



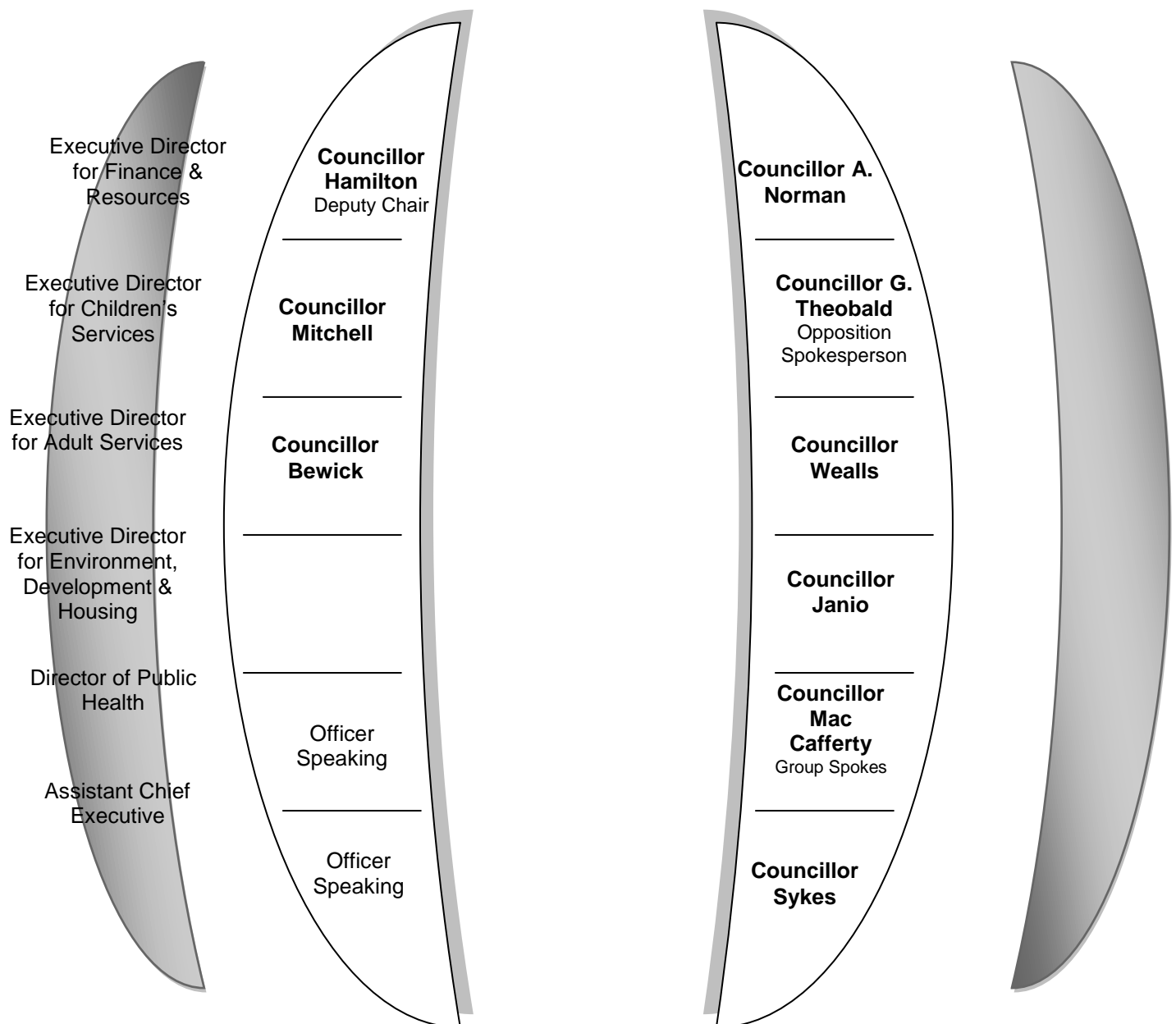
# Policy & Resources Committee

Title:	<b>Policy &amp; Resources Committee</b>
Date:	<b>28 April 2016</b>
Time:	<b>4.00pm</b>
Venue	<b>Friends Meeting House, Ship Street, Brighton</b>
Members:	<b>Councillors:</b> Morgan (Chair), Hamilton (Deputy Chair), G Theobald (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bewick, Janio, Mitchell, A Norman, Sykes and Wealls
Contact:	<b>Ross Keatley</b> Democratic Services Manager 01273 291064 ross.keatley@brighton-hove.gov.uk

	The Town Hall has facilities for wheelchair users, including lifts and toilets
	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.
	<p><b>FIRE / EMERGENCY EVACUATION PROCEDURE</b></p> <p>If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:</p> <ul style="list-style-type: none"> <li>• You should proceed calmly; do not run and do not use the lifts;</li> <li>• Do not stop to collect personal belongings;</li> <li>• Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions; and</li> <li>• Do not re-enter the building until told that it is safe to do so.</li> </ul>

# Democratic Services: Policy & Resources Committee

Monitoring Officer	Councillor Morgan Chair	Chief Executive	Democratic Services Manager
--------------------	-------------------------	-----------------	-----------------------------



## AGENDA

### PART ONE

Page

#### PROCEDURAL MATTERS

#### 157 PROCEDURAL BUSINESS

**(a) Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

**(b) Declarations of Interest:**

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

**(c) Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

**NOTE:** *Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

*A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.*

#### 158 CHAIR'S COMMUNICATIONS

#### 159 CALL OVER

- (a) Items (162 – 172) will be read out at the meeting and Members

## POLICY & RESOURCES COMMITTEE

invited to reserve the items for consideration.

- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

### GENERAL MATTERS

#### 160 PUBLIC INVOLVEMENT

1 - 2

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented by members of the public to the full Council or as notified for presentation at the meeting by the due of 13 April 2016 (10 days);
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 21 April 2016;

**Christopher Hawtree** – Hove Carnegie Library (copy attached).

- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 21 April 2016.

*Contact Officer:* Ross Keatley  
*Ward Affected:* All Wards

*Tel:* 29-1064

#### 161 MEMBER INVOLVEMENT

3 - 10

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;

**Save Hove Library** – Petition referred from Council on 24 March 2016, together with an extract of the proceedings of the meeting (copies attached).

- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

*Contact Officer:* Ross Keatley  
*Ward Affected:* All Wards

*Tel:* 29-1064

### STRATEGIC & POLICY MATTERS

#### 162 DEVELOPMENT OF LIBRARY SERVICES IN HOVE AND HOLLINGBURY

11 - 52

Joint report of the Acting Executive Director for Environment, Development & Housing and the Assistant Chief Executive (copy attached).

*Contact Officer:* Sally McMahon, Angela Dymott *Tel:* 01273 296963

, Tel: 01273  
291450

*Ward Affected:* All Wards

**163 TOWER HOUSE**

**53 - 94**

Report of the Executive Director for Adult Social Care (copy attached) together with an extract from the proceedings of the Health & Wellbeing Board meeting held on 19 April 2016 (copy to follow).

*Contact Officer:* Karin Divall

*Tel:* 29-4478

*Ward Affected:* All Wards

**164 LEARNING DISABILITIES ACCOMMODATION SERVICES**

**95 - 124**

Report of the Executive Director for Adult Social Care (copy attached) together with an extract from the proceedings of the Health & Wellbeing Board meeting held on 19 April 2016 (copy to follow).

*Contact Officer:* Karin Divall

*Tel:* 29-4478

*Ward Affected:* All Wards

**165 ORBIS PROGRAMME UPDATE**

**125 - 138**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer:* Chris Carter

*Tel:* 01273 296499

*Ward Affected:* All Wards

**GENERAL MATTERS**

**166 SENIOR MANAGEMENT TEAM RE-ORGANISATION**

**139 - 152**

Report of the Chief Executive (copy attached).

*Contact Officer:* Geoff Raw

*Tel:* 01273 297329

*Ward Affected:* All Wards

**167 REVIEW OF THE COUNCIL'S CONSTITUTION 2016**

**153 - 196**

Report of the Head of Legal & Democratic Services and Monitoring Officer (copy attached).

*Contact Officer:* Abraham Ghebre-Ghiorghis

*Tel:* 01273 291500

*Ward Affected:* All Wards

**FINANCIAL MATTERS**

**168 SOFTWARE LICENSING PROCUREMENT**

**197 - 204**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer:* Mark Watson

*Tel:* 01273 291585

*Ward Affected:* All Wards

**REGENERATION & PROPERTY MATTERS**

**169 ROYAL PAVILION ESTATE CAPITAL PROJECT 205 - 216**

Joint report of the Acting Executive Director for Environment, Development & Housing and the Assistant Chief Executive (copy attached).

*Contact Officer:* Richard Davies

*Tel:* 01273 296825

*Ward Affected:* All Wards

**170 ROYAL PAVILION & MUSEUMS 217 - 224**

Report of the Assistant Chief Executive (copy attached).

*Contact Officer:* Mo Lawless

*Tel:* 01273 295975

*Ward Affected:* All Wards

**171 BRIGHTON WATERFRONT PROJECT (BRIGHTON CENTRE AND BLACK ROCK SITES) 225 - 248**

Report of the Acting Executive Director for Environment, Development & Housing (copy attached).

*Contact Officer:* Mark Ireland, Katharine Pearce

*Tel:* 01273 291240

, *Tel:* 01273

292553

*Ward Affected:* All Wards

**172 FORMER PETER PAN'S AMUSEMENTS SITE - SEA LANES LEASE AGREEMENT 249 - 256**

Joint report of the Acting Executive Director for Environment, Development & Housing and the Executive Director for Finance & Resources (copy attached).

*Contact Officer:* Ian Shurrock, Toni Manuel, Jane Pinnock

*Tel:* 01273 292084

, *Tel:* 01273

290394, *Tel:*

01273 290568

*Ward Affected:* East Brighton

**173 ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 21 July 2016 Council meeting for information.

*In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on 11 July 2016 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.*

**PART TWO**

**STRATEGIC & POLICY MATTERS**

**174 TOWER HOUSE DAY SERVICES: APPENDICES - EXEMPT CATEGORY 3**

Appendices 7, 8, 9, 10, 11 & 12 to the report of the Executive Director for Adult Services, Item 163 on the agenda contain confidential information as defined in schedule 12A, Part 1 to the Local Government Act 1972 (as amended) and have therefore been circulated to Members of the Committee only.

*Contact Officer: Karin Divall*  
*Ward Affected: All Wards*

*Tel: 29-4478*

**175 LEARNING ACCOMMODATION SERVICES: APPENDICES - EXEMPT CATEGORY 3**

Appendices 6, 7, 8, 9, 10, 11 & 12 to the report of the Executive Director for Adult Services, Item 164 on the agenda contain confidential information as defined in schedule 12A, Part 1 to the Local Government Act 1972 (as amended) and have therefore been circulated to Members of the Committee only.

*Contact Officer: Karin Divall*  
*Ward Affected: All Wards*

*Tel: 29-4478*

**REGENERATION & PROPERTY MATTERS**

**176 BRIGHTON WATERFRONT PROJECT (BRIGHTON CENTRE AND BLACK ROCK SITES) - EXEMPT CATEGORY 3**

**257 - 272**

Part Two report and appendices (3-8) to the report of the Acting Executive Director for Environment, Development & Housing, Item 171 on the agenda contains confidential information as defined in schedule 12A, Part 1 to the Local Government Act 1972 (as amended) and has therefore been circulated to Members of the Committee only.

*Contact Officer: Mark Ireland, Katharine Pearce*      *Tel: 01273 291240*  
*, Tel: 01273 292553*

*Ward Affected: All Wards*

**177 FORMER PETER PAN SITE - SEA LANES LEASE AGREEMENT – EXEMPT CATEGORY 3**

**273 - 274**

Part Two appendix to the joint report of the Acting Executive Director for Environment, Development & Housing and the Executive Director for Finance & Resources, Item 172 on the agenda contains confidential information as defined in schedule 12A, Part 1 to the Local Government Act 1972 (as amended) and has therefore been circulated to Members of the Committee only.

## POLICY & RESOURCES COMMITTEE

Contact Officer: Ian Shurrock, Toni Manuel, Jane Pinnock  
Tel: 01273 292084  
, Tel: 01273 290394, Tel: 01273 290568

Ward Affected: All Wards

### PROCEDURAL MATTERS

#### 178 PART TWO PROCEEDINGS

To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions and deputations to committees and details of how questions and deputations can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk). Agendas are available to view five working days prior to the meeting date.

Electronic agendas can also be accessed through our meetings app available through [www.moderngov.co.uk](http://www.moderngov.co.uk)

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

#### WEBCASTING NOTICE

This meeting may be filmed for live or subsequent broadcast via the Council's website. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. You should be aware that the Council is a Data Controller under the Data Protection Act 1988. Data collected during this web cast will be retained in accordance with the Council's published policy (Guidance for Employees' on the BHCC website).

For further details and general enquiries about this meeting contact Ross Keatley, (01273 291064, email [ross.keatley@brighton-hove.gov.uk](mailto:ross.keatley@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

#### ACCESS NOTICE

The lift cannot be used in an emergency. Evac Chairs are available for self-transfer and you are requested to inform Reception prior to going up to the Public Gallery. **For your own safety please do not go beyond the Ground Floor if you are unable to use the stairs.** Please inform staff on Reception if this affects you so that you can be directed to the Council Chamber where you can watch the meeting or if you need to take part in the proceedings e.g. because you have submitted a public question.

## **POLICY & RESOURCES COMMITTEE**

Date of Publication - Wednesday, 20 April 2016



**WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC**

A period of not more than fifteen minutes shall be allowed for questions submitted by a member of the public who either lives or works in the area of the authority at each ordinary meeting of the Committee.

Every question shall be put and answered without discussion, but the person to whom a question has been put may decline to answer. The person who asked the question may ask one relevant supplementary question, which shall be put and answered without discussion.

The following written question has been received from a member of the public.

**(a) Christopher Hawtree**

“Would Councillor Morgan please tell us who owns the Hove Carnegie Library?”

**Reply from Councillor Morgan, Leader of the Council**



**Subject:** Member Petitions  
**Date of Meeting:** 28 April 2016  
**Report of:** Head of Legal & Democratic Services & Monitoring Officer  
**Contact Officer:** Name: Ross Keatley Tel: 29-1064  
E-mail: [ross.keatley@brighton-hove.gcsx.gov.uk](mailto:ross.keatley@brighton-hove.gcsx.gov.uk)  
**Wards Affected:** All

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To receive those petitions presented to the Full Council and referred to the committee for consideration.
- 1.2 To receive any petitions to be presented or which have been submitted via the council's website or for which notice has been given directly to Democratic Services.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee responds to the petition either by noting it or writing to the petition organiser setting out the Council's views, or where it is considered more appropriate, calls for an officer report on the matter which may give consideration to a range of options, including the following:
- taking the action requested in the petition
  - considering the petition at a council meeting
  - holding an inquiry into the matter
  - undertaking research into the matter
  - holding a public meeting
  - holding a consultation
  - holding a meeting with petitioners
  - referring the petition for consideration by the council's Overview and Scrutiny Committee
  - calling a referendum

**3. PETITIONS**

3.1 Referred petitions:

i) **Save Hove Library**

Petition from Councillor Mac Cafferty referred from the Council meeting held on the 24 March 2016 (3938 online signatures).

To receive the following Petition:

We the undersigned are concerned to hear that Hove Library is potentially under threat from the cuts in this year's Council budget.

We urge the City Council to reject the closure of our much loved library.

(Extract from the meeting of Council on 24 March 2016 attached as an appendix).

**SPECIAL POLICY & RESOURCES  
COMMITTEE****Agenda Item 161(a)**

Brighton &amp; Hove City Council

**Subject:** Save Hove Library - Extract from the proceedings of the Council Meeting held on the 24 March 2016

**Date of Meeting:** 28 April 2016

**Report of:** Head of Legal & Democratic Services & Monitoring Officer

**Contact Officer:** Name: **Ross Keatley** Tel: **29-1064**  
E-mail: ross.keatley@brighton-hove.gov.uk

**Wards Affected:** All

**FOR GENERAL RELEASE*****Action Required of the Policy & Resources:***

To receive the item referred from the Council for consideration:

**Recommendation:**

That the Policy &amp; Resources Committee give consideration to the petition's request.

**BRIGHTON & HOVE CITY COUNCIL****COUNCIL****4.30pm 24 MARCH 2016****COUNCIL CHAMBER, BRIGHTON TOWN HALL****MINUTES**

**Present:** Councillors Hyde (Chair), West (Deputy Chair), Allen, Atkinson, Barnett, Barradell, Bell, Bennett, Bewick, Brown, Cattell, Chapman, Cobb, Daniel, Druitt, Gibson, Gilbey, Greenbaum, Hamilton, Hill, Horan, Inkpin-Leissner, Janio, Knight, Lewry, Littman, Mac Cafferty, Marsh, Meadows, Mears, Miller, Mitchell, Moonan, Morris, Nemeth, A Norman, K Norman, O'Quinn, Peltzer Dunn, Penn, Robins, Simson, Sykes, Taylor, C Theobald, G Theobald, Wares, Wealls and Yates

**PART ONE****98 PETITIONS FOR COUNCIL DEBATE****(a) Save Hove Library**

- 98.20 The Mayor then invited Councillor Mac Cafferty to present the petition calling on the Council to Save Hove Library.
- 98.21 Councillor Mac Cafferty thanked the Mayor and presented the petition which called on the Council to Save Hove Library. He thanked all those that had signed the petition that had now reached over 4000 signatures; he also noted the large amount of correspondence he had personally received on the matter. Previous moves to close the facility over twelve years ago had been abandoned following a local campaign from residents. In relation to the consultation there was some feeling that the wording had been 'loaded', and he was of the view that a more realistic appraisal of the building could see the costs potentially reduce in the context of the work needed to make Hove Museum a suitable relocation site for the service. He highlighted that the building was purpose built and there had been investment in recent years to ensure the building was compliant with modern access standards. He highlighted that there was considerable will in the city to retain the service in the historic building.
- 98.22 Councillor Morgan thanked Councillor Mac Cafferty for presenting petition and stated that the petition suggested the service was to be withdrawn in Hove, instead he highlighted that the service was being relocated to the nearby Hove Museum where the service would be better and have extended opening hours. He noted that the majority of responses in the consultation had been supportive of the proposals and the costs to retain the service in its current location would be significant over the next few

years – the equivalent to the running costs of seven local community libraries. The position of the administration was to retain library service across the city; increase opening hours and entrench libraries as community hubs.

- 98.23 Councillor Druitt moved an amendment to the report's recommendation to request officers to present a worked up financial plan to keep Hove Library in the purpose-built Andrew Carnegie building. He went on to add that the Brighton Society were of the view that the provision would be reduced if the service was relocated to Hove Museum, and refuted the administration's position that the service would not be reduced. He noted that the Green Group's amendment sought to provide a full financial plan to keep Hove Library operation in its current location so that Members could be in possession of all the necessary information before a final decision was taken.
- 98.24 Councillor Mac Cafferty formally seconded the amendment.
- 98.25 Councillor Meadows reiterated that the library provision and service would remain in Hove, and she stated her view that the service would flourish in its new location.
- 98.26 Councillor Peltzer Dunn noted his agreement that the petition should be referred to the Special Policy & Resources Committee on 28 April 2016 as that meeting would be considering a full report on the future provision of the library. He went on to add that it was important the Policy & Resources Committee be provided with a full business plan to ensure that they were in possession of all relevant information before a decision was taken.
- 98.27 Councillor Bewick noted that residents in his Ward would be affected by the proposed changes to Hove Library, and he highlighted some of the literature in circulation in relation to the issue and stated his view that it was misleading. Councillor Bewick went on to add that the administration were aiming to provide a cultural centre for the residents of Hove that would be open 7 days a week.
- 98.28 Councillor Sykes stated that the decision to move the library was a political decision; whilst the service would be moved he highlighted that the building itself would be closed and no longer in use as a library.
- 98.29 Councillor Littman stated that the Green Group were proud on their record in relation to libraries during their time in administration, and they had replaced the mobile library with an improved service; he noted that the Labour & Co-Operative Group had previously tried to close the library whilst in administration and noted that it had been the weight of the resident's campaign that had stopped this going forward.
- 98.30 Councillor G. Theobald noted that the view of the Conservative Group was to see a full business plan at the Special Policy & Resources Committee on 28 April 2016; for this reason they would not support the proposed amendment.
- 98.31 Councillor Barradell highlighted the reduced funding from Central Government and the necessity to take these types of difficult decisions; she went on to add that the Special Policy & Resources Committee would be able to consider a full business plan.

- 98.32 Councillor Wealls noted that the Green Group had not proposed any amendments to Library's budget at the recent Budget Council meeting in February; which would have provided an opportunity to consider alternative funding for the Library's service.
- 98.33 Councillor Mears noted that these types of decisions were political as it was the responsibility of the administration to set priorities and the budget.
- 98.34 The Mayor noted the information and called on Councillor Morgan to respond to the debate.
- 98.35 Councillor Morgan stated that the proposed amendment was unnecessary as a report was due to be considered at the special meeting in April, and that the Green Group had the opportunity to propose amendments to the Library's budget at Budget Council in February.
- 98.36 The Mayor noted that an amendment had been moved and put it to the vote as detailed below:

		For	Against	Abstain			For	Against	Abstain
1	<b>Allen</b>		X			<b>Mac Cafferty</b>	✓		
2	<b>Atkinson</b>		X			<b>Marsh</b>		X	
3	<b>Barford</b>	<i>Absent</i>				<b>Meadows</b>		X	
4	<b>Barnett</b>		X			<b>Mears</b>		X	
5	<b>Barradell</b>		X			<b>Miller</b>		X	
6	<b>Bell</b>		X			<b>Mitchell</b>		X	
7	<b>Bennett</b>		X			<b>Moonan</b>		X	
8	<b>Bewick</b>		X			<b>Morgan</b>		X	
9	<b>Brown</b>		X			<b>Morris</b>		X	
10	<b>Cattell</b>		X			<b>Nemeth</b>			Abs
11	<b>Chapman</b>		X			<b>Norman A</b>		X	
12	<b>Cobb</b>		X			<b>Norman K</b>		X	
13	<b>Daniel</b>		X			<b>O'Quinn</b>		X	
14	<b>Deane</b>	<i>Absent</i>				<b>Page</b>	<i>Apologies</i>		
15	<b>Druitt</b>	✓				<b>Peltzer Dunn</b>		X	
16	<b>Gibson</b>	✓				<b>Penn</b>		X	
17	<b>Gilbey</b>		X			<b>Phillips</b>			
18	<b>Greenbaum</b>	✓				<b>Robins</b>		X	

19	Hamilton		X		Simson		X	
20	Hill		X		Sykes	✓		
21	Horan		X		Taylor		X	
22	Hyde			Abs	Theobald C		X	
23	Inkpin-Leissner		X		Theobald G		X	
24	Janio		X		Wares		X	
25	Knight	✓			Wealls		X	
26	Lewry		X		West	Absent		
27	Littman	✓			Yates		X	
					Total	7	40	2

98.37 The Mayor confirmed that the amendment had been lost by 40 votes to 4 with 2 abstentions.

98.38 The Mayor then put the recommendation to refer the petition to the Policy & Resources Committee for consideration at its special meeting on the 28<sup>th</sup> April 2016, to the vote, which was agreed.

98.39 **RESOLVED:** That the petition be referred to the Policy & Resources Committee for consideration at its special meeting on the 28<sup>th</sup> April 2016.



<b>Subject:</b>	<b>Development of Library Services in Hove and Hollingbury</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Assistant Chief Executive &amp; Executive Director Finance &amp; Resources</b>		
<b>Contact Officers:</b>	<b>Name:</b>	<b>Sally McMahon Angela Dymott</b>	<b>Tel:</b> <b>29-6963 29-1450</b>
	<b>Email:</b>	<a href="mailto:sally.mcmahon@brighton-hove.gov.uk">sally.mcmahon@brighton-hove.gov.uk</a> <a href="mailto:angela.dymott@brighton-hove.gov.uk">angela.dymott@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Libraries Plan 2016-2020, approved by Council on 24 March 2016, proposes the creation of a new Cultural Centre in Hove by bringing together the Libraries and Museums services into one building at Brooker Hall, the existing Hove Museum, with the addition of a new extension at the rear of the building. The Libraries Plan also proposes the move of library services in Hollingbury into two new locations: Hollingbury and Patcham Children's Centre and the Old Boat Community Centre.
- 1.2 The proposed changes will enable big revenue savings of £363,100 for minimal investment of an estimated £277,600 in addition to the projected capital receipt from the sale of the buildings. In addition, the council will avoid the massive and ongoing maintenance costs of these two old buildings currently estimated at £886,600 over five years.
- 1.3 There are significant benefits to the community of bringing together library services with other services and facilities (see sections 3.9 and 3.10). Each institution will benefit from being introduced to new people, and can collaborate in activity for the benefit of the local community in new and creative ways.
- 1.4 This report sets out in summary the proposal costs, savings and funding sources following business case reviews for these developments and seeks approval for the disposal of the existing Hove and Hollingbury library buildings in order to fund the majority of these developments, plus funding for a small amount of additional building work compliance costs.
- 1.5 The Libraries Plan proposals were preceded by a comprehensive Service Review and Needs Analysis and consultation, approved by the Economic Development and Culture Committee in November 2015, and also by three months of public consultation which was reported to the Economic Development and Culture Committee in March 2016.

## **2. RECOMMENDATIONS:**

- 2.1 That the Committee authorises the Executive Director Finance & Resources, Assistant Director Property & Design and Head of Legal & Democratic Services to approve terms and disposal of Hove Library Carnegie building and Hollingbury Library building to support the library service redesign and re-locations set out in the body of the report.
- 2.2 That the Committee approve the ring-fencing of the capital receipts from the sale of both buildings to fund the development of a new extension at Hove Museum (Brooker Hall) and the physical moves of Hove Library into Hove Museum, and of Hollingbury Library service into the Hollingbury and Patcham Children's Centre and the Old Boat Community Centre. Any surplus receipts from the disposals of the two buildings will be reinvested into the council's corporate strategic capital resources for future capital investment priorities.
- 2.3 That the committee approve additional borrowing to fund potential shortfalls in capital expenditure required to enable the development of the extension at Hove Museum. The borrowing costs will be met from the Hove Library revenue savings.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1. The Library Service has conducted a thorough Service Review and Needs Analysis to inform the development of a new Libraries Plan for 2016-2020. The Libraries Plan proposes the modernisation of Library Services to ensure the delivery of comprehensive, efficient and sustainable library services for the city, and to deliver one million pounds of savings over the next four years.
- 3.2. The proposals include creating a Cultural Centre for Hove and ensure a resilient future for both Hove Library and Museum Services. There is space at the Hove Museum (Brooker Hall) site to extend the building to accommodate a shared service provision. It will be a centre rooted in the community and will have relevance to a wide range of people from the city and beyond.
- 3.3. The publicly accessible space on the ground floor of the building will double to 520m<sup>2</sup> with the old extension being replaced by a new purpose-built extension more suited to the delivery of both library and museum services. The current public space on the ground floor is only 252m<sup>2</sup>.
- 3.4. The building will become an integrated library/museum facility with the majority of library services on the ground floor. The idea is to blend and merge museum displays and library resources together to provide new and interesting experiences for visitors to the centre.
- 3.5. Hove Library (Carnegie building) is a Grade 2 Listed building and opened as a purpose built library in 1908. It is expensive to run, costing £525,000 per year to operate the Library Service from this location.

- 3.6. The Libraries Plan proposals also include moving a focused collection of library resources for children and families to Hollingbury and Patcham Children's Centre. The rest of the Hollingbury Library collection would be moved to the Old Boat Corner Community Centre in Hollingbury to provide a library service for people of all ages in the area.
- 3.7. The reasons for the proposal are that the current Hollingbury Library building is an old public house building in need of significant repairs estimated at £148,000 and it is one of only two stand alone, isolated community library buildings in the public library network.
- 3.8. The full business cases for the development of a new Cultural Centre for Hove, bringing Hove Library and Museum together, and the move of Hollingbury Library services to new locations in Hollingbury are attached as appendices.
- 3.9. **Benefits of the proposed changes for Hove:**
- Sharing a building delivers reduced running costs for both Libraries and Museums Services. The revenue saving for the council of moving Hove Library to Hove Museum will be an estimated £337,000 per year.
  - There will be significant investment in the Brooker Hall building which will increase its longevity and reduce maintenance costs for the future
  - The library move from the Carnegie building removes the need for the ongoing maintenance and repairs estimated at £739,000 over next 5 years
  - The new facility will be an important local community resource that will attract more people to visit both the library and museum services from Hove and across the city
  - The development will help revitalise the museum service in Hove, bringing new and wider audiences to the galleries, exhibits and activities
  - There will be opportunity to develop a broader cultural programme such as adult education, talks and workshops
  - Combining resources from Libraries and Museums will provide cultural experiences beyond the traditional ways of browsing and learning
  - The project will develop the co-creation model, working with communities, families and children to ensure the service meets local need and is supported locally
  - This is an opportunity to build on the existing strong partnerships with local arts organisations as a result of previously highly successful projects in both services and also through both Libraries and Museums involvement in the Arts Commission
  - This will act as a catalyst for new projects attracting funding to broaden the arts and cultural experiences available for people in Hove. Libraries and Museums working together can present a stronger case to potential funders, offering a more diverse collection or resources to present in new and interesting ways. An example of successful integration of library, museum and archive resources can be found in the new Manchester Central Library with its exciting mix of real and digital artefacts, information and records that attracted grant funding and commercial sponsorship.

- The proposal includes the development of the café, garden and shop to increase income generation opportunities, which will be enhanced by the increase in footfall to the building as a result of the combined services.
- The new extension and other internal changes will also create opportunities for increased hire of spaces and facilities
- There will be purpose built exhibition display space for the museum on the ground floor
- There will be new outside activity space for e.g. children's reading, learning and educational play
- Inside, there will be dedicated space for older children and young people that was lacking in the old library building
- There will be a dedicated research room for those seeking to consult the Wolseley special collection
- The proposals will bring together heritage collections and create opportunity to develop intergenerational exhibitions and displays that appeal across age groups

### **3.10. Benefits of the proposed changes for Hollingbury:**

- Nationally, the best performing libraries are co-located or integrated with other services. In Brighton & Hove the direction of travel is away from stand-alone service and towards creating neighbourhood / community hubs. Hollingbury, is one of only two community libraries that are still stand-alone. The other in Moulsecoomb is part of the Neighbourhood Hubs and Community Collaboration programme that will bring community services and resources together for the benefit of local people.
- The Hollingbury changes have created the opportunity to work more closely with the Children's Centre to provide help and information on child and family health, parenting, money, training and employment. The services are planning joined up activities for children and their carers, bringing their different but complimentary expertise together.
- It will also provide better access for children at Carden School with library facilities within the school grounds
- This is also an opportunity to work more closely with local community through the Community Centre, and extend the reach of the library to previous non-users in other parts of the Hollingbury community
- The Old Boat Community Centre will also benefit from the increased footfall which could also generate additional income. The Centre will benefit from the new investment in the building and the sharing of running costs.
- The Hollingbury move will provide longer access for local people to Library Services over seven days of the week and will enable greater community collaboration and engagement, whilst also delivering £26,500 of revenue savings

### 3.11. Summary of Revenue Savings and Costs:

<b>Hove &amp; Hollingbury Libraries summary</b>	Current costs (full year)	Future costs (full year)	Savings
<b>TOTAL</b>	<b>£568,984</b>	<b>£206,350</b>	<b>£363,134</b>

<b>Hove Library revenue savings:</b>	Current costs (full year)	Future costs (full year)	Savings
Buildings & corporate landlord*	£73,620	£41,816	£31,804
Employees	£336,092	£133,692	£202,400
Supplies and Services*	£157,430	£55,000	£102,430
Income	-£42,158	-£42,158	£0
<b>TOTAL</b>	<b>£524,984</b>	<b>£188,350</b>	<b>£336,634</b>

\*Explanations of these expenditure headings can be found in the business case in the appendix.

The total savings will be reduced should additional borrowing be undertaken to meet any shortfall in the cost of the moves. For every £100,000 additional borrowing required the savings will reduce by £9,500. The amount of borrowing required is dependent on realising the value of disposal of the two sites and identifying additional contributions from the library service and corporate funds such as Planned Maintenance and the Asset Management Fund. It is anticipated that no more than £277,000 would be required from the combination of the library revenue budget, corporate funds and borrowing.

<b>Hollingbury Library revenue savings</b>	Current costs (full year)	Future costs (full year)	Savings
Buildings	£13,900	£9,000	£4,900
Employees	£23,000	£4,000	£19,000
Supplies and Services	£9,100	£6,000	£3,100
Income	-£1,500	-£1,000	-£500
<b>TOTAL</b>	<b>£44,000</b>	<b>£18,000</b>	<b>£26,500</b>

**Building maintenance costs** avoided by these changes, based on building conditions surveys done in 2014 (Hove) and 2012 (Hollingbury) covering five years of future maintenance needs:

Hove Library	Hollingbury Library	Total
£738,654	£147,988	£886,642

<b>Estimated capital costs summary:</b>	Libraries development	Museum compliance & other issues	Totals
Hove changes	£1,349,711	£222,863	£1,572,574
Hollingbury changes	£55,000		£55,000
<b>Totals:</b>	<b>£1,404,711</b>	<b>£222,863</b>	<b>£1,627,574</b>

<b>Hove Museum extension and move costs summary</b>	Cost arising from Libs development	Cost arising from compliance, H&S and maintenance issues for museum building	Totals
Building Costs, (incl fees, contingencies, etc)	£1,204,261	£222,863	£1,427,124
Moving Costs (incl new furniture & equipment, contingencies, etc)	£145,450		£145,450
<b>Totals:</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

The cost of building the extension and making the necessary changes to Hove Museum to accommodate the Library Service is £1.2 million. The other costs associated with the move bring the total to £1.35 million.

There is an additional estimated £222,863 needed to cover the costs of works required to the museum building to make it compliant with latest mechanical, electrical, fire and health and safety regulations, and to deal with related maintenance issues, and these works would need to be done regardless of the move of Hove Library into the building. Examples include the replacement of air handling unit on the upper floor; replacement of the boiler and upgrading of gas, electricity and water services; upgrades to fire alarms and emergency lighting.

Specialist contractors have visited the Museum building and undertaken site surveys. A greater level of detail in project planning and costing has been achieved than normal at this stage, providing high confidence in the accuracy of the proposal and a greater level of risk management.

<b>Hollingbury Library changes costs summary</b>	
Cost of changes to Patcham and Hollingbury Children's Centre to accommodate the library	£27,000
Cost of changes to Old Boat Community Centre to accommodate the library	£20,000
ICT costs	£7,000
Moving costs(tbc)	£1,000
<b>Total</b>	<b>£55,000</b>

### 3.12. Funding Sources:

Funding of £1.627 million is sought from capital receipts, existing libraries budget and corporate capital funds with any shortfall being met from borrowing. The disposal of two library buildings should produce capital receipts estimated at £1.35million:

- Carnegie Building – estimated at £1,000,000
- Hollingbury Library – estimated at £350,000
- Options to provide the additional funding needed include the following:
  - A contribution from existing budgets in Libraries

- Contributions from Corporate funds such as Planned Maintenance Budgets and the Asset Management Fund toward maintenance and Health and Safety requirements
  - Borrowing, with the financing costs met from the revenue savings associated with the project
- Additional funding will be sought from grant funding bodies such as Arts Council England. Some monies maybe available for one off projects and small enhancements e.g. funds for a community/schools project to decorate the hallway. We will not be seeking any capital projects funding through this avenue.

