of Trade Union Law

5.3.1 Nigel Slack referred to a question he had asked at the last meeting of Full Council, held on 2 November 2016, and apologised if the question was not as clear as it might have been. He had took it from the comments of the Leader of the Council that she had recognised that it was connected to the incident on Marden Road that morning.

5.3.2 Mr Slack therefore clarified that he was referring to 'Trade Union and Labour Relations (Consolidation) Act 1992 – Section 241 – Intimidation or Annoyance by Violence or Otherwise'. Mr Slack stated that this was the law that had been used to arrest 5 people involved in the tree campaign. This law was being used to prevent protest, which was potentially in breach of: 'Human Rights Act Article 11 – Right to Protest and Freedom of Information'. This provided that 'The right applies to protest marches and demonstrations, press conferences, public and private meetings, counter-demonstrations, 'sit-ins', motionless protests etc. The right only applies to peaceful gatherings and did not protect intentionally violent protest.'

5.3.3 Despite claims of intimidation beyond the protests, Mr Slack had seen nothing to suggest 'intentional violence' at any of the protests. Indeed, Councillor Lodge, Cabinet Member for the Environment, commented on that in the radio interview held on 29 November 2016. With this in mind, Mr Slack asked did the Council agree with this Trade Union Law being used by the Police to prevent protest by, and the arrest of, members of the public? In addition, Mr Slack asked the Council, hopefully with unanimous Cabinet approval, to request the Chief Constable of South Yorkshire Police to drop the charges against the 5 protesters.

5.3.4 The Leader of the Council, Councillor Julie Dore, stated that, at the time Mr Slack's question was submitted to the Full Council meeting on 2 November 2016, she was not aware of the specific incident referred to on Marden Road or the particular clause of the Trade Union Bill referred to by Mr Slack.

5.3.5 As a result of the issues surrounding the recent operation on Rustlings Road, Councillor Dore had met with the Police and Crime Commissioner regarding the participation in that operation and the Council had expressed a sincere apology regarding two particular aspects of that operation – the early start and the fact that the Council had not publicised its response to the report of the Independent Tree Panel in a timely manner. The apology had not been given for 7 days following the

operation, as the Council needed to establish the facts of what had occurred.

- 5.3.6 As regards using the Act referred to by Mr Slack, Councillor Dore stated that, from her discussions with the Police and Crime Commissioner, whenever South Yorkshire Police carried out an operation, they received their own legal advice. In respect of the operation on Rustlings Road, the duty was to ensure there was no public disorder as there was evidence to suggest that could have been a particular issue for that operation.
- 5.3.7 The South Yorkshire Police and Crime Commissioner had said that the Act was only used where someone is stopping someone else carrying out their lawful work and there was a duty of care to everyone. Any action stopping someone doing their work did not need to be of a violent manner, it simply related to actions leading to the inability of a workforce to carry out their work.
- 5.3.8 From information given to Councillor Dore in respect of the work on Rustlings Road, in order to carry out the work safely, the workforce had put cordons around the area and asked protestors to stay outside these as they may be at risk if they didn't. The Police had negotiated with the protestors and explained the consequences if they did not meet this request, however some protestors did enter the cordon and this meant a threat to the safety of themselves and others and it was explained to them that if they didn't leave this area they would be arrested.
- 5.3.9 Councillor Dore added on behalf of the Cabinet that the Council could not intervene with police operations and the carrying out of their duties. She acknowledged that the protestors could use the Human Rights Act in their defence and she hoped that when citizens were faced with any criminal case they would be treated with the utmost respect and the Police would act in accordance with the law.

6. ITEMS CALLED-IN FOR SCRUTINY

- 6.1 There were no items called-in for Scrutiny since the last meeting of the Cabinet.

7. RETIREMENT OF STAFF

- 7.1 The Acting 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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Children, Young People and Families

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

Communities

Carol Sturch	Advanced Practitioner	25
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Place

Trevor Scott	Principal Planning Officer	29
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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. PROPOSED LEASE OF EXCHANGE PLACE STUDIOS

8.1 The Executive Director, Place submitted a report in relation to the Exchange Place Studios at Castlegate.

8.2 **RESOLVED:** That:-

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

8.3 Reasons for Decision

8.3.1 The proposed refurbishment of the Exchange Place Studios will be a major boost for the cultural attraction of the City Centre and the Castlegate area in particular. This has wider economic benefits in terms of making the city an exciting place to

locate and attract talented staff for businesses in the creative and digital industries which is a key growth area.

