

### Co-operative Executive

#### Meeting held 17 November 2021

**PRESENT:** Councillors Terry Fox (Chair), Julie Grocutt (Deputy Chair), Jayne Dunn, Cate McDonald, George Lindars-Hammond, Paul Wood, Douglas Johnson and Paul Turpin

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#### **1. APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillors Mazher Iqbal and Alison Teal.

#### **2. EXCLUSION OF PUBLIC AND PRESS**

2.1 It was reported that the appendix to the following report was not available to the public and press because it contained exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), relating to the financial or business affairs of any particular person. Accordingly, if the content of the appendix was to be discussed, the public and press would be excluded from the meeting:-

<u>Item No.</u>	<u>Title</u>	<u>Excluded Appendix</u>
12	Leisure and Entertainment Facility and Services Review	Appendix 1

#### **3. DECLARATIONS OF INTEREST**

3.1 Councillor Paul Wood declared a personal interest in Agenda Item No. 11 – Gambling Act 2005 – Statement of Principles (Policy) Approval Report as he had business involvement with the casinos in the city. Councillor Wood took no part in the discussion or voting thereon.

#### **4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of meetings of the Co-Operative Executive held on 20<sup>th</sup> October and 26<sup>th</sup> October 2021 were approved as a correct record.

#### **5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Nigel Slack was in attendance and asked the following questions:

‘Question One: ‘The briefing attached to this question outlines my comments and concerns about the recent Land and Property Plan passed by the Labour Party

members at the last Co-operative Executive Committee Meeting on the 20<sup>th</sup> of October 2021, whilst the Green Party Members abstained. The questions below are also embedded in the comments document but are reiterated here for clarity.

**1A** Have Exec members had the chance to see and debate the final 'plan' and to approve the document signed off by the Co-operative Executive Member for Finance and Resources?

**1B** Who will be the Corporate Landlord in the executive model?

**1C** The plan suggests it is “Inspired by successes delivered through our previous plan “Assets for our Communities...”. What examples are there to illustrate this?

**1D** There is not a single mention of the City's history & heritage assets at all in this plan. A dangerous and damning omission that undervalues the visitor economy potential for the city in helping “improve lives and create a place which works for Sheffield’s people. “Will this be addressed in the sub-policies and in which policy area will it fall?

**1E** How will Property Services engage with City residents to make them part of the decision-making process?

**1F** In modernising the estate will repurposing and refurbishing be at the top of the priorities since, from an environmental point of view, these are generally better options than demolition and new build?

**1G** In modernising our city what evidence has been gathered that 'major developments' are still the right solution to the market for workspaces and retail?

**1h** In tackling the climate emergency to what outside organisations is Sheffield listening and from what outside sources might investment or other funding be available?

**1I** Will the city adopt a 'make the developer pay' approach?

**1J** In 'our framework' will council reflect the changing work profile, likely to remain even after the pandemic and reverse the damaging centralisation of services for a more 'neighbourhood' approach for service engagement for the public?

**1K** In unlocking money, what work has been done to identify and what are the surplus estate assets proposed for disposal in 2022/23 financial year?

**1L** In managing our estate Council commit to “Be transparent in the decisions we take – we recognise the importance of good standards of governance in public authorities and the need for robust processes to guide decision making we will be transparent in the decisions we take to ensure we can legitimately withstand challenge.” What will this look like?

**1M** In the clear approach to asset management, there are so many questions but to highlight just 3:

*“Gather, record and maintain information about the estate to provide sufficient information to make decisions* “Is this really not available? How have decisions been made in the past without such information?

*“Only hold the minimum estate required for service delivery. Reducing inefficient, underutilised and unfit property through timely demolition (where appropriate) and disposal thereby avoiding ongoing associated costs* “Businesses of all sizes have recognised the danger of being too lean, emergency impacts like the pandemic and the climate emergency need quick responses and that is not possible without a bit of fat in the system. Will Council ensure property decisions are made with this in mind?

*“Ensure any lettings for community use are based on sound business cases, meet needs of the community and city and are viable and sustainable* “What support will be offered to community and social enterprises to ensure a level playing field against corporate interests?

**1N** In what success looks like, clarity is needed about the 'range of sources' Council will use to build the evidence base. Is there any clarity available?