### 3.13. Valuations and best consideration:

Initial development appraisals were completed in October 2015 to provide an indication of value for both Hove and Hollingbury Libraries based on assumptions of change of use and conversion (Hove) and redevelopment (Hollingbury). The assumptions made included: no site contamination, a positive planning permission without onerous conditions and a clean title.

The valuation for Hove Library was based on an assumption of change of use and conversion, with the basement, part ground floor and upper parts converted to residential use totalling 7 flats and the front part of the ground floor converted to A3 use. The valuation reflects the Listed Building constraints and building condition.

Two valuations were prepared for the Hollingbury Library site, both based on low density housing comparable to the existing housing adjacent to the site. The first valuation was based on demolition of the existing building and development of 2 semi-detached residential properties and the second was based on demolition and development of 4 smaller terraced residential properties. Assumptions have also been made around a change of use issue, the current use D, a library and the retention of a community use.

The site has been further reviewed for redevelopment to flats and an initial feasibility has been carried out that proposes a 2/3 storey block comprising 10 units but it is extremely tight. There are a number of caveats to include assumptions around a sloping site, no parking on site, no site surveys have been done and planning would need to be consulted at an early stage as flats may be considered as too dense a development for the site as the neighbourhood is predominantly 2 storey houses. The council's valuers have looked at the valuation should planning be forthcoming for this feasibility and based on current build costs and the council's affordable homes policy the site is not viable for the development of a market scheme and produces a negative value. The costs of building the scheme are too high producing no residual land value.

It is therefore considered that the best option for the site would be gained by redeveloping it for four houses producing the optimum receipt for the site.

Other approaches have been considered including redevelopment of the whole Hove Museum site for enabling development but they are not thought to be

deliverable or viable and compromise the planning position both in terms of heritage and public open space.

### **Marketing and future use**

A marketing appraisal will be considered for both properties and more detailed planning advice sought prior to disposal. Offers received will be dependent on what development can be approved by Planning and for Hove Library Listed Building consent. Both properties will be marketed openly and widely to ensure maximum market coverage. The market is reasonably buoyant at the moment which could mean that the interest and offers received could be of benefit both in terms of potential future uses and financially. Future use of the building would be controlled by our marketing and evaluation processes and through planning. By marketing the site openly we will ensure we achieve best consideration.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

### **4.1. For Hove Library:**

4.1.1. Do nothing. If no savings are found from making changes to the operation of Hove Library, there would be a shortfall in the Libraries revenue budget of an estimated £337,000. This shortfall would need to be found from the budgets of other service in the council, which would put a disproportionate burden on other services and Libraries would not be contributing a fair share of savings. There would also be the continuing need for maintenance and repair of this Grade 2 Listed building. Current estimates indicate a need for £739,000 of repairs over five years. If this work is not done, the building could deteriorate more quickly, leading either to more costly repairs or ultimate closure of the building. The current building is difficult and expensive to develop more modern library facilities (e.g. digital resources, café, events and learning spaces, etc) and so the current trend of diminishing use could be further accelerated.

4.1.2. Keep Hove Library open and find the savings required of the library service from elsewhere within the libraries budget. The lengthy Library Service Review and Needs Analysis has looked at the libraries budget and what it is spent on to look for opportunities for greater efficiencies, or to reduce activity where there is little evidence of need. There are very few options for making savings in the libraries budget: Broadly speaking the library expenditure is in three parts:

- £2.6 million on staffing
- £2.6 million on the Jubilee PFI contract (including expenditure on books for all libraries) offset by £1.5 million government grant so a net cost of £1.1 million
- around £0.5 million on everything else
- off-set by around £0.5 million in revenue income

So, to find the £337,000 additional savings from within libraries without the proposed Hove Library changes would require the service to make further staffing reductions and so could result in the closure of between 5 and 7 community libraries, as these libraries only cost around £50,000 p.a. to run. The impact would be that many residents will need to travel further to access library services.

Most significantly, this option is not supported by the Needs Analysis that was carried out in 2015 and would be most likely to result in a judicial review, as it is possible that this level of library closure would not meet the council's statutory duty to provide a comprehensive and efficient service.

4.1.3. Move the Hove Library service to another building in the local area. There are no other premises available within the Council property portfolio and options such as Hove Town Hall and Children's Centres have been explored. The rental of an appropriate sized commercial space would not be cost effective.

4.1.4. Extend Hove Museum and move the Library into this building to provide a shared service and reduce the costs to provide both services. The proposal includes making changes to the way the service is delivered, such as more digital resources, increased self-service, and other modernisation changes. Sell the current Hove Library site to provide capital funding for this project. (Preferred option)

#### 4.2. For Hollingbury Library:

4.2.1. Do nothing. The impact of this option is that savings will not be met, and the high maintenance costs of this 1940's old pub building will continue. Revenue costs would continue at £45,000 p.a. and £148,000 maintenance costs estimated over five years would remain.

4.2.2. Keep Hollingbury Library in its current location and operate it using Libraries Extra arrangements. Less than half the savings needed would be delivered and the buildings maintenance costs will remain. The opportunities to work more closely with the Children's Centre, the school and the Community Centre will be lost.

4.2.3. Move Hollingbury Library service to two new locations:

- Hollingbury and Patcham Children's Centre to operate a library service targeted at young children and families for three days a week, on a self-serve basis using volunteer help.
- Old Boat Community Centre in Hollingbury operating a seven days a week service to library users of all ages, on a self-serve basis using volunteer help and working in partnership with the community centre to provide services to meet the needs of local people.
- There will also be staff input on one day a week covering both locations

This option will provide longer access to local people over seven days of the week and will enable greater community collaboration and engagement, whilst also delivering £26,500 of revenue savings, and avoiding the future maintenance and repairs costs (est £148,000) (Preferred option)

## 5. **COMMUNITY ENGAGEMENT & CONSULTATION**

5.1. The Library Services Review and Needs Analysis was based on extensive research, consultation and community engagement and was reported to the Economic Development and Culture Committee in November 2015.

- 5.2. Staff and unions have been involved in the Libraries Modernisation programme and the details of this were reported in the Libraries Plan report to the Economic Development and Culture Committee in March 2016
- 5.3. Public and stakeholder consultation took place from November 2015 to February 2016, and was reported to the Economic Development and Culture Committee in March 2016
- 5.4. The views of most respondents who answered the question about Hove Library were in agreement with the proposals, with 57% tending to agree or strongly agree.
- 5.5. An analysis of the responses from those who said they were users of Hove Library resulted in a majority of 50% tending to agree or strongly agree with the proposals. (47% tended to disagree or strongly disagree, and 3% neither agreed nor disagreed)
- 5.6. In the analysis of all the responses, the specific question about Hollingbury Library resulted in 48% tending to agree or strongly agree and 22% tending to disagree or strongly disagree, with a high percentage (30%) neither agreed nor disagreed.
- 5.7. An analysis of the responses from those who said they were users of Hollingbury Library produced a different response: 38% tended to agree or strongly agree; 49% tended to disagree or strongly disagree; and 13% neither agreeing nor disagreeing.
- 5.8. As a result of detailed consultation with the Ward Councillors, the original proposals were amended to include the creation of an additional Community Library collection in the Old Boat Community Centre in Hollingbury to meet the library needs of all age groups, and the provision of staffing support to Hollingbury library locations for one day a week each.

## **6. CONCLUSION**

- 6.1 The only way that Library Services can continue to deliver statutory services with reduced budgets is to modernise and deliver services in new ways. The Library Service Review and Needs Analysis has identified what people need from the service and the priorities for modernisation. The Libraries Plan 2016-2020 has set out the changes that are needed to implement this modernisation programme. The proposals for change put out for public consultation have received a high level of approval from the public, stakeholders and partner organisations.
- 6.2 Critical to the Libraries Plan is the disposal of Hove and Hollingbury library buildings to fund the new developments in those areas.
- 6.3 The proposed changes will deliver a total of £363,134 of annual revenue savings (Hove and Hollingbury changes together). The detailed estimated costs for Hove and Hollingbury changes are £1,627,574. The estimated capital receipt for the sale of the two buildings is £1,350,000 million. The difference of £277,574 can be covered from contributions from existing revenue budgets and contributions from corporate funds and, if necessary, by borrowing any remaining shortfall and

reducing the savings delivered until loan paid back. Borrowing would be undertaken over a 15 year period in line with the nature of the capital investment.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The disposal on the open market of the Carnegie Building and Hollingbury Library is expected to generate total capital receipts estimated at £1.350m. The net receipt, less any disposal costs, will be ring fenced for reinvestment into the capital requirements of the Hove Culture Centre and the cost of changes to the Hollingbury library service pending confirmation of the final build and capital investment requirements associated with the schemes. Should the amount of capital receipts be lower than estimated additional borrowing will be used to finance the shortfall. The financing costs associated with this borrowing will be met from the revenue savings generated from the project. Any delay in the disposal of the buildings and commencement of building works may result in some additional financing costs associated with short term financing costs.

Any surplus receipts from the disposal of the two buildings will be reinvested into the Council's corporate strategic capital resources for future capital investment priorities.

The shortfall in capital resources estimated at £277,574 will be met from existing revenue budgets, corporate funds such as the Asset Management Fund and Planned Maintenance Budget and potentially borrowing, with the financing costs met from the revenue savings associated with the project. The cost of borrowing will be met over a 15-year period amounting to approximately £9,500 for every £100,000 of borrowing.

The investment will help deliver an estimated annual saving of £363,134 from Library and Corporate Landlord budgets by 2018/19 less any financing costs associated with borrowing to meet capital expenditure shortfalls. The savings associated with the Library budget have been built into the 4 Year Service and Financial Plans. The cost of running the library service at Hove and Hollingbury will be met from the remaining library and Corporate Landlord budgets.

*Finance Officer Consulted: Name Rob Allen*

*Date: 07/04/216*

### Legal Implications:

- 7.2 In accordance with section 123 of the Local Government Act 1972 the Council will need to ensure that the disposal of the current Hove and Hollingbury Library buildings is for the best consideration that can reasonably be obtained. The proposed extension of Brooker Hall will be subject to the obtaining of planning permission for the same.
- 7.3 It is not considered that any adverse human rights implications arise from the report.

*Lawyer Consulted:*

*Hilary Woodward*

*Date: 05/04/16*

#### Equalities Implications:

- 7.4 **Increasing equality** - A driving force of Libraries Modernisation is increasing equality and creating new opportunities for more people to access the services, information and activities they need in the community. The library acts as a resource for the whole community and a conduit to reach disadvantaged and vulnerable people. Equalities Impact Assessments have been carried out on the Hove and Hollingbury libraries proposals and have been incorporated into the Libraries Plan Equalities Impact Assessment. The Equalities Co-Ordinator has been involved in our assessments.

Potential impacts were identified regarding the Hove provision due to reduction in stock which could impact on low income library members who may have to pay a charge for reserving stock at another library. Concessions will therefore be maintained for those on a low income.

Stock reductions will be informed by historical analysis of lending trends, it is known that lending has reduced by 16% over the last two years and so reductions reflect this.

It may be possible for improved accessibility to the library service and within the building, and for this to be undertaken as part of the improvement works. The FED and local people will be engaged in identifying accessibility improvements. Potential impacts were identified as a result of the original Hollingbury proposal to only provide a service in the Children's centre. These impacts were mitigated against by the inclusion of a second collection in Hollingbury to meet the library needs of all ages.

#### Sustainability Implications:

- 7.5 **Environmental sustainability** –The new extension will meet current building regulations with regard to thermal efficiency, low energy lighting and water use. The existing inefficient oil fired boilers in the museum will be replaced with efficient gas condensing boilers which will improve the energy performance for the whole building. The contractor will be required to meet the Councils requirements to meet or exceed 95% of the construction waste being recycled.

#### Any Other Significant Implications:

- 7.6 See appendix 1

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Other significant implications appendix
2. Business case for Hove Cultural Centre
3. Business case for changes to library provision in Hollingbury

### **Documents in Members' Rooms**

### **Background Documents**

1. None

### Crime & Disorder Implications:

- 1.1 The Hollingbury service will move to less isolated premises, and so provide a safer environment to staff and library visitors.

Hove Library has experienced some anti-social behaviour in the past and the change of location gives an opportunity to design a layout that will reduce opportunities for unacceptable behaviour, is more child friendly and safe and secure for all visitors. CCTV will be installed, which is not currently in place in the Museum.

### Risk and Opportunity Management Implications:

- 1.2 Risks and opportunities of the proposals have been assessed as part of the business case development. The risk register for these projects will be updated regularly throughout the implementation of the changes.

### Public Health Implications:

- 1.3 **Health and well-being** – Links between reading improving health and wellbeing are being increasingly recognised. There is strong evidence that reading for pleasure can increase empathy, improve relationships with others, reduce the symptoms of depression and the risk of dementia, and improve wellbeing throughout life. Library spaces are already being used to provide adult social care services such as the Dementia Café. Libraries provide opportunities for greater social contact and helps in tackling loneliness. Libraries work in tackling digital exclusion also supports social inclusion and has health benefits.

### Corporate / Citywide Implications:

- 1.4 The Libraries Modernisation proposals support the council's priorities and principles in the following ways, (in addition to those comments in the public health and equalities sections above):

#### **Corporate Principles:**

**Public accountability** – Changes are being informed by needs assessment and public consultation.

**Citizen focus** – Libraries as community hubs are completely citizen focussed, and the proposed changes will utilise self-service to increase the times that services can be accessed. Recent qualitative research revealed that people want libraries to be developed as community centres and to become more of a community resource.

**Active citizenship** – Citizens will be engaged with developing and promoting library services through opportunities such as volunteering and fundraising. Local groups will drive the development of libraries as community hubs, as they will be encouraged to use the library during the extended days e.g. local schools bringing class visits, local carers groups holding mutual support sessions, etc.

## **Corporate Priorities:**

**Economy, jobs and homes** - Community hubs and diversifying income will increase opportunities for education and employment activities for adults and children. Facilities are available for those who are digitally excluded. Library services can be used to support improving literacy.

**Children and Young People** – Increased opening hours will support more visits by schools who can carry out group visits during school hours. Increasing fund raising and grants will maximise the use of the library for all added value activities and projects which will include those aimed at children and young people such as study support.

**Community safety and resilience** – Libraries provide culture and leisure activities in the City that can promote community cohesion. Shared buildings can be used to foster positive relationships between public services and different communities.



## Full Business Case and Options Appraisal

Programme/Project/Service Redesign Information	
Programme/Project/Service Redesign Name	Hove Cultural Centre
Directorate/Service	Assistant Chief Executive
Full Business Case Author (Name and job title)	Kim Bowler / Sally McMahon
Date Full Business Case drafted	Version 7 (7 April 2016)
Senior Responsible Owner/ Project Executive (Name and job title)	Paula Murray, Assistant Chief Executive
Programme or Project Manager (Name and job title)	Kim Bowler, Project Manager

### 1. Executive Summary & Recommendations

*Provide a summary of key points of the Business Case and recommendations for the governance group to consider*

This Business Case has been developed to evidence the value of the proposal for a Cultural Centre for Hove. This Business Case brings together key information that will inform a report for Policy & Resources Committee on 28<sup>th</sup> April 2016 seeking approval to;

- Sell the Carnegie Building, currently the home of Hove Library, estimated value of £1.0million
- Sell Hollingbury Library, estimated value of £350,000
- Fund the £1.572million development of Hove Culture Centre from corporate capital funds

Following approval, the project will need to go through the formal planning process.

### 2. Objectives

*What will the programme or project achieve/what changes will it bring about?*

The project will build a 250m<sup>2</sup> extension (current ground floor public space is 252m<sup>2</sup>) onto the back of Brooker Hall, the Hove Museum premises, in order to house both the library and museum service to create a Cultural Heritage Centre for Hove.

This Centre will provide a vibrant library and museum service at Brooker Hall that will:

- Benefit residents and future / current users,
- Expand what's on offer by enabling joint programming,
- Provide more efficient and resilient facilities within a reducing budget,
- Protect both services and better conserve library and museum collections
- Deliver £336,634 of revenue savings by 2018-19
- Reduce the future demands on maintenance budgets

### 3. Background and context

*What events, policies, issues, risks or opportunities have prompted it?*

On 24<sup>th</sup> March 2016 the [Libraries Service Plan](#) was agreed at Full Council. Phase 2 of the Libraries Plan is to join together the Museum and Libraries services in Hove at the current museum site to create a new Cultural Centre for Hove.

As part of the Libraries Needs analysis a public consultation took place which included a survey that asked the question 'Do you agree or disagree with the proposal to combine Hove

## Full Business Case and Options Appraisal

Library and Hove Museum in a newly extended building to create a new community/cultural centre for Hove?' The survey received 1,124 responses in total with the response to this question finding 57% strongly agree or agree to the proposal and 38% who disagree or strongly disagree.

The current Hove Library building was purpose built using an endowment of £10,000 from Andrew Carnegie, opening in 1908.

The annual cost of running Hove Library in its current location is disproportionately high compared to other libraries, with the annual expenditure for Hove being around a quarter of spend of all thirteen city libraries<sup>1</sup>. In addition a survey in 7<sup>th</sup> February 2014<sup>2</sup> identified £738,654 of one off maintenance works (breakdown in the Appendix).

Loans in Hove Library dropped by 16% over the last two years, only 9% of the catchment population currently use Hove Library, Hove Museum building is more central in the catchment area of users.

The key reasons that the Carnegie building is considered unsustainable are:

- Hove library is difficult to staff as it has 6 separate public areas to supervise, across 2 public floors, with staff office and workroom space in the basement and inaccessible stores in the attic galleries.
- The building is Grade 2 Listed (inside and outside) so it is very difficult to make changes to update the way services are delivered – e.g. there is old and inflexible (and potentially dangerous) fixed wooden shelving around the walls.
- The internal space is inflexible and unsuited to delivering a modern public library service, making it difficult to provide the wide range of service people now expect from their public library, such as a café; fully accessible IT; meeting and community rooms; exhibition space and a shop to help boost income.
- Cabling the building for effective IT provision is difficult because it is listed and also because of the levels of asbestos in the building. The main IT provision for the public is on a mezzanine floor which is not accessible.
- The special heritage collections (e.g. Wolseley) are being housed in unsuitable environmental conditions, putting them at risk and making them inaccessible.

In 2003 there was a proposal to move the library to Hove Town Hall but this was rejected following pressure from the public and local campaigners. Hove Town Hall is no longer a viable location and is currently under development as part of the Council's Workstyles Programme.

### *Which corporate principles and priorities (as outlined in the Corporate Plan) will it help deliver?*

Citizen focused – working with local residents to deliver programmes and activities relevant to the audience. The new location will enable us to continue to provide a service that is used by residents to access a wide range of council and public services, general information and the internet. There will be increased opportunities for community involvement in projects and activities.

---

<sup>1</sup> Further detail can be found in the [Libraries Service Review and Needs Analysis 2015](#)

<sup>2</sup> Completed by Tony Steining and Andrew Wilson of Brighton & Hove City Council Property & Design and supported by the M&E and Facilities Team. Project number J187

## Full Business Case and Options Appraisal

Increasing equality – ensuring that there continues to be free provision of literature and ICT support to those who need it and providing specialist activities and groups for minority or disadvantaged groups.

Active citizenship - creating more varied opportunities for volunteering and community collaboration within a joined up service.

Economy, jobs & homes – promoting literacy and learning, to improve employment opportunities and ensure digital competency. Provide money support and other drop in and support for those who are more vulnerable or have specific needs. There is potential for social enterprise involvement such as providers of a café.

Children and young people – provide a joined up approach to curriculum programming, encouraging of learning and reading, improving literacy.

Community safety and resilience – encouraging community activity and active citizenship that will foster safe neighbourhoods.

Environmental sustainability – the extension will be better insulated and improve the overall Property Performance Review score. The Cultural Centre will provide a destination point for Hove that may increase tourist footfall in the surrounding area.

### *What other programmes, projects or services does it link to?*

This project is part of the Libraries Modernisation Programme which needs to save £1.34 million annual revenue expenditure over the next four years.

The project will have implications regarding the Royal Pavilion value for money modernisation programme. Moving to Trust status is currently being considered by the Royal Pavilion and Museums and could have implications with the Hove premises being jointly managed.

The Community Collaboration Programme will suggest improved ways of working with partners, citizens and businesses to ensure community participation in the development and delivery of City objectives. The Cultural Centre should be able to utilise this model to ensure that local requirements are met and volunteering opportunities respond to community need.

## 4. Preferred Option

### *Indicate which is the preferred option of those described*

Four options have been considered at this point to manage the inflated costs of managing Hove library. These are:

OPTION 1
1. Description of the option:
<p>‘Do nothing option:’ i.e make no transformational changes to Libraries Services, including not making changes to Hove Library services.</p> <p>If no savings are found from making changes to the operation of Hove Library, there would be a shortfall in the Libraries revenue budget of an estimated £337,000. This shortfall would need to be found from the budgets of other service in the council, which would put a disproportionate burden on other services and Libraries would not be contributing a fair share of savings. There would also be the continuing need for maintenance and repair of this Grade 2 Listed building. Current estimates indicate a need for £738,000 of repairs over five years. If this work isn’t done, the building could deteriorate more quickly ultimately leading either to more costly repairs or ultimate closure of the building.</p>

## Full Business Case and Options Appraisal

Consideration has been given to seeking funding from outside source to repair the Carnegie building. There are grant funding bodies such as the Arts Council England, Heritage Lottery Fund; Carnegie UK Trust; etc. However, the focus of these bodies is on how the arts can be used to support social change, innovative projects to deliver transformation change, etc. They do not usually fund repairs and maintenance especially for a statutory service that the local authority is obliged to provide. The library service has and will continue to apply to these sorts of funding bodies (last year the Library Service was awarded £100,000 for an innovative arts and libraries programme) but these funds cannot be used to replace ongoing revenue costs or one off maintenance costs.

Even if capital money was raised to repair the building, there would still be the shortfall of £337,000 every year in the Libraries revenue budget, which would need to be found from elsewhere. It is the revenue budget shortfall that is the key issue here. This is not a viable option while the council is facing unprecedented financial pressures that require it to find £68 million in savings over the next four years.

### OPTION 2

#### 1. Description of the option:

Keep Hove Library open and find the savings required of the library service from elsewhere within the libraries budget. The lengthy Library Service Review and Needs Analysis<sup>3</sup> has looked at the libraries budget and what it is spent on to look for opportunities for greater efficiencies, or to reduce activity where there is little evidence of need. There are very few options for making savings in the libraries budget:

Broadly speaking the library expenditure is in three parts:

- £2.6 million on staffing
- £2.6 million on the Jubilee PFI contract (including expenditure on books for all libraries) offset by £1.5 million government grant so a net cost of £1.1 million
- around £0.5 million on everything else
- off-set by around £0.5 million in revenue income

The bookfund spending for all public libraries in the city is included in the Jubilee PFI costs. Advice from the Department of Culture Media and Sport is that around 2-4% of savings might be found from cultural PFI contracts. This equates to about £50,000 to £100,000 for the Jubilee PFI. This level of saving is already included in the four year Libraries Plan financial strategy. So the main area where savings can be made is in the cost of staffing. CIPFA (Chartered Institute of Public Finance and Accountancy) have compared library services across the country, and have found that expenditure on employees in Brighton & Hove is above average in comparison with other similar authorities so there is clearly room to make some reduction here and this is already included in the four year Libraries Plan 2016-2020.

So, to find the £337,000 additional savings from within libraries without the proposed Hove Library changes would require the service to make further staffing reductions and so could result in the closure of between 5 and 7 community libraries, as these libraries only cost around £50,000 p.a. to run. The impact would be that many residents will need to travel significantly further to access library services.

Most significantly, this option is not supported by the Needs Analysis that was carried out in 2015 and could result in a judicial review, as it is possible that this level of library closure would not meet the council's statutory duty to provide a comprehensive and efficient service.

<sup>3</sup> <https://www.brighton-hove.gov.uk/content/leisure-and-libraries/libraries/libraries-modernisation-proposals>

## Full Business Case and Options Appraisal

Maintenance costs: The challenge of finding ongoing maintenance and repair funds would remain on top of the revenue budget challenge outlined above.

### OPTION 3

#### 1. Description of the option:

Move the Hove Library service to another building in the local area. There are no other premises available within the Council property portfolio and options such as Hove Town Hall and Children's centres have been explored. The rental of an appropriate sized commercial space would not be cost effective.

### OPTION 4: the preferred option

#### 1. Description of the option

*Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.*

The proposal is to build a ground floor one storey extension onto the back of the existing Hove Museum building. The library will move into these premises with the library and museum services being co-located. The proposal includes making changes to the way the service is delivered, such as more digital resources, increased self-service, and other modernisation changes.

A joint service offer would be provided that would aim to:

- To combine resources to provide cultural experiences beyond the traditional ways of browsing and learning
- Develop the co-creation model, working with communities, families and children to ensure the service meets local need and is supported locally
- Bring together heritage collections and develop intergenerational exhibitions and displays that appeal across age groups
- Develop the existing café, garden and shops to increase income generation opportunities
- The Carnegie building will be sold.

The option provides a solution to avoiding escalating maintenance costs and reducing revenue costs, creating resilience for both library and museum services.

A further breakdown of finances is provided in Appendix 1.

### 2. Is this the preferred option?

*Yes or no and a brief explanation why.*

Yes option 4 is the preferred option. For reasons outlines in section 2 objectives and section 3 background and context above.

### 3. Cashable benefits

*What are the anticipated financial savings from the programme or project? Profile the savings over the lifetime of the programme or project.*

## Full Business Case and Options Appraisal

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Property maintenance (libraries budget)</i>		£2,128	£6,383	<b>£8,511</b>
<i>Employees (libraries budget)</i>	£69,296	£50,600	£82,504	<b>£202,400</b>
<i>Supplies &amp; Services (libraries budget)</i>	£30,100	£25,025	£47,305	<b>£102,430</b>
<i>Property running costs (Corporate Landlord )</i>			£23,293	<b>£23,293</b>
<b>Total</b>	<b>£99,396</b>	<b>£77,753</b>	<b>£159,485</b>	<b>£336,634</b>

NB: Definition of what each heading covers:

- Property costs include: heating, lighting, water, rates, cleaning, waste disposal, fire and intruder alarms etc
- Employee costs covers full salaries costs, training and development
- Supplies and Services covers almost all other costs such as ICT, telecoms, stationary and other supplies, books, newspapers, e-books, audio-visual resources, subscriptions and online services.
- The bulk of the reduction in supplies and services costs is a result of the reduction in materials fund for books and other resources (£100k). The materials fund allocated to Hove has become disproportionate to the role Hove library has within the service. There has been a 16% reduction in loans and 15% drop in visits to Hove Library, which is half as much again as the average for the library service as a whole (10%). More materials fund is being gradually moved to digital resources which is not allocated to specific libraries as they are available to all regardless of location.

Some of the cashable benefits are a result of the first stage of modernisation taking place in 2016 and will happen regardless of whether the library is relocated (£99,396). The remaining £237,238 relates to the proposed relocation and associated modernisation changes.

#### 4. Non-cashable benefits

*Every non-cashable benefit (or improvement) should be expressed in measurable terms, and the current situation understood and baselined before the programme or project is implemented. Include benefits from the perspective of the customer*

<b>Current situation</b>	<b>Benefit expected</b>	<b>Measured outcome that you hope to achieve</b>	<b>How will the benefit be measured?</b>
Separate services in separate buildings	Improved visitor experience through joint use of space	Increased attendance and repeat visits	Visitor numbers Visitor feedback
Activities and	Joined up	Increased	Attendance numbers

## Full Business Case and Options Appraisal

programmes are separate	programming that will provide activities across both services	attendance at activities	School visits Visitor feedback
Separate projects and funding bids	Increased opportunity for funding bids	Increased one off projects	Number of bids Income generated Number of projects Community engagement in projects
£739k of maintenance needed for Carnegie Building (funding is not within existing budget)	Cost is not incurred	Other services do not need to find additional savings	Cost is avoided
£53k of maintenance needed for the Hove museum building	Will be more affordable with two service sharing costs	Maintenance achieved	Costs shared

### 5. Costs (capital and revenue)

*What are the capital and revenue costs of the programme or project? Profile these costs over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<b>Capital costs</b>				
<i>Building costs</i>		£1,204,261		<b>£1,204,261</b>
<i>Compliance &amp; H&amp;S costs</i>		£222,863		<b>£222,863</b>
<i>Moving costs</i>		£142,450		<b>£142,450</b>
<i>Carnegie Security</i>		£3,000		<b>£3,000</b>
<b>Revenue costs</b>				
<b>Totals (per year) &amp; grand total</b>		<b>£1,572,574</b>		<b>£1,572,574</b>

#### *When will payback occur? What is the Return on Capital Employed?*

Payback on the capital investment will occur when the Carnegie and Hollingbury libraries are sold and the capital receipt is received. In addition to this, the revenue savings (see cashable benefits table no.3) will start to be delivered from 2016/17, with the full revenue saving of £336,634 being delivered by 2018/19.

The cost of building the extension and making the necessary changes to Hove Museum to accommodate the Library Service, plus the costs of the move are £1.35 million, which can be accommodated within the estimated capital receipt for the two library buildings which is estimated to be £1.35 million.

## Full Business Case and Options Appraisal

There is an additional £223,000 needed to cover the costs of works required to the museum building to make it compliant with latest mechanical, electrical, fire and health and safety regulations, and to deal with related maintenance issues, and these works would need to be done regardless of the move of Hove Library into the building. Examples of the sort of work needed includes the replacement of air handling unit on the upper floor; replacement of the boiler and upgrading of gas, electricity and water services; upgrades to fire alarms and emergency lighting.

Specialist contractors have visited the building and estimate to provide more accurate assessments of the works needed to a greater level of detail than is normally achieved at this stage in a development project, providing a greater level of risk management over costs.

### 6. Funding

*Have the budgets to fund the programme or project been identified? Specify which budgets.*

Funding of £1.6 million is sought from corporate capital funds.

If the capital receipts from the sale of the two buildings do not cover the full costs, then some existing budgets will be used, and if required any further shortfall in capital resources will be met from borrowing with the financing costs met from the revenue savings associated with the project

*Will the programme or project be in receipt of any funding? Profile the funding over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Funding</i>		£1,572,574		<b>£1,572,574</b>

*Please identify the funding source(s)*

Funding sources:

Funding of £1.572 million for Hove development, and £55,000 for Hollingbury changes, making a total of: £1.627 million is sought from corporate capital funds.

The disposal of two library buildings should produce capital receipts estimated at £1.35million:

1. Carnegie Building – estimated at £1,000,000
2. Hollingbury Library – estimated at £350,000
3. Options to provide the additional funding needed include the following:
  - A contribution from existing budgets in Libraries
  - Contributions from Corporate funds such as Planned Maintenance Budgets and the Asset Management Fund toward maintenance and Health and Safety requirements
  - Borrowing, with the financing costs met from the revenue savings associated with the project
4. Additional funding will be sought from grant funding bodies such as Arts Council England. Some monies maybe available for one off projects and small enhancements funds for a community/schools project to decorate

## Full Business Case and Options Appraisal

the hallway. We will not be seeking any capital projects funding through this avenue.

### 7. Resources

*What staffing resources are required to deliver the programme or project?*

<b>Service</b>	<b>Why are they required?</b>	<b>Quantify the requirement (fte)</b>	<b>When are they required?</b>	<b>Has the service been consulted and what did they say?</b>	<b>Are the staff available?</b>
Operational staff	Form project team Manage stock Pack items		Ongoing	Additional staff have been added to costs	Yes
Communications	Management of project opposition Promotion of new service Advice on joint coms management of service		Ongoing		
Finance	Monitor project finances	½ day a month	Ongoing	Yes	Yes
Human Resources & Organisational Development	Advice regarding new staffing roles and JDs	Minimal			
ICT	Fitting of new cables				
Internal Audit	None				
International Team (knowledge of funding opportunities)	Seek out possible funding opportunities				
Legal & Democratic Services	Contracts Planning				
Performance, Improvement & Programmes	Project Manager	0.4FTE (2 days per week)	Ongoing		
Policy,	Community				

## Full Business Case and Options Appraisal

Communities & Equalities	engagement				
Procurement	Contractors				
Property & Design	Architects Management of works and contractors Property sales	1 FTE 2 days per week	Ongoing	Yes – Property & Design have produced the feasibility costings and initial design	Yes
Sustainability					
<p><i>Are any specialist skills required to deliver the programme or project (beyond those identified above)? If so, how will these be acquired?</i></p> <p>Specialist library designer costing less than £1,000 (used previously by library service) to provide support in placing library shelving to make best use of space and ensure an attractive layout that will encourage movement through the building.</p>					

### 8. Risks and opportunities

*Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.*

<b>Risk description</b>	<b>Potential consequences</b>	<b>Mitigating controls and actions</b>	<b>Likelihood (1 = almost impossible, 5 = almost certain)</b>	<b>Impact (1 = insignificant, 5 = catastrophic/fantastic)</b>
Construction costs are higher than expected	New works are discovered leading to delays and additional costs	Contingency has been included in costs Experts have been used to provide costings Surveys will be undertaken as early as possible	4	4
Customer expectations are not met	Visitor numbers fall Customer satisfaction is low Service is no longer viable	Public meetings and online consultation has taken place Service will be developed using further stakeholder engagement	3	4
Services are not able to work together	Space cannot be agreed Joint programming	Project team is made up of staff from both services	3	4

## Full Business Case and Options Appraisal

	does not happen Joint funding opportunities not explored	Regular workshops to aid joint working		
--	---	--	--	--

### 9. Outline programme or project plan

*Indicate the timeline for the programme or project with key milestones, including when decisions are needed and by whom, and deliverables.*

Plan is attached in Appendix 2.

### 10. Stakeholder consultation

*List any consultations with stakeholders and the findings. Examples of stakeholders include citizens, staff, partner organisations, Members.*

Libraries and museums have been working together to develop the project vision and business case including; weekly project meetings, risk workshop, visioning activity.

Public consultation has taken place which has involved the Libraries consultation a public meeting in the Library and in the Museum. It was noted that questions and conversation has moved from why and what to how and when, suggesting an acceptance and support for this project.

Libraries online consultation found the majority favoured the proposal.

Members have been engaged by Senior Management from the Libraries and Museums services.

Media coverage from the Leader of the Council and other members has been supportive of this project proposal. Articles and quotes have been presented to the public that highlight exactly what is being suggested and why.

### 11. Equalities

*Has an Equalities Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?*

An Equalities Impact Assessment has been undertaken using the Budget Setting Template, as part of the Libraries Plan, which was agreed in March 2016.

Potential impacts were identified due to reduction in stock which could impact on low income library members who may have to pay a charge for reserving stock at another library. Concessions will therefore be maintained for those on a low income.

Stock reductions will be informed by historical analysis of lending trends, it is known that lending has reduced by 16% over the last two years and so reductions reflect this.

It may be possible for improved accessibility to and within the building, and for this to be undertaken as part of the improvement works. FED and local people to be engaged in identifying accessibility improvements.

Further equalities impact assessment work with the Equalities Officer will continue to inform the proposals as they develop.

### 12. Sustainability

*What significant environmental impacts is the project likely to have?*

## Full Business Case and Options Appraisal

### *Are there any implications for the local economy and local communities?*

The new extension will meet current building regulations with regard to thermal efficiency, low energy lighting and water use.

