

Cabinet

Meeting held 13 February 2019

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

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1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 The Chair (Councillor Julie Dore) reported that the appendix to the report at agenda item 17 (West Bar Square Potential Investment Partner) (item 16 of these minutes) 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 this 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 MEETINGS

4.1 The minutes of the meetings of Cabinet held on 9 January and 16 January 2019 were approved as correct records.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question in respect of Climate Change

5.1.1 The Cabinet received a written question from Kath Clements which stated that: Today's Institute for Public Policy Research (IPPR) report made the main BBC News this morning which announced that 'Politicians have been accused of failing to grasp the gravity of the environmental crisis facing the Earth.' The report, which is in the public domain, opens with "Mainstream political and policy debates have failed to recognise that human impacts on the environment have reached a critical stage, potentially eroding the conditions upon which socioeconomic stability is possible."

5.1.2 Ms. Clements question added that last week Sheffield City Council officially declared a Climate Emergency. As a concerned citizen, may she now ask the Cabinet for reassurance that climate change will be an agenda item, and an across the board consideration, at all forthcoming Council meetings? She was

aware that this strategy may have been tried previously but in view of her comments above it surely must be conscientiously adopted.

- 5.1.3 As Ms. Clements was not in attendance at the meeting, the Leader, Councillor Julie Dore, commented that a written response would be provided.

5.2 Public Question in respect of West Bar Investment Proposal

- 5.2.1 Nigel Slack commented that the ultimate basis of the West Bar investment proposal appeared to be the basic paradigm that Sheffield City Council can rent out the space in the office block for more than they will be paying in rent to the investors. This is based on previous experience and commercial expertise of the advisors. Does this take into account the potential for a contracting economy after the end of March 2019 and the consequent potential for a substantially lower level of demand?

- 5.2.2 Mr Slack added that the Council was also committing to a significant level of investment in marketing the block as a result. Was this cost accounted for in current budgets. Mr Slack also asked that paragraph 5.3.7 of the report mentioned certain conditions needing to be met before any lease obligation arose. What were these conditions?

- 5.2.3 Councillor Mazher Iqbal, Cabinet Member for Business and Investment, acknowledged that there was great uncertainty in the market related to Brexit. However, Sheffield had a successful year in terms of investment last year and this had continued into 2019. Block F of the New Retail Quarter had been sold. There was still demand for new office space. Councillor Iqbal believed the deal in respect of the West Bar Square Investment Partner was a good deal and filled the last part of the jigsaw at the riverside. The Council had received an enquiry this week from an investor who was seeking 100,000 square feet of office space. In terms of the West Bar Square Investment Partner, safeguards were in place if the Council had to pull out but it was hoped that this would not happen.

5.3 Public Question in respect of Sheffield Transport Strategy

- 5.3.1 Nigel Slack commented that, after seeing a presentation on the 'Sheffield Transport Strategy' at the Sheffield City Partnership Board meeting, he was disappointed that collaboration with the Sheffield City Region was reduced to a one line comment, considering that future shape of local mass transit was one area that the Mayor actually had some serious power over. Councillor Olivia Blake, Cabinet Member for Finance, had commented that the control of the buses was a key element of delivering this plan, with which he wholeheartedly agreed, and he asked could the collaborative work with the Sheffield City Region therefore be better prioritised?

- 5.3.2 Mr Slack added that the other disappointment was that the presentation made no reference to cost, availability and access to the bus network being a major impact on those in poverty and the vulnerable of our City. This had to be pointed out by third sector representatives in the room. Could the Council therefore assure Mr Slack that this strategy will be about more than efficiency and serving business

needs?

5.3.3 Councillor Julie Dore acknowledged that the strategy was not explicit enough about the detailed consultation and collaboration that had gone into developing the strategy, although consultation and collaboration had taken place and Members were fully aware of this. The strategy had been developed in collaboration with the City Region and other partners.