8.3.2 It is important to ensure that the closure and demolition of the former markets building does not result in a decline at Castlegate and that investment is secured into new projects that will help to transform the area.

8.3.3 The proposal to grant a lease for 100 years at a premium of less than the full open market value will potentially unlock a grant from the Arts Council of £500,000. The refurbishment of the property will benefit a Council owned asset which is currently in a poor state of repair.

8.3.4 The proposed option to repurchase the property at the original price also gives the Council additional opportunity to generate a much higher value in the future.

8.4 **Alternatives Considered and Rejected**

8.4.1 The Council could continue to hold the property for the next few years before seeking to dispose on the open market and may achieve a higher value if it did so. However future values cannot be guaranteed and potential uses may not have the same vibrancy and economic benefits for the regeneration of Castlegate as the proposed disposal to YAS.

8.4.2 The property was empty for several years after South Yorkshire Passenger Transport Executive (SYPTTE) vacated, as it proved difficult to find a purchaser or tenants prepared to take the property on in its poor condition. If the proposal to grant a long lease to YAS is not approved, then YAS would be likely to stay in on a temporary basis, but without a long term interest they may take a less proactive approach to maximising the studio use and wider events in Castlegate. There is a limited risk that YAS may decide to vacate, in which case the Council would incur management costs until such time as the property could be sold.

8.4.3 As a further alternative, the Council could consider using its own capital resources to carry out the refurbishment works rather than an Arts Council grant and charge YAS a higher rent to recover those costs. However, the Council's capital programme has limited capacity and this may not be seen as a high priority for the use of limited funds. As stated at paragraph 1.1 of the report the YAS business model for all of their properties is based on the rent from the studio holders covering the running and management costs, with any surplus used for artists' development, public events and community engagement. It is therefore unlikely that YAS would be able to pay more than a nominal rent to the Council.

9. **LIBRARY REVIEW 2016 - FUTURE SUPPORT ARRANGEMENTS FOR VOLUNTEER RUN LIBRARIES**

9.1 The Executive Director, Communities submitted a report in relation to future support arrangements for volunteer run libraries.

9.2 **RESOLVED:** That:-

- (a) Cabinet continue support for Associate libraries until 31st March 2020, to assist their viability and stability as follows - a support package to the value of £262k in year 1 that maintains the level of support provided from 2014-2017; for year 2 the support package will not be less than 80% of £262k; and in year 3, not less than 70% of £262k, subject to identifying the funding as part of the 2017-18 budget process;
- (b) the support package to include a grant pot, a new book fund, a small marketing fund, and the operational costs of the Associate libraries remaining on the Library Management System; a breakdown of the support package is listed in the report in Section 1 'Proposal';
- (c) continued support be provided for the Associate and Co-delivered libraries until 31st March 2020 where this can be resourced by the Library, Archives and Information Service (LAIS) with existing staff and core budget; this includes support from SCC run Hub libraries, advice and support with local and national initiatives, I.T support and training relating to the Library Management System;
- (d) continued support be provided for Co-delivered libraries to 31st March 2020; co-delivered libraries receive the same offer as SCC's Hub libraries without the staffing and funded from LAIS core funding; building running costs are paid directly by LAIS; co-delivered libraries may be re-charged for running costs that are above the budget due to extended non-library usage of the building;
- (e) future funding and support for Associate and Co-delivered libraries for years 4 and 5 (2020/21 and 2021/22) will be delegated for decision by the Executive Director, Communities in consultation with the Cabinet Member for Community Services and Libraries; and
- (f) provision of the Library Management System, I.T., maintenance and related software, supplied via the corporate wide contract, will be free of charge until 2019, when this will be reviewed as part of corporate IT contract negotiations.