The existing inefficient oil fired boilers in the museum will be replaced with efficient gas condensing boilers which will improve the energy performance for the whole building.

The contractor will be required to meet the Councils requirements to meet or exceed 95% of the construction waste being recycled.

### **Authority to proceed**

*This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted*

Meeting where authority to proceed was obtained	Date of meeting

## Full Business Case and Options Appraisal

### APPENDIX 1 – Breakdown of finances

<i>Information in table 5 (Project Capital Costs)</i>			
Item	Cost arising from Libs development	Cost arising from compliance, H&S and maintenance issues for museum building	Totals
<b>Part 1 - Building Costs</b>			
<b>Build (Rev C)</b>			
New extension and alterations	£612,200		
mechanical and electrical services to existing building	£37,475	£73,700	
Additional items	£72,800	£40,250	
Site/infrastructure works	£75,200	£42,500	
	£797,675	£156,450	£954,125
Fees, surveys etc. @ 12%	£95,721	£18,774	£114,495
Prelims(17.5%) overheads (6.45%) design & devel(1.5%) conting(5%) (30.45%)	£242,892	£47,639	£290,531
Tender price inflation	£67,973		£67,973
<b>Totals</b>	<b>£1,204,261</b>	<b>£222,863</b>	<b>£1,427,124</b>
<b>Part 2 - Moving Costs</b>			
Libraries - removals	£7,000		
Libraries - additional library staff for packing/unpacking	£5,000		
Libraries - stock management and prep for move	£6,000		
Museums - costs of temporarily moving objects	£7,000		
Museums - additional museum staff for move period	£3,500		
Museums - Skip hire	£1,000		
New furniture and equipment	£100,000		
10% Contingency (on moving costs only)	£12,950		
	<b>£142,450</b>		<b>£142,450</b>
<b>Part 3 - Carnegie Security</b>			
Security for Carnegie when empty up to 6 months	<b>£3,000</b>		<b>£3,000</b>
<b>Total</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

## Full Business Case and Options Appraisal

Capital receipts	£1,350,000		
Difference	-£289	£222,863	£222,574

<b><i>Carnegie Building - 5 year maintenance cost</i></b>	
<i>Priority 1 - urgent works</i>	<i>£90,146</i>
<i>Priority 2 - within 2 years</i>	<i>£525,526</i>
<i>Priority 3 - 3 to 5 years</i>	<i>£122,982</i>
	<b><i>£738,654</i></b>

## Full Business Case and Options Appraisal

**Information shown in table 3**

Item	Budget	Savings over three years			Total permanent savings
		2016/17	2017/18	2018/19	
Property	Libraries		£2,128	£6,383	£8,511
Employees	Libraries	£69,296	£50,600	£82,504	£202,400
Supplies & services	Libraries	£30,100	£25,025	£47,305	£102,430
Income	Libraries				£0
	<b>Total Libraries</b>	£99,396	£77,753	£136,192	£313,341
Property	Property & Design			£18,828	£18,828
Other				£4,465	£4,465
<b>Total</b>		<b>£99,396</b>	<b>£77,753</b>	<b>£159,485</b>	<b>£336,634</b>

Item	Budget	Costs shown for a full year		Total permanent savings
		Current costs	Future costs following move	
Property	Libraries	£24,434	£15,923	£8,511
Employees	Libraries	£336,092	£133,692	£202,400
Supplies & services	Libraries	£157,430	£55,000	£102,430
Income	Libraries	-£42,158	-£42,158	£0
	<b>Total Libraries</b>	<b>£475,798</b>	<b>£162,457</b>	<b>£313,341</b>
Property	Property & Design	£44,721	£25,893	£18,828
Other				£4,465
<b>Total</b>		<b>£520,519</b>	<b>£188,350</b>	<b>£336,634</b>

## Full Business Case and Options Appraisal

### Appendix 2 – Project Timeline

Project Plan:9/3/16					2015		2016												2017												2018		
ACTION/TASK	Lead	Deadline	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
Project Start Up																																	
Initial Architectural & layout plans developed	NM																																
Initial layout agreed	?																																
Initial project documents produced	KB																																
External funding opportunities identified	JB																																
Project budget agreed	PM																																
Libraries Consultation ends	SM	16/02/2016																															
Reports for committee meeting/s written	SM																																
Permissions																																	
Ecconomic Development & Culture Committee	SM	10/03/2016					10th																										
Full Council	SM	24/03/2016					24th		12th		21st			20th		15th																	
P&R	SM	28/04/2016						28th		9th	14th			13th		8th																	
Planning Committee	SM	13/07/2016							11th	8th	13th	3rd	14th	12th																			
Planning Process	SM																																
Procurement																																	
Architectural plans finalised	NM																																
Identify contracts required (divide into lots)	SW																																
Identify existing providers	SW																																
Sign off contracts / complete plans	SW																																
Brooker Hall																																	
Demolish current extension																																	
Build new extension																																	
Carry out additional works and decoration																																	
Move new furniture / shelves and stock into building																																	
Grand opening																																	
Hove Library																																	
Agree stock and furniture that will be moved to new site	MC																																
Dispose of old/excess stock																																	
Pack stock and furniture																																	
Building ready for sale																																	
Hove Museum & Art Gallery																																	
Agree objects and furniture that will remain in building																																	
Clear out existing extension																																	
Dispose of unwanted furniture and items																																	
Joint Business Planning																																	
Service and premises management SLA																																	
Shared Team level Business Plan																																	
Staffing sructure and JDs reviewed																																	

## Full Business Case and Options Appraisal

Programme/Project/Service Redesign Information	
Programme/Project/Service Redesign Name	Hollingbury Library proposals
Directorate/Service	Assistant Chief Executive
Full Business Case Author (Name and job title)	Sally McMahon
Date Full Business Case drafted	Version 4 (7 April 2016)
Senior Responsible Owner/ Project Executive (Name and job title)	Paula Murray, Assistant Chief Executive
Programme or Project Manager (Name and job title)	Lucy Castle, Project Manager

### 1. Executive Summary & Recommendations

*Provide a summary of key points of the Business Case and recommendations for the governance group to consider*

This Business Case has been developed to evidence the value of the proposals for changing the location of library service delivery in Hollingbury. This Business Case brings together key information that will inform a report for Policy & Resources Committee on 28<sup>th</sup> April 2016 seeking approval to;

- Sell Hollingbury Library, estimated value of £350,000
- Fund the move of Hollingbury Library to the Hollingbury & Patcham Children's Centre and the Old Boat Community Centre from corporate capital funds, total estimated cost: £51,000

### 2. Objectives

*What will the programme or project achieve/what changes will it bring about?*

Provision of two new library service points in Hollingbury to enable 7 day a week access at reduced running costs by working in partnership with the Children's Centre and the Old Boat Community Centre.

### 3. Background and context

*What events, policies, issues, risks or opportunities have prompted it?*

On 24<sup>th</sup> March 2016 the [Libraries Service Plan](#) was agreed at Full Council. Phase One includes changes to the way library services in community libraries are delivered.

As part of the Libraries Needs analysis a public consultation took place which included a survey that asked the question 'Do you agree or disagree with the proposal to move Hollingbury Library to the Hollingbury Children's Centre and increase Patcham Library hours?' The survey received 1,124 responses in total with the response to this question

## Full Business Case and Options Appraisal

---

48% tending to agree or strongly agree and 22% tending to disagree or strongly disagree, with a high percentage (30%) neither agreed nor disagreed.

An analysis of the responses from those who said they were users of Hollingbury Library produced a different response: 38% tended to agree or strongly agree; 49% tended to disagree or strongly disagree; and 13% neither agreeing nor disagreeing.

As a result of detailed consultation with the Ward Councillors, the original proposals were amended to include the creation of an additional Community Library collection in the Old Boat Community Centre in Hollingbury to meet the library needs of all age groups, and the provision of staffing support to Hollingbury library locations for one day a week each.

As a result of these changes, we believe the main objections raised by local people will be met, as all age groups will be catered for and staff support has been re-introduced.

The current Hollingbury Library building is an old public house building in need of significant repairs estimated at £148,000 and it is one of only two stand alone, isolated community library buildings in the public library network.

The library currently costs £45,000 p.a. to run from this location.

### *Which corporate principles and priorities (as outlined in the Corporate Plan) will it help deliver?*

Citizen focused – working with local residents to deliver programmes and activities relevant to the audience. The new locations will enable us to continue to provide a service that is used by residents to access a wide range of council and public services, general information and the internet. There will be increased opportunities for community involvement in projects and activities.

Increasing equality – ensuring that there continues to be free provision of literature and ICT support to those who need it and providing specialist activities and groups for minority or disadvantaged groups.

Active citizenship - creating more varied opportunities for volunteering and community collaboration within a joined up service.

Economy, jobs & homes – promoting literacy and learning, to improve employment opportunities and ensure digital competency.

Children and young people – working with the Children's Centre, providing a joined up approach to curriculum programming, encouraging of learning and reading, improving literacy.

Community safety and resilience – encouraging community activity and active citizenship that will foster safe neighbourhoods.

Environmental sustainability – the improvements to the community centre with the move of the library into this building will improve the environmental sustainability of this community building.

## Full Business Case and Options Appraisal

*What other programmes, projects or services does it link to?*

This project is part of the Libraries Modernisation Programme which needs to save £1.34 million over the next four years.

The Community Collaboration Programme will suggest improved ways of working with partners, citizens and businesses to ensure community participation in the development and delivery of City objectives. The stronger links to the local community centre and the local Children's Centre and school should be able to utilise this model to ensure that local requirements are met and volunteering opportunities respond to community need.

### 4. Preferred Option

*Indicate which is the preferred option of those described*

Three options have been considered at this point to manage the inflated costs of managing Hove library. These are:

#### OPTION 1.

##### 1. Description of the option

Do nothing. The impact of this option is that savings will not be met, and the high maintenance costs of this 1940's old pub building will continue. Revenue costs would continue at £45,000 p.a. and £148,000 maintenance costs estimated over five years would remain.

#### OPTION 2.

##### 1. Description of the option

Keep Hollingbury Library in its current location and operate it using Libraries Extra arrangements. Less than half the savings needed would be delivered and the buildings maintenance costs will remain. The opportunities to work more closely with the Children's centre, the school and the Community Centre will be lost.

#### OPTION 3: the preferred option

##### 1. Description of the option

*Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.*

Move Hollingbury Library service to two new locations:

- Hollingbury and Patcham Children's Centre to operate a library service targeted at young children and families for three days a week, on a self-serve basis using volunteer help.
- Old Boat Community Centre in Hollingbury operating a seven days a week

## Full Business Case and Options Appraisal

service to library users of all ages, on a self-serve basis using volunteer help and working in partnership with the community centre to provide services to meet the needs of local people.

- There will also be staff input on one day a week covering both locations

This option will provide longer access to local people over seven days of the week and will enable greater community collaboration and engagement, whilst also delivering £26,500 of revenue savings, and avoiding the future maintenance and repairs costs (est £148,000)

### 2. Is this the preferred option?

*Yes or no and a brief explanation why.*

Yes Option 3 is the preferred option. The Library Service has to find its share of savings and Hollingbury is one of only two stand-alone libraries in the city. Research has shown that it is more effective both in terms of performance and efficiency to co-locate libraries with other services. The Review and Needs Analysis identified Hollingbury Library as one that had one of the smallest catchment populations and one of the highest % of library users who already used another library. It was also had a relatively high estimated maintenance and repair costs. The library is not located in the best of positions, at the top of a steep road, which can deter people. Moving the library provision into shared premises, will enable better community involvement in the library and hopefully a higher level of use, at lower cost.

### 3. Cashable benefits

*What are the anticipated financial savings from the programme or project? Profile the savings over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Buildings</i>	£2,450	£2,450	0	<b>£4,900 (tbc)</b>
<i>Employees</i>	£9,500	£9,500	0	<b>£19,000</b>
<i>Supplies &amp; Services</i>	£1,550	£1,550	0	<b>£3,100</b>
<i>Income</i>	-£250	-£250	0	<b>-£500</b>
<b>Total</b>	<b>£13,250</b>	<b>£13,250</b>		<b>£26,500</b>

### 4. Non-cashable benefits

*Every non-cashable benefit (or improvement) should be expressed in measurable terms, and the current situation understood and baselined before the programme or project is implemented. Include benefits from the perspective of the customer*

<b>Current situation</b>	<b>Benefit expected</b>	<b>Measured outcome that you hope to achieve</b>	<b>How will the benefit be measured?</b>

## Full Business Case and Options Appraisal

Stand-alone building	Improved visitor experience through colocation	Increased attendance and repeat visits	Visitor numbers Visitor feedback
Activities and events are separate	Increased partnership working will result in joint activities and events	Increased attendance at activities	Attendance numbers School visits Visitor feedback
Services are generic	Increased opportunity for targeted services to meet needs of local service users	Improved outcomes for library users	Visitor satisfaction and feedback Community engagement in projects
Relatively low level of library use	Able to reach non-traditional library users	Increased membership	Membership numbers
£148k of maintenance needed for Hollingbury Library(funding is not within existing budget)	Cost is not incurred	Other services do not need to find additional savings	Cost is avoided
Old Boat Community Centre is not known about by whole community	Library presence will help bring more people to the centre and better signage	New users of the Centre	Surveys

### 5. Costs (capital and revenue)

*What are the capital and revenue costs of the programme or project? Profile these costs over the lifetime of the programme or project.*

	<b>Year 1 2016/17 Children's centre</b>	<b>Year 1 2016/17 Old Boat Community centre</b>		<b>Total</b>
<b>Capital costs</b>				
<i>Building costs</i>	£27,000	£20,000		<b>£47,000</b>
<i>Moving costs</i>	£500 (tbc)	£500 (tbc)		<b>£1,000 (tbc)</b>
<i>IT costs</i>	£3,500	£3,500		<b>£7,000</b>
<b>Revenue costs</b>				
<b>Totals (per year) &amp; grand total</b>	£31,000	£24,000		£55,000

*When will payback occur? What is the Return on Capital Employed?*

When library building is sold and capital receipt received

### 6. Funding

*Have the budgets to fund the programme or project been identified? Specify which budgets.*

Capital receipt from sale of library building will fund the new library provision in the Children's Centre and the Old Boat Community Centre.

## Full Business Case and Options Appraisal

Will the programme or project be in receipt of any funding? Profile the funding over the lifetime of the programme or project.				
	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Funding</i>	£55,000			<b>£55,000</b>
Please identify the funding source(s)				
<p>Sale of Hollingbury Library – estimated at £350,000</p> <p>Hollingbury Library can be put onto the market following approval from Policy and Resources Committee and once the library service has moved to its new locations.</p>				

<b>7. Resources</b> <i>What staffing resources are required to deliver the programme or project?</i>					
<b>Service</b>	<b>Why are they required?</b>	<b>Quantify the requirement (fte)</b>	<b>When are they required?</b>	<b>Has the service been consulted and what did they say?</b>	<b>Are the staff available?</b>
Operational staff	Form project team Manage stock Pack items		Ongoing		Yes
Library manager	Manage the project		Ongoing	Yes	Yes
Communications	Management of project opposition Promotion of new service		Ongoing		
Finance	Monitor project finances	½ day a month	Ongoing	Yes	Yes
Human Resources & Organisational Development	Advice regarding new staffing roles and JDs	Minimal			
ICT	Fitting of new cables				
Internal Audit	None				
Legal & Democratic Services	Contracts Planning				
Policy, Communities & Equalities	Community engagement				
Procurement	Contractors				
Property & Design	Architects Management of works and contractors	1fte for ½ day per week	Ongoing	Yes-Property & Design undertook the feasibility costings	Yes

## Full Business Case and Options Appraisal

	Property sales				
Sustainability					
Are any specialist skills required to deliver the programme or project (beyond those identified above)? If so, how will these be acquired?					

### 8. Risks and opportunities

*Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.*

<b>Risk description</b>	<b>Potential consequences</b>	<b>Mitigating controls and actions</b>	<b>Likelihood (1 = almost impossible, 5 = almost certain)</b>	<b>Impact (1 = insignificant, 5 = catastrophic/ fantastic)</b>
Public do not use the self-service provision	Visitor numbers fall Customer satisfaction is low	Provision of one day a week of staff. Recruitment of local volunteers. Developing good relationship with local partners	3	3
Customer expectations are not met	Visitor numbers fall Customer satisfaction is low Service is no longer viable	Public meetings and online consultation has taken place Service will be developed using further stakeholder engagement	3	3

### 9. Outline programme or project plan

*Indicate the timeline for the programme or project with key milestones, including when decisions are needed and by whom, and deliverables.*

Libraries Plan – approved by Council March 2016  
 Agreement to dispose of buildings – at P&R committee in April  
 New staffing arrangements will be implemented from July 2016.  
 Work on the Children's centre will take place in the summer holidays 2016  
 Work on the Community Centre is still to be programmed  
 Estimated move to new locations: Autumn 2016

### 10. Stakeholder consultation

*List any consultations with stakeholders and the findings. Examples of stakeholders include citizens, staff, partner organisations, Members.*

The Library Services Review and Needs Analysis was based on extensive research, consultation and community engagement.  
 Staff and unions have been involved in the Libraries Modernisation programme through

## Full Business Case and Options Appraisal

briefings and workshops throughout 2015.

Three months of public consultation took place November 2015 – February 2016.

Additional consultation took place in Hollingbury: all current library borrowers were individually contacted to alert them to the consultation and invite them to a public meeting that was held in February 2016.

In the analysis of all the responses, the specific question about Hollingbury Library resulted in 48% tending to agree or strongly agree and 22% tending to disagree or strongly disagree, with a high percentage (30%) neither agreed nor disagreed.

An analysis of the responses from those who said they were users of Hollingbury Library (115 respondents) produced a different response: 38% tended to agree or strongly agree; 49% tended to disagree or strongly disagree; and 13% neither agreeing nor disagreeing.

As a result of the concerns raised through the consultation, changes were made to the proposals to re-introduce some staff support. As a result of detailed consultation with the Ward Councillors, creation of an additional Community Library collection in the Old Boat Community Centre in Hollingbury to meet the library needs of all age groups.

### 11. Equalities

*Has an Equalities Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?*

An Equalities Impact Assessment has been undertaken using the Budget Setting Template, as part of the Libraries Plan, which was agreed in March 2016.

Potential impacts were identified as a result of the original proposal to only provide a service in the Children's centre. These impacts were mitigated against by the inclusion of a second collection in Hollingbury to meet the library needs of all ages.

Further equalities impact assessment work with the Equalities team will continue to inform the proposals as they develop.

### 12. Sustainability

*What significant environmental impacts is the project likely to have?  
Are there any implications for the local economy and local communities?*

New windows in the Old Boat Community Centre will improve energy efficiency

### Authority to proceed

*This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted*

Meeting where authority to proceed was obtained	Date of meeting

## Full Business Case and Options Appraisal

### Appendix 1: Details of Hollingbury Revenue costs

Hollingbury Library revenue costs

Buildings (libs)	Buildings (property)	Employees (libs)	Supplies & Services	Income	Totals
£1,353	£12,546	£23,089	£9,138	-£1,456	£44,670

actuals 2014-15

	Buildings	Staffing	Supplies & Services	Income	Totals
Current costs	£13,900	£23,000	£9,100	-£1,500	£44,500
Future costs	£9,000	£4,000	£6,000	-£1,000	£18,000
Savings	£4,900	£19,000	£3,100	-£500	£26,500

based on actuals for 2014-15  
estimates to be confirmed

Saving over the years:	Buildings	Staffing	Supplies & Services	Income	Totals
2016/17	£2,450	£9,500	£1,550	-£250	£13,250
2017/18	£2,450	£9,500	£1,550	-£250	£13,250
2018/19	£0	£0	£0	£0	£0

half year  
remaining half year



<b>Subject:</b>	<b>Tower House</b>		
<b>Date of Meeting:</b>	<b>28 April 2016 – Special Policy &amp; Resources Committee</b> 19 April 2016 – Special Health & Wellbeing Board		
<b>Report of:</b>	<b>Executive Director for Adult Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Karin Divall</b>	<b>Tel: 01273 294478</b>
	<b>Email:</b>	<b>Karin.divall@brighton-hove.gcsx.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 A report was presented to a Special Policy & Resources Committee on 4<sup>th</sup> November 2015, and this committee agreed to a three month consultation on the following options:
- (1) To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;
  - (2) That people are supported to receive a personal budget and choose alternative activities if possible;
  - (3) That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.
  - (4) For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends.
- 1.2 This report provides the results of this three month consultation with all service users, and as appropriate their carers, who use Tower House Day Service.
- 1.3 The report also provides information on reviewing options to deliver the service in a more cost effective way and the outcome of exploration of opportunities to cross subsidise the service.
- 1.4 This report asks the Health & Wellbeing Board and Policy & Resources Committee to consider the consultation outcome and results of the exploration of the options set out in paragraphs 4.4 and 7 and to make recommendations regarding the future of this service.

**2. RECOMMENDATIONS FOR POLICY & RESOURCES COMMITTEE**

- 2.1 That Policy & Resources Committee should read and consider the consultation outcome and the equalities impact assessment to inform its decision making.

- 2.2 That Policy & Resources Committee should endorse the recommendation from the Health & Wellbeing Board.
- 2.3 That Policy & Resources Committee delegate to the Executive Director, Adult Services the re-provision of services.
- 2.4 That Policy & Resources Committee delegate to the Assistant Director; Property & Design the arrangements regarding the transfer or disposal of the lease for Tower House, ensuring best value for money, and for the community.

### **3. RECOMMENDATIONS FOR HEALTH AND WELLBEING BOARD:**

- 3.1 That the Health & Wellbeing Board should read and consider the consultation outcome and equalities impact assessment to inform its decision making; and
- 3.2 That the Health & Wellbeing Board should recommend to the Policy & Resources Committee that Tower House Day Service should close and that appropriate alternative arrangements should be made for service users to ensure their social care needs are met.

### **4. CONTEXT/ BACKGROUND INFORMATION**

- 4.1 Tower House is a council run day service for older people and younger adults with disabilities.
- 4.2 A report was presented to a Special Policy & Resources Committee on 4<sup>th</sup> November 2015 outlining the need to make efficiencies in the provision of the services at Tower House. The report proposed that the Council should no longer provide Tower House Day Service and that a consultation should commence to inform the way in which services should be delivered in future and to determine what alternative services could be identified to meet service user needs in a more personalised and cost effective way.
- 4.3 This committee agreed to a three month consultation with all service users, and carers as appropriate, currently using Tower House. The purpose of the consultation to explore four options available for meeting the needs of service users in a more cost-effective way.
- 4.4 Policy & Resources Committee agreed that the consultation should include the following options:
  - 1. *To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;*
  - 2. *That people are supported to receive a personal budget and choose alternative activities if possible;*
  - 3. *That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.*
  - 4. *For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends*

- 4.5 This consultation with all service users and their families and carers, where appropriate, was carried out over a three month period and included questionnaires, individual and group meetings. In addition to the consultation, social work staff met with service users on an individual basis to review their social care needs. This work has now been completed and the information collated and this is summarised below in paragraph 6. This report is brought to the Health & Wellbeing Board and Policy & Resources Committee in order for a decision to be made about the future provision for the day service and how best to meet the needs of its service users with a reduced budget.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Consultation has been carried out with service users and their families/carers where appropriate and further details are included in the appendices to this report. In order to protect the personal details and views of the people who were consulted, this information is confidential to the members of the appropriate committees, and not available for wider public view. The consultation included:

- Meetings with service users both in groups and individually.
- Questionnaires were sent out to all service users and carers, where appropriate, and the views expressed in the returned questionnaires are set out in Appendices 7, 8 , 9 and 10. These appendices contain personal information and are therefore included within the confidential papers.
- Individual letters and emails were also received during the consultation period and these are appended at Appendix 11, and again these letters are confidential because they concern personal details.
- A care manager from the social work team was based at Tower House during the consultation period and she met with service users and their families to talk about people's individual needs and what is important to them.
- The Federation for Disabled People ran small group sessions for service users and their families so they could find out more about personal budgets. 44 members attended these sessions over a fortnight period, and nine family/carers attended. Further information about this is attached at appendix 3.
- A "What's Out There Fair" was held in February when organisations who run activities in the City came to Tower House and provided information about the community and day services they provide, in order to ensure people had information about alternative services that might be available. The services which attended included: Ralli Hall Day Centre, Barford Court, Crossroads Care, Alzheimer's Society, Carers Centre, Stroke Club, St John's Hop 50+, Its Local Actually and The Fed, Carelink/Living Well. This event was well attended and provided positive feedback from service users who have reported feeling more reassured knowing that there are other activities in the City. Comments from service users included: "I didn't realise what is out there", "I feel reassured knowing there are places to go and activities to do", "What's my actual personal budget and what are the ways I can use it for my

care”, “were going to identify somewhere we can all go together and share a taxi”. Further information is included in Appendix 5.

- The Older People’s Council visited Tower House and met with some service users to listen to their concerns. The OPC were also invited to attend the “What’s Out There Fair.”
- The Lead Councillor for Adult Social Care, and the Head of Adult Social Care attended a meeting on 3<sup>rd</sup> December 2015 with a group of service users to hear their views, and to answer questions. A newsletter was issued to all the service users following this meeting and this is attached at Appendix 4.

## 6 THE OUTCOME OF THE CONSULTATION AND REVIEWS

- 6.1. 56 of the service users and their families responded to the consultation questionnaire and their responses are set out in the table below. People were asked to rank the options in order of preference (1 for first choice, 2 for second choice etc.)

Preferences- ranked	1	2	3	4	Total
To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including if necessary reducing the level of provision	43	8	4	0	55
That people are supported to receive a personal budget and choose alternative activities if possible	1	8	21	19	49
That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way	7	23	11	11	52
For Council officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends.	4	14	11	20	49
Answered the question					56
Did not answer the question					2

- 6.2. Tower House is valued by the people who use it, and the majority of people wanted to maintain the existing service including reviewing options to run the service in a more cost effective way.
- 6.3. Of the 72 people currently using Tower House, 36 members attend Tower House to provide carer relief. And of the 72 people, 44 service users require support with transport to attend Tower House.
- 6.4. Within the social work review process that was carried out, 66 members have an identified eligible need around social support, of which:

- 37 could have their needs met by an existing community service. This would be at a lower cost than the cost of providing Tower House.
  - 16 have other support in place which is already meeting their eligible needs. They would not need additional services.
  - 13 people's needs are such that they would require trained staff to support with personal care, continence tasks and monitoring safety. These needs could be met through the use of personal budgets e.g. for PA support to attend day activities, or could be supported to attend a private Day service. These individuals would be at high risk of social isolation if they ceased to attend Tower House and had no other support in place. These people would need a similar service however this could be provided more cost effectively than at Tower House.
- 6.5. Two service users are identified as having no eligible needs around social support. These service users also have other support services in place so there is considered to be low risk to their wellbeing if they cease to attend Tower House. Four members require further assessment in order to assess their eligible needs, however all these service users have other support services in place to meet needs around social support.
- 6.6. Most people therefore could have their needs met through community support, or they are already receiving support that meets their needs, or they do not have eligible needs for a building based day service. Of the 13 people currently receiving services at Tower House who do have a need for a service with trained staff, their needs could be effectively met by receiving a personal budget to directly employ a support worker or carer or to pay for an alternative private day service, or if people have mental health needs they could alternatively attend Wayfield Avenue which is a Council run day service.
- 6.7. Several members have developed close friendship groups and would benefit from a joined-up approach to ensuring their individual needs for social support are met, whilst also maintaining the social networks they have developed through Tower House. This could be achieved by supporting groups of people to use personal budgets either through support from the Council's Day Options Matching Team or through support from the voluntary sector.
- 6.8. Some people have expressed an interest in being supported to attend new activities as a group, but do not wish to explore this further until a decision is made regarding the future provision of Tower house.

## 7 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 7.1 **Option 1. To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision.** This option was to explore whether savings could be made in the Tower House budget. The work under this option included looking at whether we could reduce the number of times that people attend, and reduce the number of days that Tower House could open. Another option is to stop providing transport.

- 7.2 The outcome of this work is that the service could be run in a more cost effective way if the number of days that the service was provided was reduced to fewer days from the current five day service. At Budget council on 25<sup>th</sup> February 2016, a reduction of £0.150 million to the Tower House budget was agreed. In order to reduce the costs of day services, the service would need to reduce to running one or two days per week to meet this reduction. There would need to be a staff consultation and re-structure, and this would place staff at risk of redundancy.
- 7.3 The outcome of the review process is that there are 13 people who have eligible needs and require the level of service currently provided at Tower House. For this small number of people the cost of opening this service on one or two days per week would increase the unit cost and be far greater than the cost of comparable services in the private sector.
- 7.4 The additional risks with this approach are that the number of people requiring Tower House will continue to reduce over time and there will be little scope to further reduce the costs making this an increasingly expensive service to run per person.
- 7.5 If this approach is agreed then only the 13 people who have an eligible need for this service, and who require the level of service provided at Tower House would continue to attend the service, and other service users would be supported to access more cost effective services.
- 7.6 The costs of providing a service for up to 13 people at Tower House (approximately 20% of current numbers) is unlikely to represent value for money because of the continued running costs of the building, staffing levels required on the days of operation and the reduction in income from charges.
- 7.7 The costs of running a service for 13 people on two days will be greater per person than the current costs and this is estimated that this will cost in the region of £140.00 per person per day. An indicative budget for this service is set out in appendix 12.
- 7.8 The risks with this approach are that the number of people requiring this level of service may fall further, which will lead to both an increase cost per person per day but also the social benefits that people have from attending a day service with other people will diminish.
- 7.9 It is also not the policy or approach of the local authority to provide services that can be provided within the community and voluntary sector, some of which are funded by the local authority to provide similar services, or through use of personal budgets.
- 7.10 Consideration has been given to stop providing transport which would save approximately £0.013 million spent on vehicles per annum. It is likely that most people would still need support with their transport to attend Tower House and this was highlighted during the consultation. And if this was not directly provided then transport to Tower House would need to be funded through use of direct payments. This option would therefore not save the money required.

- 7.11 **Option 2. That people are supported to receive a personal budget and choose alternative activities if possible.** Under the Care Act 2014, everyone with eligible social care needs should be offered a personal budget. A personal budget is calculated according to individual needs and people are supported to choose activities that are affordable within their budget allocation. Most of the people that attend Tower House started attending prior to this legislative change.
- 7.12 During the consultation some people were identified who already receive a personal budget but are not using this to purchase their day service at Tower House. It is therefore recommended that they should be supported to use their budget to access services that meet their needs. During the consultation and social work review programme, some people were also identified who could benefit from receiving a personal budget to purchase alternative services either community activities or day services.
- 7.13 During the consultation, a “What’s Out There Fair” was held when a number of providers attended. These included voluntary sector day services, community services and private sector day services which could be purchased using personal budgets.
- 7.14 There are also potentially groups of friends who could use personal budgets in a pooled way (Individual Service Funds) to purchase services to meet their needs as a group. The Fed (Brighton & Hove Federation of Disabled People) were involved during the consultation and alongside other voluntary sector organisations they could provide support to people who wanted to pursue this option. This approach will ensure that the authority is compliant with The Care Act. It is recommended that where appropriate, people should be supported to receive and use their personal budgets.
- 7.15 **Option 3. That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.** Under this option, people could be supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.
- 7.16 During the consultation, 59 people were identified who do not need to be at Tower House Day service. These people could all have their needs met in a more cost effective way through the use of personal budgets, or in community services that could be provided closer to people’s homes. Of the people currently using Tower House, 13 people were identified who will continue to need a building based service where trained staff are employed to provide support.
- 7.17 Alternative building based day services are available and are provided by both voluntary sector and private sector organisations. The Council is also continuing to provide a building based day service at Wayfield Avenue for people who have mental health needs including dementia.
- 7.18 The current charge made for the Council’s day services are £35 (this is means tested), plus the cost of transport (£3.60 per day) plus the cost of food. Where people are paying the full cost of the service, they could receive better value and cheaper services in their local community, so the cost effective delivery of services is not only in the interests of the Council, but also in the interests of some individuals.

- 7.19 The cost of day services in the independent sector varies from £25.50 in the voluntary sector, to between £40 and £75 per day in the private sector (the latter cost provides a service from 8.30- 19.30 and includes a cooked meal) compared to the council cost of providing the service which is £64 per day.
- 7.20 **Option 4. For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends.** Under this proposal the Council would look at ways of bringing in more income by hiring out the building at evenings and weekends and thereby reduce the cost of the service. Tower House is leased on a peppercorn rent with maintenance and repairs costs of about £50,000 per year. BHCC Property & Design have been in correspondence with the freehold owner. Under the terms of the lease we do not have the right to underlet all the time that the building is in use as a “Day Centre”. The council would be required to ask the freeholder for permission for a change of use and is considered likely that this will be restricted to a residential use as the Tower House Day Centre is located on the ground floor of a residential converted block of flats. The council’s ability to achieve income is therefore severely restricted.
- 7.21 **For an alternative provider to run Tower House as a Day Service.** Whilst not an option that Policy & Resources asked to be explored. During the consultation period, the Council received a proposal from a charity to run Tower House as a service for older people. The proposal from this charity is for a service for older isolated people, using volunteers. If the proposal is to use the building for different activities (or even similar activities if they are using only volunteers) then TUPE won’t apply, and our staff would be redundant if the service was run by a different provider as proposed in this case. This service would not be able to support the 13 people with high needs, nor would it be available for the younger people who currently attend.
- 7.22 We have attempted to discuss options with the freeholder, to see whether having a different day service provider at Tower House would be possible, but we are yet to receive any meaningful response despite chasing on a number of occasions by phone and sending three letters which remain unanswered. Our understanding of the position regarding the leasehold is that so long as Tower House is used as a day centre, under clause 12a of the lease, the ‘Council cannot assign, transfer, underlet or part with possession of the premises’. Therefore using Tower House in this way does not appear to be an option that the Council is able to pursue.
- 7.23 For a third party to use the space for 2/3 days per week. It may be possible for the Council to share the space within the building and licence some or all of the space to a third party. This space would need to be restricted to the same user clause under the lease, so it would not be possible to hire the space to any groups other than for use as a ‘Day Centre’. For a licence to be effective, the Council must retain control in the possession of the premises without permitting any exclusive use. This will restrict the licensee’s use of the premises and may not be viable for operators in the market to take on the cost of using this shared space and these restrictions are likely to reduce any commercial operation at the site. It is unlikely that granting licences would lead to any reduction in the costs of

operating the building and the Council may end up subsidising the licensee's occupation.

## **8 PROPOSAL**

- 8.1 Tower House is valued by the people that use the service, however it is an expensive service to run, and services need to be provided with regard to the appropriate budget. The service currently provides for a number of people who do not need this level of service. The proposal is that options 2 and 3 are agreed and that people should be supported to find alternative community services. A small group of people will continue to need a service with trained staff, and alternative services will be found for them either as a group or individually. Support will be provided to ensure everyone's social care needs are met.
- 8.2 The Tower House Day Centre forms part of the ground floor of a residential block of flats. Under the terms of the lease, if the decision is made to close the day service, the council has two options as described below. Further work is required by Property & Design to consider the options and which represents best value to the council.

### **Option 1: Seek a change of use & sell our leasehold interest**

This option will offer the higher potential return to the council by applying to the landlord for a change of use to residential and then assigning our remaining interest either to a developer or to a housing association to convert to flats. The council's residual lease is 96 years which will ensure that the flats will be mortgageable. As the council's leasehold interest diminishes the value of the council's interest will also decrease.