**1O** “...we will develop measurable targets ...” How did Council measure success up to now? (Experience suggests that beyond monetary value they did not).

**1P** What is the timeline for these further policy documents?

Question Two: The vote on the Land & Property Plan was a not a unanimous vote but this is not reflected in the minutes. Why not?

Will Council undertake to ensure future votes are recorded votes and published transparently. The minutes as they stand do not reflect the actuality of the vote and could mislead the public.

Question Three: When will details of the “...significant engagement...” on the sub-policies be available and what form will this take?

Question Four: I was disquieted by the Executive Member for Finance & Resources comments at the last meeting which attempted to suggest that my words in the question that day were somehow intemperate or insulting. I spoke to my experience of Property Services processes and decision making over the last few years and the failings of that department (exemplified by the extraordinary failure to maintain vital Council assets to the tune of £200M+) and the extraordinary disarray around certain decisions on the disposal of heritage properties. I invite the member to apologise for the remarks.’

Councillor Cate McDonald responded to Mr Slack’s questions regarding the Corporate Asset Management Plan. Councillor McDonald noted that elements of Mr Slack’s questions had not been shared and said written responses would be provided for these at a later date.

Councillor McDonald stated that the Corporate Asset Management Plan provided a high-level overview of what the Council would use its estate for, and the

principles for decision making. She said that the Plan would be owned and managed by the Council and would not be a plan for Property Services nor would it provide a detailed plan of the Council's estate. Councillor McDonald stated that detailed information of the Council's estate was held on Asset Management and GIS Systems and added that the corporate accounts set out the value of the Council's assets. She said that the plan would be underpinned by a detailed suite of policies, and these procedures would set out how decisions would be made about the Council's estate. She stated that these policies would be brought forward over the coming 12 months.

Councillor McDonald said that decisions were not made by officers within Property Services but were instead taken in line with the Council's constitution and the Leader's Scheme of Delegation. She stated that all decisions around disposals were undertaken through the Council's disposal policy. Councillor McDonald stated that the Council was committed to inclusive decision making and would work with Local Area Committees to consider how to encourage local people to input into Council decisions.

Councillor McDonald stated that the Council recognised the importance of heritage assets in its care and the contribution these had to the city. She stated that it was not the focus of this plan to provide a detailed overview of the heritage assets owned by the Council, and she added that information on these assets was considered within the decision-making process.

Councillor Douglas Johnson responded to the Climate Change element of Mr Slack's questions. He stated that the Council had been speaking with many different external organisations in order to draw ideas into the 10-Point Plan. He stated that Climate Change was not a department specific issue and added that he hoped each department within the Council would continue to increase their consideration of the Climate Change crisis in their day-to-day work. Regarding developers, Councillor Johnson stated that the role of developers would be addressed in the 10-Point Plan. Councillor Johnson stated he would provide further written responses following the meeting.

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

- 6.1 It was noted that there had been no items called-in for scrutiny since the last meeting of the Co-Operative Executive.

## **7. SCHOOL KITCHEN EQUIPMENT, SERVICE AND MAINTENANCE CONTRACT RE-TENDER**

- 7.1 The report sought approval to procure a new School Kitchen Equipment Service & Maintenance Contract from 4th April 2022 for 3 years plus 4 months, to 31st July 2025 with an option to extend for two further periods of 12 months each. The council will enter into the new contract to support the School Catering Contract and those schools that participate in it. All costs are charged back to schools as part of a traded subscription service.

7.2 **RESOLVED:** That Co-operative Executive:-

1. Approves the procurement for re-tendering the School Kitchen Equipment Service & Maintenance Contracts from 4th April 2022 to 31st July 2025 as outlined in this report with an option to extend for two further periods of 12 months each;
2. Approves the award of the contracts to the most economically advantageous tenderers; and
3. Delegates authority to the Executive Director of People Services in consultation with Co-operative Executive Member for Education, Children and Families, the Director of Finance and Commercial Services and the Director of Legal and Governance, to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