5.3.4 The South Yorkshire Passenger Transport Executive (SYPTe) would shortly become the Transport Board and this would be the forum for discussions in respect of transport across the region. Sheffield would have at least one representative on the Board. Councillor Dore was frustrated that Transport Assessments focused on cost based ratios as it meant much more than that to the public. She would raise this with the City Region Mayor. The Administration believed that re-regulation of the buses was the right approach and she would raise this with the City Region Mayor.

6. ITEMS CALLED-IN FOR SCRUTINY

6.1 It was reported that there were 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>
<u>Place</u>		
David Hempshall	Head of Asset Management, Transport and Facilities Management	37
David Singleton	Application and Systems Officer	37
<u>People Services</u>		
Janice Coutts	Fostering Team Manager, Children and Families	37

(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. SCRUTINY BUDGET RECOMMENDATIONS

8.1 The Overview and Scrutiny Management Committee submitted a report providing the outcome of its meeting held on 5 February 2019 which considered the Revenue Budget and Capital Programme for 2019/20.

8.2 **RESOLVED:-** That Cabinet notes the recommendations of the Overview and Scrutiny Management Committee as follows:-

That the Scrutiny Committee:-

- (a) notes the contents of the reports of the Executive Director, Resources, on the Capital Programme 2019/20 and the Budget Report 2019/20, together with the comments made and the responses provided to the questions raised;
- (b) recommends that the reports of the Executive Director, Resources on the Capital Programme 2019/20 and the Budget Report for 2019/20, be submitted to Cabinet without amendment;
- (c) notes with concern that due to continued cuts to local government budgets and rising demand for social care services, this year the budget can only be balanced by the planned use of reserves;
- (d) thanks all officers involved for all their hard work in preparing the budget amidst widespread uncertainty about the future of local government funding;
- (e) thanks officers and Cabinet Members for bringing the budget timetable forward to enable the Overview and Scrutiny Management Committee to consider the budget reports in advance of Cabinet;
- (f) thanks the Council's front line staff who continue to go above and beyond in delivering services to the people of Sheffield in difficult circumstances; and
- (g) agrees to include regular monitoring reports on the implementation of the budget savings in its work programme for 2019/20.

9. REVENUE BUDGET 2019-20

9.1 The Executive Director, Resources submitted a report to recommend that the Cabinet request Full Council to:-

- approve the City Council's revenue budget for 2019/20, including the position on reserves and balances;

- approve a 2019/20 Council Tax for the City Council; and
- note the levies and precepts made on the City Council by other authorities.

9.2 **RESOLVED:** That Cabinet recommends to the meeting of the City Council on 6 March 2019:-

- (a) to approve a net Revenue Budget for 2019/20 amounting to £403.291m;
- (b) to approve a Band D equivalent Council Tax of £1,559.18 for City Council services, i.e. an increase of 2.99%;
- (c) to approve the Council Tax charges in respect of Long Term Empty properties, as outlined from paragraph 51 of the report, with effect from 1 April 2019;
- (d) to note that the Section 151 Officer has reviewed the robustness of the estimates and the adequacy of the proposed financial reserves, in accordance with Section 25 of the Local Government Act 2003; and that further details can be found in Appendix 4 and within the Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves from paragraph 6 of the report;
- (e) to approve the savings as set out in Appendix 2 of the report;
- (f) to approve the revenue budget allocations for each of the services, as set out in Appendices 3a to 3d of the report;
- (g) to note that, based on the estimated expenditure level set out in Appendix 3 to the report, the amounts shown in part B of Appendix 6 of the report would be calculated by the City Council for the year 2019/20, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;
- (h) to note the information on the precepts issued by the South Yorkshire Police & Crime Commissioner and of South Yorkshire Fire & Rescue Authority, together with the impact of these on the overall amount of Council Tax to be charged in the City Council's area;
- (i) to approve the proposed amount of compensation to Parish Councils for the loss of Council Tax income in 2019/20 at the levels shown in the table below paragraph {tbc};
- (j) to note the latest 2018/19 budget monitoring position;
- (k) to approve the Treasury Management and Annual Investment Strategies set out in Appendix 7 of the report and the recommendations contained therein;
- (l) to approve the Minimum Revenue Provision (MRP) Policy set out in