**Lease Conditions:** The lease prevents the council from assigning or sub-letting the premises as a day centre but allows us to apply for permission for a change of use which cannot unreasonably be withheld.

**Risks:** No valuation has been undertaken on the potential capital receipt pending committee decision on closure of the service. Once this decision has been taken, further work will be undertaken by Property & Design to assess the value of the assignment and the costs of securing and maintaining the property while the process described above is carried out. The current property related costs to run the service are approximately £50,000 per annum. On-going costs will be incurred whilst the property is vacant including payment of the service charge, minimal utility charges and additional security but these will be reduced to the minimum level required (estimated at £12,000 per annum) and will be taken into account when assessing the value of the lease and the potential marketability of the property.

Property & Design have recently received an informal enquiry from a developer on our future use of the property.

### **Option 2: Surrender the lease back to the landlord**

This option will offer a lower return to the council but will allow us to dispose of the building and on-going liabilities. Given the location and nature of the building it is likely that the landlord will seek to convert the day centre to residential before selling the leaseholds.

**Risks:** This option offers the lowest return to the council. The potential surrender value has not yet been undertaken pending committee decision on closure of the service. Once this decision has been taken, further work will be undertaken by Property & Design to assess the value of the surrender. The landlord has the right to refuse the surrender in which case the council will need to revert to option 1 above.

Property & Design recommendation is to pursue Option 1 and to undertake the necessary additional investigation outlined above to ensure the council achieves best value for money if the decision is taken to close the day service. This should minimise the risks associated with a vacant building and on-going costs will be minimised wherever possible pending disposal.

## **9. CONCLUSION**

- 9.1 Whilst the service could be run within its reduced budget, this would be achieved by reducing the service to one or two days per week, with a smaller staff group employed to deliver a service to those people who have eligible needs. However this would not be a good use of the building which would then be left empty five or six days per week, would only provide a service for 13 people, and would work out more expensive per person than the existing service and alternative comparative services in the independent sector.
- 9.2 Under the terms of the lease, the building could not be leased out on the days that it is not in use and the cost of running the service pro rata per person on one or two days would greatly increase. Demand for the service from people who have eligible social care needs is likely to continue to reduce, as more people receive personal budgets.
- 9.3 Retaining the service as it is, is simply not possible as we have to make savings in the provision of this service. We have also seen a fall in demand for Tower House following implementation of the Care Act in early 2015. Since November 2015 all new referrals to the Council run day services have been scrutinised to ensure that people are offered personalised services to meet their assessed needs in line with the Care Act. Because people have been offered alternative individual services in line with the Care Act, there have been no new referrals to Tower House during this period. And consequently as people have moved on from Tower House due to changing needs or moving from the area during this period the number of people using Tower House has reduced from 90 in November 2015 to 72 currently. As we will continue to focus on providing individual budgets and offering individual choice to people there is unlikely to be a significant increase in the numbers of people using Tower House in the future.
- 9.4 Tower House could provide 30 service user places per day but it is not operating at full capacity with occupation levels as follows:

Monday; 50%  
Tuesday; 73%  
Wednesday; 70%  
Thursday; 83%  
Friday; 66%

- 9.5 The outcome of the consultation and social work reviews is that everyone currently receiving services at Tower House could have their needs met in a more cost effective way and it is therefore proposed that Tower House should close and alternative arrangements should be made with individuals, and their carers where appropriate, or with friendship groups, so that everyone continues to have their needs, and those of their carers met.
- 9.6 There are 14 staff currently employed at Tower House (9.8 FTE) including 3.6 FTE on scale 3, and 4.2 FTE on scale 4, and 2FTE on SO1/2. If the decision is made to close Tower House then a period of staff and union consultation will commence. All staff will be at risk of redundancy and we will carry out a consultation with staff to include redeployment and voluntary severance.
- 9.7 All the time that the building is used as a day centre, the council cannot assign, transfer, underlet or part with possession of the premises. However we can ask the freeholder for permission for a change of use to residential at which time we would have the right to sub-let. If the decision is made that the Council should cease to provide a day service at Tower House, then further work would be required by Property & Design to look at Option 1 detailed in 8.2 above for disposal of our leasehold interest in the building to ensure best consideration for the council..

## **10. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 10.1 Within the Council's budget for 2016/17, Adult Social Care has been set a savings target of £6 million in order for the Council to deliver savings of £19 million in the context of a predicted budget gap of £68 million over 4 years. The Adult Social Care precept will generate funding of £2.300 million which will contribute towards the additional demands from demographic growth, increase in complexity of care, supporting the independent sector to pay care workers a living wage, and the increased costs of safeguarding.
- 10.2 The planned revenue saving against Tower House Day Services is £0.150 million in 2016/17 reducing the net budget available for the provision of day services to £0.155 million (after income and before overheads).
- 10.3 It is anticipated that the re-provision of day services will deliver efficiencies and enable this saving to be delivered.
- 10.4 The service at Tower House is expensive to provide compared to provision in the independent sector – in 2014/15 the estimated cost was £72 per client per day compared to £29 per day per client for services provided by others. In 2015/16 the estimated unit cost reduced to £64 per client per day. The gross cost of providing the service in 2014/15 was £0.545 million (including overheads) for an estimated 7,496 days. In 2015/16 gross cost is estimated at £0.428 million (including overheads) for an estimated 6,623 days- the number of days provided reduced by 12% whereas costs reduced by 21%. The re-provided services are expected to be at a lower unit cost as a result of the personalised approach.

- 10.5 If the proposals are not approved then alternative savings measures would need to be identified by Adult Social Care in order to deliver the agreed budget.

*Finance Officer Consulted: Anne Silley*

*Date: 25/03/16*

Legal Implications:

- 10.6 The Health & Wellbeing Board is responsible for the oversight, monitoring and decisions concerning Adult Social Care. Decisions concerning disposal of assets requires a decision by Policy & Resources Committee.
- 10.7 In considering its statutory duties the Local Authority must be mindful of the resources available. The Care Act 2014 requires the Local Authority to assess and meet the needs of adults with care and support needs. As described in the body of this report the approach required by the Act (and associated Guidance) is personalised and meeting needs can be achieved in a variety of ways within the personalised approach; the Local Authority is not required to be the provider of the services to meet identified need. A full consultation process has been undertaken to inform the respective committees' decision making and along with the EIA must be read and taken in to account by members.
- 10.8 With reference to the lease dated 17<sup>th</sup> August 1988 the Council does not have the ability to assign or underlet or part with possession of the premises whilst its use is as a day centre. If the Council were minded to retain legal possession of the premises it could share occupation of the premises and grant licences only to other occupiers. Any licence would need to comply with the user clause under the terms of the lease namely as a centre offering care activities and catering facilities for elderly persons or persons having a mental or physical handicap and the Council would need to ensure that no greater interest than a licence is created. As has been noted at paragraph 7.23 of this report the option of a licence may not be commercially viable. In the alternative, the Council could apply to the Landlord for a change of use, if consent is granted the Council could then assign or underlet or could itself use the premises for a different purpose. If the landlord were to refuse consent to the Council's proposed change of use the Council does have the option under clause 12(c) of the lease to seek the Landlord's consent to assign or underlet the premises. With reference to the option to surrender the lease this would be a consensual arrangement between the landlord and the Council and as noted in the report, the Landlord does not have to agree to the surrender.

*Lawyer Consulted:*  
*23/03/2016/15/04/2016*

*Name Sandra O'Brien/Joanne Dougnaglo*

*Date:*

Equalities Implications:

- 10.8 An Equalities Impact assessment is attached at Appendix 6.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Letter advising of consultation
2. Questionnaire blank copy
3. Personal budget sessions – letter, leaflet, dates and number attending
4. Newsletter
5. What's out there event- list of providers attending
6. Equalities Impact assessment

The following appendices are excluded from publication because of the nature of the information contained therein and therefore excluded under Exempt Category 3.

7. Summary of completed questionnaires- service users (confidential circulated to Members only)
8. Copies of all completed questionnaires- service users (confidential circulated to Members only)
9. Summary of completed questionnaires- family carers (confidential circulated to Members only)
10. Copies of all completed questionnaires- family carers (confidential circulated to Members only)
11. Letters received and replies (confidential circulated to Members only)
12. Financial Assessment- provision of service for 13 people (confidential circulated to Members only)

### **Documents in Members' Rooms**

None

### **Background Documents**

None



Date: 30<sup>th</sup> October 2015  
Our Ref:  
Your Ref:  
Phone: (01273) 296400  
Fax:  
e-mail: [Naomi.cox@brighton-hove.gcsx.gov.uk](mailto:Naomi.cox@brighton-hove.gcsx.gov.uk)

Dear Tower House Member / Family Carer,

**Re: Policy & Resources Committee Report on Tower House Day Centre.**

I am writing to let you know that the enclosed report will be discussed at a Special Policy & Resources Committee of Brighton & Hove City Council on Thursday 4th November 2015. This meeting will be held at **6pm Ronuk Hall, Portslade Town Hall, Victoria Rd , BN41 1YF** . Members of the Policy & Resources Committee will consider the Report and make a decision as to whether to agree the recommendations in the Report.

**The Purpose of the Report is:**

- **that the Council ceases to directly provide this day service, and to consult with current service users to inform the way that the services should be delivered in the future and to determine what alternative services could be provided to meet their needs in a more personalised and cost effective way.**

**The Recommendations of the report are:**

- That the Committee agrees to a three month consultation with all service users, and carers as appropriate, currently using Tower House. The purpose of the consultation will be to explore what alternative services there are available for people who currently use Tower House. The options are:
  1. **That people are supported to receive a personal budget and choose alternative activities.**
  2. **That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.**

That at the end of the consultation period a report is brought back to this committee for a decision as to whether the day service should cease and what alternative provision will be arranged for service users

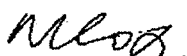
We appreciate this may be unsettling for you and you will have questions about how these proposals will affect you / your relative.

As part of the **3 month consultation**, should this be agreed by the Committee, you will be invited to a meeting and will have the opportunity to ask questions and give your views on this proposal. Your feedback will be recorded and fed back to the Committee as part of the consultation process.

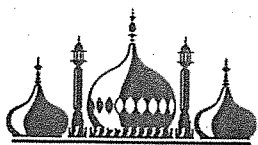
In the mean time please do not hesitate to contact any of the following or ask Julie Elkhbit or Sharon Magee Managers at Tower House to contact us on your behalf:

Lou Aish	Operational Manager	01273 295542 <a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>	Adult Social Care Provider Services <b>Brighton &amp; Hove City Council</b> Montague House Montague Place Brighton BN2 1JE
Naomi Cox	General Manager	01273 296400 <a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>	Adult Social Care Provider Services <b>Brighton &amp; Hove City Council</b> Montague House Montague Place Brighton BN2 1JE
Karin Divall	Head of Service	01273 294478 <a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>	Brighton & Hove City Council Ground Floor Kings House Grand Avenue Hove BN3 2LS

Yours sincerely



Naomi Cox  
General Manager Adult Social Care Provider Services



**Brighton & Hove  
City Council**

Adult Social Care Provider Services  
Brighton & Hove City Council  
Montague House  
Montague Place  
Brighton  
BN2 1JE

Date: 16th November 2015

Our Ref:

Your Ref:

Phone: (01273) 296400

Fax:

e-mail: [Naomi.cox@brighton-hove.gcsx.gov.uk](mailto:Naomi.cox@brighton-hove.gcsx.gov.uk)

Dear Tower House Member / Family Carer,

**Re: Policy & Resources Committee Report on Tower House Day Centre.**

I am writing to let you know the outcome of the Special Policy & Resources Committee of Brighton & Hove City Council on 4th November 2015.

The Committee discussed the report presented to it concerning Tower House and decided to agree to the recommended 3 month consultation but it also agreed some amendments to the other recommendations in the report. We have been waiting for confirmation of the exact wording of the amendments before we wrote to you and formally launched the consultation. I can now confirm that the recommendations agreed at the Committee are:

- That the Committee agrees to a three month consultation with all service users, and carers as appropriate, currently using Tower House. The purpose of the consultation will be to explore the options available for meeting the needs of service users in a more cost-effective way. The options are:
  1. *To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;*
  2. *That people are supported to receive a personal budget and choose alternative activities if possible;*
  3. *That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.*
  4. *For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends*

- That at the end of the consultation period a report is brought back to this committee for a decision as to the future provision for the day service and how best to meet the needs of its service use

The **3 month consultation** will formally start on **23rd November and end on 26<sup>th</sup> February**. You will be invited to a meeting and will have the opportunity to ask questions and give your views on the options. We will also send you a Questionnaire about the options so you can feedback your views.

During the consultation you will meet with staff from Assessment Services who will talk about your individual needs with you. They will assess your eligibility for care and support services in accordance with the Care Act 2014 and taking in to account your views then confirm how your needs could be met in the future.

Your feedback will be recorded and fed back to the Committee as part of the consultation process.

We appreciate this may be unsettling for you and you will have questions about how the different options could affect you / your relative. Please do not hesitate to contact any of the following or ask Julie Elkhbit or Sharon Magee Managers at Tower House to contact us on your behalf:

Lou Aish	Operational Manager	01273 295542 <a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>	Adult Social Care Provider Services <b>Brighton &amp; Hove City Council</b> Montague House Montague Place Brighton BN2 1JE
Naomi Cox	General Manager	01273 296400 <a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>	Adult Social Care Provider Services <b>Brighton &amp; Hove City Council</b> Montague House Montague Place Brighton BN2 1JE
Karin Divall	Head of Service	01273 294478 <a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>	Brighton & Hove City Council Ground Floor Kings House Grand Avenue Hove BN3 2LS

Yours sincerely



Naomi Cox  
General Manager Adult Social Care Provider Services

## Family/Carers Questions Tower House Day Service December 2015

Dear Tower House Member / Relative,

As you know we are consulting on proposed options for Tower House Day Service. The Policy and Resources Committee agreed to a three month consultation with all service users, and carers, as appropriate, currently using Tower House. The purpose of the consultation is to explore the options available for meeting the needs of service users in a more cost-effective way.

During the consultation we want to seek the views of service users and their families on the options for Tower House. As you / your relative attends Tower House Day Service, we are very keen to hear your opinions.

We want to give people the opportunity to provide their views in writing and we will feed back your responses/comments below to the Policy and Resources Committee to inform its decision about the future of the service. We will inform you of the date of the Committee meeting when this has been confirmed. The earliest this could take place is March 2016.

The options (agreed by Members of the Policy and Resources Committee on 4<sup>th</sup> November 2015) are as follows:

- 1. To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;***

This means the Council would explore whether savings can be made in the Tower House budget – possible examples of this could mean that some people reduce the number of times they attend Tower House and/or we only open 3 days per week and/or we stop providing Transport and people arrange their own transport. There may be other ways to make savings and these are just examples of some of the options the Council could explore.

- 2. That people are supported to receive a personal budget and choose alternative activities if possible;***

This means people who attend Tower House receive a personal budget which is calculated according to individual needs and are supported to choose alternative day activities in the city that are affordable within with their budget allocation.

**3. That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.**

If people are assessed as needing a day centre based service to meet their needs then a less expensive day centre is found for them.

**4. For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends**

That the council will look to see if there are ways of bringing in more income to Tower House by hiring out the building at evenings and weekends and thereby reduce the cost of the service.

Please rank the options in order of preference in the table below (add 1 for your first choice, 2 for your second, 3 for your third, 4 for your fourth choice).

To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;	
That people are supported to receive a personal budget and choose alternative activities if possible;	
That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way	
For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends	

Please explain the reasons for your preferences and outline any implications for you/your relative below?

Your Name

---

Your Contact details

---

If you have any queries about this questionnaire or the consultation process please do not hesitate to contact us (see contact details below)

Please return your questionnaire in the Stamped Addressed Envelope provided.

**Deadline for return so we can analyse the feedback is 30<sup>th</sup> January 2016**

We will feed back the outcomes of the Consultation to the Committee in an anonymised format and will send you a copy of the report when it is available.

Lou Aish	Operational Manager	01273 295542 <a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Naomi Cox	General Manager	01273 296400 <a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Karin Divall	Head of Service	01273 294478 <a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>	Brighton & Hove City Council Ground Floor Kings House Grand Avenue Hove BN3 2LS

1.12.15

Date: 6 January 2016  
Our Ref: SM/LF  
Your Ref:  
Phone: (01273) 296330  
Fax: (01273) 296331  
e-mail:

Dear Tower House Member/Family Carer

**RE: FED Meeting at Tower House for.....**

I am writing to advise that as part of the Tower House Day Service Consultation, one of the options proposed was to support people to receive a Personal Budget and choose alternative activities.

For our members and their family/carers to understand how Personal Budgets work and how it will effect people, we have set up 30 minute meetings where a member from the FED will explain all about them.

We have booked you in for your meeting on..... at .....  
Please note that these meetings will be held in group sessions.

If you have any queries please do not hesitate to contact me.

Yours sincerely

Sharon Magee  
Senior Care Officer  
Tower House Day Centre

Date: 6 January 2016  
Our Ref: SM/LF  
Your Ref:  
Phone: (01273) 296330  
Fax: (01273) 296331  
e-mail:

Dear Tower House Member/Family Carer

**RE: FED Meeting at Tower House for.....**

I am writing to advise that as part of the Tower House Day Service Consultation, one of the options proposed was to support people to receive a Personal Budget and choose alternative activities.

For our members and their family/carers to understand how Personal Budgets work and how it will effect people, we have set up 30 minute meetings where a member from the FED will explain all about them.

We have booked you in for your meeting on..... at .....  
Please note that these meetings will be held in group sessions.

If you have any queries please do not hesitate to contact me.

Yours sincerely

Sharon Magee  
Senior Care Officer  
Tower House Day Centre

• phone our Access Point on 01273 295555  
• email [accesspoint@brighton-hove.gov.uk](mailto:accesspoint@brighton-hove.gov.uk)

**This can also be made available in large print, Braille, or on CD or audio tape**

2963 design by [www.graphicdesignteam.org.uk](http://www.graphicdesignteam.org.uk)

phone our Access Point on 01273 295555  
email [accesspoint@brighton-hove.gov.uk](mailto:accesspoint@brighton-hove.gov.uk)  
visit our web pages at:  
[www.brighton-hove.gov.uk/social-care](http://www.brighton-hove.gov.uk/social-care)  
[www.mylifebh.org.uk](http://www.mylifebh.org.uk)

Are you entitled to help from Adult Social Care Services?  
Charges for services  
Self Directed Support



Arabic ☐ ترجمه؟ علاقه فی الربع وخدماتی مکتب البلدية

需要翻譯？請在這方格內加註。最近回任何會議的職事處。 Cantonese ☐  
Farsi ☐ Persian ☐

Turnazczenie? Zaznaczyć to okienko i wrócić do któregośkolwiek  
biura samorządu lokalnego (council office) Polish ☐

Tercümesi için kareyi işaretleyiniz ve bir semt belediye bürosuna veriniz

Türkisch ☐

other (please state) ☐

☐ Turkish

Portuguese ☐Polish ☐

French ☐

100

Bengali ☐

✓

10

11440707 **Journal of the American Academy of Child and Adolescent Psychiatry** 2005;44:1144-1148

Putting  
you in  
control



Putting  
you in  
control

**Direct  
Payments**

  
Brighton & Hove  
City Council



## What are Direct Payments?

Direct Payments is one of the ways Adult Social Care provides support to people who are eligible for services. This method brings you, or the person you care for, greater independence, choice and control. By providing money instead of directly provided services the council is giving you the flexibility to fund the care services you want, be it for direct employment or purchased through a care agency.

If you are unable to manage Direct Payments yourself we can provide indirect payments where someone you trust becomes responsible for managing the money on your behalf.

## How do I get Direct Payments?

If you are already a service user wishing to transfer to Direct Payments, or if you are new to Adult Social Care, you will need to contact the Access Point to discuss your individual circumstances and care needs. If you meet the council's eligibility criteria you will then be considered for direct payments.

## What can I spend my Direct Payments on?

- employing a personal assistant
- employing a care worker from an agency
- a live-in carer
- short stays in care homes (no more than four weeks)
- daytime activities
- equipment

Direct Payments can cover all or part of your support needs. They can be used for ongoing support or as a single one-off payment.

## What do I have to do?

Once you have had a needs assessment and a personal budget has been agreed, the council will give you a pre-paid payment Card Account.

Your personal budget will be available to spend on your eligible care needs with the money held on this card account.

You can use the internet or the telephone to make payments from the card and you can set up standing orders to pay carers and care agencies.

When you take up direct payments you may have someone in mind that you want to support you, in which case you will need to have employers' liability insurance for them as well as national insurance and tax. The cost of these will be included in your direct payments and we can make sure everything is in place for you.

## Do I have to pay anything towards this?

As with traditional care services you will need to have a financial assessment to see if you will be expected to make a contribution towards your care. We have produced an information leaflet entitled 'Charges for non-residential services', which will explain the charges in more detail.

## Do I get help to manage my direct payments?

Yes, The FED Centre for Independent Living provides a direct payment support service which includes:

Information and advice on being an employer  
Support to recruit, interview and vet carers  
A payroll service  
Technical information on pensions, taxation etc.  
Contact:

The FED Centre For Independent Living  
Address: Montague House, Somerset St,  
Brighton BN2 1JE  
Phone: 01273 894040 [www.thefedonline.org.uk](http://www.thefedonline.org.uk)

**To: Tower House Service Users and Family Carers**

**From: Naomi Cox General Manager Adult Social Care Provider Services**

**Date: 22nd February 2016**

**Update: Tower House Consultation**

As you know we are currently in a 3 month consultation which ends on **26<sup>th</sup> February 2016** where we are seeking your views on the following options: The options (agreed by Members of the Policy and Resources Committee on 4<sup>th</sup> November 2015) are as follows:

- 1. To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;***

This means the Council would explore whether savings can be made in the Tower House budget – possible examples of this could mean that some people reduce the number of times they attend Tower House and/or we only open 3 days per week and/or we stop providing transport and people arrange their own transport. There may be other ways to make savings, these are just examples of some of the options the Council could explore.

- 2. That people are supported to receive a personal budget and choose alternative activities if possible;***

This means people who attend Tower House receive a personal budget which is calculated according to individual needs and are supported to choose alternative day activities in the city that are affordable within their budget allocation.

- 3. That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way***

If people are assessed as needing a day centre based service to meet their needs then a less expensive day centre is found for them.

- 4. For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends;***

That the council will look to see if there are ways of bringing in more income to Tower House by hiring out the building at evenings and weekends and thereby reduce the cost of the service.

Thank you to those of you who have already returned your questionnaires – we are looking at the feedback you have given us and this will be part of the Report that will go back to Committee for a decision.

Many of you have now had the opportunity to find out more about Personal Budgets. The FED have run small group sessions for Tower House service users and their families.

A Care Manager from the Assessment Team has been based at Tower House. She has been meeting with people and family carers to talk about people's individual needs and what is important to you.

Many of you have said you don't know what other day time activities are available in the city. We have organised a **'What's Out There Fair' for 25th February 11am - 3pm at Tower House**. Organisations who run activities in the city will come along and tell people who attend Tower House (and their families) what they do and how people can get involved. These include: CareLink/Living Well, Ralli Hall, Somerset Day Centre, Crossroads Care, Alzheimer's Society, Carers Centre, Barford Court, Stroke Club, Hop 50 Plus, FED.

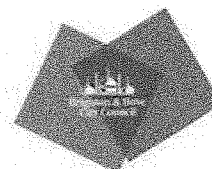
It has now been confirmed that a Report which makes recommendations about the future of Tower House will be going to the following meetings:

**Health & Wellbeing Board - 19<sup>th</sup> April 2016**  
**Policy & Resources Committee – 28<sup>th</sup> April 2016.**

These are public meetings and we will let you know times and venue when these are confirmed. The Report will go live on the Council website approximately one week before the meetings. We will send you a copy of the Report when it is made public.

If you have any questions or concerns please do not hesitate to contact us.

Lou Aish Operational Manager	01273 295542	<a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>
Naomi Cox General Manager	01273 296400	<a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>
Karin Divall Head of Service	01273 294478	<a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>



### Update for Tower House Service Users.

Meeting at Tower House on 3<sup>rd</sup> December 2015. Attended by Tower House service users, Karen Barford, Lead Councillor for Adult Social Care, and Karin Divall, Head of ASC Provider Services.

Thank you everyone who attended this meeting, and I noted four actions that I agreed to take away from yesterday and they are set out below with my responses:

**1. Can clarification be given about the legality of stopping hot meals at Tower House?**

Adult Social Care has a legal duty to meet assessed social care needs and in some cases this can include ensuring someone has a hot meal. The consultation that took place at Tower House included individual meetings with everyone to see whether their assessed needs provide that they require a hot meal at lunchtime. For those individuals whose assessed needs include a hot meal at lunchtime a meal is brought in and heated up for lunch. A number of options are now available for people at lunch-time dependent on their assessed needs including a hot meal heated up by staff at the Day service, hot meals are delivered by a private businessman and packed lunches can be brought in.

**2. Can the accounts for Tower house be made available?**

The budget for 2015/16 for Tower House is:

Staffing £314,270

Premises- insurance, cleaning, grounds maintenance, rubbish clearance  
£11,390

Vehicle running costs £19,030

Supplies and services – stationery, computers, training £14,710

Re-charge for borrowing (vehicles) £9,000

Overheads (Council corporate costs) £145,000

Income: £67,260

Plus the average annual cost to the council for the lease service charge, maintenance and utilities is £44,435.

**3. Can the name of the Tower House freeholder be provided? The freeholder is Holding & Management (Solitaire) Ltd**

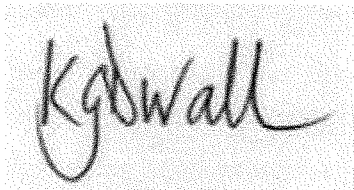
- 4. Can details of the Policy & Resources Committee and the Health & Wellbeing Board be made available plus the process that the consultation feedback would take including timescales? And can a service user representative be involved in the consultation discussions before a final recommendation is made?**

Details of all Committee dates, membership, agendas and decisions are available on the Council's website at

<http://present.brighton-hove.gov.uk/mgListCommittees.aspx?bcr=1>

And I agreed that I would come back to Tower House before a report goes back to Committee with further information about the committee process, the outcomes of the consultation plus information about how service user representations might be fed into the committee process. At this stage the planned timescales are that a report will go back to committee at the end of March or early April 2016.

Kind regards,

A handwritten signature in black ink, appearing to read 'Kgdwall', on a light-colored background.

Karin Divall  
Head, Adult Social Care (Provider Services).

# What's Out There?

For Older People and People with Disabilities who attend Tower House and their families / carers.



25<sup>th</sup> February 2016



11am – 3pm



At Tower House Day Service  
Tower Gate, 265-267 London Road, Brighton, BN1 6WT

## Book your stall NOW!!



Refreshments  
Available

**FREE!** Opportunity to promote your services to Older People & people with disabilities & their families, and to network with other organisations.



If you want a stand, please contact Sharon or Julie  
ON: [julie.elkhtib@brighton-hove.gov.uk](mailto:julie.elkhtib@brighton-hove.gov.uk) or  
[sharon.magee@brighton-hove.gov.uk](mailto:sharon.magee@brighton-hove.gov.uk)

Telephone: 01273 296330

Deadline **Friday 12<sup>th</sup> February 2016**

**First Come First Served (due to limited space)**

## Lou Aish

---

**From:** Julie Elkhtib  
**Sent:** 17 February 2016 11:42  
**To:** Lou Aish  
**Subject:** Open Day on Thursday 25th Feb

Hi Lou, please find list of confirmed organisations that are attending the open day next week:

CareLink/Living Well  
Ralli Hall  
Somerset Day Centre  
Crossroads Care  
Alzheimer's Society  
Carers Centre  
Barford Court  
Stroke Club

Many Thanks

Julie

Julie Elkhtib  
Senior Care Officer  
Tower House Day Centre  
01273 296330



# Equality Impact and Outcome Assessment (EIA) Template - 2015

EIAs make services better for everyone and support value for money by getting services right first time.

EIAs enable us to consider all the information about a service, policy or strategy from an equalities perspective and then action plan to get the best outcomes for staff and service-users. They analyse how all our work as a council might impact differently on different groups. They help us make good decisions and evidence how we have reached these decisions.

For further support or advice please contact the Communities, Equality and Third Sector Team on ext 2301.

## 1. Equality Impact and Outcomes Assessment (EIA) Template

First, consider whether you need to complete an EIA, or if there is another way to evidence assessment of impacts, or that an EIA is not needed<sup>1</sup>.

Title of EIA <sup>2</sup>	Consultation on possible closure of Tower House Day Centre	AS 32
Team/Department <sup>3</sup>	Adult Provider Services	
Focus of EIA <sup>4</sup>	<p>Committee agreed to a three month consultation with all members, and carers as appropriate, currently using Tower House. The purpose of the consultation will be to explore the options available for meeting the needs of members in a more cost-effective way. The options are:</p> <ol style="list-style-type: none"> <li>1. To maintain the existing day centre service at Tower House, reviewing options to deliver this in a more cost effective way, including, if necessary, reducing the level of provision;</li> <li>2. That people are supported to receive a personal budget and choose alternative activities if possible;</li> <li>3. That people are supported to move to an alternative day service that meets their needs and can be provided in a more cost effective way.</li> <li>4. For Council Officers to explore opportunities to cross subsidise the service by using the facility for other uses on evenings and weekends</li> </ol> <p>Consultation is done via: group meetings with members; group meetings with family members; questionnaires sent to families; members supported by staff or family to answer questionnaires; the offer of individual meetings for members and/or families.</p>	

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
<b>Disability<sup>9</sup></b>	All members have disabilities and/or long-term health issues. These are recorded on local and central databases. Care First Data Primary Need: Learning Disability = 1.33% Memory and Cognition = 7% Mental Health Support = 1.33% Physical Support Access & mobility only = 4% Physical Support – personal care = 75% Sensory Support 1.33% Social Support= 9%	Members have expressed concern about loss of friendships and difficulty finding other day support suitable to their needs	People on the autism spectrum or with visual impairments or dementia will struggle to learn new routines and locations.  Routines of others can have more significant impact, for people with visual impairments, dementia, or on the autism spectrum – this could be a positive or negative impact  Personal budgets might not be available / suitable for people who have more profound needs or whose families aren't able to support a personal budget (can be due to protected characteristics of family). Although this also might be a good opportunity for people who were previously overlooked for PBs.	Each member is being consulted with as an individual with their individual needs considered.  Consultation is being carried out by staff and managers that have extensive experience with these members and other people with support needs. The consultation is being carried out over three months to ensure everyone has enough time to participate.  A thorough review by assessment staff will safeguard against inequality and will take family situations into account.  All decisions will operate within legal frameworks – for example Deprivation of Liberty Safeguards
<b>Age<sup>10</sup></b>	The majority of members are older people. The Adult Social Care (ASC) database tells us that 18-64 age band = 37%	As above	In some cases the change of day time companions and activities would be positive and in some cases negative.  Learning new routines might be more difficult for older members and/or older carers	As above

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
	65 and over = 63%			
Gender reassignment <sup>11</sup>	All of our members identify as the gender they were assigned at birth		No impact identified	
Pregnancy and maternity <sup>12</sup>	None of our members have child care responsibilities or are currently pregnant		No impact identified	
Race <sup>13</sup>	ASC database can tell us: Mixed other=1.5% Other Ethnic Groups =1.5% White & Asian = 1.5% White & British = 92.5% White Irish = 1.5% White Other = 1.5%		Whilst Tower House does offer a personalised service it has limited ability to diversify for ethnic or religious needs. The consultation process will be an opportunity for individuals to thoroughly explore all their support options and may identify support plans that are better suited to the individual's ethnic or religious identity.	As above
Religion or belief <sup>14</sup>	ASC database tells us: Any Other = 3% Cof E = 35% Christian = 4% None = 10% Not known = 41% RC = 7%		As above and also potential to use funding to access place of worship rather than attending day centre and being limited to weekday support	As above

<b>Protected characteristics groups from the Equality Act 2010</b>	<b>What do you know<sup>5</sup>?</b> Summary of data about your service-users and/or staff	<b>What do people tell you<sup>6</sup>?</b> Summary of service-user and/or staff feedback	<b>What does this mean<sup>7</sup>?</b> Impacts identified from data and feedback (actual and potential)	<b>What can you do<sup>8</sup>?</b> All potential actions to: <ul style="list-style-type: none"> <li>• advance equality of opportunity,</li> <li>• eliminate discrimination, and</li> <li>• foster good relations</li> </ul>
<b>Sex/Gender<sup>15</sup></b>	ASC database tells us: Female = 57% Male = 43%		The impacts of these changes will potentially affect all in the same ways	As above
<b>Sexual orientation<sup>16</sup></b>	ASC database Tells us: Gay = 1% Heterosexual = 34% Not recorded = 65%		The impacts of these changes will potentially affect all in the same ways	
<b>Marriage and civil partnership<sup>17</sup></b>	Not recorded		Potential to use funding for couple activities / support rather than attending day centre	As above
<b>Community Cohesion<sup>18</sup></b>			The day service has limited interaction with the immediate area. The consultation will allow members to identify alternate support systems within their own local community. In some cases this will lead to improved community inclusion for our members.	
<b>Other relevant groups<sup>19</sup></b>	Families of members	Some carers have raised concern that having their family member further away will disadvantage carers who are older, disabled, etc.	Carers with learning difficulties, sensory impairments, or language difficulties may find the process of consultation more challenging  Those carers might also be impacted by having to learn routines of family member moving different day support and might be impacted (positively or negatively) by change of routine and location	Individual meetings with a manager are being offered to all families.  Family situations are being considered as part of the assessment staff's review of individuals

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Cumulative impact <sup>20</sup>	The data is in keeping with the demographics of the city and the that of a day services focussed on people with physical disabilities / older peoples	Service users are concerned about how their needs may be met in the future	Transport and access considerations need to be taken into account.	Ensure that people are provided with information and where required are supported to access community resources

#### Assessment of overall impacts and any further recommendations<sup>21</sup>

The needs of people who currently attend Tower House Day service can be met through a range of day activities taking account of individual assessed needs and the councils eligibility criteria.

### 3. List detailed data and/or community feedback which informed your EIA

<b>Title (of data, research or engagement)</b>	<b>Date</b>	<b>Gaps in data</b>	<b>Actions to fill these gaps (add these to the Action plan below)</b>
<b>Consultation with Members and Carers</b>		<b>No gaps identified</b>	
<b>Statistics from ASC Database</b>		Get information from the ASC database on: <ul style="list-style-type: none"> <li>• gender</li> <li>• age</li> <li>• ethnicity</li> <li>• religion</li> <li>• sexual orientation</li> </ul>	<b>General Manager to request data from ASC performance team - Completed</b>
<b>Statistics from ASC Database</b>		<b>In many cases religion / belief is not identified in the database. This is an ongoing issue for ASC as a whole.</b>	
<b>Data and statistics from locally held records</b>		<b>No gaps have been identified</b>	

#### 4. Prioritised Action Plan<sup>22</sup>

Impact identified and group(s) affected	Action planned	Expected outcome	Measure of success	Timeframe
NB: These actions must now be transferred to service or business plans and monitored to ensure they achieve the outcomes identified.				
All actions to mitigate negative impacts are carried out on an individual basis. A thorough consultation by provider services and thorough needs review by assessment staff should be adequate to identify the needs of each individual and then individual action plans (AKA support plans) are formulated from that information.				
A report on the findings of the consultation and assessments will be taken to councillors for a decision about the future of Tower House. It is anticipated that a decision will be made by April of 2016. After that the individual support plans may need to be adjusted to reflect the decision of the councillors.				