9.3 **Reasons for Decision**

- 9.3.1 The current arrangements for Associate and Co-delivered libraries are due to expire on 31st March 2017.
- 9.3.2 Continued support will increase the likelihood of all the volunteer run libraries remaining open and vibrant into the medium and long term as they develop and grow in depth of experience and capability.
- 9.3.3 Continued support for Associate libraries will give added confidence to trustees and volunteers, at a point they are taking on-board lease responsibilities.
- 9.3.4 By supporting the volunteer run libraries to remain on the Library Management

System, all SCC library members can access any library in Sheffield using a single, city-wide library card.

9.3.5 Continued support will provide a period of financial stability and growth that will attract more volunteers and trustees, and give them additional time to build capacity and develop external funding opportunities.

9.3.6 The proposal will ensure the standards and controls relating to the operation of the Council's Library Management System by volunteer libraries are maintained.

9.4 **Alternatives Considered**

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

Option 1

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

Benefits of Option 1

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

Risks of Option 1

- The Associate libraries can stay on the LMS until 2019 but with limited support from the Library Service. This could mean standards relating to the LMS may reduce, especially as training and technical support will be minimal.
- Van rounds delivering books would either cease or be very limited. Therefore the length of time it would take for library users to receive a reserved book could significantly increase.
- Some of the library groups may be unable to meet their financial

obligations, leading to closure.

- The instability of funding could mean volunteers are less willing to get involved and could lead to reduced library hours or library closure.
- The Co-delivered libraries would be at greatest risk of closure as they may not have accumulated sufficient fundraising capacity to be sustainable as an Associate library.

Option 2

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

Benefits of this option 2

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

Risks of this option

- Some Associate libraries may not be able to meet their financial obligations, leading to them surrendering their lease and the library closing.
- The instability of funding for the Associate Libraries may discourage volunteers from running and managing the libraries.
- The reducing income generated from library fees and charges in the Co-delivered libraries may lead to budget reductions in other LAIS service areas, which may impact on the quality of service that can be delivered.
- If there is a budget reduction in future years for the LAIS, it may not be affordable for the service to continue to pay for all of the Co-delivered libraries from its core budget.

Option 3

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

The benefits of Option 3 are:

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

The risks of Option 3 are:

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

Option 4 (Option Accepted)

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

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

Benefits of the preferred option:

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

- Ensure the relationship between SCC and the volunteer run libraries is clearly defined
- Ensure the standards and controls relating to the operation of the Council's Library Management System by volunteer libraries are maintained.

The risks of this option are:

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

**10. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2016/17
MONTH 6 AS AT 30 SEPTEMBER 2016**

10.1 The Acting Executive Director, Resources submitted a report providing the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme for September 2016.

10.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by this report on the 2016/17 Revenue Budget position; and
- (b) in relation to the Capital Programme:-
 - (i) approves the proposed additions to the Capital Programme listed in Appendix 6.1 of the report, including the procurement strategies and delegations of authority to the Interim Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) approves the proposed variations, deletions and slippages in Appendix 6.1 of the report;
 - (iii) notes the variation authorised by Directors under the delegated authority provisions; and
 - (iv) notes the latest position on the Capital Programme.

10.3 **Reasons for Decision**

- 10.3.1 To record formally, changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the Capital Programme in line with latest information.

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. CHINA ECONOMIC & CIVIC PROGRAMME UPDATE

- 11.1 The Executive Director, Place submitted a report updating Cabinet on the programme of activities that has been developed with Chinese partner organisations.

11.2 RESOLVED: That Cabinet:-

- (a) notes the Council's programme of activity with Sheffield's Chinese partners;
- (b) authorises the completion of the required legal documents which will underpin the long-term Strategic Investment Partnership with Guodong following the signing of Heads of Terms in June 2016;
- (c) notes the expression of interest received from Guodong and authorises entering into a twelve month period of exclusivity to assess the viability of developing a 5 star hotel at the Central Library building on Surrey Street;
- (d) approves the commencement of the negotiation of terms with Guodong regarding the library building on the principles set out in the report;
- (e) in line with the principles outlined in the report, approves the development of options for both the temporary and the permanent relocation of the Central Library Service and the Graves Art Gallery that may be required as a result of the receipt of the hotel expression of interest; and
- (f) notes that the terms of the hotel proposal and the options for any impacted services will be the subject of a future report to Cabinet prior to entering into any binding agreement.