Appendix 7; which takes into account the revisions proposed for 2018/19 onwards;

- (m) to agree that authority be delegated to the Executive Director, Resources to undertake Treasury Management activity, to create and amend appropriate Treasury Management Practice Statements and to report on the operation of Treasury Management activity on the terms set out in these documents;
- (n) to note the information provided on the medium term financial outlook contained within the Medium Term Financial Analysis, attached as Appendix 10 to the report;
- (o) to approve a Pay Policy for 2019/20 as set out in Appendix 8 of the report; and
- (p) to agree that the Members' Allowances Scheme for 2017/18 and onwards, approved on 3 March 2017, and implemented for 2018/19, be also implemented for 2019/20.

9.3 **Reasons for Decision**

9.3.1 The City Council on 6 March 2019 meets to consider the Revenue Budget for 2019/20 and to determine the Council Tax for that year. The report provides information to enable the Council to set a budget and determine the Council Tax. The proposals set out in this report provide for a balanced budget to be recommended to Council.

9.4 **Alternatives Considered and Rejected**

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

10. **CAPITAL PROGRAMME 2019-20**

10.1 The Executive Director, Resources submitted a report setting out the proposed Capital Programme for 2019-20 onwards, describing the programmes to be undertaken and the projects to be delivered.

10.2 **RESOLVED:** That Cabinet recommends to the meeting of the City Council on 6 March 2019:-

- (a) to approve the contents of the Capital Strategy & Budget Book and the specific projects included in the years 2019/20 to 2023/24; that block allocations are included within the programme for noting at this stage and

detailed proposals will be brought back for separate Member approval as part of the monthly monitoring procedures; and

- (b) to approve the proposed Capital Programme for the 5 years to 2023/24 as per appendix 1 of the Capital report.

10.3 **Reasons for Decision**

10.3.1 The proposed projects within the Capital Programme will improve the services to the people of Sheffield.

10.3.2 To formally record the Capital Programme in line with the Council's annual budgetary procedures and gain Member approval for the policy on the management of the Corporate Resource Pool.

10.4 **Alternatives Considered and Rejected**

10.4.1 A number of alternative courses of action are considered as part of the capital approval 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. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2018/19 MONTH 9**

11.1 The Executive Director, Resources submitted a report providing the Quarter 3 monitoring statement on the City Council's Revenue and Capital Budget for 2018/19.

11.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by this report and attached appendices on the 2018/19 Revenue Budget Outturn;
- (b) in relation to the Capital Programme, notes the forecast Outturn position described in Appendix 6 of the report and the impact of the recent announcement regarding School Expansion Funding at paragraphs 14-15 of the report; and
- (c) notes the Mid-Year Treasury review in Appendix 7 of the report.

11.3 **Reasons for Decision**

11.3.1 To record formally changes to the Revenue Budget and the Capital Programme.

11.4 **Alternatives Considered and Rejected**

- 11.4.1 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.

12. MONTH 9 CAPITAL APPROVALS

- 12.1 The Executive Director, Resources submitted a report providing details of proposed changes to the Capital Programme as brought forward in Month 9 2018/19.

12.2 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;
- (b) approves the acceptance of accountable body status of the grant funding detailed at Appendix 2 of the report; and
- (c) gives authorisation to provide grants to third parties as detailed in Appendix 2a of the report.

12.3 Reasons for Decision

- 12.3.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.
- 12.3.2 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.
- 12.3.3 Obtain the relevant delegations to allow projects to proceed.