**EIA sign-off:** (for the EIA to be final an email must sent from the relevant people agreeing it or this section must be signed)

Lead Equality Impact Assessment officer: Naomi Cox Date:

Directorate Management Team rep or Head of Service: Karin Divall Date:

Communities, Equality Team and Third Sector officer: Clair Hopkins Date:



<b>Subject:</b>	<b>Learning Disability Accommodation Services</b>		
<b>Date of Meeting:</b>	<b>28 April 2016 – Special Policy &amp; Resources Committee</b> 19 April 2016 – Special Health & Wellbeing Board		
<b>Report of:</b>	<b>Executive Director for Adult Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Karin Divall</b>	<b>Tel: 01273 294478</b>
	<b>Email:</b>	<b>Karin.divall@brighton-hove.gcsx.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Policy & Resources Committee agreed on 4<sup>th</sup> November 2015 to a three month consultation with all service users, and their families, living in the Council's directly provided accommodation services for people with a learning disability. The purpose of the consultation was to look at what alternative options there are to re-provide the care and support so that it meets service user individual needs, provides value for money, and delivers financial efficiencies over the next four years.
- 1.2 This report asks the Health & Wellbeing Board and Policy & Resources Committees to fully consider the consultation outcome and to make recommendations regarding the future of these services.

**2. RECOMMENDATIONS FOR POLICY AND RESOURCES COMMITTEE**

- 2.1 That the Policy & Resources Committee members should read and consider the full consultation outcome and equalities impact assessment.
- 2.2 That Policy & Resources endorse the recommendation from Health & Wellbeing Board.
- 2.3 That Policy & Resources Committee should delegate to the Executive Director, Adult Services, the authority to re-provide the Council's learning disability accommodation services through a procurement process and award of the contracts for services that aim to meet individuals' needs in the most cost effective way

**3. RECOMMENDATIONS FOR THE HEALTH AND WELLBEING BOARD**

- 3.1 That the Health & Wellbeing Board members should read and consider the full consultation outcome and equalities impact assessment.

- 3.2 That Health & Wellbeing Board should recommend to Policy & Resources Committee that the services should be re-provided as set out in paragraph 9 of the report.

#### **4. CONTEXT/ BACKGROUND INFORMATION**

- 4.1 The learning disability accommodation service includes four registered residential homes, and seven registered supported living services including group homes and self-contained flats. The housing is a mix of council and housing association owned properties, and the staff are employed by the council. A total of 51 people currently live in these services
- 4.2 A report was presented to a Special Policy & Resources Committee on 4<sup>th</sup> November outlining the need to make efficiencies in the provision of these services and proposing that the Council should no longer provide these services and instead they should be provided by the independent sector through procurement arrangements.
- 4.3 This meeting agreed to commence a three month consultation with service users, their families and carers.
- 4.4 This consultation has now been completed and the scope and outcomes are set out within this report.

#### **5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 5.1 The purpose of the consultation was to look at what alternative options there are to re-provide the care and support so that it meets service user individual needs, provides value for money, and delivers financial efficiencies over the next four years. The consultation considered three options:
- That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.
  - That people are supported to receive a personal budget and alternative accommodation
  - That people remain in their own homes and receive their care and support from another provider.
- 5.2 The option to do nothing was not included within the consultation as there £0.637m savings required over the next four years from learning disability accommodation services revenue costs and the services cannot continue to be provided in the same way within the allocated budget.
- 5.3 As set out in the paper on the Council's budget for 2016/17, Adult Social Care has been set a savings target of £6 million in order for the Council to deliver savings of £19 million in the context of a predicted budget gap of £68 million over 4 years. The Adult Social Care precept will generate funding of £2.300 million which will contribute towards the additional demands from demographic growth, increase in complexity of care, supporting the independent sector to pay care workers a living wage, and the increased costs of safeguarding.

- 5.4 The Council must demonstrate good value for money, however the unit costs of the in house services are high compared to services provided by the independent sector. The 2014/15 unit costs were at £2,833 per client per week for the in-house Learning Disability support in residential care (18-64) compared to the independent sector of £1,368 per client per week. (Department of Health Adult Social Care – Finance Return). The 2014/15 unit costs for in-house Learning Disability supported accommodation calculated on the same basis were £1,561 per client per week compared to the independent sector at £1,119 per client per week.
- 5.5 In 2015/16 there were 177 people with learning disabilities in supported accommodation in the City; 77% of whom were living in the independent sector. And there were 99 people with learning disabilities living in residential placements of which 82% are in the independent sector.

## **6. COMMUNITY ENGAGEMENT & CONSULTATION**

- 6.1 This consultation involved those service users who were able to participate with the support of advocates, and families. The vast majority of people value the services that are provided by the Council and the quality of the staff.
- 6.2 The consultation included three options:
- That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.
  - That people are supported to receive a personal budget and alternative accommodation.
  - That people remain in their own homes and receive their care and support from another provider.
- 6.3 The detailed outcome of the consultation is set out in the appendices. In order to protect the personal details and views of the people who were consulted, some of this information is confidential to the members of the appropriate committees, and not available for wider public view.
- 6.4 Meetings with families. Meetings were held with families on a house by house basis and individually where requested. The views of the families and carers are set out in Appendices 6 and 7. These appendices are confidential because they contain personal information.
- 6.5 “Brighton & Hove Speak Out” who are an independent advocacy for adults with learning disabilities, met with all service users who have capacity to understand the consultation. The views of these service users are set out in Appendix 10. This information is confidential because it contains personal details.
- 6.6 Questionnaires were sent out to all families, and easy read information provided to service users where appropriate and the views expressed in the returned questionnaires are set out in Appendices 8 and 9. These are confidential because they contain personal information.

- 6.7 Individual letters were also received during the consultation period and these are appended at Appendix 11. This information is confidential because it includes personal details.
- 6.8 Newsletters were sent out during the consultation to keep families updated. These are attached at Appendices 3 and 4.
- 6.9 In addition to the consultation process, individual reviews were carried out independently by the Learning Disability Social work team to determine individual current needs and views and the outcome of this work is set out in Appendix 12. This information is confidential because it concerns individuals' personal information.
- 6.10 Soft market testing was carried out by the Procurement and Commissioning teams during the three months to determine whether there was capacity within the independent market to provide alternative care and support for people currently living within the Council's services. Families were given the opportunity to find out more about these Providers by attending an information afternoon. More information is provided within paragraph 8.
- 6.11 An initial communication was put out in November 2015 via EU Supply (an online procurement portal available to view by any provider) which generated 7 responses from providers (4 currently providing services, 3 who were new to the area) confirming they would be interested in increasing their capacity in residential care and / or supported living services in the local area.
- 6.12 A second email was sent out in February 2016 to all current Approved Providers of learning disability services asking for expressions of interest in bidding in any future tender for the re-provision of support within existing directly provided services. 57 providers were emailed, generating 14 expressions of interest.

## **7. OUTCOME OF CONSULTATION**

- 7.1 Fifty one people live within the Council's directly provided accommodation service for people with a learning disability.
- 7.2 The three month consultation involved those service users who were able to understand the proposals, with appropriate support, and the families and carers of people living in the services.
- 7.3 Most of those consulted valued the service that the Council provides.
- 7.4 A number of relatives challenged why services staying as they are were not included in the options. This was not included for the reasons set out in paragraph 5.2 and 5.3. Of the three options set out in paragraph 5.1, the majority of people consulted preferred that they or their family member should remain living in their current home, with another support provider delivering care and support.
- 7.5 The outcome of the family responses to the consultation is set out in the table below:

A summary of the ranking of options in order of preference are set out in the table (1 for first choice, 2 for second, and 3 for third choice).

Response to the options- preferences	1	2	3	Total responses
That people are supported to move to alternative accommodation that meets their needs	2	12	4	18
That people are supported to receive a personal budget and alternative accommodation	1	4	11	16
That people remain in their existing homes and receive care and support from another provider	28	2	1	31
Other (please specify)				5
Total number of people who answered the questions				31
People who didn't answer the questions				2

- 7.6 Other responses included: ideally re-training staff and not compromising safe staff, client ratios, we do not believe any options are viable or lead to a reduction of costs, that people only remain in their existing homes and receive their care from existing staff only, in their present home.
- 7.7 The outcome of the individual social work assessments and reviews showed that.
- Social work assessments identified that 13 people would like to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.
  - A move is already being proposed for two people due to a change in their needs, and who could therefore have their needs better met in alternative accommodation.
  - Three people who did not wish to move to alternative accommodation, could have their accommodation and support needs met in a more cost effective way following the social work assessment.
  - The outcome of the consultation and social work reviews concluded that the majority of people preferred to remain in their existing homes and receive their care and support from another provider.
  - One service user is the responsibility of East Sussex County Council.
  - Two families are not happy about any of the proposals.
- 7.8 The majority of service users can have their needs met in the most cost effective way by remaining in their existing homes but with another support provider.
- 7.9 Five service users who were supported to respond to the consultation expressed a preference to move to alternative accommodation. The remainder preferred to remain in their existing home with a new service provider.

- 7.10 Some service users could have their service provided in a more cost effective way by moving to alternative accommodation. Any re-provision of accommodation, as opposed to a change in the care provider, would aim to ensure that staff and friendship groups were maintained.
- 7.11 Some houses could operate more cost effectively if people with similar needs were accommodated together e.g. rather than having people who require waking nights in a number of services, they could be accommodated together in a small number of waking night staffed services. The remaining services could then be provided with sleep in staff.
- 7.12 The service is faced with unprecedented savings and maintaining the existing service is simply not possible. When taking into account the outcome of the consultation it is proposed that the majority of the service should maintain existing people's accommodation where this provides best value in meeting the needs of the service user but recognise that this approach may not be appropriate in every individual situation.
- 7.13 During the consultation, it was identified that service users living at one registered residential care service, Beaconsfield Villas (BV), could be supported to move to an alternative council provided service; The Beach House. The Beach House was established as a respite service, however as the council services focus on more specialist services, this is providing less routine respite and more short term services that support people with the more complex needs and challenging behaviour. This building has capacity to provide additional accommodation services for people with high level of needs. BV service also provides services for people with the most complex needs and has a skilled staff team. One proposal explored during the consultation is for the BV service to move into The Beach House. This would bring together two skilled staff groups in a purpose built service that could provide economies of scale in staffing.
- 7.14 This proposal was discussed with the service user's families and they have agreed that this is the best option for their relatives. BV is our most expensive service and is accommodated in a converted building. The building requires continual repair and maintenance due to its age. Relocating the service to The Beach House would enable sharing of staff and reduction in maintenance and repair costs. The Beach House was purpose built as a service for learning disabilities. There would be one-off capital costs. Capital funding for these services was set aside in the capital resources and capital investment programme 2016/17. The groups of service users and their staff group would move together to the new service at The Beach House.
- 7.15 There were 13 people who either expressed a wish to move, or their individual social work review identified that their needs could be better met in alternative accommodation. These people would have been supported to move regardless of this consultation and therefore it is recommended that these people are supported to move to more appropriate accommodation that meets their needs and provides value for money.
- 7.16 It should also be recognised that the needs of the individuals will continue to change as they age and so future reviews of their needs may involve

individualised approaches and support to move to alternative more personalised or more appropriate services.

- 7.17 These proposals may release housing that can be returned to the housing revenue account, and houses that can be redeveloped or sold for a capital receipt. The council's asset management strategy sets out the procedure to follow for a registered care home property disposal. Capital receipt resulting from disposal will be incorporated into the council's corporate strategic investment resources. A business case and committee approval at Policy & Resources will be required if the sale proceeds are intended to be ring-fenced to the original service. A detailed business case will be required to demonstrate the viability of the proposal. Some of the properties were transferred from the NHS to provide homes for people with a learning disability and any proposal to dispose of these properties would be subject to agreement by the CCG, with a reinvestment of the capital receipt into services for people with a learning disability.
- 7.18 If the decision is made to re-provide the accommodation service then this will have implications for the staff who will potentially be subject to TUPE or at risk of redundancy. Consultation will be carried out in accordance with the Council's management of change procedures.

## **8. ALTERNATIVE PROVIDERS**

- 8.1 During the consultation period a number of relatives asked about the capacity of the independent sector to provide alternative services. An approach was made by the Adult Social Care commissioning team to providers of learning disability services to see whether they would be interested in bidding in a future tender should this be agreed as a way forward. 13 providers responded to say they would be interested in bidding in a future tender and one responded to say they possibly would be.
- 8.2 Of these, 13 Providers said they would be interested in attending an event to talk to service users and carers and therefore an event was set up on 3<sup>rd</sup> March to enable this to happen. Seven providers attended this event; Small Opportunities, Turning Point, Sanctuary, Grace Eyre, Mencap, Dimensions and Autism Sussex. Nine families attended during the afternoon to speak to these Providers.

## **9. PROPOSAL**

- 9.1 There are 51 service users currently living in the Council run accommodation services.
- 9.2 Permission is being requested to carry out a procurement process to seek independent sector providers to provide the accommodation, care and support services that meet the needs of the individual service users.
- 9.3 The proposals for the accommodation services are as follows:
- 9.3.1 For Preston Drove, Leicester Villas, Windlesham Road, Hawkhurst Road (two properties), Beaconsfield Villas (supported accommodation), Rutland Gardens, Cromwell Road, Burwash Lodge, Mantell House. The accommodation will remain available where it meets assessed needs and

the proposal is for the care and support service to be managed by an alternative provider.

9.3.2 That the Beaconsfield Villas (registered residential care) service will be re-located to The Beach House

9.3.3 Ferndale Road. The proposal is for the accommodation and the service to be provided by an alternative provider. This re-provision will be carried out in conjunction with East Sussex with the aim of maintaining the existing friendship group.

9.4 During the consultation period, 13 people were identified who either indicated that they would like to move to alternative accommodation, or who through the social work review it was determined that they could have their needs better met in alternative accommodation. It is therefore proposed that those 13 should be supported to move will do so, and this will be managed on an individual basis. This work would have happened whether or not this consultation took place. The details of these service users are set out within Appendix 12 which is confidential because it includes service user information. The details have been shared with respective families prior to this meeting.

9.5 Any moves to alternative appropriate accommodation will be managed in a way that best supports the service user and ensures that their individual needs can be met. We will continue to meet all the needs of our service users prior to and during the transfer to alternative service providers.

9.6 The re-provision of these services will deliver on-going revenue savings as the cost of care and support can be delivered more cost effectively in the independent sector. There may be additional capital savings from the sale of some properties but these will be one-off savings.

9.7 Clearly as people's needs change in the future there will be on-going individual reviews that will aim to maximise people's independence and to ensure that service users' needs can be met in the most cost effective way. This will mean that people may move individually to alternative accommodation in the future as their needs change.

## **10. CONCLUSION**

10.1 Committee members will need to read all the documentation provided in the appendices including the equalities impact assessment. They will need to take account of the savings requirements, the assessed needs of each individual and the outcome of the consultation.

10.2 The key reasons that this decision is being sought is to deliver the revenue savings required in the learning disability services, to ensure people have opportunities to live in more personalised way with greater choice where this is appropriate, and to ensure the service is provided in the most cost effective way.

10.3 The proposals for the accommodation services are as follows:

Learning Disability Residential Services including Preston Drove, Leicester Villas, Windlesham Road; these services will be re-provided as residential care services through a procurement process.

- 10.4 Learning Disability Residential Care Service at Beaconsfield Villas will be re-located to The Beach House
- 10.5 Learning Disability supported Accommodation at Hawkhurst Road (two properties), Beaconsfield Villas, Rutland Gardens, Cromwell Road, Burwash Lodge, Mantell House, will be re-provided as supported living services through a procurement process that seeks an alternative support provider.
- 10.6 Learning Disability supported accommodation service at Ferndale Road will be re-provided as supported living through a procurement process that seeks both alternative housing and support.
- 10.7 13 individuals whose needs can be better met in alternative accommodation will be supported on an individual basis to move to new homes.
- 10.8 Any proposals from potential service providers to use alternative accommodation to meet the needs of individuals will be considered as part of the procurement evaluation process if they offer better value for money.

## **11. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 11.1 The re-provision of the Learning Disability accommodation services is expected to deliver better Value for Money through reducing the annual revenue costs associated with these services. It is anticipated that the re-provision will support the delivery of savings of £0.637 million over the four years 2016/17 to 2019/20 net of the costs for supporting individuals under the proposals. The anticipated savings in 2016/17 are £0.164 million leaving a net budget of £4.209 million whilst maintaining the quality of provision.
- 11.2 If the proposals are not approved then alternative savings measures would need to be identified by Adult Social care over the four year period.
- 11.3 The unit costs of the current services are high compared to the independent sector as set out in paragraphs 5.4. The costs of running the smaller units (2-3 bed services) drive up the unit costs.
- 11.4 The financial evaluation as part of the tender process will test the financial viability and sustainability of the bidders' proposals.
- 11.5 It is expected that through this procurement and service redesign some buildings may be identified as too expensive to operate. The options for the future use of these buildings and potential for capital receipts will be considered, bearing in mind any restrictions, and recommendations made to a future Policy & Resources Committee.

*Finance Officer Consulted: Anne Silley*

*Date: 24/03/16*

Legal Implications:

- 11.6 The Health & Wellbeing Board is responsible for the oversight, monitoring and decisions concerning Adult Social Care. Decisions concerning procurement and potential disposal of assets require a decision by Policy & Resources Committee.
- 11.7 In considering its statutory duties the Local Authority must be mindful of the resources available. The Care Act 2014 requires the Local Authority to assess and meet the needs of adults with care and support needs. The approach required by the Act (and associated Guidance) is personalised and meeting needs can be achieved in a variety of ways within the personalised approach; the Local Authority is not required to be the provider of the services to meet identified need. In exercising its duty to meet need under the Care Act the Local Authority has a duty to promote individuals' wellbeing in addition to having regard for individuals' Right to Family Life (Article 8 European Convention Human Rights) enshrined in the Human Rights Act 1998.
- 11.8 A full consultation process has been undertaken and along with the Equalities Impact Assessment must be read and taken in to account by members to inform the respective committees' decision making.

*Lawyer Consulted:*

*Name Sandra O'Brien*

*Date: 24/3/2016*

Equalities Implications:

- 11.9 An Equalities Impact assessment has been completed and is attached at Appendix 5.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Letter advising of consultation and invite to Family meetings
2. Family questionnaire- blank
3. Newsletter 1
4. Newsletter 2
5. Equalities Impact Assessment

The following appendices are excluded from publication because of the nature of the information and therefore excluded under Exempt Category 3.

6. Record of family meetings- summary (confidential circulated to Members only)
7. Record of family meetings held (confidential circulated to Members only)
8. Summary of questionnaires- families (confidential circulated to Members only)
9. Copies of all returned questionnaires (confidential circulated to Members only)
10. Speak Out advocacy service- service users report and questionnaires (confidential circulated to Members only)
11. Letters received and replies (confidential circulated to Members only)
12. Proposals based on social work assessments and service users preferences (confidential circulated to Members only)

### **Documents in Members' Rooms**

None

### **Background Documents**

None





Adult Social Care Provider Services  
Brighton & Hove City Council  
Montague House  
Montague Place  
Brighton  
BN2 1JE

Date: 6<sup>th</sup> November 2015

Our Ref:

Your Ref:

Phone: (01273) 296400

Fax:

e-mail: [Naomi.cox@brighton-hove.qcsx.gov.uk](mailto:Naomi.cox@brighton-hove.qcsx.gov.uk)

Dear Family Member,

**Re: Outcome of Policy & Resources Committee Report on Learning Disability Accommodation Services.**

I am writing to advise you that Members of the Policy & Resources Committee which met on 4<sup>th</sup> November 2015 made the decision to agree the recommendations in the Report.

The Committee agreed to a three month consultation with all service users, including their carers and advocates as appropriate, who currently live in the Council's directly provided supported housing and residential care services. The purpose of the consultation will be to look at what alternative options there are to re-provide the care and support so that it meets service users individual needs, provides value for money, and delivers financial efficiencies over the next four years. Your relative lives in one of the services being considered in this report.

The options to be consulted on are:

1. *That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.*
2. *That people are supported to receive a personal budget and alternative accommodation.*
3. *That people remain in their existing homes and receive their care and support from another provider.*

The **3 month consultation** will formally start on **Monday 9<sup>th</sup> November 2015** and **will end on Sunday 14<sup>th</sup> February 2016**. Your feedback will be recorded and fed back to the Committee as part of the consultation process.

As part of the formal consultation we would like to invite you to attend a meeting for Families of people who live at this service:

## Add correct invite date/ time

We are happy to meet with you individually if you would like to do this please let me know and we will arrange a convenient time.

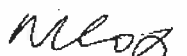
We will also be sending you a short questionnaire in due course which will form part of the Consultation process.

We appreciate this may be unsettling for you and you will have questions about how these proposals will affect you / your relative.

In the mean time please do not hesitate to contact any of the following or talk to the Manager of the service you / your relative lives in.:

Tracy Tricker	Operational Manager	01273 295544 <a href="mailto:Tracy.tricker@brighton-hove.gov.uk">Tracy.tricker@brighton-hove.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Lou Aish	Operational Manager	01273 295542 <a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Naomi Cox	General Manager	01273 296400 <a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Karin Divall	Head of Service	01273 294478 <a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>	Brighton & Hove City Council Ground Floor Kings House Grand Avenue Hove BN3 2LS

Yours sincerely



Naomi Cox  
General Manager Adult Social Care Provider Service

Family/Carers Questions: Learning Disability Accommodation Services  
February 2016

Dear [name of carer/family member]

As you know we are consulting on proposed options for re-modelling Learning Disability Accommodation services. We need to remodel services so that they meet individual service users' needs whilst providing better value for money as there is insufficient money to keep the services as it is.

The purpose of the consultation is to seek the views of carers, service users and advocates on three options for re-providing the care and support.

As a relative of [service user name] who lives at [name of service], one of the services being consulted on, we are very keen to hear your opinions.

You should already have received a letter inviting you to a Consultation meeting to discuss the options and offering the opportunity to meet with us individually. We also want to give people the opportunity to provide their views in writing and we will feed back your responses/comments below to the Policy and Resources Committee to inform its decision about the future of the service. We will inform you of the date of the Committee meeting when this has been confirmed. The earliest this could take place is April 2016.

The three options (agreed by Members of the Policy and Resources Committee on 4<sup>th</sup> November 2015) are as follows:

1. *That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.*

**This means that your relative may move to another service.**

2. *That people are supported to receive a personal budget and alternative accommodation.*

This means that you would be advised of the amount of money that could be used to fund a different accommodation and support service. This amount is based on individual needs. You would then, with assistance if you require it, either help your relative or on their behalf choose arrange and pay for that alternative accommodation and support using your relative's personal budget allocation.

3. *That people remain in their existing homes and receive their care and support from another provider.*

This means your relative would stay living where they do now but their care and support would be provided through another Independent or Voluntary Sector organisation and not directly by the council. The existing staff would transfer their employment to the new care provider.

Please rank the options in order of preference in the table below (add 1 for your first choice, 2 for your second and 3 for your third).

1. That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way	
2. That people are supported to receive a personal budget and alternative accommodation.	
3. That people remain in their existing homes and receive their care and support from another provider.	

Please explain the reasons for your preferences and outline any implications for you/your relative below?

If you have any queries about this questionnaire or the consultation process please do not hesitate to contact us (see contact details below)

Please return your questionnaire in the Stamped Addressed Envelope provided.

Deadline for return so we can analyse the feedback is **30<sup>th</sup> January 2016** **we have extended this to 29<sup>th</sup> February 2016**

We will feed back the outcomes of the Consultation to the Committee in an anonymised format and will send you a copy of the report when it is available.

Tracy Tricker	Operational Manager	01273 295544 <a href="mailto:Tracy.tricker@brighton-hove.gov.uk">Tracy.tricker@brighton-hove.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Lou Aish	Operational Manager	01273 295542 <a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Naomi Cox	General Manager	01273 296400 <a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>	Adult Social Care Provider Services Montague House Montague Place Brighton BN2 1JE
Karin Divall	Head of Service	01273 294478 <a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>	Brighton & Hove City Council Ground Floor Kings House

			Grand Avenue Hove BN3 2LS
--	--	--	---------------------------------

**To: Families of service users living in Learning Disability Accommodation Services**

**From: Naomi Cox General Manager Adult Social Care Provider Services**

**Date: 18<sup>th</sup> January 2016**

**Update: Learning Disability Accommodation Services Consultation**

I hope you all had a good Christmas and best wishes for the year ahead. I thought it would be useful to update you regarding the consultation.

As you know we are currently in a 3 month consultation which ends on 14<sup>th</sup> February we are seeking your views on the following options:

1. *That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.*

This means that your relative may move to another service.

2. *That people are supported to receive a personal budget and alternative accommodation.*

This means that you would be advised of the amount of money that could be used to fund a different accommodation and support service. This amount is based on individual needs. You would then, with assistance if you require it, either help your relative or on their behalf choose arrange and pay for that alternative accommodation and support using your relative's personal budget allocation.

3. *That people remain in their existing homes and receive their care and support from another provider.*

This means your relative would stay living where they do now but their care and support would be provided through another Independent or Voluntary Sector organisation and not directly by the council. The existing staff would transfer their employment to the new care provider.



Thank you to those of you who have already returned your questionnaires – if you have not yet done so please could you take the time to do so before **30<sup>th</sup> January 2016**.

We do not yet have confirmed date for when the outcome of the Consultation will go back to Policy & Resources Committee for a decision – as soon as we do we will let you know. We are expecting this Committee to be in April 2016.

We are also arranging for all people who currently live in our Learning Disability Accommodation Services to have a review of their care and support plans. We are required to do this under the Care Act 2014 and are doing so to ensure we have an up to date picture of peoples needs and what is important for them. Your views will be sought as part of this review. You will be contacted by a member of the Community Learning Disability Team about this.

**Stop Press:** We have decided to extend the consultation until **4<sup>th</sup> March 2016** so you have more time to give your views.

If you have any questions or concerns please do not hesitate to contact us.

Tracy Ticker Operational Manager	01273 295544	<a href="mailto:Tracy.tricker@brighton-hove.gov.uk">Tracy.tricker@brighton-hove.gov.uk</a>
Lou Aish Operational Manager	01273 295542	<a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>
Naomi Cox General Manager	01273 296400	<a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>
Karin Divall Head of Service	01273 294478	<a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>



**To: Families of service users living in Learning Disability Accommodation Services**

**From: Naomi Cox General Manager Adult Social Care Provider Services**

**Date: 22<sup>nd</sup> February 2016**

**Update: Learning Disability Accommodation Services Consultation**

Here is some information to update you about the consultation which formally ends on **4<sup>th</sup> March 2016**.

### **Special Event for Families and Service Users**

During the consultation a number of families have asked about **who** the new care providers might be if Option 3 '*That people remain in their existing homes and receive their care and support from another provider.*' is approved at Committee [no decision has been made yet].

We have arranged an event for you to attend to find out more about care providers in the city – you will have a chance to meet with care providers who will have stalls and information about the services they currently provide.

**The Event will be held on Thursday 3rd March – 2pm – 5pm**

***Craven Vale Resource Centre, Craven Road, Brighton, BN2 0FE***



Please note, that it does not imply any commitment on the part of providers to bid in any future tenders, nor on behalf of the council to award tenders to any providers attending.

We have been consulting with you about the following options:

1. *That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.*
2. *That people are supported to receive a personal budget and alternative accommodation.*
3. *That people remain in their existing homes and receive their care and support from another provider.*

### **Committee Dates:**

It has now been confirmed that a Report which makes recommendations about the future of Learning Disability Accommodation Services will be going to the following meetings:

**Health & Wellbeing Board - 19<sup>th</sup> April 2016**

**Policy & Resources Committee – 28<sup>th</sup> April 2016.**

These are public meetings and we will let you know times and venue when these are confirmed. The Report will go live on the Council website **approximately** one week before the meetings. We will send you a copy of the Report when it is made public.

If you have any questions or concerns please do not hesitate to contact us.

Tracy Ticker Operational Manager	01273 295544	<a href="mailto:Tracy.tricker@brighton-hove.gov.uk">Tracy.tricker@brighton-hove.gov.uk</a>
Lou Aish Operational Manager	01273 295542	<a href="mailto:Lou.aish@brighton-hove.gov.uk">Lou.aish@brighton-hove.gov.uk</a>
Naomi Cox General Manager	01273 296400	<a href="mailto:Naomi.cox@brighton-hove.gcsx.gov.uk">Naomi.cox@brighton-hove.gcsx.gov.uk</a>
Karin Divall Head of Service	01273 294478	<a href="mailto:Karin.divall@brighton-hove.gcsx.gov.uk">Karin.divall@brighton-hove.gcsx.gov.uk</a>



# Equality Impact and Outcome Assessment (EIA) Template - 2015

EIAs make services better for everyone and support value for money by getting services right first time.

EIAs enable us to consider all the information about a service, policy or strategy from an equalities perspective and then action plan to get the best outcomes for staff and service-users. They analyse how all our work as a council might impact differently on different groups. They help us make good decisions and evidence how we have reached these decisions.

For further support or advice please contact the Communities, Equality and Third Sector Team on ext 2301.

## 1. Equality Impact and Outcomes Assessment (EIA) Template

First, consider whether you need to complete an EIA, or if there is another way to evidence assessment of impacts, or that an EIA is not needed<sup>1</sup>.

Title of EIA <sup>2</sup>	Consultation on future of Learning Disability Accommodation Services	AS 33
Team/Department <sup>3</sup>	Adult Provider Services	
Focus of EIA <sup>4</sup>	<p>There is a consultation underway to determine the future of Learning Disability Accommodation Services (LDAS). This consultation is about the future provision for the current residents.</p> <p>The options to be consulted on are:</p> <ol style="list-style-type: none"> <li>1. <i>That people are supported to move to alternative accommodation that meets their needs and can be provided in a more cost effective way.</i></li> <li>2. <i>That people are supported to receive a personal budget and alternative accommodation.</i></li> <li>3. <i>That people remain in their existing homes and receive their care and support from another provider.</i></li> </ol> <p>Consultation is done via: group meetings with residents supported by Speak Out; group meetings with family members and advocates of residents; questionnaires sent to families; residents supported by staff or Speak Out to answer questionnaires; offer of individual meetings for residents and/or families supported by advocates as appropriate.</p>	

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Disability <sup>9</sup>	<p>All service users have disabilities and/or long-term health issues. These are recorded on local and central databases</p> <p>Primary Support Reason – Learning Disability =100%</p>	<p>Carers have expressed concern about residents who have disabilities that affect their ability to manage change. For them moving to a new home and neighbourhood would be very challenging.</p>	<p>People on the autism spectrum or with visual impairments will struggle to learn new home and neighbourhood.</p> <p>Routines of others can have more significant impact, for people with visual impairments or on the autism spectrum – this could be a positive or negative impact</p> <p>People with significant medical needs might have to travel further to appointments or hospital when needed. (although also they also might move closer)</p> <p>A few residents' needs have changed so their current home no longer meets their needs – for them this is a chance to improve the situation</p> <p>Personal budgets might not be available / suitable for people who have more profound needs or whose families aren't able to support a personal budget (can be</p>	<p>Each resident is being consulted with as an individual with their individual needs considered. All three options detailed above are available for consideration for every resident, regardless of circumstances.</p> <p>The communication needs of residents have been taken into account to ensure each resident's voice is heard. As appropriate the following are provided:: easy read material; advocates; support by staff who know residents well; audio information for visually impaired; pictorial posters; sign language where appropriate; family consultation.</p> <p>Consultation is being carried out by staff and managers that have extensive experience with these residents and other people with learning disabilities. The consultation is being carried out over three months to ensure everyone has enough time to participate.</p> <p>A thorough review by assessment staff will safeguard against inequality and will take family situations into account.</p> <p>All decisions will operate within legal</p>

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations  frameworks – for example Deprivation of Liberty Safeguards.
			<p>due to protected characteristics of parents). Although this also might be a good opportunity for people who were previously overlooked for PBs.</p> <p>A move of house might make it more difficult for a resident to travel to activities, including work, due to their learning disability making learning new routes difficult to learn (although they also might move to a more convenient location)</p>	
Age <sup>10</sup>	<p>Age data from service user records: average is late 40s; range is early 20s to late 60s.</p> <p>Age 18-64 = 88% Age over 65 = 12%</p>	Carers have expressed concern that residents who have lived together for many years might be split up.	<p>In some cases the change of living companions would be positive and in some cases negative.</p> <p>Learning a new home, new companions and new neighbourhood might be more difficult for older residents and/or older carers</p>	As above
Gender reassignment <sup>11</sup>	All of our residents identify as the gender they were assigned at birth		No impact identified	

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Pregnancy and maternity <sup>12</sup>	None of our residents have children or are currently pregnant The Adult Social Care (ASC) database tells us		No impact identified	
Race <sup>13</sup>	Ethnicity White British = 92% Any Other – Black – African /Caribbean = 2% Other Ethnic Groups = 6%		The consultation process will be an opportunity for individuals to thoroughly explore all their support options and may identify options that are better suited to the individual's ethnic or religious identity.	
Religion or belief <sup>14</sup>	The ASC database tells us Blank = 51% Not Known = 19% Christian = 2% CofE = 8% RC = 10% None = 8% Any Other = 2%		As above Also potential to move closer to or further from place of worship	As above
Sex/Gender <sup>15</sup>	The ASC database tells us Female = 37% Male = 63%		The preference or need in some cases to live with same gender co-habitants might impact range of options available for the individual	As above

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Sexual orientation <sup>16</sup>	The ASC database tells us None recorded		The impacts of these changes will potentially affect all in the same ways	
Marriage and civil partnership <sup>17</sup>	None of the residents are married or in a civil partnership		No impact identified	
Community Cohesion <sup>18</sup>			Some of the homes have formed relationships with the local community that will be impacted if the home is closed. Also for some individuals the assessment may identify opportunities for greater community inclusion than currently available.	As above
Other relevant groups <sup>19</sup>	Families of residents	Some carers have raised concern that having their family member further away will disadvantage carers who are older, disabled, etc.	Carers with learning difficulties, sensory impairments, or language difficulties may find the process of consultation more challenging Those carers might also be impacted by having to learn routines of family member moving to a new home and might be impacted (positively or negatively) by change of distance to family member's home	Individual meetings with a manager are being offered to all families. Family situations are being considered as part of the assessment staff's review of individuals

Protected characteristics groups from the Equality Act 2010	What do you know <sup>5</sup> ? Summary of data about your service-users and/or staff	What do people tell you <sup>6</sup> ? Summary of service-user and/or staff feedback	What does this mean <sup>7</sup> ? Impacts identified from data and feedback (actual and potential)	What can you do <sup>8</sup> ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Cumulative impact <sup>20</sup>				

Assessment of overall impacts and any further recommendations
Any change for this group of people will need to be managed sensitively and taking account of individual needs – some people with learning disabilities / autism find changes more difficult than the general population.

### 3. List detailed data and/or community feedback which informed your EIA

Title (of data, research or engagement)	Date	Gaps in data	Actions to fill these gaps (add these to the Action plan below)
Consultation with Service users and Carers		No gaps identified	
Data and statistics from locally held records		The homes and home managers have comprehensive information about the residents. No gaps have been identified	
Statistics from ASC Database		Get information from the ASC database on: <ul style="list-style-type: none"> <li>• gender</li> <li>• age</li> <li>• ethnicity</li> <li>• religion</li> <li>• sexual orientation</li> </ul>	General Manager to request data from ASC performance team -
Statistics from ASC Database		In many cases religion / belief is not identified in the database. This is an ongoing issue for ASC as a whole.	

