

Cabinet

Meeting held 19 June 2013

PRESENT: Councillors Julie Dore (Chair), Isobel Bowler, Jackie Drayton, Harry Harpham (Deputy Chair), Mazher Iqbal, Mary Lea, Bryan Lodge and Jack Scott

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillor Leigh Bramall.

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 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETINGS

4.1 The minutes of the meetings held on 8 May and 15 May 2013 were approved as correct records.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Public Question in respect of the Housing Revenue Account

Mick Watts referred to the second sentence of paragraph 40 on page 102 of the Budget Outturn Report 2012/13 on the agenda for the meeting which stated 'Another improvement in this area included additional income of £253k generated from lending to the Housing Revenue Account from General Fund.' He asked what the benefit of this would be for tenants?

In response, Councillor Harry Harpham, Cabinet Member for Homes and Neighbourhoods, commented that he would seek clarification on this and provide a written response to Mr Watts.

5.2 Public Question in respect of Decent Homes Work and Council Housing

Martin Brighton referred to a recent article in The Star newspaper which mentioned the debt and money required to meet Council Housing commitments, including a £93 million debt for Decent Homes work. He commented that when people were asked to vote for the creation of Sheffield Homes, they were told that the Decent Homes money was ring-fenced. There were several repeats of this claim throughout the tenure of Sheffield Homes. He therefore asked if the Government, for whatever reason, asked for the money back, does the Council

have the £93 million to hand over?

Mr Brighton further stated that The Council may recall that he had requested the financial argument for the return of the management of Council Housing back in-house. He therefore asked if the Council could show him where the figures that were quoted in The Star could be found in this financial report?

Councillor Harry Harpham commented that the administration had consistently stated that they had been underfunded by the Government for Decent Homes work. Mr Brighton had access to every financial document in relation to the Decent Homes Programme and if he had a query in relation to the figures in the Star he should contact them for clarification.

5.3 Public Question in respect of New Locality Structure and TARA's

Martin Brighton stated that the Council was still consulting on the structure and remit of the new Area Panels, from the now defunct Area Assemblies. He asked would the Council provide an assurance that TARA's will be recognised in their own right as a community representative organisation, with direct rights of access and petition, and not structurally subsumed below any other organisation?

Councillor Harry Harpham stated that they would have rights of access. Councillor Julie Dore, Leader of the Council added that they had had that level of access under the Community Assemblies and this would continue.

5.4 Public Question in respect of the Sheffield Housing Company

Martin Brighton commented that the Council's financial argument for contributing land to the Sheffield Housing Company was that the Council will return a profit from its contribution to the partnership upon the sale of the new-built properties. He therefore asked if the Council could produce the evidence to show the financial projections at least guarantee that the Council will not suffer a loss and will the Council provide the financial projections indicating the value of the Council's contribution and the amount of profit generated to the Council?

Councillor Harry Harpham responded that it was very difficult to project profits as there were so many dependents. Councillor Julie Dore added that the scheme was not solely focused on financial benefit it would also enable the Council to determine what was built on the land.

5.5 Public Question in respect of Secure Tenancies

Martin Brighton asked if the Council could guarantee that all those displaced from their Secure Tenancies would be offered new homes with Secure Tenancies?

Councillor Harry Harpham confirmed that the Council would continue to offer Secure Tenancies for Council Housing. Councillor Julie Dore further commented that some tenants may choose to move into other areas with other social landlords but if they moved into a Council property they would have the opportunity of a secure tenancy.

5.6 Public Question in respect of Amey and the Streets Ahead Project

Nigel Slack referred to recent articles in the Sheffield Star and Construction News about the potential losses for Amey on the Streets Ahead Project of some £540,000. This potential loss apparently threatened some 22 jobs, unless a successful redeployment was concluded in negotiations with unions. He therefore asked if the Council would clarify the position regarding potential profits or losses over the life of the contract, comment on the 'major financial risk' Amey allege this represented and the facts about the potential 'redeployment' of staff allegedly 'lacking the necessary skills'?

Councillor Jack Scott, Cabinet Member for Environment, Recycling and Streetscene, commented that it was a fair assumption to make that contractors such as Amey would expect to make profits later on into the contract. There had been no official release of the figures so the figures referred to in the question had not come from Amey or the Council. In respect of jobs, the project had created an extra 230 jobs and an extra 400 jobs in relation to the supply chain. The Council acknowledged that they hadn't previously invested as much as they could have in training for Street Force staff and this would now be a priority under the new contract. Even if the project was not taking place Street Force staff would still be subject to job pressures. The Streets Ahead project was guaranteeing and projecting jobs and this was the right thing for Sheffield. In conclusion he stated that this was an Outcome Based Contract, there would be no compulsory redundancies and it would be at no cost to the Council.