7.3 **Reasons for Decision**

- 7.3.1 By procuring and managing Kitchen Equipment Service and Maintenance directly with the specialist commercial kitchen industry, the council has better control, operationally and financially. Although the premises are managed by the schools, and in the case of academies, owned in entirety, schools understand the need to keep the two elements of catering and equipment safety running in close harmony. It makes for safer premises and a safer catering service, while ever the school opts to participate in the School Catering Contract. This arrangement has always worked well in the past and in consulting with schools, this element of the offer was a major consideration when electing to join the School Catering Contract
- 7.3.2 With this contractual arrangement, schools can then focus on teaching and learning and not become involved in kitchen premises issues. The on-site catering teams have instant access to specialist and accredited kitchen maintenance contractors, and repairs, maintenance and replacements are managed smoothly. This keeps all school kitchens in operation during term time providing hot lunches for thousands of pupils every day, as well as swift action when problems occur.
- 7.3.3 As a direct result of letting this contract, other SCC corporate buildings, community buildings and other non-school sites can have their kitchen premises serviced by agreement.

7.4 **Alternatives Considered and Rejected**

- 7.4.1 Including Kitchen Equipment contracts in the School Catering Contract obligations During the first School Catering Contract with the private sector (2001 to 2006), it was decided to make kitchen maintenance part of the obligations of the catering supplier. It was a poor decision as it led to repairs being delayed or postponed and replacement equipment put on hold for lengthy periods. This element of the work was an area where funds could be saved, whereas covering labour and food costs were essential, so repair to and replacement of equipment was often curtailed. It is

also not the area of skill for education catering suppliers and the work was subcontracted out by the catering contractor at the outset of the contract. The council had little or no control over decisions made and therefore were at risk if site safety became compromised through accidents with equipment or lack of a robust servicing regime. When the contract ended, and an inventory was carried out, extra funds were needed to bring sites back up to a proper operating level, ready for the next education catering supplier.

- 7.4.2 To Not Provide the Kitchen Equipment element for schools The Do Nothing Option Part of the offer to Headteachers when catering was outsourced was that they had a full 'buy back' option available to them as they did not wish to deal with equipment issues or kitchen safety, alongside managing a food service. It also makes the catering operation very difficult to manage if an essential part of that function is dependant on a decision by a Headteacher to spend resources on repairing or replacing equipment. Site safety would in many cases be compromised and some services temporarily halted while decisions to release funds for essential maintenance were confirmed. The caterer would then not be able to fulfil their contractual duties. Schools would have to make their own arrangements for kitchen maintenance and the council would have to navigate through many different arrangements with individual school staff to ensure safety was not compromised. Headteachers agreed to sign up for a catering offer that has a 'whole kitchen' approach, with all the responsibility for the service managed by skilled and knowledgeable contractors, overseen by the council's School Food Team. To not do this would mean informing Heads that they would need to find a solution themselves by April 2022 which would create a problem for schools not used to managing this element of the service.

**7.5 Any Interest Declared or Dispensation Granted**

None

**7.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**7.7 Respective Director Responsible for Implementation**

Executive Director, People Services

**7.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Children, Young People and Family Support Scrutiny and Policy Development Committee

**8. SECONDARY MAINSTREAM SCHOOL EXPANSIONS**

- 8.1 The report outlined the pressures on secondary school places in the city, particularly in the southwest of the city, between now and the turn of the decade. The report also explained the capital funding available whilst recognising the LAs current financial position in relation to this. The purpose of the report was to seek

Co-operative Executive approval for the use of Basic Need funding alongside corporate financial support to address the pressures on school places to deliver permanent and temporary secondary provision. This would include the potential expansion of two secondary schools in southwest of the city and temporary expansions in specific parts of the city

8.2 **RESOLVED:** That Co-operative Executive:-

1. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places;
2. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation; and
3. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

8.3 **Reasons for Decision**

8.3.1 The preferred option is to:

- I. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places
- II. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation.
- III. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

8.3.2 This option has been chosen because it helps ensure that the LAs statutory duties relating to mainstream and SEND place are met, improve outcomes for pupils in the southwest of the city and also the potential to recoup funds through the sale of caretaker properties across the city.

8.3.3 The intended outcomes are:

- Development of permanent and temporary secondary provision in the city by utilising future Basic Need funding to meet statutory duties
- Supporting the SEND strategy across the city
- Reimburse the corporate investment through the sale of caretaker properties

8.4 **Alternatives Considered and Rejected**

8.4.1 Do nothing - This option has been ruled out as the LA would be in breach of its statutory duties under the Education Act to ensure sufficient school places, promote parental choice, diversity and fair access.