#### 4. Prioritised Action Plan

Impact identified and group(s) affected	Action planned	Expected outcome	Measure of success	Timeframe
NB: These actions must now be transferred to service or business plans and monitored to ensure they achieve the outcomes identified.				
All actions to mitigate negative impacts are carried out on an individual basis. A thorough consultation carried out by provider services and thorough needs review by assessment staff should be adequate to identify the needs of the individuals and then individual action plans (AKA support plans) are formulated from that information.				
A report on the findings of the consultation and assessments will be taken to councillors for a decision about the future of LD Accommodation Services. It is anticipated that a decision will be made by April of 2016. After that the individual support plans may need to be adjusted to reflect the decision of the councillors.				

**EIA sign-off:** (for the EIA to be final an email must sent from the relevant people agreeing it or this section must be signed)

**Lead Equality Impact Assessment officer:** Naomi Cox **Date:**

**Directorate Management Team rep or Head of Service:** Karin Divall **Date:**

**Communities, Equality Team and Third Sector officer:** Clair Hopkins **Date:**

<b>Subject:</b>	<b>Orbis Programme Update</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Executive Director for Finance and Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Chris Carter</b>	<b>Tel: 29-3629</b>
	<b>Email:</b>	<a href="mailto:Chris.Carter@brighton-hove.gcsx.gov.uk"><u>Chris.Carter@brighton-hove.gcsx.gov.uk</u></a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides an update for the Committee on the process of due diligence underway regarding the intention for Brighton & Hove City Council to become part of the Orbis partnership for shared services, with East Sussex and Surrey County Councils.

**2. RECOMMENDATIONS:**

That the Policy & Resources Committee:

- 2.1 Notes the progress made in carrying out due diligence for Brighton & Hove City Council as a founding partner in the Orbis partnership with East Sussex and Surrey County Councils.
- 2.2 Agrees to support the continuation of work for the Council to formally partner with East Sussex and Surrey County Councils within the Orbis partnership
- 2.3 Supports the approach for collaboration leading to integration through a continued due diligence and business case approach.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 At the Policy & Resources Committee on 3 December 2015 it was agreed that, subject to a period of due diligence, Brighton & Hove City Council would become a founding third partner in the Orbis shared services partnership for business services, joining East Sussex and Surrey County Councils.
- 3.2 There was already significant collaboration between the three local authorities before the Orbis partnership was developed, particularly between Brighton & Hove City Council and East Sussex County Council, because of their geographical proximity and shared history.

- 3.3 Services in scope for delivery via the joint partnership are:
- Finance, including Procurement and Revenues and Benefits
  - Internal Audit
  - Human Resources and Organisational Development, including Health and Safety
  - ICT
  - Property Services
- 3.4 Separately, Legal services have been developing Orbis Public Law services in partnership with East Sussex, Surrey, and West Sussex County Councils. This received approval at Policy & Resources Committee in January 2016. The partnership had a 'soft launch' on 4<sup>th</sup> April this year with shared email signatures and lanyards as well as detailed briefings for staff and client groups. The partnership aims to complete due diligence by the end of 2016 and join budgets by April 2017. Appendix 2 shows a roadmap for the Orbis Public Law partnership
- 3.5 The Orbis partnership is based on a 'collaborate to integrate' approach, which emphasises the need to establish effective working relationships that will underpin a successful shared service. The partnership is committed to a people-centred approach to building resilient shared services that remain in the public sector. This is achieved by taking the relationships and examples of collaboration that already exist between the partners and developing them in a phased approach towards an integrated service.
- 3.6 We are working in the Orbis Partnership with positive intent, but emphasise the need to do what is right for Brighton & Hove City Council. One of the benefits of working in partnership is that it provides the flexibility to shape and influence it as it progresses and change things that we feel do not suit us. This is in contrast to many outsourced contract arrangements, and is one of the reasons Orbis describes itself as the 'compelling alternative'.
- 3.7 The due diligence activity has initially focussed on assessing the potential to ensure a resilient support service offer for the council up to and beyond 2020, and to identify any areas that would fundamentally undermine this i.e. 'show stoppers'. These have been refined to the following key areas:
- Finance and our ability to meet our savings targets.
  - The level of investment that could be required in ICT infrastructure
  - Service Level assessment, i.e. will the services be fit for purpose?
  - ICT Architecture Design Authority – can services and systems be integrated?
  - Legal form and governance arrangements – the extent to which we have sufficient influence.
  - Performance management.
- 3.8 Other elements that are being developed to inform the complete due diligence assessment include:
- Customer engagement and service offer

- Employee engagement and employee relations
- People strategy and organisational development

#### 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Financial Baseline Assessment** - Using the methodology and data from East Sussex and Surrey County Councils, analysis is underway to compare and contrast the baseline financials between services in scope. In particular, comparing levels of savings in areas that would be directly managed and controlled by Orbis versus those 'managed on behalf of' sovereign authorities by Orbis.
- 4.2 More detail is to be completed at a service level basis, however at an organisational level it is clear that the Orbis partnership business case is predicated on backloading its efficiency savings beyond 2017/18. Hence the savings profiles in the first two years are not easily comparable as BHCC has a higher threshold for savings in the period 2016-18.
- 4.3 Once in formal partnership, savings in Orbis will be shared on a pro rata basis between the three partners, the detail of which will be subject to an Inter Authority Agreement (IAA). It is therefore important in the due diligence process to be able to assure the Council that its four year financial plan can be effectively met through the partnership.
- 4.4 Through discussion with East Sussex and Surrey, it has been agreed that the Council will not develop an Inter Authority Agreement, which sets the contractual arrangements for the partnership, or pool budgets until detailed due diligence is completed and not before 1<sup>st</sup> April 2017 at the earliest.
- 4.5 This ensures that as a minimum, savings identified across Finance & Resources for 2016/17 are sovereign to Brighton & Hove, and that shared saving thereafter will meet the needs of our four year financial plan.
- 4.6 ICT Infrastructure investment** - There is a level of activity that needs to be resourced to support the development of the partnership. Primarily this is concerned with the technical infrastructure necessary for the partnership to function across the three sovereign organisations, including any locality hubs. .
- 4.7 Some of this will require upfront investment ahead of the outcome of any detailed due diligence service assessment or without an IAA being signed, so does bear some risk. However without this investment we would not be able to function efficiently across the partnership and would not reap the full extent of opportunity offered.
- 4.8 The level of investment will be considered through the governance of the corporate modernisation board which oversees the modernisation funding stream approved at Budget Council in February.

- 4.9 Service Level Assessment** - at individual service level a realistic assessment of pace and the scale of integration is required. This will be different both within and between services. Transitions plans will need to assure service continuity and realise the opportunities of a stronger partnership. Part of this process will be to determine the detail of which services should be included in the Orbis offer and which should be solely retained by BHCC.
- 4.10 At service level, this mirrors the journey East Sussex and Surrey have been on to develop a core and detailed understanding of their relative services and build trust and relationships before moving to integrated working. Within the current Orbis partnership, the timescale for full integration is likely to be up to three years.
- 4.11 For BHCC, this would mean that at a service level we would collaborate immediately, and then plan for integration. The pace and priority for this activity, will be determined by the service business case and transition plan.
- 4.12 ICT Architecture Design Authority** – ICT have led this assessment to understand how our relative ICT systems will work together to ensure data efficiency and effectiveness across the partnership. There has been positive engagement between the three partner organisations and work has begun on assessing how any systems change programmes will align with the vision and operating model and maximise value and return on investment for the partnership.
- 4.13 From the analysis so far, BHCC can be assured that the Orbis change criteria will integrate with our own change processes. Work is also starting on information governance and data management.
- 4.14 However more detailed work is required on the business architecture to form new integrated service offers for both current and future Orbis customers. This includes the development of a business case to replace current Finance and HR systems and the need to ensure any investment has a clear and defined return for each partner and meets each organisation's requirements.
- 4.15 Legal and Governance** - under its Terms of Reference, the Orbis Joint Committee has delegated decision making power to oversee and deliver 'the Services'. The agreed operational budget is to be referred to each of the sovereign councils for approval. Currently Cllr Les Hamilton has a place on the Committee but no formal voting rights. At the point BHCC is ready to formalise its place in the partnership, the Terms of Reference would need amending to incorporate BHCC membership (as has been done with the Orbis Public Law Joint Committee.) and be incorporated into an IAA.
- 4.16 A Joint Management Board of Senior Officers leads the delivery of Orbis and would need to include membership from BHCC. Terms of Reference and Membership of the Joint Management Board would need to be agreed.
- 4.17 The IAA provides clarity about the services to be delivered jointly, the financial contributions of the Parties, how budgets will be agreed and the agreed

contribution ratio. It would be better to sign this agreement (or at least complete the due diligence exercise) before investing significantly. As with any arrangement involving resources being contributed without a written agreement, there is a risk of this resource being lost in the absence of an agreement which details the terminations provisions, rights of the parties to share of costs etc.

4.18 East Sussex and Surrey have a signed IAA, reflecting their existing partnership and an amendment or new agreement would be signed at the point BHCC wishes to formalise its membership. The assessment of when this is right for BHCC will be informed through more detailed due diligence.

**4.19 Performance Management** – services in scope for Orbis make significant contributions to various elements of the council's performance framework. It will be important to ensure there are sufficient assurances on partnership capacity to respond to emerging needs of BHCC and maintaining sufficient flexibility within services to do this.

4.20 It is considered that both these issues may be addressed through the development of the service offer and through the governance arrangements in place and are not high risk.

Alternative Options:

4.21 The outcome of the options appraisal, which was the substance of the report to Committee in December 2015, was that the only viable option, given time, opportunity and the requirement to deliver a 30% reduction in budget by 2020, was to enter into an existing partnership or to reduce the service offer in house.

4.22 These remain the options under consideration through the due diligence process.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5..1 On 13<sup>th</sup> April senior managers and Heads of Service from BHCC met with colleagues from East Sussex and Surrey County Councils as the Orbis Leadership Community. This provided the opportunity to build relationships and look at the next steps for working in partnership and collaborating together in each service.

5..2 The meeting was also attended by Cllr Les Hamilton who, with the other Lead Members from each authority, spoke to the group, reflecting on achievements that have already been made as well as about their hopes and aspirations for the partnership in the future.

5..3 This paper was presented at a meeting with BHCC trade union representatives to garner feedback and discuss the proposals. A joint trade union meeting with representatives from the three partner authorities is scheduled for 22<sup>nd</sup> April.

5..4 Communication with trade unions will continue as detailed plans for each service are developed. A Communications and Engagement Plan is being produced to ensure that all staff in the relevant services are involved in the development of the partnership.

## **6. CONCLUSION**

- 6.1 The engagement activity underway with East Sussex and Surrey is essential for building effective relationships and there has been a positive sharing of their experience in creating the partnership to date, which has been key to the development of this council's due diligence framework.
- 6.2 The due diligence conducted to date provides a sufficient level of assurance to recommend a continuation of the work to finalise the detailed due diligence process and to work in partnership with Orbis colleagues to develop integrated support functions.
- 6.3 Further and more detailed engagement is required on a service-by-service basis to define the exact timing of operational changes for each area but the Council will not be asked to sign an Inter Authority Agreement (IAA) until 1<sup>st</sup> April 2017 at the earliest.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 Section 4 of this report sets out the financial baseline assessment progress which is an integral element of understanding the financial implications and benefits of the Orbis Partnership for Brighton & Hove City Council. The requirements to integrate ICT infrastructure across the Partnership means that some ICT infrastructure investment will be at risk and the level of risk will be overseen and managed by the Corporate Modernisation Board.
- 7.2 The gross revenue budget for the services (excluding Orbis Public Law) is £44.2 million in 2016/17 with a net budget of £25.2 million and includes 709 staffing posts (635 FTE). These budgets include areas that would be directly managed and controlled by Orbis and those 'managed on behalf of' the council by Orbis; the completion of due diligence will provide further breakdown between these distinct expenditure areas. In addition, a significant proportion of the councils capital programme will be 'managed on behalf of' by services within the Orbis Partnership.
- 7.3 The 4 year service and financial plans presented to Budget Council in February 2016 included savings totalling £3.0 million in 2016/17 for the Orbis service areas which are reflected in the budget in paragraph 7.2. The plans indicated further savings required of £5.9 million over the period 2017/18 to 2019/20 for both the services managed and controlled by Orbis and the 'managed on behalf of' services.

*Finance Officer Consulted: James Hengeveld*

*Date: 15/04/16*

Legal Implications:

- 7.4 Legal implications are addressed at paragraph 4.15 – 4.18 of the report. The power for the Council to establish a Joint Committee to oversee a shared service is set out at Sections 101(5) and 102 of the Local Government Act 1972.
- 7.5 The Committee is being asked to note progress to date and to support continued work on due diligence and there are therefore no further legal implications to address at this stage.

*Lawyer Consulted:*

*Elizabeth Culbert*

*Date: 13/04/16*

Equalities Implications:

- 7.6 Equalities Impact Assessments will be completed for each service as plans for operational change are developed.

Sustainability Implications:

- 7.7 Not applicable.

Any Other Significant Implications:

- 7.8 None.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. BHCC Orbis Roadmap
2. Orbis Public Law Roadmap
3. BHCC Partnership Governance

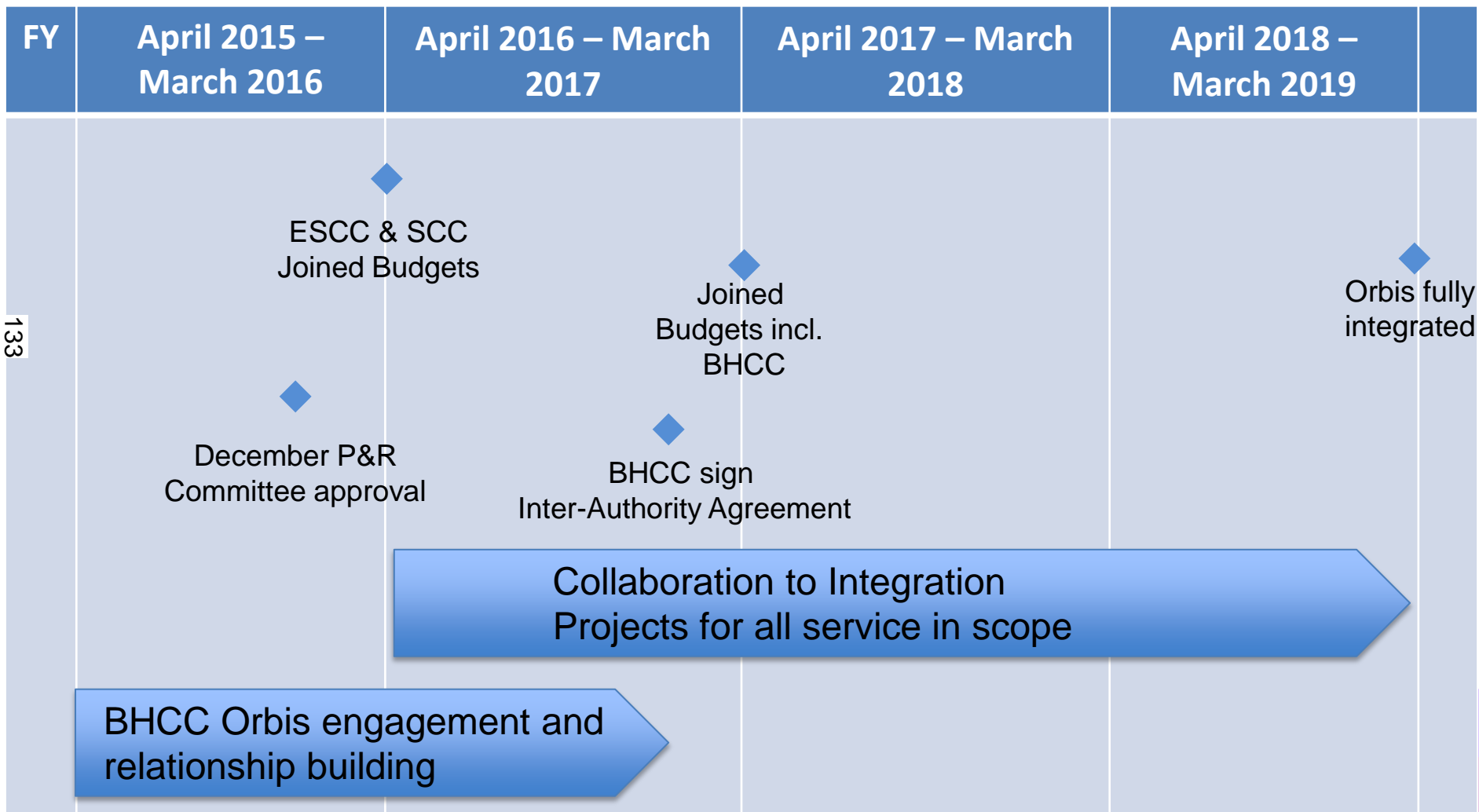
### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. None.

# Appx.1 BHCC roadmap to Orbis integration





# Appx. 2 Orbis Public Law Roadmap





## Brighton &amp; Hove Partnership Governance

<b>Committee/Board/Group</b>	<b>BHCC Attendees</b>	<b>Frequency</b>	<b>Location</b>	<b>Purpose</b>
Joint Committee	Cllr Les Hamilton David Kuenssburg	Quarterly	Varies	Provides strategic direction
Programme Board	David Kuenssburg Roger Snell	Monthly	Lewes/ Kingston	Decision/ recommendations on all areas that impact on the wider organisations prior to Cabinet approvals; Quality Assurance of outputs; set programme direction, sign off TOM, business cases and other programme deliverables, check and challenge via select committees.
Joint Management Board	David Kuenssburg	Weekly	Lewes	Lead Officers managing strategic direction
Orbis Programme meeting	David Kuenssburg	Weekly	Lewes	Programme planning meeting with Lead Officers and Orbis Programme Manager
Architecture Design Authority (ADA)	Neil Cholerton Julian Cobbett	Fortnightly	Redhill Data centre	Provide oversight for all IT delivery projects, resolve IT architecture design queries, commission architecture design projects.
Programme Team	Chris Carter	1 day per week	Lewes	Programme planning, monitoring, and communications.



<b>Subject:</b>	<b>Senior Management Team Re-Organisation</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Chief Executive</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Geoff Raw</b>	<b>Tel: 01273 291132</b>
	<b>Email:</b>	<b>geoff.raw@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks P&R Committee agreement to changes in delegated authorities to senior officer posts and to note progress on staff consultation on a re-organisation of the senior management team by the Head of the Paid Service reflecting 4 year council budget planning and the changing landscape of local public service management and delivery.

**2. RECOMMENDATIONS:**

That the committee:

- 2.1 Notes the proposed officer re-organisation as set out in the report;
- 2.2 Notes that an update will be provided to Members on the outcome of the consultation on the day of the meeting and that the proposals in this report are subject to the outcome of the consultation;
- 2.3 Agrees the changes to the scheme of officer delegations set out in Appendix 1 to this report;
- 2.4 Authorises the Chief Executive to take all steps necessary or incidental to the implementation of the proposals set out in this report including the power to make any transitional arrangements he considers necessary including outstanding matters arising from staff consultation;
- 2.5 Authorises the Monitoring Officer to make amendments to the relevant parts of the constitution to reflect the changes resulting from the above paragraphs and make any necessary consequential amendments;
- 2.6 Agrees that the delegation changes come into force on 2 May 2016, subject to any transitional arrangements and referred to in paragraph 2.4 above.

### 3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The elected Members of the council delegate much of the strategic management and day to day operation of council services to the Chief Executive and the senior management team. Periodically there is a need to review the structure of the senior team to respond to external and internal imperatives. It is the responsibility of the Chief Executive as Head of the Paid Service to undertake reorganisation and make recommendations to Members on the scheme of delegations.
- 3.2 Over recent months the current senior management structure has been reviewed and as a consequence important changes are proposed. There are a number of key drivers that have influenced these proposals:
- 3.2.1 **Local government devolution:** The city council has already made successful strides in establishing the Greater Brighton Economic Board and securing a City Deal. The role of the city council in stimulating and sustaining the economic prosperity of the city is very evident. With local authorities also expected to retain 100% of business rates by 2020, it is increasingly important for the council to be mindful of its civic role in relation to business rate payers and ensure strong value for money. The growing economic role of the council at the city-region level is reflected in the proposal for an Economy, Environment & Transport directorate. The devolution work also has a particular focus on culture and creative industries and the role of this sector in the health of the economy. The council's leadership role in this sector remains key and working with partners there is ambition to expand this and support the wider city-region.
- 3.2.2 **Changes to the Health & Wellbeing system:** In addition to the above the current Devolution Deal proposals provide opportunities for further collaborative working between local authorities and other public agencies. Specifically, this includes public bodies responsible for health, wellbeing and social care. Over the last two years, through our developing Health & Wellbeing Board there has been much closer working in this area and in the autumn, the Clinical Commissioning Group (CCG) will be co-locating with the Council at Hove Town Hall. These developments are reflected in the proposal to create a Health, Wellbeing and Adults directorate, which will work closely with the Clinical Commissioning Group and Public Health England and report to the City's Health & Well Being Board. The CCG and the Council need to have an integrated plan in place by 2017 and we are currently supporting Surrey and Sussex Health Care Trust in formulating a Sustainability and Transformation Plan.
- 3.2.3 **Financial Efficiency & Managing Demand:** Through its management team, the council has already delivered £100m of reduced spend and operational efficiencies since 2010. As identified in the Medium Term Financial Strategy reported to Budget Council, a further £68m of additional savings are prudently estimated to be required to 2019-20. On paper, the 4 year financial planning process has identified options for saving some £60m of this. The budget envelope recently agreed by Members at Budget Council also assumes reductions in management and administration cost. The deliverability of these savings proposals will be tested and options refined over the coming financial

year in a process led by the Finance & Resources directorate. This is likely to identify yet further savings in management graded posts over the next 3 years.

- 3.2.4 ELT (Executive Leadership Team) have also estimated that to achieve the 2020 savings target, the council will need to invest some £20m+ over the next 4-5 years to improve operational efficiency and to manage down service demand from our local communities. The findings of the Fairness Commission will further inform this and the council's Modernisation Programme will continue to provide co-ordination and delivery focus. This includes an ambitious plan to increase the number of digitally enabled services thereby improving efficiency and customer satisfaction.
- 3.2.5 Work is also underway for BHCC to partner with East Sussex and Surrey County Councils to deliver shared services for Finance, HR, ICT, Procurement, Audit, Revenues & Benefits and Property Services. Legal services are in the process of forming a separate venture with the same authorities plus West Sussex. The goal is to secure resilience in these services against the backdrop of a 30% average budget reduction and also significant challenges in recruiting and retaining senior professional expertise. Over the next 3 years of transition and as Orbis takes formal shape, it is anticipated that savings will be achieved through management rationalisation across Orbis partners.
- 3.2.6 **Policy Priorities:** The Council has set a number of objectives and principles in accordance with its policy priorities. It is anticipated that these will be supplemented with the findings of the Fairness Commission later this year. These policy priorities include a stronger emphasis on working more closely with communities and also in local neighbourhoods to co-design and deliver local services. This will entail a stronger emphasis in working more closely with other public agencies and third sector organisations to sustain the impact of reducing public service spend and as municipally delivered services are redesigned and commissioned. This ambition is reflected in the creation of a 'Neighbourhoods, Housing & Communities' directorate which aligns a critical mass of neighbourhood working and community focused services.
- 3.2.7 **Effective Leadership Performance and Accountability:** The city council is a complex democratically governed organisation with a wide range of stakeholders and communities of interest. It delivers some 700 different services to over 280,000 residents, 12,000 businesses and 11 million annual visitors. It is also one of the largest organisations in the city directly employing around 4,600 people (excluding schools), with gross annual revenue expenditure of just over £760m and combined capital investment of £142m.
- 3.2.8 The effective performance of the senior management team is critical to the future success of the city economy and the quality of life of its residents as well as the longevity of Brighton & Hove City Council amidst the shifting sands of local government devolution and public sector reform.
- 3.2.9 Change in the performance framework and accountability structure of the senior management team has been underway for some months, including reductions in management team posts. In addition, a 'Management Spans of Control' analysis was undertaken during 2015-16 and the findings have been incorporated into the proposed changes identified in this report. This seeks to

establish an organisation with no more than 6 tiers and, to enable a flatter structure, line management reports of up to 6 (more in the case of manual work teams, and sometimes less particularly in highly specialised or technical areas).

- 3.2.10 Additional management and administration savings of £140k were agreed by Members as part of the recommendations agreed at Budget Council in February this year. It is anticipated that these will be achieved through the current and subsequent reviews of management and administrative roles and/or functions over the coming financial year.
- 3.2.11 It is intended to define senior management levels and capacity within the council to four tiers of accountability. This is in line with the council's organisational design principles. To support this approach, a Leadership Job Family has been created to align management accountability clearly across four tiers of management. Job profiles will be underpinned by role specific responsibilities and personal objectives. Work is underway to develop a competency framework for skills and behaviours, which will sit within job families and organisational levels.
- 3.2.12 Changes to tier 4 management posts will be the subject of a second phase of consultation processes in coming months and are not described in detail in this report, although there are some changes to line management where functional areas have moved.
- 3.2.13 Change to the shape and accountabilities of the management team across all tiers are insufficient to ensure success on their own. The prevailing organisation and performance culture, effective systems and delivery processes are also critical. These continue to be reviewed and refined to support and align with the proposed changes to management team accountabilities and reporting lines.

#### **4. Directorate Proposals**

- 4.1 The management structure of the council is being re-aligned to more effectively reflect the operating conditions as set out in section 3 of this report and the directorate structure would need to be reorganised into the following Directorates to support this:
- **Economy, Environment & Transport**
  - **Families, Learning & Children's Directorate**
  - **Finance & Resources Directorate**
  - **Health, Wellbeing & Adults**
  - **Neighbourhood, Communities and Housing**
- 4.3 A new central support team supporting Law, Governance and Democratic Services will also be created, reporting to the Chief Executive.
- 4.4 Phase one of the reorganisation defines the directorate structure and subject to consultation, formally reorganises down to tier 3 and assigns functional line management below this. A further review of tier 4 posts will commence on a service by service as necessary.

- 4.5 **Law, Governance and Democratic Services:** The focus for this team to ensure co-ordinated council leadership and will have the following functions reporting to a new lead role for Law, Governance & Democratic Services.
- Communications
  - Democratic Services
  - Legal Services
  - Life Events
  - Partnerships
  - Performance
  - Policy
- 4.5.1 Both the current Head of Legal and Democratic services and the Assistant Chief Executive post are deleted as a result of this change. The Lead role in Law, Governance and Democratic Services will hold the statutory role of Monitoring Officer for the Council and is ring-fenced to the current Head of Legal & Democratic Services. The Assistant Chief Executive is currently on external secondment to the London Borough Croydon until August 2016 and is being consulted on the development of the detail for the Assistant Director for Culture.
- 4.5.2 Core purpose for the team includes:
- ✓ Assuring strong service delivery performance;
  - ✓ Co-ordinating corporate and directorate policies and commissioning strategies to ensure effective integrated working and information sharing;
  - ✓ Improving council communications to residents and business as well as to Members and our staff;
  - ✓ Supporting Members in their democratic decision-making and governance oversight of the organisation;
  - ✓ Providing high quality legal advice to committees and directorates including the potential offered via a shared service with Surrey, East and West Sussex County Councils.
- 4.6 **Health, Wellbeing and Adults:** The focus for this team is to enable services that are supporting health and adult social care integration to come together so as to deliver joined up services and outcomes for the City. This will include the creation of a commissioning function covering the Health, Wellbeing & Adults and Families, Learning & Children directorates, working closely with the Clinical Commissioning Group.
- 4.6.1 A new Executive Director role encompassing both the statutory roles of the Director of Adult Social Services (DASS) and the Director of Public Health (DPH) will lead this Directorate. The previous Director of Public Health, retired at the end March 2016 and it is the current Director of Adult Social Services' (DASS), intention to retire at the end August 2016. In these circumstances, the Executive Director post will be advertised and the DASS will cover the transition period prior to a new appointment.
- 4.6.2 The services included in this Directorate are:
- Integrated commissioning
  - Public Health
  - Adults Assessment ( to include Home Care Services)
  - Adults Performance and Sector Led Improvement

- Adults Safeguarding

4.6.3 The directorate will have responsibility for:

- ✓ Integrating commissioned services for adults and children's social care across the council and supporting the NHS Clinical Commissioning Group;
- ✓ Championing the next phase of devolution and a focus on targeting new service models and managing down demand;
- ✓ Commissioning public health interventions.

4.7 **Families, Learning and Children:** The focus for this Directorate is to retain a strong focus on child safeguarding and support for families, together with leadership of education and skills for the city including increasing apprenticeship opportunities for young people across the city. The directorate will also ensure that there is a strengthening relationship with the wider health economy and will bring together services for children and adults with a disability. Posts at tier 3 have been reviewed in the light of the planned retirement of the Assistant Director Stronger Families, Youth & Community from the council following this consultation process and confirmation of the new structure.

4.7.1 The services included in this Directorate are:

- Integrated Health and Disability Services
- Education and Skills
- Children's Safeguarding and Care
- Safeguarding and Quality Assurance

4.7.2 The directorate will have responsibility for:

- ✓ Bringing together assessment services and provision for children and adults with learning disabilities;
- ✓ Leading on the employment and skills agenda for the council.

4.8 **Economy, Environment and Transport:** The directorate will continue to provide services that maintain an attractive, sustainable and well run city for residents, business and visitors.

4.8.1 The services included in this directorate are:

- City Transport
- Development and Regeneration
- City Environment
- Property Services
- Cultural Services

4.8.2 The directorate will have responsibility for:

- ✓ Leading the council's devolution work in developing a strong and prosperous economy;
- ✓ Effective land use planning and development management;
- ✓ The environmental cleansing and well-being of the city;
- ✓ Improving and sustaining the city's transport infrastructure;

- ✓ Managing the collection, recycling and disposal of city waste;
- ✓ Leading the commissioning and delivery of corporate and commercial property services;
- ✓ Leading the future of the city's unique cultural and tourism offer and expanding this for a wider city region;
- ✓ Provide option assessment for future delivery of property services in partnership with East Sussex and Surrey County Councils.

4.9 **Neighbourhood, Communities and Housing:** This new directorate will provide a neighbourhood and communities focus to the council. There is also strong interest from police and fire service authorities to develop closer working with the council in the delivery of neighbourhood management. This is an area of further discussion with the Police and Crime Commissioner following the outcome of elections on the 5 May 2016.

4.9.1 The services included in this directorate are:

- Housing
- Environmental Health and Regulation
- Libraries
- Community Safety
- Communities, Equalities & Third Sector

4.9.2 The directorate will have responsibility for:

- ✓ Closer engagement with local communities in the co-production of neighbourhood focused enforcement services;
- ✓ Developing libraries as neighbourhood hubs;
- ✓ Leading the council's 'Prevent' agenda;
- ✓ Delivering volunteering opportunities where possible across common platforms with other public service providers;
- ✓ Improving customer satisfaction, complaints resolution and neighbourhood well-being across council services;
- ✓ Deepening the understanding across all services of city demographics and the practical measures to address communities of interest and neighbourhoods in need.

4.10 **Finance and Resources:** This directorate will continue to deliver essential support functions of finance, audit, procurement, human resource management and information communications technology.

4.10.1 The services included in this directorate are:

- Finance & Procurement
- ICT
- Human Resources and Organisational Development
- Internal Audits
- Revenues & Benefits

4.10.2 The directorate will have responsibility for:

- ✓ Ensuring effective medium term financial planning and budget management within Member agreed directorate spending limits;

- ✓ Providing the council with effective audit assurance and providing constructive challenge to directorates;
- ✓ Driving improved value for money by exploring income, contract management and procurement opportunities with directorates;
- ✓ Strengthening business partnering with service directorates;
- ✓ Providing options for resilient and cost-effective future service delivery in partnership with East Sussex and Surrey County Councils;
- ✓ Supporting workforce planning and a new competency framework;
- ✓ Commissioning and co-ordinating targeted training and organisational development for managers and staff;
- ✓ Strategic planning and delivery of core infrastructure services and major ICT investment programmes including digital service development.

4.10.3 The proposed new directorate delegations are summarised in the table attached at Appendix 1.

## **5 Change Process & Communication**

- 5.1 As a result of recent resignations and the Chief Executive appointment there are a number of vacancies at Executive Director Level. The recruitment process to these posts will be planned through consultation to ensure appointments are made as soon as practicably possible following external advert.
- 5.2 Appointment to tier 3 posts in the new structure will be managed through voluntary severance, natural turnover, slotting and ring-fenced recruitment processes. A detailed summary of the proposals as they apply to staffing changes are described in the consultation document that has been circulated to affected staff, Members and Trade Unions.
- 5.3 The consultation commenced 29 March 2016 (to 27 April 2016) and has afforded an opportunity for colleagues to put forward their views on the proposals regarding future changes so that these can be explored jointly before this P&R Committee determines officer delegations. Staff who are directly affected have been given the opportunity to meet individually with their line manager and feedback directly as part of the formal consultation. The formal consultation was preceded by considerable informal discussions with Members of ELT and their direct reports with the feedback incorporated into the proposals.
- 5.4 The Chief Executive will update Committee further as to any additional points or amendments following the closure of the consultation on 27 April. This update will also be confirmed via a document issued to staff and the unions during week commencing 2 May 2016. This will include further detail about the timescales for implementation of the new structure and recruitment to key vacant posts.
- 5.5 This report seeks delegated authority for the Chief Executive to implement the new arrangements from 2 May 2016 and to make appropriate transitional arrangements where these are required. Transitional arrangements may be needed, for example, to cover the period pending the recruitment of Executive Directors or the finalisation of practical and logistical arrangements.

## **6. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 6.1 Over recent months the CEO and ELT have set aside time to carefully consider the many parameters that have a bearing on the council's service planning, delivery and decision-making environment. The emerging senior management team proposals have also been discussed with the Administration. The proposals as currently finalised are presented as the optimum outcome following careful deliberation and, if agreed, will be kept under annual review.

## **7. COMMUNITY ENGAGEMENT & CONSULTATION**

- 7.1 The report has been shared with key public sector partners and in many instances the proposed changes reflect strategic management discussions between public sector agencies. Changes to specific services arising from the council's modernisation programme and Budget Council decisions will continue to be consulted upon with local customers, clients, residents and businesses and reported to relevant policy and service committees.
- 7.2 Staff affected have been consulted as set out in paragraph 4 above and the outcome will be reported to the committee on the day of the meeting. The proposed changes have also been advertised on the Wave and in the CEO's Blog for all staff to read and comment upon through the consultation portal - [consultation2016@brighton-hove.gov.uk](mailto:consultation2016@brighton-hove.gov.uk).
- 7.3 The consultation paper was sent to the recognised trade unions 29 March 2016 and a consultation meeting with trade union colleagues was held 11 April 2016. A further meeting with the trade unions is being set up to ensure all consultation feedback has been considered before implementation is finalised.

## **8. CONCLUSION**

- 8.1 The proposals presented in this report reflect careful consideration of a number of key drivers. The recommendations are considered to provide the optimum senior management team leadership in order to achieve current medium term objectives and initiatives and support improved planning and delivery of essential public services on behalf of elected Members.