5.7 Public Question in respect of Capita

Nigel Slack referred to profits made by Capita outlined in the Capita 2012 annual report. He asked if the Council thought the levels of profit indicated were acceptable at a time when the Council was under such financial hardship? And was it time for a conversation about whether this company was ethically suitable to hold any future contracts with this City?

Councillor Bryan Lodge, Cabinet Member for Finance and Resources responded that the City Council operated competitive tendering and Capita had been successful in gaining a number of contracts. The City Council continued to monitor these and if it was felt that Capita were not delivering to agreed service standards this could be addressed and penalty clauses could be implemented if necessary. However, Capita were producing better results than when the contracts were delivered in house and at a lower cost to the Council.

6. ITEMS CALLED-IN FOR SCRUTINY

6.1 There were no items called-in for Scrutiny.

7. RETIREMENT OF STAFF

The Chief Executive submitted a report on Council staff retirements.

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

Christopher Cresswell	Teacher, Forge Valley Community School	33
Janet Hamilton	Headteacher, Reignhead Primary School	30
Beryl Harlow	Assistant Headteacher, Forge Valley Community School	41
Lynne Hodgkinson	Teacher, Holt House Infant School	32
Anna James	Teacher, Holt House Infant School	21
Cath James	Headteacher, Meadowhead School	37
Faizani Khan	Teacher, Holt House Infant School	26
Eileen Vernon	Teacher, Forge Valley Community School	21
Mick Wing	Business Manager, Forge Valley Community School	38

Communities

Howard Waddicor	Commissioning Officer	37
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Place

Sylvia Atkinson	Personal Assistant to Head of Planning	38
John Birch	Nursery Operative	46
Kevin Cheetham	Outdoor Events Manager	33
Simon Holmesmith	Programme Director	26

Peter Marks	Gardener	36
Roger Rowland	Gardener	32
Neil Wilkinson	Pest Control Manager	28

Resources

Milana Brady	Finance Officer	30
David Fitzpatrick	Customer Service Agent	31
Carol Hudson	Assistant Finance Officer	38
Christopher Whitney	Customer Service Agent	33

(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. COUNCIL HOMES NEW BUILD PROGRAMME

8.1 The Executive Director, Place submitted a report in relation to the Council Homes New Build Programme and recommending that Cabinet approve the acquisition of 30 new build homes from the Sheffield Housing Company as set out in Section 4 of the report as being Phase 1 of the Council's new build programme as identified in the HRA Business Plan 2012/17.

8.2 **RESOLVED:** That Cabinet:-

(a) approves the acquisition of 30 new build homes from the Sheffield Housing Company, as set out in Section 4 of the report, as being Phase 1 of the Council's new build programme as identified in the HRA Business Plan 2012/17; and

(b) delegates authority to the Director of Capital and Major Projects to negotiate and agree terms for the individual purchases of these 30 homes in consultation with the Director of Commissioning and to instruct the Director of Legal and Governance Services to complete the necessary legal documentation in respect of the acquisition of those properties.

8.3 **Reasons for Decision**

8.3.1 To bring forward earlier the provision of new Council housing, in the form of Phase 1 acquisitions to increase the supply of much needed social rented housing in the City. This is contributing to making these three neighbourhoods a great place to live by ensuring continued investment into Sheffield's Council new housing stock

and building on previously derelict land.

8.3.2 In relation to the first phase, to capitalise on the significant work which the Council has already done in working with the Sheffield Housing Company to generate high quality and sustainable properties which are good value for money and which by design can respond to tenant's changing and particular housing needs.

8.3.3 The completion of new homes will generate additional New Homes Bonus money which the Council can direct as further investment to promote house building and neighbourhood generation, as well as being a mechanism to recycle the money received under the Right to Buy Scheme and the agreement which the Council had previously signed up to.

8.4 **Alternatives Considered and Rejected**

8.4.1 The first is that the Council itself should undertake to design and build all of the 75 homes proposed in the programme. Such a significant new build programme invariably takes a considerable time to set up with the need to identify parcels of land, complete design and project briefs, appoint design teams, undertake public consultation, achieve planning permission, specify and tender the project and oversee construction. All this requires considerable project management resources which are already under pressure within the Council. Leading a new build development from start to finish also carries a huge financial risk compared to acquisitions. At this point it is still expected to be able to deliver the full programme within the 3 year timescale described in the HRA Business Plan; however it should be remembered that starting from scratch will make this less easy to complete.

There are considerable advantages over time to the Council designing and building its own homes as it would have greater control over the specification and type of property to be delivered and would have an opportunity to consider a wider geographical area for its development sites; hence the need to run these two phases in tandem.