12.4 Alternatives Considered and Rejected

- 12.4.1 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.

13. LEASE OF STOCKSBRIDGE LEISURE CENTRE

13.1 The Executive Director, Place, submitted a report to seek approval of Cabinet, acting as the Trustees of the Oxley Park Trust, to accept the surrender of the existing lease of Stocksbridge Leisure Centre and the grant of a new 30 year lease on the same terms and conditions (save for the Turnover Rent provisions) to 4SLC (For Stocksbridge Leisure Centre, Registered Charity No. 1153527).

13.2 **RESOLVED:** That Cabinet, acting for the Council as the Trustees of the Oxley Park Charity in accordance with the powers given to the Council as Trustee under the provisions contained in the Trusts of Land and Appointment of Trustees Act 1996:-

- (a) accepts the surrender of the existing lease of the Stocksbridge Leisure Centre to 4SLC dated 13 July 2015 and the re-grant of new lease to 4SLC for a term of 30 years commencing on the day immediately following the date of surrender of the existing lease and on the same material terms and conditions as the existing lease (save for the provisions relating to the Turnover Rent) and in accordance with the terms of this Report and the Surveyor's Report attached in accordance with Section 119(1) of the Charities Act 2011;
- (b) delegates authority to the Chief Property Officer, in consultation with the Director of Legal and Governance, to draft and complete all the necessary legal documents in accordance with the agreed terms and those required by the Charity Commission to effect the surrender and re-grant of the lease; and
- (c) delegates authority to the Chief Property Officer to give notice in accordance with Section 121 of the Charities Act 2011 in order to notify people in the beneficial area of the proposed transaction with 4SLC.

13.3 **Reasons for Decision**

13.3.1 The proposal to accept a surrender and grant a new lease:

- enables grant funding bids to continue to be made by 4SLC to repair, maintain and improve the Pavilion
- ensures that a valuable asset is retained for use by the local community
- supports the charitable objects of the Oxley Park Trust and 4SLC.

13.4 **Alternatives Considered and Rejected**

13.4.1 Not to grant the new lease:

This has been discarded by officers, as unless 4SLC, as the only provider interested in the site, continue to use and manage the Centre it will need to be demolished. This would result in the loss of a valuable asset used by the local community and involve a cost to the Trustees of Oxley Park, or ultimately, the City Council.

14. **FOSTERING STABILITY: SHEFFIELD'S STAYING PUT CARING POLICY FOR**

CARE LEAVERS

- 14.1 The Executive Director, People Services submitted a report requesting Cabinet to endorse the revised Staying Put Caring Policy for young people leaving care: entitled 'Fostering Stability: Sheffield's Staying Put Caring Policy for Care Leavers.'
- 14.2 **RESOLVED:** That Cabinet approves and endorses the publication of Fostering Stability: Sheffield's Staying Put Caring Policy for Care Leavers.
- 14.3 **Reasons for Decision**
- 14.3.1 Supporting the recommendations in the report will ensure that the local authority meets its Statutory Duty to publish a policy for Staying Put that provides clarity to both young people and carers.
- 14.4 **Alternatives Considered and Rejected**
- 14.4.1 There is a statutory duty to provide a policy for Staying Put. This revision provides consistency and clarity for young people and carers and promotes access to Staying Put Caring arrangements.

15. IMPROVING SUPPORT FOR OLDER PEOPLE WITH HIGH CARE NEEDS TO LEAVE HOSPITAL

- 15.1 The Executive Director, People Services, submitted a report describing the proposed model for assessment beds that will enable older people with high care needs to leave hospital and provide a safe setting to arrange longer-term support.
- 15.2 **RESOLVED:** That Cabinet:-
- (a) approves the procurement of the Assessment Beds as outlined in the report;
 - (b) delegates the decision for whole contract award to the Director of Adult Services, in consultation with the Director of Finance and Commercial Services, the Director of Legal and Governance and the Clinical Commissioning Group Chief Nurse, in line with the report; and
 - (c) where no such authority exists, delegates such authority to the Director of Adult Services, in consultation with the Director of Finance and Commercial Services, to carry out such actions in order to meet the aims and objectives of the report.
- 15.3 **Reasons for Decision**
- 15.3.1 This is the preferred option as it offers:-
- A more integrated commissioning approach