8.4.2 SW schools offer places above current admission numbers - This will involve negotiating with SW schools to accommodate the shortfall of places. Schools may be provided with Growth Funding as they have agreed to offer above current admission numbers on a temporary basis to provide a flexible solution that meets the Year 7 demand in the short term. This may reduce the threat of overcapacity in later years towards end of the decade also. However, SW schools will not be able to absorb the increasing demand over the next decade within existing accommodation as they are already near full capacity due to compounding effect of offering places above PAN the past few years. Health & Safety concerns around overall building capacity – corridor space etc have also been highlighted to the LA. There is a high risk that the LA will be unable to fulfil its statutory duties if the required places are not offered by the SW schools.

8.4.3 City wide allocation - This would involve allocating pupils who are unable to obtain a place at a local school to travel outside of their local area/catchment to access a place in other parts of the city where places are available. This would keep a tight system as city moves into a surplus in future years and reduces need to invest substantial capital funding. However, this could have a disproportionate impact on families. SW schools will have a less balanced socio-economic intake as children from deprived inner-city areas in the SW may miss out on admission to SW schools. This risks significant appeals from parents and puts pressure on schools outside of SW. If parents are successful on appeal, SW schools risk unplanned numbers through this process and have a further compounding effect on the overall capacity of the school. This would also have a greater level of impact on transport, impact on environment, cost for LA to transport these pupils out of area and cost to parents.

8.5 **Any Interest Declared or Dispensation Granted**

None

8.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

8.7 **Respective Director Responsible for Implementation**

Executive Director, People Services

8.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Children's Scrutiny and Policy Development Committee

9. **MONTH 6 CAPITAL APPROVALS 2021/22**

9.1 This report provides details of proposed changes to the Capital Programme as brought forward in Month 6 2021/22.

9.2 **RESOLVED:** That Co-operative Executive:-



1. Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts; and
2. Note the receipt of advance funding in relation to the Stocksbridge Towns Fund at Appendix 2.

**9.3 Reasons for Decision**

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

**9.4 Alternatives Considered and Rejected**

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

**9.5 Any Interest Declared or Dispensation Granted**

None

**9.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**9.7 Respective Director Responsible for Implementation**

Executive Director, Resources

**9.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

**10. GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES (POLICY) APPROVAL REPORT**

- 10.1 The report set out the details of the revised Statement of Principles (Policy) to be

published under the Gambling Act 2005 and details of the consultation process that had been undertaken. The report also sought approval on the final version of the Statement of Principles (policy) and for it to be referred to Full Council.

10.2 **RESOLVED:** That Co-operative Executive:-

Approve the Statement of Principles (Policy) for referral to Full Council on the 1st December 2021.

10.3 **Reasons for Decision**

10.3.1 To ensure compliance with the Council's statutory requirements set out in the 2005 Act and associated regulations and guidance to have the policy approved by Full Council and published in time for the Statement of Principles to be in effect in January 2022.

10.4 **Alternatives Considered and Rejected**

10.4.1 No further alternative options were considered.

10.5 **Any Interest Declared or Dispensation Granted**

Councillor Paul Wood declared a personal interest in Agenda Item No. 11 – Gambling Act 2005 – Statement of Principles (Policy) Approval Report as he had business involvement with the casinos in the city. Councillor Wood took no part in the discussion or voting thereon.

10.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

10.7 **Respective Director Responsible for Implementation**

Interim Executive Director, Place

10.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

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NOTE: This is subject to approval at Full Council at its meeting to be held on 1 December 2021 and is not subject to call-in.

**11. LEISURE AND ENTERTAINMENT FACILITY AND SERVICES REVIEW**

11.1 To agree a programme of investment for Leisure and Entertainment services and agree the preferred management option for the future operation of facilities.