Another way of designing and building Council homes is to commission a third party to undertake the development work and to run the build programme. This would reduce the risk to the Council in terms of design responsibility, timescale and to an extent the budget for delivery. One mechanism to help with this could be to exploit the Homes and Community Agency Developer Framework, however this would still require a tender package and the associated site investigation, design work and land due diligence. It is suggested this could be further examined for phase 2, being one of a number of options to be considered in the future, but as it stands this would not deliver any early new build properties.

8.4.2 The second option considered was to purchase properties 'off the shelf' from private developers who were either already on site or have properties built but not sold. This did represent a quick option for delivery, however it was rejected as this would limit housing choice, the quality could not be assured in the same way as that provided by the Sheffield Housing Company with the Council's own involvement, the space standards would be lower and no mobility or wheelchair housing is immediately available. The ability to secure a financial discount across

a number of developers would in all likelihood be less than that secured through the Sheffield Housing Company although in the latter's case this is being provided across three sites increasing the geographical spread of properties.

- 8.4.3 In addition the build costs themselves will not have been scrutinised in the same way as that of the Sheffield Housing Company. The Council under the 'off the shelf' option will be buying straight from the market and will be paying an open market value for the properties with no recourse to the knowledge of how that purchase price will have been built up. In the case of the Housing Company, the build cost elements were subject to an initial tender process, they were then further checked by the Council's in-house quantity surveying service. The cost plan then went through a further check undertaken by Gleeds, an external cost consultant firm and build costs continue to be monitored by the company itself using a further firm of cost consultants Hall and Partners.

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**

Simon Green, Executive Director, Place

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

Safer and Stronger Communities

9. **BUDGET OUTTURN 2012/13**

- 9.1 The Executive Director, Resources submitted a report providing the final year-end position on the City Council's Revenue Budget and Capital Programme for 2012/13, subject to review by the external auditors.

9.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by the report on the 2012/13 outturn; and
- (b) In relation to the Capital Programme:-
 - (i) approves the proposed additions to the capital programme, listed in Appendix 4 of the report, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;

- (ii) approves the proposed variations in Appendix 4 of the report;
- (iii) notes the proposed slippage adjustments to the Capital Programme in 2012/13, and delegates to the Cabinet Member for Finance and Resources the authority to approve such adjustments on conclusion of any necessary review; and
- (iv) notes the latest position on the Capital Programme.

9.3 Reasons for Decision

- 9.3.1 To formally record 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.

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 believed 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 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

Laraine Manley, Executive Director, Resources

9.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Overview and Scrutiny

10. SHEFFIELD CITY TRUST'S FINANCING OBLIGATIONS

- 10.1 The Executive Director, Resources submitted a report outlining the potential to change the way the Council funds Sheffield City Trust to meet its financing obligations.

10.2 RESOLVED: That Cabinet:-

- (a) approves the principle of restructuring the funding arrangements with Sheffield City Trust (SCT) to allow SCT to repay their obligations early;

- (b) delegates authority to finalise the agreement to the Executive Director, Resources, in consultation with the Cabinet Member for Finance and Resources, and delegates authority to approve a scheme for restructuring the funding arrangements, including without limitation any scheme that varies from the one recommended in the report;

10.3 Reasons for Decision

- 10.3. The proposal will deliver savings to the Council in an efficient manner.
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10.4 Alternatives Considered and Rejected

- 10.4. One option reviewed involved changing the existing legal arrangements with Sheffield City Trust. This option was rejected as it poses insurmountable obstacles that were not in the Council's control.
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- 10.4. Another option reviewed involved the extension of the debt term to create further savings. This option was not recommended as it extended the period of debt.
2

10.5 Any Interest Declared or Dispensation Granted

None

10.6 Reason for Exemption if Public/Press Excluded During Consideration

None

10.7 Respective Director Responsible for Implementation

Laraine Manley, Executive Director, Resources

10.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Overview and Scrutiny

11. HOME TO SCHOOL TRANSPORT POLICY

- 11.1 The Executive Director, Children, Young People and Families submitted a report providing a summary of the responses to the consultation process on the proposal to discontinue the discretionary free bus passes that were currently provided under the current Home to School Transport Policy for attendance at Catholic Schools with effect from September 2013 and seeking approval on the preferred Option.

- 11.2 **RESOLVED:** That Cabinet approves the phased withdrawal of discretionary free bus passes for travel to denominational schools under the discretionary scheme from September 2013 in line with Option 4 which is:

'To withdraw all discretionary free bus passes to denominational schools from

September 2013 except for those pupils in Years 10 and 11 during 2013/14 and Year 11 in 2014/15 who meet the existing discretionary criteria, namely attendance at a denominational school, adherence to a specific denomination and meeting the statutory distance criteria.'