- Builds on lessons learned from the pilot approach
- Is cost effective
- Supports a system wide approach to making hospital discharges and preventing hospital admissions
- Has more chance of securing preferred providers
- Offers individuals an opportunity to go home if possible
- Reduces delays in hospital and prevents people from decompensating or becoming less able whilst in hospital
- Ensures conversations with people about their long term future are done at the most appropriate time

15.4 **Alternatives Considered and Rejected**

15.4.1 An options appraisal was undertaken which considered the following alternatives:-

Revert back to the previous arrangements for hospital discharge: This would have a significant negative effect on the Delayed Transfers of Care (DTC) position and would prevent the benefits of the pilot from being realised. This would mean less people being able to return home. The hospital avoidance element to these beds would also be lost.

Continue with pilot in the current format: The benefits of the pilot would be realised, however, additional improvements would not be realised. The continuation of the current service would also be more expensive to both the Council and Clinical Commissioning Group.

16. **WEST BAR SQUARE POTENTIAL INVESTMENT PARTNER**

16.1 The Executive Director, Place, submitted a report to seek approval to the City Council entering into an agreement with a major financial institution which would deliver over £150 million of new investment into the West Bar Square development in the City Centre.

16.2 **RESOLVED:** That Cabinet:-

- (a) notes the Executive Director, Resources' advice in the Financial Implications contained in section 5.2 and in the closed appendix to the report;
- (b) approves the proposals set out in the report and the terms of the proposed agreement as explained in the closed appendix to the report;
- (c) delegates authority to the Executive Director, Place, in consultation with the Executive Director, Resources and the Director of Legal and Governance, to agree the terms of the agreement and the terms of any other documentation required; and
- (d) delegates authority to the Director of Legal and Governance to complete such legal documentation as she considers necessary or appropriate on

such terms as she may agree to give effect to the proposals set out in the report and generally to protect the Council's interests.

16.3 Reasons for Decision

- 16.3.1 The proposed agreement with Legal and General and Urbo outlined in the report will secure over £150 million of new investment into the City Centre. This will deliver a substantial first phase of development at West Bar Square totalling 200,000 sq ft of new Grade A offices, 345 private rented apartments, a multi storey car park and new high quality public realm.
- 16.3.2 This represents a massive sign of confidence in the future of the city and will generate major economic, environmental and social benefits as well as new business rates and Council Tax receipts to the Council.
- 16.3.3 Based on evidence from other cities where Legal and General are investing on a similar basis, it is considered likely that the Council agreeing to enter into the proposed agreement will stimulate further substantial investment by Legal and General in future years.
- 16.3.4 The proposals are commercially sensible for the Council and comply with statutory obligations.

16.4 Alternatives Considered and Rejected

- 16.4.1 The Council could simply do nothing to try to bring this development forward and leave it entirely to Urbo to negotiate development finance. It is quite possible that the market is strong enough to support this and the scheme would still be delivered over time. However, there is no doubt that this would take considerably longer to achieve than what is being proposed.
- 16.4.2 If this approach were to be taken, then the significant economic, environmental and social benefits to the city set out in the report would take longer to materialise. The same would apply to the financial benefits accruing to the Council from new business rates and Council Tax.
- 16.4.3 As described briefly in paragraph 5.3.5 of the report, it might be possible to negotiate similar lease terms with an alternative investor on a standalone office building. However, if this was to be done, it is highly unlikely that the wider development would be brought forward at the same time. As with the do nothing option, this would result in delays to the delivery of the wider benefits.