## **9 FINANCIAL & OTHER IMPLICATIONS:**

### **Financial Implications:**

- 9.1 This report identifies senior management and administration savings affecting Tier 1 to Tier 3 in addition to that achieved over the last 12 months (e.g. Tier 3 Head of City Services). It is anticipated that further savings will be found over the next 3 years as a consequence of:
- The Phase 2 process focusing on Tier 4 and below;
  - Phase 1 implementation and detailed Tier 3 and Tier 4 level reviews of 4 year business plans;
  - Orbis cross-council service rationalisation.

- 9.2 Management and associated administrative support savings (£214,326) currently identified to date in the re-organisation process are set out below:

Level		Net saving currently identified (Posts)	Net saving currently identified for 2016/17 (phase 1) (£)
<b>Tier 1</b>	Chief Executive	(1 executive support officer post)	(£44,915 included in Tier 3 figures)
<b>Tier 2</b>	Executive Leadership Team	1 Executive Director	£118,313
<b>Tier 3</b>	Corporate Management Team	3 Assistant Director posts (1 from Jan 17 – part savings)	£96,013
<b>Tier 4</b>	Senior Management Team	Subject to Phase 2.	

Financial Officer Consulted: Nigel Manvell:

Date: 11/4/16

### **Legal Implications:**

- 9.3 The proposed changes require amendments to the scheme of delegations to officers. Under the Council's constitution, this is delegated to the Policy & Resources Committee. Subject to the agreement of P&R, detailed amendments need to be made to the council's constitution to reflect the principles set out in this report.
- 9.4 In accordance with employment law and the Council's change management policies, there is a requirement to consult the staff affected before any changes are implemented. This has been carried out and any responses taken into account.
- 9.5 The proposals in this report comply with legal requirements

Legal Officer consulted:

Elizabeth Culbert

Date: 11/4/2016

### **Equalities Implications:**

- 9.6 The council's statutory duties with regard to equalities legislation have been considered through the deliberations of the CEO and ELT. The formation of the Neighbourhood, Communities and Housing directorate affords a specific opportunity to strengthen how the council may better meet the diversity of local needs through its public service provision working with local communities and through partner agencies. The CEO and ELT will continue to seek to ensure, in recruiting suitably skilled and qualified managers, that the composition of the senior management team positively reflects the diversity of the local community.

**Sustainability Implications:**

- 9.7 There are no major change implications for the council's sustainability policies and practice. Accountability for the development of the council's environmental sustainability policies will be led by the Executive Director for Economy, Environment and Transport.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Appendix 1: Schedule of Delegation Changes

### **Documents in Members' Rooms**

None.

### **Background Documents**

Brighton and Hove City Council Senior Management Team Reorganisation:  
Consultation Document, March 2016

## Appendix 1: Schedule of Delegation Changes

Function	Current Delegations	Proposed Delegations
1. Policy	Assistant Chief Executive	Lead for Governance and Democratic Services
2. Performance Improvement and Programmes	ED Finance and Resources	Lead for Governance and Democratic Services
3. Property	ED Finance and Resources	ED Economy, Environment and Transport
4. Corporate Communications	Assistant Chief Executive	Lead for Governance and Democratic Services
5. Overview and Scrutiny	Assistant Chief Executive	Lead for Governance and Democratic Services
6. Tourism	Assistant Chief Executive	ED Economy, Environment and Transport
7. Arts and Creative Industries	Assistant Chief Executive	ED Economy, Environment and Transport
8. Communities	Assistant Chief Executive	ED Neighbourhoods, Communities and Housing
9. Management of Establishments	Assistant Chief Executive	ED Economy, Environment and Transport
10. Libraries	Assistant Chief Executive	ED Neighbourhoods, Communities and Housing
11. Venues	Assistant Chief Executive	ED Economy, Environment and Transport
12. Archives	Assistant Chief Executive	ED Economy, Environment and Transport
13. Seafront	Assistant Chief Executive	ED Economy, Environment and Transport
14. Events	Assistant Chief Executive	ED Economy, Environment and Transport
15. Leisure	Assistant Chief Executive	ED Economy, Environment and Transport
16. Adult disability	ED Adult Services	ED Families, Learning and Children; ED Health Wellbeing and Adults (concurrent delegated powers)
17. Director of Adult Services	ED Adult Services	ED Health Wellbeing and Adults
18. General Adult Social Services	ED Adult Services	ED Health Wellbeing and Adults
19. Section 75 arrangements	ED Adult Services	ED Health Wellbeing and Adults
20. Supported Employment	ED Adult Services	ED Health Wellbeing and Adults
21. Housing Related Support	ED Adult Services	ED Health Wellbeing and Adults
22. Housing	ED Environment Development and Housing	ED Neighbourhoods and Housing
23. Public Health	Director Public Health	ED Health Wellbeing and Adults
24. Emergency Planning	Director Public Health	ED Neighbourhoods, Communities and Housing
25. Community Safety and Drug Action Team	Director Public Health	ED Neighbourhoods, Communities and Housing
26. Licensing and Registration	Director Public Health	ED Neighbourhoods, Communities and Housing
27. Trading Standards	Director Public Health	ED Neighbourhoods, Communities and Housing



<b>Subject:</b>	<b>Review of the Council’s Constitution 2016</b>		
<b>Date of Meeting:</b>	<b>28 April 2016 – Policy &amp; Resources Committee</b> 12 May 2016 – Council		
<b>Report of:</b>	<b>Head of Legal &amp; Democratic Services and Monitoring Officer</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Abraham Ghebre- Ghiorghis</b>	<b>Tel: 29-1515</b>
	<b>Email:</b>	<b>abraham.ghebre-ghiorghis@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report proposes changes to the Council's Constitution for approval by P&R and Council. Most of the issues set out in the report have been considered by the cross party Constitution Working Group and Leaders Group. They include proposed changes relating to overview & scrutiny, the establishment of a Strategic Delivery Board, some changes to Council Procedure Rules and Contract Standing Orders as well as the designation of a Lead Member for Planning Strategy. Some of the changes are for approval by Policy & Resources Committee while others require full Council approval.

**2. RECOMMENDATIONS:****Policy and Resources Committee**

- 2.1 That the Policy and Resources Committee **approves** the proposals set out at paragraph 5 and Appendix 2 (the establishment of a Strategic Investment Board) and paragraph 6 (the continued operation of the Member Procurement Advisory Board).
- 2.2 That the Policy and Resources Committee **recommends to full Council** the proposed changes to the Council's constitution as set out in paragraph 4 and Appendix 1 (the discontinuance of the Overview & Scrutiny Committee and the establishment of a Health Overview and Scrutiny Committee); paragraph 7 and Appendix 3 (review of Contract Standing Orders); paragraph 8 and Appendix 4 (review of the Council Procedure Rules); the renaming of the Policy & Resources Committee as the Policy, Resources and Growth Committee and the establishment of Lead Member roles for Planning Strategy as set out in paragraph 9 of the report.

**Full Council**

- 2.3 That the proposed changes to the Council's constitution recommended in paragraph 2.2 above be approved and adopted;

**Both Policy and Resources Committee and Full Council agree:**

- 2.4 That the Chief Executive and Monitoring Officer be authorised to take all steps necessary or incidental to the implementation of the changes agreed by the Policy & Resources Committee and Council and that the Monitoring Officer be authorised to amend and re-publish the Council's constitutional documents to incorporate the changes.
- 2.5 That the changes come into force immediately following approval by Policy and Resources Committee and, for matters requiring Council approval, following approval by Council.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 When Brighton & Hove City Council adopted its new constitution in May 2012, it was recognised that the arrangements would need to be kept under review to ensure that they remain relevant, reflect the appropriate design principles and that they are kept up-to-date . Since the introduction of the committee system, the Council has been taking a number of measures to ensure the arrangements remain effective while, at the same time, ensuring that they are as streamlined as possible and avoid duplication.
- 3.2 In the last couple of years, the Council has revised and enhanced the role of the Health & Wellbeing Board to provide city-wide system leadership on health, social care and general wellbeing. We have seen the merger of the Transport and Environment & Sustainability Committees and the merger of the Adult Social Care Committee with Health & Wellbeing. We reviewed and enhanced the role of the Housing Tenant Area Panels and discontinued the Housing Management Sub-committee. All these measures were designed to ensure the system remains as streamlined and efficient as possible, whilst retaining high level of openness and transparency. Brighton & Hove City Council still has one of the highest levels of public participation in terms of public questions, deputations and petition.
- 3.3 The Cross-Party Member Working Group on the Constitution, consisting of Councillors Barradell, Simson and Littman meets periodically to review proposals for change. The proposals set out below were discussed at a meeting of the Working Group and/or the Leaders Group meeting.

**4. CHANGES TO OVERVIEW & SCRUTINY**

- 4.1 The current constitutional arrangements reflect the design principles agreed when we moved to a committee system. As stated above, the Council's decision-making arrangements were made as open and transparent as possible. This has ensured a high level of robust cross-party scrutiny and challenge within the policy committees themselves. As part of the ongoing budget savings, significant resources were taken out of the officer arrangements to support scrutiny, which is now left with 1.6 FTE. Taken these into account, there is a need to ensure that there is no duplication and the system remains as streamlined as possible.

There are statutory requirements in relation to health scrutiny and also in relation to flood defence and crime and disorder. Outside of these core areas, section 9JA of the Local Government Act 2000 gives local authorities running a committee system the power, but not the duty, to have an Overview & Scrutiny Committee. In other words, the Council has the flexibility as to whether it operates a more general scrutiny arrangement and if it does, then how it does so. This is because the scrutiny function was designed as a check and balance to the cabinet system, where a small number of councillors, potentially from a single Party, carry all of the executive decision making powers of the Council. In a committee system, political proportionality rules apply and the majority of councillors are involved directly in decision making. In-depth scrutiny and challenge takes place in committees at the point of decision making.

- 4.2 In practice, since the existing system for Overview and Scrutiny was introduced, only one new policy review has been commissioned. Taking paragraph 4.1 above into account, it is proposed that the current overview and scrutiny procedures are reviewed and arrangements streamlined.

It is proposed that the current Overview and Scrutiny Committee be discontinued and instead be replaced with the following arrangements:-

- a) A Health Overview and Scrutiny Committee will be established in order to meet the statutory requirements of the National Health Service Act 2006 (amended by the Health and Social Care Act 2012). The Health Overview and Scrutiny Committee will have the ability to scrutinise matters relating to the health of the Council's population and to make reports and recommendations to the NHS, the Council, its Committees and other relevant bodies. It will also provide the mechanism through which the Council responds to NHS consultations and any referrals from Healthwatch. Its remit will extend to the scrutiny of issues relating to social services delivered by the Council in partnership with health organisations as well as the responsibilities it carries out in relation to Public Health. Draft terms of reference for the new Committee are appended here, as Appendix 1.

Members will be mindful of the risk of overlap between the functions exercised by the Health and Wellbeing Board and the Health Overview and Scrutiny Committee. To reduce this risk, a Memorandum of Understanding will be prepared to be agreed between the two bodies in order to clarify the responsibilities which each exercises. In addition, it is proposed that the membership of the two bodies will not overlap so as to reduce the risk of conflicts arising.

- b) The Council will continue to meet its responsibilities in relation to flood and erosion risk scrutiny under the Localism Act 2011 by delegating those functions to the Environment and Transport Committee. In practice there have been very few issues of this type coming to the current Overview and Scrutiny Committee. The Environment and Transport Committee will be able to commission a Panel of non-Environment and Transport members as and when necessary.

- c) It is proposed that the scrutiny of crime and disorder be delegated to the Neighbourhoods, Communities and Equalities Committee, which already has community safety within its existing remit.
  - d) Currently the terms of reference and procedures for policy panels are included in the Overview and Scrutiny Committee's procedures, which envisage that policy panels will be commissioned by the relevant service committee and supported by the relevant Directorate with some support from the Scrutiny function. In practice however there has been only one such panel convened since the system was introduced. It is therefore proposed that the facility to commission policy panels be given to all service committees via specific provision in the general delegations. General guidance and practice notes will be available to support this as well as limited consultancy type support from the Scrutiny function.
- 4.3 The above arrangements will mean a reduction in the officer support needed for overview and scrutiny in the context of a significant reduction in the resources available to support that function. Importantly, it will enable the statutory scrutiny elements to continue to be delivered. The non-statutory policy review elements will be delivered under a new framework which directs this work through the service committees which have relevant expertise.
- 4.4 A copy of the draft amended terms of reference for the Health Overview and Scrutiny Committee is attached at Appendix 1. Delegated authority is sought to permit the Monitoring Officer to add to the general delegations of all committees the power to appoint a Policy Panel to carry out discrete pieces of policy review or development work.

## **5. ESTABLISHMENT OF A STRATEGIC DELIVERY BOARD**

- 5.1 Major Project Boards provide an opportunity for the Council to benefit from member input and oversight in relation to large scale land development or other significant projects. Currently however those project boards are constituted on an ad hoc basis, without consistency in terms of membership, how they are set up or regulated. It is proposed to streamline this and to ensure maximum clarity and efficiency of by establishing a single Major Projects Strategic Delivery Board to oversee all major projects. The presumption will be that all major projects will come to the Board. The intention would be for the Board to report to the Policy, Resources and Growth Committee or the Economic Development & Culture Committee as appropriate. Proposed draft terms of reference are appended at Appendix 2.
- 5.2 It is proposed that in exceptional situations where a project-specific Board is considered more appropriate due to workload issues or the complexity of a particular project, then such a Board may be set up by either the Policy, Resources and Growth Committee or the Strategic Delivery Board.

## **6. REVIEW OF THE OPERATION OF THE MEMBER PROCUREMENT ADVISORY BOARD**

- 6.1 In acknowledgement of the high number of procurement exercises being undertaken by the Council to meet the need to review services and to focus on

achieving value for money, a Member Procurement Advisory Board was set up in April 2015. This created a process whereby a group of Members trained in the law, finance and practical procurement issues in this complex area were available to ensure that procurement matters receive focused review and that the Council was able to achieve the maximum benefit from procurement opportunities as they arise.

- 6.2 That Board, Chaired by Cllr Meadows, has been operating as an Advisory Board to provide advice to and report to the Policy & Resources Committee in accordance with its terms of reference. In accordance with the direction of Policy and Resources Committee given in April 2015, the function has been reviewed by considering the items of business that went to the Board over the last municipal year and in discussions with the Chair of the Board. It is considered to be operating effectively. As it provides useful input to this function, it is proposed that the outcome of that review be noted and that the Procurement Advisory Board be retained in its current form.

## **7. REVIEW OF CONTRACT STANDING ORDERS**

- 7.1 A number of changes to the Contract Standing Orders are considered necessary to update them in accordance with relevant legislation and to ensure greater clarity.

The amendments proposed at Appendix 3 include the following:

- Updates to the EU procurement thresholds to ensure that the CSOs reflect current legislation
- Clarification of the 'light touch' regime which applies to certain types of service including social care, health and cultural services
- Specific reference to the practice of using electronic signatures to convey acceptance.

## **8. CHANGES TO THE COUNCIL PROCEDURE RULES**

- 8.1 A number of amendments are proposed to the existing Council Procedures Rules in order to bring them into line with legislative requirements and current practice.

- 8.2 Extracts of those sections which it is sought to amend are appended hereto as Appendix 5 and include the following:

- (a) Additional detail regarding the requirement that authorities facilitate the recording of meetings in certain prescribed situations. While prescribed by legislation, the right to record or webcast by any device is limited to those meetings which are not exempt or confidential and does not apply to Licensing Act 2003 Panels.
- (b) Concurrent powers to the Chief Executive as well as the Mayor and Chairs of Committees to reject questions, petitions or deputations in accordance with certain prescribed criteria. Should either exercise that power then the relevant question etc will not be heard.

- (c) The Mayor be given the discretion to accept or reject late amendments to motions at Council which are submitted after 10am on the day of the meeting, this depending on his/her view of the complexity of the amendment and the degree of notice given.
- (d) Specific reference to be incorporated into the CPRs to allow for the practice of officers suggesting revisions to officer recommendations, with the presumption being that any such revisions will be considered unless any member present objects.
- (e) To allow a number of amendments to be moved and debated together but voted on separately. Current standing orders do not allow amendments to be moved before those already moved have been disposed of. The proposed changes reflect what happens in practice and has become part of the custom and practice of council meetings.

## **9. RENAMING OF POLICY & RESOURCES COMMITTEE AND ESTABLISHMENT OF LEAD MEMBER ROLE FOR PLANNING STRATEGY**

- 9.1 With the devolution agenda and the financial challenges facing local authorities, the role of local authorities is evolving with growth and economic wellbeing increasingly become a more important role. This will be reflected in the volume and complexity of reports coming to the committee on these issues over the next months and years. To reflect this, it is proposed that the name of the committee be amended to add "Growth" at the end so that it will be the "Policy, Resources and Growth Committee."
- 9.2 The report of the Planning Peer Review is likely to recommend rationalizing and streamlining the arrangements for developing planning policy. There is a need for a co-ordination and focused political leadership regarding planning policy and strategy. It is therefore proposed that a Lead Member Role be established for Planning Strategy and that the arrangements at committee level be reviewed once the full report of the peer review is received.

## **10. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 10.1 The Council could decide not to implement some or all of the changes set out in the report.

## **11 COMMUNITY ENGAGEMENT AND CONSULTATION**

- 11.1 The Cross Party Constitutional Working Group have been consulted and Leaders group considered the proposals set out in the report. Some issues came up after the meeting of the Constitutional Working Group, but they were all considered by Leaders Group. Where proposals will impact on staff, this will be undertaken in accordance with the Council's Change Management Procedure but it is not anticipated that the proposals will have any significant impact on staff.

## **12 CONCLUSION**

- 12.1 The proposals reflect the Council's ongoing efforts to review and streamline its processes in an ongoing way so as to achieve both financial savings and increased efficiency. It is therefore recommended that they are pursued.

### **13 FINANCIAL & OTHER IMPLICATIONS:**

#### Financial Implications:

- 13.1 The proposals will lead to a modest reduction in costs for the Council. These have already been factored into Council's revenue budget requirement as part of the 4 year planning process.

*Finance Officer Consulted: Peter Francis Date: 18<sup>th</sup> April 2016*

#### Legal Implications:

- 13.2 The proposals in relation to Overview and Scrutiny are consistent with the legal requirements for scrutiny arrangements in a committee system, in particular the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

*Lawyer Consulted: Elizabeth Culbert Date: 18<sup>th</sup> April 2016*

#### Equalities Implications:

- 13.3 There are no direct equalities implications arising from this report. However, as the options work continues, any arising needs will be identified and met. In particular, modernisation work which involves an increased use of technology will need to include in its development the consideration and mitigation of any equalities impact.

#### Sustainability Implications:

- 13.4 None identified

#### Any Other Significant Implications:

- 13.5 None identified

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Appendix 1: Overview & Scrutiny Committee

Appendix 2: Terms of reference of Strategic Delivery Board

Appendix 3: Contract Standing Orders

Appendix 4: Council Procedure Rules

## HEALTH OVERVIEW AND SCRUTINY COMMITTEE - TERMS OF REFERENCE

**Explanatory note: This Committee has responsibility for delivering the Council's functions in relation to health scrutiny in accordance with powers conferred on the authority by the National Health Service Act 2006 as amended.**

### **1. Delegated functions:**

To discharge the functions of the Council relating to the scrutiny of health services by exercising its powers pursuant to the National Health Service Act 2006, as amended by the Health and Social Care Act 2012, and the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 ('the Regulations').

To scrutinise the planning, provision and operation of the health service in the Authority's area, including those functions exercised by the authority as a health service provider, as set out in the National Health Service Act 2006, as amended, and the Regulations.

The functions of the Committee include but are not limited to:

- Responding to consultations and making comment on proposals including for a substantial development or variation in the provision of the health service in the Authority's area;
- Making reports and recommendations to the National Health Service and other health service providers, the Council, the committees and sub-committees, and to other relevant bodies and individuals;
- Requesting that healthcare providers attend to answer questions or provide information in accordance with prescribed process
- Reviewing and scrutinising the impact of the Authority's own services and of key partnerships on the health of its population and to contribute to the development of policy and services to improve health and reduce health inequalities;
- Encouraging the Council as a whole to take into account the implications of their policies and activities on health and health inequalities;
- Monitoring and reviewing the outcomes of its recommendations.
- Receiving and responding to referrals from a Local Healthwatch organisation or Local Healthwatch contractor in accordance with the Regulations.

In all of the above, the Council will act having first both invited interested parties to comment and taken into account relevant information, including that provided by stakeholder groups.

## **2. Membership of the Overview and Scrutiny Committee**

Membership of the Health Overview and Scrutiny Committee will reflect the political composition of the Council and be subject to section 15 of the Local Government and Housing Act 1989. No member of the Council's Health and Wellbeing Board may be a member of the Health Overview and Scrutiny Committee. No Councillor may be involved in scrutinising a decision in which s/he has been directly involved.

## **3. Co-optees**

The Health Overview and Scrutiny Committee will include non voting co-opted members from the Older People's Council, the Youth Council and Healthwatch.

## **4. Meetings of the Health Overview and Scrutiny Committee**

The Health Overview and Scrutiny Committee will meet in accordance with a programme of meetings agreed by the Policy, Resources and Growth Committee. In addition, an extraordinary meeting may be called by the Chair or the Chief Executive at any time if they consider it necessary or desirable.

## **5. Quorum**

The quorum for Health Overview and Scrutiny Committee meetings shall be as set out for committees and sub-committees in the Council Procedure Rules in Part 3 of this Constitution.

## **6. Chair of Overview and Scrutiny Committee and Policy Panels**

The Council will appoint the Chair of the Overview and Scrutiny Committee.

## **7. Work programme**

The Health Overview and Scrutiny Committee will be responsible for setting its own work programme.

## **8. Agenda items**

Agenda items shall be set by the Health Overview and Scrutiny Committee identifying issues which they wish to consider.

Any Member of the Council may notify Democratic Services that s/he wishes an item relevant to the functions of the Health Overview and Scrutiny Committee to be included on the agenda for the next available meeting of the Committee.

## **9. Submission of reports from Health Overview and Scrutiny Committee**

Once it has formed recommendations on any matter, the Health Overview and Scrutiny Committee will prepare a formal report and submit it to the relevant NHS body, Council Committee, the Chief Executive of the Council or relevant organisation for consideration at the relevant decision-making body.

#### **10. Matters excluded from review by the Health Overview and Scrutiny Committee**

The health overview and scrutiny process is not appropriate for issues involving individual complaints or cases, or for which a separate process already exists e.g. personnel/disciplinary matters, ethical matters or allegations of fraud.



## STRATEGIC ~~DELIVERY~~<sup>delivery</sup> ~~INVESTMENT~~ BOARD

### Terms of Reference

#### 1. Purpose

The Council has been involved and will continue to be involved in major commercial, regeneration and infrastructure projects across the city; projects that are key to the city's future success and prosperity. These projects have to date been overseen by ad hoc project boards with mixed member/officer representation.

The purpose of the ~~Major Projects~~ Strategic ~~Delivery~~<sup>Oversight</sup> Board ('the Board') is to enable a more co-ordinated approach to the management and delivery of major projects. It will provide the strategic overview of major projects and provide a mechanism for focussed and systematic member input to ensure maximum efficiency and accountability. It will report to the Policy, Resources and Growth Committee, the Economic Development & Culture Committee or other Committees as necessary.

#### 2. Status

The Board shall be an advisory board to the Policy, Resources and Growth Committee and the Economic Development & Culture Committee. The Board will not have subcommittee status and the political balance rules in section 15 of the Local Government and Housing Act 1989 will not apply. However, it is expected that the Board will be established on a cross party basis.

#### 3. Areas of focus

- To consider the progress of major projects undertaken by the Council and advise the Policy, Resources and Growth Committee, other Committees or officers as appropriate
- To review major projects having regard to capacity to deliver, corporate priorities and resources and advise the Policy, Resources and Growth Committee or other Committee as appropriate
- In exceptional cases, to establish or recommend the establishment of a project-specific Board to oversee a particular major project where this is considered necessary due to capacity, complexity of the issues or other reasons.

#### 4. Definition of Major Projects

For the purposes of the Board, major projects fall into one of two categories.

- (a) Those that involve the council either as the deliverer, a direct procurer or a facilitator of the provision of a major capital asset and / or regeneration of a site or area; or
- (b) Those not directly involving the council as landowner but which are of strategic significance to the city, such as the regeneration of a non council owned site or the provision of major infrastructure works.

## 5. Reporting

The Board will report to the Policy, Resources and Growth Committee, the Economic Development & Culture Committee or other  
— relevant Committee, with recommendations as necessary.

Formatted: Indent: Left: 0.63 cm,  
First line: 0 cm

Formatted: Indent: Left: 0.63 cm

## 6. Membership

Membership of the Board shall consist of 5 elected Members, following nominations by their Group Leaders to reflect the political composition of the Council.

No Member may serve on the Board, whether as a substantive or substitute member, unless they have undergone the required training for Board members providing that training may be provided after Members are appointed and before they take their role.

## 7. Meetings and ways of working

The timing and number of meetings will be dictated by the volume of business for the Board.

The Board will agree ways of working appropriate to the role and remit of the Board.

## 8. Review

These terms of reference may be reviewed and amended by the Policy, Resources & Growth Committee from time to time.

## PART 7.5 CONTRACT STANDING ORDERS

### General

#### Introduction

Procurement decisions are among the most important decisions an officer will make because the money involved is public money and the Council is concerned to ensure that high quality goods, works and services are provided. Efficient use of resources in order to achieve best value is therefore an imperative. The Council's reputation is equally important and should be safeguarded from any imputation of dishonesty or corruption.

All staff are expected to comply with the Council's agreed procedures, and this includes Contract Standing Orders.

Failure to comply with Contract Standing Orders when letting contracts is a serious matter, and employees should report any actual or suspected breach of Contract Standing Orders to an appropriate senior manager and the Head of Audit.

#### Contract Standing Order 1: Interpretation

1.1 In these Contract Standing Orders, the following terms have the following meanings:

"Approved List"	a list of suitable Contractors drawn up for corporate use under CSO 6
"Budget Holder"	a Council Employee who is accountable for a defined budget, and is responsible for committing expenditure against that budget in accordance with the Council's Financial Standing Orders and Regulations
"Contract Consultant"	any person not being an employee of the Council who is acting for the Council in relation to a Contract or proposed Contract
"Contract"	any agreement: <ul style="list-style-type: none"> <li>(i) for the supply of goods, services, or the execution of works to or for the Council including the use of consultants</li> <li>(ii) any Framework Agreement</li> <li>(iii) where no payment is made by the Council but which is of financial value</li> </ul>

	<p>to the Council (for example a concession agreement) but excluding:</p> <ul style="list-style-type: none"> <li>(i) the use of external solicitors and counsel instructed by the Head of <u>Law Legal and Democratic Services</u></li> <li>(ii) a contract for the purchase or sale of land</li> <li>(iii) Grants</li> <li>(iv) individual employment contracts</li> </ul>
“Contract Finder”	a centralised, Central Government run, online contract notice portal
“Contract Officer”	a Council Employee authorised to deal with Contracts in accordance with CSO 3.1
“Contracts Register”	the Council’s electronic register of Contracts
“Contractor”	the party or potential party to a Contract
“Council”	Brighton & Hove City Council
“Council Employee”	any person employed on a permanent, temporary or agency arrangement by the Council
“CSO”/ “CSOs”	Contract Standing Order/ Contract Standing Orders
“ <del>Executive Director</del> <u>Executive Director</u> ”	<p><u>Includes all Chief Officers including the Chief Executive, the Assistant Chief Executive, the Monitoring Officer, all <del>Executive Director</del> <u>Executive Directors</u>, as well as the <del>Executive Director</del> <u>Executive Directors</u></u></p>
“DPS”	an electronic system used to purchase commonly used goods, works or services within a limited duration
“EU”	European Union
“EU Public Procurement Directives”	EU Directive 2014/24/EU (which consolidates all previous directives relating to public works, supplies (goods) and service contracts) and any Directives and Regulations by which it is applied,

extended, amended, consolidated or replaced and any re-enactment thereof

“EU Thresholds”

EU and Government Procurement Agreement thresholds for advertisement of goods, works and services contracts as advised by the Government (as of 1 January 2016 at £589,148 for services contracts listed in Schedule 3 of the UK Regulations, £164,176 ~~172,514~~ for all other supplies and services contracts; and £4,104,394 ~~322,012~~ for works contracts)

“EU Treaty”

the Treaty on the Functioning of the European Union and the Treaty on the European Union

“Framework Agreement”

An arrangement made in accordance with the UK Regulations between the council (or another Contracting Authority) and a provider or providers of goods, works or services specifying the terms under which contracts can be “called off” or entered into over the period during which it is in force

“Grants”

A grant is an arrangement where money is given for the benefit of all or for a section of the local community for a stated purpose other than for the procurement of services (whether the services are to be given to the Council or to third parties).

“Light Touch Regime”

A specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. Those service contracts include certain social, health, education and cultural services, defined by Common Procurement Vocabulary (CPV) codes. The list of services to which the Light-Touch Regime applies is set out in Schedule 3 of the Public Contracts Regulations 2015 (Annex A).

“Lots”

One of a number of categories of supplies or services which a single procurement process has been divided into. The use of Lots potentially allows for multiple providers to be appointed following one procurement process

“Most Economically Advantageous Tender”	A tender which has been selected by using weighted price and/or quality criteria. See CSO 9
“OJEU”	Official Journal of the European Union
“Procurement Guidance”	Corporate Procurement’s Codes of Practice (including the Procurement Toolkit), model contracts and other guidance which supplements these CSOs
“Procurement Strategy Manager”	The person appointed by the Council as the Procurement Strategy Manager or any Member of the Corporate Procurement Team authorised by him/her to act on his/her behalf
“Senior Officer”	All Heads of Service and any other officer who is a member of the Corporate Management Team.
“SME”	Small and medium-sized enterprises
“UK Regulations”	Public Contracts Regulations 2015 (SI 102/2015) and all subsequent regulations giving effect to the EU Public Procurement Directives
“works” “supplies” & “services”	as defined in the EU Public Procurement Directives (“supplies” are also referred to as “goods” in these CSOs)

- 1.2 The Chief Executive, after consultation with the Monitoring Officer and the Chief Finance Officer, may change the non-statutory thresholds in Contract Standing Orders annually (or as appropriate) to take account of changes in the retail price index and other factors so that the effectiveness and impact of the thresholds is maintained.

## **Contract Standing Order 2: Compliance with Contract Standing Orders and Legislation**

- 2.1 The Monitoring Officer in consultation with the Procurement Strategy Manager shall compile and maintain CSOs and advise on their implementation and interpretation.
- 2.2 Every Contract made by the Council or on its behalf shall comply with the EU Treaty, the EU Public Procurement Directives and all relevant EU and domestic legislation, CSOs, and the Council’s Financial Regulations. EU and UK legislation will always override the provisions

of these CSOs.

- 2.3 Contractors, Contractors' employees, subcontractors and agents utilised by the Council shall be required to, at all times, comply with the requirements of the Health & Safety at Work etc Act 1974, all secondary legislation made under that Act and all other Acts, Regulations, Orders or Rules relating to Health & Safety. All contracts shall reflect these requirements and reference to the Council's Health & Safety Code of Practice should be made in this regard.
- 2.4 The Corporate Procurement Strategy and Procurement Guidance held and disseminated by the Procurement Strategy Manager, shall supplement these CSOs, but these CSOs will always take precedence over the provisions of such Procurement Guidance.
- 2.5 It shall be a condition of any Contract between the Council and anyone who is not a Council Employee, but who is authorised to carry out any of the Council's contracts functions, that they comply with CSOs, and the Financial Regulations of the Council as if they were Council Employees.

### **Contract Standing Order 3: Scheme of Delegation/Authorisation**

- 3.1 Each ~~Director~~Executive Director has unrestricted delegated power to agree to the Council entering into Contracts or joining existing Framework Agreements up to the sum of £500,000. Above this sum and before inviting expressions of interest from potential bidders, Council Employees must seek approval from the relevant Committee.  
~~All Budget Holders (in relation to expenditure within their allocated budgets), Senior Officers, and Contract Officers authorised by the relevant Director or Senior Officer may agree to the Council entering into Contracts of up to £250,000 in value. Such authorisation may be expressed or implied from the duties attached to the Contract Officer's post.~~
- ~~3.23.1~~  
3.2 Where an ~~an~~ Executive Director is unavailable or otherwise unable to act, his/her functions under these CSOs may be discharged by the relevant Senior Officer.
- ~~3.3~~  
All Budget Holders (in relation to expenditure within their allocated budgets), Senior Officers, and Contract Officers authorised by the relevant ~~Director~~Executive Director or Senior Officer may agree to the Council entering into Contracts of up to £250,000 in value. Such authorisation may be expressed or implied from the duties attached to the ~~Contract~~ Officer's post.
- ~~3.33.4~~

### **Contract Standing Order 4: Declarations of Interest and Prevention of Corruption**

- 4.1 Members of staff must avoid any conflict between their own interests and the interests of the Council. At the beginning of any Contract process the following persons shall declare any interest, as defined in the Code of Conduct for Employees set out in the Council's constitution, which may affect the Contract process:
  - 4.1.1 Council Employees involved in the procurement and management of a Contract
  - 4.1.2 Contractors
  - 4.1.3 Contract Consultants
  - 4.1.4 any other person involved in the Contract process
- 4.2 ~~Director~~Executive Directors and Senior Officers shall ensure that all Council Employees within the categories set out in CSO 4.1 and all Contract Consultants and Contractors appointed by them make written declarations of interest on their appointment and as required on any change in circumstances. Interests of Council Employees will be reviewed annually, either at the end or beginning of the financial year. The relevant ~~Director~~Executive Director or Senior Officer shall either certify interests as acceptable or take any necessary action in respect of potential conflicts of interest.
- 4.3 ~~Director~~Executive Directors and/or Senior Officers shall keep completed Council Employee declarations on the register of staff declarations indicating the names and grades of those declaring an interest and the nature of their interest.
- 4.4 ~~Director~~Executive Directors and/or Senior Officers shall keep completed Contract Consultants' and Contractors' declarations of interest and relevant Council Employees' declarations affecting the Contract on the contract file.
- 4.5 A Council Employee within the categories set out in CSO 4.1 has an interest in a Contract if he/she has or potentially has a pecuniary interest or has links, ( for example, a family member or close friend works for the organisation ), with an organisation or Contractor tendering or quoting for a Contract with the Council or already has a Contract with the Council. If it, and is not the subject of an existing declaration, he/she must immediately give written notice of his/her interest to the relevant ~~Director~~Executive Director or Senior Officer and in any event must take no part in the procurement process.
- 4.6 Council Employee must not invite or accept any gift or reward in respect of the award or performance of any Contract. It will be for the Council Employee to prove that anything received was not received corruptly. High standards of conduct are obligatory and corrupt behaviour will lead to dismissal.
- 4.7 The Contract process shall ensure that the Council will operate strict

separation of duties by ensuring that two authorised Council Employees are involved in the ordering, receiving and payment process.

- 4.8 The following clause, (or an equivalent clause in standard forms of contract or other wording as approved by the Monitoring Officer) must be appear in every written Council Contract:

*“The Council may terminate this Contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor’s behalf do any of the following things:*

- (a) offer, give or agree to give to anyone any inducement or reward in respect of this or any other Council Contract (even if the Contractor does not know what has been done); or
- (b) commit an offence under the Bribery Act 2010; or
- (c) commit any fraud in connection with this or any other Council Contract whether alone or in conjunction with Council Members or Employees.