11.3 Reasons for Decision

- 11.3.1 The expression of interest regarding a hotel development received from Guodong presents a substantial opportunity to protect the future of an iconic building within the city centre. It also presents an opportunity to enhance the hotel offer and

increase investment and employment in Sheffield.

11.3.2 This proposal provides an opportunity to give proper consideration to the future of the Central Library Service and the Graves Art Gallery, if a hotel development at this location is deemed viable.

11.3.3 Developing the investment partnership with Guodong to an operational state will enable the delivery of projects and ensure activity is performance managed.

11.3.4 The educational partnership is supported between the "Sheffield" School in Chengdu and the Oasis Don Valley Academy, along with wider collaboration between Sheffield and Chengdu, as it offers a special opportunity to increase aspiration among pupils and educators in both cities.

11.4 **Alternatives Considered and Rejected**

11.4.1 Alternative options considered regarding the expression of interest in the Central Library building to be developed into a 5* Hotel are:-

Do nothing. This option does not take into consideration the imminent need for repairs to the building and the almost certain inability to secure major capital investment in the building as a library.

Market the building for sale. There is no indication that there is any interest from the market in acquiring this building.

Undertake a feasibility study for the future of the building. This is likely to take a minimum 12 to 18 months, during which time this current development proposal could be withdrawn. There will be a cost associated and no guarantee of a long term solution for the building.

Identify funding for refurbishment of the building. There will still be an ongoing maintenance cost.

11.4.2 Alternative options considered in place of establishing the trade partnership agreements with Daqing and Nanchang:

Do nothing: Not entering into these relationships limits opportunities for Sheffield and its businesses in these fast growing commercial centres.

Ad hoc: Without the city-to-city framework being established as a protocol for joint-work between the two cities, businesses would be less likely to be able to deliver commercial and economic benefits from the relationships established in China.

11.4.3 Alternative options considered in place of establishing a strategic investment partnership with Guodong:

Do nothing: Not entering a long-term investment relationship does not support the economic and regeneration objectives of Sheffield.

Establish Partnerships with other organisations: The review of investor and investment opportunities that was undertaken by UKTI in 2015 established that Guodong was likely the best fit long-term investment partner for Sheffield.

12. THE JG GRAVES CHARITABLE TRUST: GRAVES PARK IMPROVEMENT PROJECT

12.1 The Executive Director, Place submitted a report seeking approval to spend funds from the Graves Park Charitable Trust (registered charity number 510841), in line with the Charity's trusts and objects.

12.2 **RESOLVED:** That Cabinet, in its capacity as trustee of the Graves Park Charity, approves spending £115,643 from the Charitable Trust account, which includes the income from the sale of Cobnar Cottage, for the purposes listed in the report.

12.3 Reasons for Decision

12.3.1 To deliver the benefits listed in the report.

12.4 Alternatives Considered and Rejected

12.4.1 Option 1: Do nothing option

The funds held in the charitable account can only be spent at Graves Park. The funds could be left in the account and generate interest for use in the future. However the Council made a commitment to local people that the funds generated by the sale of Cobnar Cottage would be used to benefit the park and there is an expectation that there will be visible improvements to the site. This is therefore not the preferred option.

12.4.2 **Option 2: Deliver the project as described in this report**– this is the preferred option. This option delivers a range of improvements aimed at meeting the needs of all users of the park. The project will deliver the following benefits:

- Improvements to the path network and entrances will ensure that the park is accessible and welcoming.
- Improved toilet facilities in the sports area (Charles Ashmore Road entrance) will support the development of the tennis area as a Lawn Tennis Association priority site and encourage new users to the bowling greens, pitch and putt and cricket pitch.
- The project will deliver improvements to the play value of the park.
- Investments in signage will encourage visitors to make full use of all of the activities available and improve the visitor experience.
- The works will benefit the local and wider community and continue the commitment to quality green space.

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