11.3 Reasons for Decision

11.3.1 The Council's position remains that it is facing extreme pressure on limited budgets and must make efficiencies to find £50 million of savings in this financial year with more savings to be found in future years. Within these constraints, the Council's approach is to protect where possible those services provided for the most vulnerable people in our community and to examine where they spend on discretionary provision.

11.3.2 The Council's funding of discretionary free bus passes for travel to denominational schools under the Home to School Transport Policy must therefore be reviewed in the light of the need to reduce expenditure and balanced against the Council's responsibilities to maintain vital services for the most disadvantaged. Other Councils have taken similar action to discontinue their discretionary policies in the face of such budgetary pressures.

11.3.3 The addition of Option 3 in the current consultation clearly signalled the Council's intention to mitigate against the loss of a bus pass for those most prejudicially affected, namely those on lower incomes and those entering Years 10 and 11. Having listened carefully to the feedback from the consultation, the recommendation to Cabinet was to reject all 3 options and approve the new Option 4.

11.3.4 The recommendation acknowledges the feedback from the consultation which showed strong support for Option 2 (83%) which was a phasing of the withdrawal of the discretionary free bus passes. The proposal outlined in Option 4 is a phased approach as well as being an expansion of the original Option 3. It also acknowledges that the majority of respondents (95%) thought that a transfer to another school would be disruptive and have a negative impact on educational outcomes. This proposal eliminates the need for any student entering Years 10 and 11 in 2013/14 and Year 11 in 2014/15 to have to transfer to another school as a result of losing the bus pass.

11.4 Alternatives Considered and Rejected

11.4.1 To approve either Option 1, 2 or 3 outlined in the report.

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

Jayne Ludlam, Executive Director, Children, Young People and Families

11.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Children, Young People and Family Support

12. DISPOSAL OF ERRINGTON SITES B AND C, ARBOURTHORNE

11.1 The Executive Director, Place submitted a report seeking authority to dispose of two cleared sites at Arbourthorne, referred to in the report as Errington Sites B and C, to Sanctuary Housing Association (SHA) for the development of affordable housing. The new homes would offer a relocation option for those households affected by the demolition scheme in the area (as approved by Cabinet on 8 May 2013).

11.2 **RESOLVED:** That Cabinet:-

- (a) approves that the land, shown at Appendix A of the report as Errington Site B, be declared surplus to the requirements of the City Council and disposed to Sanctuary Affordable Housing Limited for use as social housing;
- (b) approves that the land now shown as Appendix A as Errington Site C be declared surplus to the requirements of the City Council and subject to the availability of further grant funding and the submission to the City Council of an acceptable scheme disposed to Sanctuary Affordable Housing Limited for use as social housing;
- (c) authorises the Director of Capital and Major Projects, in consultation with the Director of Regeneration and Development Services, to agree an acceptable scheme for Errington C; and
- (d) authorises the Director of Capital and Major Projects, in consultation with the Director of Regeneration and Development Services, to negotiate and agree terms for the disposal of the land for the purposes set out in the report including the variation of any boundaries as required and the Director of Capital and Major Projects be authorised to instruct the Director of Legal Services to complete the necessary legal documentation.

12.3 Reasons for Decision

12.3.1 The development of housing on these sites would benefit the local economy, provide opportunities for local labour and contribute to the physical regeneration of Arbourthorne. The Council would also benefit from funds generated through the New Homes Bonus scheme, which includes additional financial incentives for providing affordable homes.

12.3. The provision of affordable housing would provide additional relocation options for

- 2 Arbourthorne residents affected by demolition and help meet the identified shortfall of affordable housing in the City.

12.4 Alternatives Considered and Rejected

- 12.4. The Housing Revenue Benefit Account Business Plan includes a proposal to build
1 75 new Council houses over the next three years, so the Council could look to develop Errington B and C itself. However, this would require more preparatory work, which would delay the development process and mean that relocation options were not in place as quickly for residents affected by demolition. It would also mean that the HCA grant being made available via SHA would be lost to the City and that the Council would not be able to pursue new Council housing in any other areas.

- 12.4. A private housing development would not be a viable proposition in the current
2 housing market, so the alternative is to retain the site for future disposal. Whilst this might eventually yield a capital receipt for the Council, the site would be left vacant for the foreseeable future. This would be detrimental to the regeneration of Arbourthorne and would hinder the rehousing process for those residents affected by demolition.

12.5 Any Interest Declared or Dispensation Granted

None

12.6 Reason for Exemption if Public/Press Excluded During Consideration

None

12.7 Respective Director Responsible for Implementation

Simon Green, Executive Director, Place

12.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

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