11.2 **RESOLVED:** That Co-operative Executive:-

1. Note the ending in 2024 of the arrangements with Sheffield City Trust around the Major Sporting Facilities (Arena, Ponds Forge and Hillsborough Leisure Centre);
2. Approve the investment in our Leisure and Entertainment facilities to deliver a balanced and sustainable portfolio of facilities which support the needs of our communities alongside elite sport and events (Investment in the facilities);
3. Note this gives an opportunity for the Council to review how leisure and entertainment services are delivered in Sheffield and approve the strategy of a Council commissioned (but market driven) approach to appointing an external partner, as outlined in this report (Who runs the facilities);
4. Delegate authority to the Director of Culture in consultation with the Leader of the Council, the Director of Finance and Commercial Services and the Director of Legal and Governance to approve procurement strategies to deliver the strategy and to award any associated contracts;
5. Note phased delivery of this strategy will be approved via the Council's capital programme;
6. Note the programme of public consultation to inform the investment in facilities at a local level;
7. Note work will begin to address backlog maintenance issues at the following facilities:
  - a. Ponds Forge International Sports Centre
  - b. English Institute of Sport Sheffield (EISS)
  - c. Ice Sheffield
  - d. Heeley Pool and Gym
  - e. Beauchief, Birley and Tinsley Golf Courses
  - f. Sheffield Arena
  - g. Sheffield City Hall;
8. Note that backlog maintenance will also be addressed at Upperthorpe Healthy Living Centre which is currently run by Zest;
9. Note work will be undertaken on creating a lifecycle maintenance investment fund for Leisure and Entertainment facilities; and
10. Note the implications in (the closed) Appendix 1 and that further work will be done to inform how that can be progressed.

### 11.3 **Reasons for Decision**

- 11.3.1 The council recognises that leisure provision will be critical post Covid-19, with many people requiring rehabilitation after suffering long-COVID, or diminished mental health caused by lockdown. The health and wellbeing of residents is a

priority, and it is clear the services delivered by leisure play a vital role both now and in the future. It is therefore critical that a long-term management and investment strategy is put in place to secure the future of the leisure and entertainment portfolio.

- 11.3.2 It is expected that investment into new and improved facilities will help to attract and retain increased participation and usage of venues. Improved facilities will better meet customer expectations of a modern and welcoming leisure and entertainment offer. This will help to reduce barriers to participation and encourage more people to be more active, more often.
- 11.3.3 Investment in Leisure will improve financial viability and long-term sustainability of the service and ensure that facilities are modern and accessible. New facilities will also help to deliver against the Council's commitment to the climate emergency by improving the environmental sustainability of facilities.
- 11.3.4 Investment in new facilities will also improve equality of access ensuring that facilities are designed to be fully accessible and inclusive.
- 11.3.5 There is a clear financial link between the amount of money the Council can invest and the operating model selected. The greater the income the operator generates, the more money the Council can safely invest. It is therefore critical that the Council selects the management option that provides the greatest level of income, and that the decision on the future management option is taken alongside the decision to invest.
- 11.3.6 The Leisure Review has shown that the external partner model is the most financially advantageous and returns the highest level of income. This is because an external partner is likely to benefit from existing regional management structures which means that central overhead cost such as senior management, central administration, HR and payroll attributed to the delivery of services will be lower. In addition, a specialist external partner is likely to be able to deliver economies of scale on procurement supplies and services and have stronger marketing expertise to generate sales and therefore increase income.
- 11.3.7 The external partner model also provides the greatest financial certainty as the least financial risk as a management fee would be set as part of the contract procurement and financial risk can be transferred to the external partner.

#### 11.4 **Alternatives Considered and Rejected**

- 11.4.1 Alternative Management Model - The Council has reviewed three possible options for the future management of facilities, as described in 1.3. This included in house, a Local Authority Trading Company (LATC) and appointment of an external partner. The in house and LATC options were not selected as they are more expensive and present a greater level of financial uncertainty and risk to the Council. They would not allow for the level of investment needed for the Council to offer significantly improved leisure facilities.
- 11.4.2 Do Nothing - Doing nothing is not an option. The current arrangement with

Sheffield City Trust come to an end in 2024 and the facilities themselves require significant investment just to remain open and functioning. Without investment facilities will continue to decline and eventually close.

**11.5 Any Interest Declared or Dispensation Granted**

None

**11.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**11.7 Respective Director Responsible for Implementation**

Interim Executive Director, Place

**11.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee

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