*Any clause limiting the Contractor’s liability shall not apply to this provision.”*

- 4.9 A register of interests under CSO 4 may be a separate register or [it may](#) form part of a general register of declarations of interest as the ~~Director~~Executive Director or Senior Officer considers appropriate.

## Contract Standing Order 5: Public Notices

5.1 Where, by virtue of these CSOs or by some other authority, public notices or advertisements are required, they shall be placed in at least one relevant local publication and on the Council website ten days or more before expressions of interest are required by the Council. Where the estimated total value of the Contract exceeds £100,000, the notice or advertisement shall be placed in at least one newspaper or journal circulating among such persons or bodies who undertake such Contracts. The requirement to give notice in a local newspaper may be dispensed with if the relevant ~~Director~~Executive Director or Senior Officer certifies that there are insufficient Contractors in the locality.

5.2 All Contracts whose value exceeds the relevant threshold of the EU Public Procurement Directives and which ~~-~~ if below the threshold ~~-~~ may be of interest to both local suppliers and more widely including suppliers in EU member states (cross border interest) shall be advertised in the ~~-~~OJEU and on Contracts Finder. Contract Officers are required to keep a record of their consideration of and decision in respect of the potential for cross border interest in a Council Contract.

~~5.3 As outlined in CSO 13, Certain services (including but not only public health, health and social services) may be procured under a "light touch" regime. Where the value of the services is above the relevant threshold (currently £589,148), the procurement must be advertised in accordance with para 5.2 above but may also be used to call for expressions of interest as long as the Council's intention to proceed to award of contract without further advertising is made clear in the Notice. Where the value of the services is below the threshold, it need not be advertised although the requirement to ensure that transparency and equal treatment are achieved still applies.~~

## Approved Lists and Framework Agreements

### Contract Standing Order 6: Approved Lists

6.1 The Head of Property and Design may compile and maintain Approved Lists of Contractors for construction related Contracts, for Contracts below the relevant EU threshold. The Procurement Strategy Manager may compile Approved Lists for Contractors for the supply of goods and other services for Contracts below the relevant EU Threshold as appropriate.

6.2 Where compiled pursuant to CSO 6.1, Approved Lists—

- (a) shall, in the case of internally managed Approved Lists, be established by advertised competition (subject to CSO 6.3).
- (b) shall contain the names and addresses of all Contractors who meet the Approved List criteria.

- (c) shall indicate the nature and value of Contracts for which the Contractors listed may be used. The value may not exceed the relevant EU threshold.
  - (d) where maintained internally by the council shall be reviewed in full at least every three years in addition to a review of the use of external providers from such Approved Lists.
- 6.3 Construction Line and standing lists of providers maintained by other public sector bodies compiled following responses to a public advertisement shall be deemed to be Approved Lists for the purpose of these CSOs.
- 6.4 In addition ~~Director~~Executive Directors with the assistance of the Procurement Strategy Manager may set up Framework Agreements in line with EU Public Procurement Directives with one or more suppliers of particular types of goods or services.
- 6.5 The criteria for admission to and suspension and exclusion from internally managed Approved Lists shall be specified in writing by: -
  - (a) the Procurement Strategy Manager, for goods and services and non-construction works
  - (b) the Head of Property and Design, for works and works related services
- 6.6 Any Contractor may, by giving written notice to the Council, withdraw from any internally managed Approved List.
- 6.7 Where there is no Approved List or Framework Agreement, ~~Director~~Executive Directors and Senior Officers shall use an approved quotation or tender procedure in accordance with Procurement Guidance.

## **Contract Standing Order 7: Framework Agreements**

- 7.1 Prior to accessing any Framework Agreement the relevant ~~Director~~Executive Director or Senior Officer must firstly determine that the Framework Agreement is available for legitimate use by the Council in accordance with Regulation 33 of the UK Regulations.
- 7.2 Where two or more Framework Agreements exist which are capable of fulfilling the Council's requirements, the relevant ~~Director~~Executive Director or Senior Officer shall select the one they consider (a) to represent the best value for money and (b) best meets any other relevant criteria; and shall keep a written record of the reasons justifying the selection.
- 7.3 Prior to the procurement of a new, or joining a pre-existing, Framework Agreement, the Procurement Strategy Manager must be satisfied that such an approach represents the most economically advantageous solution for a service, work, or supply provision.

- 7.4 When setting up a Framework Agreement for the Council, the relevant ~~Director~~Executive Director or Senior Manager shall use the most appropriate procurement procedure permitted by the UK Regulations.
- 7.5 When procuring goods or services from an existing Framework Agreement, the relevant ~~Director~~Executive Director or Senior Manager may –
- (i) where there is only one supplier capable of fulfilling the requirement, select that supplier;
  - (ii) where there is more than one supplier capable of fulfilling the requirement listed on the Framework Agreement and the terms and conditions and requirements of the Framework Agreement are sufficiently specific without change as to allow award to any one of the suppliers, select one of the suppliers without the need for further competition subject to demonstrating value for money.
- 7.6 When procuring goods or services from an existing Framework Agreement and there is a need to refine or supplement any of the requirements referred to in 7.5(ii) above, a mini-competition inviting all those persons on the Framework who are capable of providing the goods and services must be held, such mini-competition to be held in accordance with the Framework Agreement provisions and CSOs 9, 10, 11 or 12 as appropriate.
- 7.7 All tenders from potential suppliers on Framework Agreements must be submitted via the e-tendering system unless an exemption from e-tendering has been approved in advance by the Procurement Strategy Manager as for example in the case of incompatibility with the particular Framework Agreement requirements. .
- 7.8 Before establishing a Framework Agreement, the relevant ~~Director~~Executive Director or Senior Manager shall be satisfied that:
- (i) the term of the arrangement shall be for a period of no longer than four years;
  - (ii) the terms and conditions of the Framework Agreement do not compromise the Councils' contractual requirements;
  - (iii) full, open, and proper competition in respect of the creation of the framework has taken place.
  - (iv) consideration is given to making the Framework Agreement available to other public bodies where appropriate.

### **Contract Standing Order 8: Contract Value and Aggregation**

- 8.1 Council Employees shall estimate and record the total value of a proposed Contract net of VAT.
- 8.2 Contracts must not be artificially separated so as to circumvent the application of any CSO or of the EU Public Procurement Directives or UK Regulations.

- 8.3 The total value of a Contract for works, services or supply of goods is estimated to be the same as the total consideration to be payable over the term of the Contract by the Council to the Contractor. Where the Contract period is indefinite or uncertain then the estimated total value is calculated by assuming a four-year term. If the Council has an option to extend the Contract, the value is the value of the Contract including the period of the extension.

## **Requirement to Obtain Tenders**

### **Contract Standing Order 9: Tendering Procedures**

- 9.1 At the outset of each procurement the Contract Officer must:
- (i) assess the business need;
  - (ii) ensure the procurement complies with corporate policies and priorities;
  - (iii) when appropriate undertake a premarket testing exercise;
  - (iv) ensure the necessary authority is in place to undertake the procurement; and
  - (v) ensure that adequate provision is made within the Council's capital or revenue estimates and that proper technical and financial appraisals have been carried out in accordance with the Council's Financial Procedure Rules.
- 9.2 Where procurement of goods, services or works is required and the estimated total value of the Contract is in excess of the relevant EU threshold, EU public procurement procedures shall be followed as set out in the UK Regulations and these shall prevail over the tendering procedures set out in these CSOs.
- 9.3 For most goods, services and works Contracts the restricted, open, or competitive dialogue procedure will be appropriate. Enquiries should be made of the Procurement Strategy Manager or Legal Services if it is proposed to use an innovation partnership or a competitive procedure with dialogue or negotiation.
- 9.4 For Private Finance Initiative, Public Private Partnership and similar procurement arrangements introduced by the Government, where the total Contract value is in excess of the relevant EU threshold, the restricted or competitive dialogue procedure will be used.
- 9.5 The Council may procure goods, services or works to any value in collaboration with other local authorities or other public or voluntary sector bodies. Where the Council is the lead buyer within the consortium, these CSOs shall apply. Where the Council is not the lead buyer, procurement procedures shall follow the CSOs of the lead buyer.
- 9.6 When determining a suitable procurement route, consideration will be given to all tenders with respect to:-

- (i) Separating the Contract into Lots in order to promote SME engagement;
- (ii) ~~engagement~~; Sustainability issues in accordance with the Council's Sustainability Policy and Sustainable Procurement Policy;
- (iii) In the case of service contracts the provisions of the Public Services (Social Value) Act 2012.

9.7 The procedure must be both appropriate and proportionate to the value of the contract. It must ensure that the Council achieves best value which is to be assessed by an evaluation of both the price and quality of bids received so as to determine the Most Economically Advantageous Tender over the life of the contract. Price shall be the sole criterion only where the ~~Director~~Executive Director, Senior Officer or the Council Employee preparing the Contract for him/her considers this to be appropriate.

9.8 Evaluation criteria and weightings for each procurement shall be determined in advance and included in the invitation to tender. Determination of criteria at all stages shall be undertaken in accordance with Procurement Guidance.

#### **Contract Standing Order 10: Contracts Not Exceeding £25,000**

10.1 Where the appropriate ~~Director~~Executive Director or Senior Officer estimates the total Contract value for goods, services or works is unlikely to exceed £25,000 (in the case of Consultants is unlikely to exceed £10,000) and there is a suitable Framework Agreement available, that Framework Agreement shall be used. Where no Framework Agreement is available competitive quotations in writing shall be requested or a commercial negotiation with one preferred Contractor may take place. In the latter case the ~~Director~~Executive Director or Senior Officer shall certify that Procurement Guidance has been followed and that the Council shall receive value for money.

10.2 Contracts with an estimated total value not exceeding £25,000 shall be evidenced in writing in simple cases by way of letter or the issue of an order. In the case of consultants (whatever the value) and in all other cases formal written Contracts shall be completed.

10.3 Although the competitive process for ensuring Contracts not exceeding a total value of £25,000 is less formal than for Contracts of greater amounts, Officers should at all times bear in mind the need to seek value for money and be able to demonstrate that they have obtained it.

#### **Contract Standing Order 11: Contracts Exceeding £25,000 and Not Exceeding £75,000**

- 11.1 Where the Contract Officer estimates the total Contract value is likely to be greater than £25,000 (in the case of Consultants greater than £10,000) ~~but~~ not exceeding £75,000 and an Approved List or Framework Agreement is available then at least four competitive tenders in writing shall be sought from Contractors on the relevant Approved List or Framework Agreement.
- 11.2 In the absence of an Approved List or Framework Agreement being available an approved tender procedure shall be used in accordance with Procurement Guidance.
- 11.3 In either case, if less than four suitably qualified tenders are available, the Contract Officer must consult with the Procurement Strategy Manager.
- 11.4 Where criteria additional to price are to be used in evaluation, these must be set out in the invitation to tender. At least two bona fide tenders must be received and the Most Economically Advantageous Tender accepted.
- 11.5 If only one compliant tender is received, the Contract Officer must consult with the Procurement Strategy Manager and provide evidence to show that the Council can obtain value for money.
- 11.6 Contracts with an estimated total value greater than £25,000 and not exceeding £75,000 shall be evidenced in writing in simple cases by the receipt of a written quotation and the delivery of an official order form. ~~In all other cases, including consultancy arrangements, in the case of consultants and in all other cases~~ a formal written Contract must be entered into.

## **Contract Standing Order 12: Contracts Exceeding £75,000**

- 12.1 Where the Contract Officer estimates that the total value of a Contract is likely to exceed £75,000 and either a Framework Agreement or Approved List is available, then at least five tenders will be sought from Contractors on the relevant Framework Agreement or Approved List.
- 12.2 In the absence of a Framework Agreement or Approved List being available an approved tender procedure shall be used in accordance with Procurement Guidance and, where applicable, in accordance with the EU Public Procurement Directives and UK Regulations and at least five tenders must be sought.
- 12.3 If less than five suitably qualified tenders are available, the Contract Officer must consult with the Procurement Strategy Manager.
- 12.4 At least two compliant tenders must be received and the Most Economically Advantageous Tender must be accepted. Notwithstanding this, if only one compliant tender is received, the

Contract Officer must consult with the Procurement Strategy Manager and provide evidence to show that the Council can obtain value for money.

- 12.5 Where the estimated total value of the Contract is such that the Council is required by law to comply with the EU Public Procurement Directives the requirements thereof shall be complied with and the tender procedures set out in these CSOs shall be deemed to be satisfied by such compliance.
- 12.6 Decisions relating to the Contract process for Contracts exceeding the thresholds for the EU Public Procurement Directives shall be made by the ~~Director~~Executive Director or Senior Officer in consultation with either:
- (a) the Procurement Strategy Manager, for goods and services Contracts; or
  - (b) the Head of Property and Design for works Contracts.

**Contract Standing Order 13: Contracts procured under the 'Light Touch Regime' Procedures for procuring contracts for Public Health, Health and Social Care Services**

- 13.1 Certain services as listed in Schedule 3 of the UK Regulations (including but not limited to health, healthcare, social, educational, and cultural services) must be procured in accordance with the UK Regulations under a 'Light Touch Regime' where the value of those services is above the relevant EU Threshold. Public Health, Health and Social Care Services must be procured in accordance with the EU Public Procurement Directives and UK Regulations, to the extent that those rules apply.
- 13.2 The Council recognises that ~~(as noted in para 5.3 above)~~, whilst the full requirements of the UK Regulations including the requirement for advertising in the Official Journal of the European Union (OJEU) do not apply to contracts for services which are subject to the Light Touch Regime ~~public health, health and social care services~~, they are nevertheless subject to EU Treaty principles of transparency and fairness that are designed to facilitate the functioning of the EU.
- 13.35 The Council recognises that the Care Act 2014 introduces and consolidates a number of duties which must be taken into account ~~in~~ when commissioning services.
- 13.4 Contracts for services which are subject to the Light Touch Regime where the value of such services is above the relevant EU Threshold must be advertised in the OJEU by publication of a Contract Notice or Prior Information Notice ('PIN') except where the grounds for using the negotiated procedure without a call for competition can be used, for

example where there is only one provider capable of supplying the services required.

~~In each case of procuring a contract for public health, health or social care services where the contract value exceeds the EU Thresholds,~~

13.5 The procurement process for Contracts which are subject to the Light Touch Regime must comply with the Treaty principles of transparency and equal treatment and the relevant ~~Director~~Executive Director in consultation with the ~~Procurement Strategy Manager and the~~ Head of ~~Legal and Democratic Services~~Law shall be responsible for deciding the process to be followed to ensure that these principles are complied with and that the Contract represents value for money.

13.65 In making this assessment the ~~Executive Director~~Executive Director shall take account of the individual circumstances of the Contract, including the subject matter and estimated value of the Contract, the specifics of the service sector concerned and the geographic location of the place of performance of the Contract.

~~13.6 The Director following consultation with the Procurement Strategy Manager, may determine subject to any applicable notice provisions that it is not necessary to seek offers in relation to the Contract via an OJEU notice, and that competition for a Contract may be limited if any of the following apply:~~

- ~~a. It can be demonstrated that the Contract is of no interest to service providers in other EU member states; and/ or~~
- ~~b. The total sum to be paid under the Contract is so low that service providers located in other EU member states would not be interested in bidding for the Contract; and/ or~~
- ~~c. The service is of such a specialised nature that no cross-border market of suitable service providers exists; and/ or~~
- ~~d. Advertising the Contract would result in the loss of a linked service; and/ or~~
- ~~e. The existing service provider(s) are the only service provider(s) capable of delivering the service to meet the needs of the individual(s) concerned; and/ or~~
- ~~f. The nature of the service is such that it should not or cannot be adequately specified in advance because of the nature of the social care needs of the service user(s) concerned; and/ or~~
- ~~g. There are special circumstances such as ownership of land or property, geographic locations or particular skills or experience of service providers of social care which limit the choice to one service provider; and/ or~~
- ~~h. There are reasons of extreme urgency, brought about by unforeseen events which are not attributable to the Council.~~

- ~~13.7 The Director shall be required to maintain a list of all Contracts which he/ she decides do not require to be advertised on the basis of the determinations made under the above.~~
- ~~13.8 The decisions will all be fully documented. Any reasons for deciding that a proposed Contract will not be advertised (including evidence as to how Best Value will have been achieved) must be recorded and included on the list which is to be published/go to the elected members under paragraph 13.7 above.~~
- ~~13.9 Best Value can be achieved by:~~
- ~~Understanding and testing the unit costs associated with a particular service (benchmarking);~~
  - ~~Making sure that decisions are based on up to date data;~~
  - ~~The use of locally or nationally agreed set rates based on an agreed formula;~~
  - ~~Ensuring high cost services are regularly reviewed;~~
  - ~~Joint purchasing where possible.~~

#### **Contract Standing Order 14: Contract Formation and Threshold for Sealing**

- 14.1 All Contracts should be formed using the Council's standard terms and conditions applicable to the type of contract in question, as issued from time to time by Legal Services.
- 14.2 Electronic signatures may be used provided that the sufficiency of security arrangements has been approved by the relevant Executive Director.
- 14.32 Any Contract with an estimated value of £100,000 or less which does not use the Council's standard terms and conditions (as referred to in paragraph 14.1) must be referred to the Procurement Strategy Manager for advice prior to the issue of the tender or quotation documents.
- 14.34 Any Contract with an estimated value of £100,000 or less which does not use the Council's standard terms and conditions (as referred to in CSO 14.1) must be referred to Corporate Procurement for advice before executing the Contract.
- 14.45 Any Contract with an estimated value over £100,000 which does not use the Council's standard terms and conditions (as referred to in CSO 14.1) must be forwarded to Legal Services prior to the issue of a tender, for advice as to whether the proposed Contract adequately protects the Council's interests.

- 14.56 Without prejudice to paragraph CSO 14.1 the Head of [Legal and Democratic Services](#) Law may approve other terms and conditions to be used in respect of a particular Contract or type of Contracts when appropriate to protect the Council's interests.
- 14.67 Subject to paragraph [14.8 below](#):-
- (i) Contracts with an estimated value over £250,000 shall be executed as a deed using the Common Seal of the Council;
  - (ii) Contracts with an estimated value of £250,000 or less may be executed as a simple contract and signed by an officer duly authorised for that purpose in accordance with CSO 3.1.
- 14.78 The Head of [Legal and Democratic Services](#) Law may, on a case by case basis or in relation to a particular class of contracts and taking all relevant circumstances into account, stipulate the method by which a particular contract or class of contracts is to be executed, irrespective of the overall estimated value of the Contract.

## **Tendering Process**

### **Contract Standing Order 15: Delivery, Opening and Evaluation of Tenders**

- 15.1 Tenders for Contracts must be submitted by entirely electronic means using the Council's corporate e-tendering system.
- 15.2 Alternative methods of submission, including postal submissions, may be permitted in exceptional circumstances and only with the express written authorisation from the Procurement Strategy Manager.
- 15.3 Any form of electronic submission (including e-mail) that does not form part of the corporate e-tendering system shall not be permitted, and tenders submitted in such a way shall be treated as invalid.
- 15.4 Where tenders are to be submitted electronically, paragraphs 15.4.1 and 15.4.2 shall apply:
- 15.4.1 All tenders for any Contract shall be returned via the e-tendering system.
  - 15.4.2 A tender box shall be used and all tenders shall be opened at the same time by a minimum of two authorised procurement officers. Any tender received after the specified time shall not be considered for evaluation.
- 15.5 Where tenders are to be submitted by post, paragraphs 15.5.1 to 15.5.3 shall apply:

- 15.5.1 All tenders for any Contract estimated to be under a total of £75,000 in value shall be returned to the ~~Director~~Executive Director or Senior Officer inviting the tender (or his/her nominee), or as otherwise indicated in CSOs, in envelopes which shall bear no mark to identify the sender. The Officer shall be responsible for ensuring that a record of all such tenders received is kept.
- 15.5.2 For Contracts with an estimated total value exceeding £75,000 all tenders shall be returned as appropriate to the Head of Property and Design or the Procurement Strategy Manager in envelopes, which shall bear no mark to identify the sender and shall be opened by him/her at the same time in the presence of a Council Employee designated by the relevant ~~Director~~Executive Director or Senior Officer. The Head of Property and Design and the Procurement Strategy Manager shall each maintain a record of all such tenders received by him/her.
- 15.5.3 All tenders shall be opened at the same time, as soon as is reasonably practicable after the closing date, normally on the closing date. On receipt, all tender envelopes shall be endorsed with the time and date of receipt and kept secure until the time specified for tender opening. Any tender received after the specified time shall not be considered for evaluation and shall be returned promptly to the tenderer. A late tender may be opened to ascertain the name of the tenderer but no details of the tender shall be disclosed.

#### **Contract Standing Order 16: Contract Award**

- 16.1 No Contract may be awarded unless the expenditure involved has been included in approved estimates or on capital or revenue accounts, or has been otherwise approved by, or on behalf, of the Council. The ~~Director~~Executive Director or Senior Officer shall ensure that evidence of authority to spend, and the budget code to be used, is recorded on the Contract file.
- 16.2 Each Contract shall be awarded in accordance with evaluation criteria that have been adopted for the Contract.
- 16.3 Contract Officers shall arrange for formal management reviews of high value and/or high risk contracts to be put in place by Executive ~~Director~~Executive Directors and shall have regard to Procurement Guidance issued on the management of Contracts.

#### **Contract Standing Order 17: Contracts Register and Records**

- 17.1 The Contracts Register shall be kept centrally and maintained by the Procurement Strategy Manager. The Contracts Register is a public document which shall be available for inspection on the Council's website.
- 17.2 Each Contract Officer shall be responsible for providing the information set out in CSO 17.3 below to the Head of Procurement for inclusion in the Contracts Register within 5 working days of the Contract signature completion.
- 17.3 The Contracts Register shall specify for each Contract
- (i) the Contract number,
  - (ii) the name of the Contractor,
  - (iii) a summary of the works to be executed or the goods and services supplied,
  - (iv) the Contract duration and value or estimated value.
  - (v) Whether any extension is permitted.
- 17.4 The Contract Officer responsible for procuring a Contract, Framework Agreement or DPS whose value is estimated to exceed the applicable threshold published from time to time in the Official Journal shall maintain a record of each procurement and shall draw up a written report complying with the provisions of Regulation 84(1-5) of the UK Regulations.
- 17.5 All procurement procedures shall be documented regardless of value and the documentation retained for 3 years from the date of award of contract.

### **Contract Standing Order 18: Termination**

- 18.1 Contracts regulated by the UK Regulations shall incorporate the right to terminate the Contract where:
- (i) the Contract has been subject to a substantial modification which would have required a new procurement procedure under Regulation 72 of the UK Regulations;
  - (ii) the Contractor has, at the time of the Contract award, been in one of the situations referred to in Regulation 57 of the UK Regulations (mandatory exclusions) and should have been excluded from the procurement procedure;
  - (iii) the EU Court of Justice has declared that the Contract should not have been awarded to the Contractor in view of a serious breach of the EU Treaties and the EU Public Procurement Directives; and
  - (iv) where the Contractor (or his employees) is in breach of the provisions of the Bribery Act 2010.

## Operation of Contract

### Contract Standing Order 19: Contract Modification (Variation)

- 19.1 Funding must be identified before any variation of an existing Contract which will require the Council to provide additional funding is approved in accordance with the Council's Financial Regulations. See Financial Regulation D.2.2.17.
- 19.2 Contract Officers should state in the initial procurement documents and incorporate in Contract provisions as far as possible clear, precise and unequivocal review clauses stating the scope and nature of possible variations.
- 19.3 If modifications are required to a Contract and a change of contractor cannot be made for technical or economic reasons which were not provided for in the initial procurement documents, such modifications shall be permitted when the value of the modification does not exceed 50% of the value of the original Contract and the revised value of the Contract does not exceed the relevant EU Threshold .
- 19.4 Modifications which are defined as substantial in accordance with the UK Regulations are not permitted.

### Contract Standing Order 20: Waivers of Contract Standing Orders

- 20.1 Special procedural exemptions or waivers may from time to time be given by the relevant Committee to particular classes of Contracts in line with the Council's procurement strategy, as specified in Committee reports.
- 20.2 Subject to CSO 20.6, in relation to Contracts estimated to not exceed a total value of £75,000, a ~~Director~~Executive Director may waive the requirements of any CSO, as long as:
  - (a) the Procurement Strategy Manager is notified as soon as possible.
  - (b) the ~~Director~~Executive Director certifies in writing to the Procurement Strategy Manager the CSO being waived and the reasons for doing so.
- 20.3 Subject to CSO 20.6, in relation to Contracts estimated to exceed a total value of £75,000, a ~~Director~~Executive Director may, after consultation with the Chair of the relevant Committee and the Procurement Strategy Manager, waive the requirements of CSOs as long as:
  - (a) the waiver report (the Report) is compiled after consulting with the Procurement Strategy Manager;

- (b) the Report is issued setting out the CSO being waived and the reasons for the waiver;
- (c) the Report includes legal and financial comments and highlights, as necessary, any future commitment (whether of a financial character or not) which the Contract may entail; and
- (d) the Report justifies the method of Contractor selection so that value for money and compliance with EU and domestic law can be demonstrated.

20.4 If an emergency has been declared under the Council's emergency planning or business continuity procedures and it is not possible or practicable for a Council Employee who would normally exercise the powers of waiver under CSO 20.2 and CSO 20.3 to do so, the powers may be exercised by:

- (i) ~~(i)~~ the Council Employee who is designated to be in charge, under those procedures or
- (ii) ~~(ii)~~ any Council Employee appointed by him / her to act on his / her behalf.

Further, if it is not possible or practicable for that Council Employee, before exercising the powers under CSO 20.3, to consult the Chair of the relevant Committee or the Procurement Strategy Manager or to issue the necessary Report, the Council Employee may exercise the powers without doing so but shall take such steps as appear appropriate at the time to keep the Chair of the relevant Committee and the Procurement Strategy Manager informed and shall issue the Report as soon as is reasonably practicable.

20.5 A report for information giving a digest of all waivers under CSO 20.2, 20.3 and 20.4 shall be made by the Procurement Strategy Manager covering the previous financial year annually to the Policy and Resources Committee.

20.6 For the avoidance of doubt, no waivers may be made so as to alter the full application of CSO 4 (Declarations of Interest), CSO 17 (Contract Registers), of CSO 4 (Declarations of Interest and Prevention of Corruption), CSO 16 (Contracts Awards), CSO 17 (Contract Registers and Records), CSO 19.3 and 19.4 (Contract Modification ), or if such waiver would result in a breach of EU or domestic law, provided that in exceptional circumstances where the ~~Director~~Executive Director is satisfied that a waiver of CSO 19.3 and/or 19.4 is necessary to ensure the continuity of services, works and/or supplies which would otherwise cease, a waiver of CSO 19.3 and/or may be made so as to permit the continuation of the services, works and/or supplies until a new contract has been let.

- 20.7 A register of all waivers will be maintained by Property and Design and kept available for inspection by the public with reasonable notice during working hours.

**Amended Extracts from  
PART 3.2 PROCEDURE RULES FOR MEETINGS OF FULL COUNCIL,  
COMMITTEES AND SUB-COMMITTEES**

**Public Questions**

**Public Question Time**

- 9.18 A period of not more than fifteen minutes shall be allowed for questions submitted by a member of the public who either lives or works in the area of the authority at each ordinary meeting of the Council.

**List of Questions**

- 9.19 A list of the questions of which notice has been given shall be circulated to Members of the Council at, or before, the meeting at which they are to be asked.

**Procedural Requirements**

- 9.20 A public question shall be put at a Council meeting provided that:-
- (a) a copy of the question has been delivered to the office of the Chief Executive (see Procedure Rule 1.6) by not later than 12 noon on the fifth working day prior to the day of the Council meeting at which it is to be asked;
  - (b) the name and address of the questioner is indicated on the question;
  - (c) the questioner is present at the time when the question is put;
  - (d) the questioner is not presenting a petition or deputation on the same, or substantially the same, issue at the same meeting.

**Length of Questions**

- 9.21 A question shall not exceed 100 words in length. The Chief Executive, after consultation with the questioner, may summarise a question to comply with this requirement.

**Content of Questions**

- 9.22 ~~Either the~~ The Chief Executive ~~or the Mayor~~ may reject a question if, following consultation with the Monitoring Officer, it is in ~~his or~~ her opinion;
- not about a matter for which the Authority has a responsibility or which affects the City;
  - defamatory, frivolous or vexatious;
  - the same, or substantially the same, as a question which has been put at a meeting of the Council, a Committee meeting or a Sub-Committee meeting in the past six months;
  - requires the disclosure of confidential or exempt information;

- from a member of staff on matters affecting them as employees; or
- otherwise inappropriate.

[ .. ]

Formatted: No bullets or numbering,  
Tab stops: Not at 1.9 cm

## Rule 10: Petitions

### Presentation and notice of Petitions

- 10.1 At a meeting of the Council any Member of the Council or a Member of the public may present a petition which has been submitted in accordance with the Council's scheme for handling petitions.

10.2 All petitions that Members or the public wish to either trigger a debate at full Council or present for decision at the appropriate Committee shall be referred to Democratic Services no less than 10 working days in advance of the relevant meeting.

10.3 The Mayor/Chair will have the discretion to take a late petition if it relates to an officer report which is before the meeting for consideration.

10.4

10.5 The presentation of the petition shall be limited to not more than three minutes, and shall be confined to reading out, or summarising, the prayer of the petition and indicating the number and description of the signatories.

10.4 All petitions that Members or the public wish to present at Council shall be referred to Democratic Services by Monday on the week of Council.

10.6

10.5 All petitions that Members or the public wish to either trigger a debate at full Council or present for decision at the appropriate Committee shall be referred to Democratic Services 10 days in advance of the relevant meeting. The Mayor/Chair will have the discretion to take a late petition if it relates to an officer report which is before the meeting for consideration.

Formatted: Default Text, Outline  
numbered + Level: 2 + Numbering  
Style: 1, 2, 3, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0 cm +  
Tab after: 1.27 cm + Indent at: 1.27  
cm, Tab stops: 1.27 cm, Left + 2.54  
cm, Left + 3.81 cm, Left + 5.08 cm,  
Left + 6.35 cm, Left + 7.62 cm, Left  
+ 8.89 cm, Left + 10.16 cm, Left +  
11.43 cm, Left

### Content of Petitions

- 10.5 Either tThe Chief Executive or the Mayor may reject a petition if, following consultation with the Monitoring Officer, it is in his/her opinion:

- not about a matter for which the Authority has a responsibility or which affects the City;
- defamatory, frivolous or vexatious;
- the same, or substantially the same, as a petition which has been put at a meeting of the Council, a Committee meeting or a Sub-Committee meeting in the past six months;
- requires the disclosure of confidential or exempt information;
- from a member of staff on matters affecting them as employees; or

07/04/16

- otherwise inappropriate.
- Where the Chief Executive or Mayor rejects a petition then that decision shall be final.

Formatted: No bullets or numbering,  
Tab stops: Not at 1.9 cm

[ ... ]

## Rule 11: Deputations

- 11.1 A period of not more than fifteen minutes shall be allowed at each ordinary meeting of the Council for the hearing of deputations from members of the public.

### Procedural Requirements

- 11.2 A deputation shall be heard provided that by not later than 12 noon on the fifth working day prior to the day of the relevant Council meeting:
- (a) notice has been given to the Chief Executive in accordance with Procedure Rule 1.6, which complies with paragraphs (b) to (d) below;
  - (b) the subject matter and substance of the deputation is notified in writing in the form of a written summary. A deputation shall not exceed one side of A4 in length. Accompanying material may be supplied and should comprise no more than 2 sides of A4 paper;
  - (c) the names, addresses and organisation (if any) of the persons forming the deputation, to be a minimum of five and no more than twelve, indicating which one person is to speak, are notified in writing (note - the addresses of those persons forming the deputation will not be published by the council, but details of the ward(s) in which they are located will be circulated to the Council meeting);
  - (d) A person forming the deputation is not presenting a petition or question on the same, or substantially the same, issue at the same meeting.

### Content of Deputations

- 11.3 Either the Chief Executive or the Mayor may reject a deputation if, following consultation with the Monitoring Officer, it is in his/ her opinion:
- not about a matter for which the Authority has a responsibility or which affects the City;
  - defamatory, frivolous or vexatious;
  - the same, or substantially the same, as a deputation which has been put at a meeting of the Council, a Committee meeting or a Sub-Committee meeting in the past six months;
  - requires the disclosure of confidential or exempt information;

07/04/16

- from a member of staff on matters affecting them as employees; or
  - otherwise inappropriate.
- If the Chief Executive or the Mayor rejects a deputation, then his/her decision is final.

Formatted: No bullets or numbering,  
Tab stops: Not at 1.9 cm

[ .. ]

#### Rule 14: Written Reports

- 14.1 No report upon which decisions are proposed to be made shall be taken at any meeting of the Council, a Committee or Sub-Committee, unless it is in writing.
- 14.2 Verbal amendments and additions to written reports may normally be made unless the effect of them is to nullify the recommendations in the report and replace them with others. Where exceptionally amendments and additions are not allowed, other than for special reasons then those which must be recorded in the minutes.
- 14.3 With the agreement of the Mayor or Chair then unless any member objects, officers may revise or modify recommendations to reports where it is considered necessary to do so to ensure technical accuracy or to facilitate an agreed outcome.
- 14.4 Where petitions under Procedure Rule 10, Members' letters under Procedure Rule 23.3, motions under Procedure Rule 8 or deputations under Procedure Rule 11, are referred to a committee unaccompanied by a written report, the committee may discuss the petition, letter, motion or deputation, as the case may be, in general terms and note the same, or ask for an officer report on the matter. No decision which requires the Council to take substantive action or incur expenditure may be taken in response to a request in a petition, notice of motion or otherwise etc, in the absence of an officer report.

#### Rule 15: Rules of Debate (All Meetings)

##### General

- 15.1 The rules of debate in this Procedure Rule shall apply to all meetings of the Council, Committees and Sub-Committees. In the case of Committees and Sub-Committees, however, the Council recognises that a greater informality may be exercised by the Chair in order to efficiently transact the business before the meeting. Such informality shall be at the discretion of the Chair.

##### Seconding Motions and Amendments

- 15.2 A motion or amendment shall not be discussed unless it has been proposed and seconded.

##### Reserving Speech

07/04/16

- 15.3 When seconding a motion or amendment, a Member may reserve his/her speech until a later period of the debate by declaring his/her intention to do so.

#### **Notice of Amendments**

- 15.4 Copies of amendments will be prepared and circulated prior to the start of a Council meeting only if such amendments are presented to the Chief Executive by 10.00am on the day of the Council meeting. Amendments for which notice has not been given may shall be permitted at any time at the discretion of the Mayor or Chair if s/he considers it appropriate with regard to the complexity of the matter, the question of whether notice has been given as soon as is reasonably practicable and any other circumstances that appear to be relevant.; ~~provided they are moved and seconded.~~ The Mayor or Chair may require that such amendments shall be put in writing and handed to him/her before they are discussed further.

- 15.5 **Taking of more than one** ~~One amendment at a time~~ More than one amendment Only ~~one amendment~~ may be moved and discussed at any one time and will be dealt with at the discretion of the Mayor or Chair. ~~No further amendment shall be moved until the amendment under discussion has been disposed of.~~

- 15.6 If an amendment is not carried, other amendments may be moved to the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the motion to which any further amendment may be moved.

[ .. ]

#### **Rule 29: Filming, Photographing, Audio recording ~~Cameras/TV~~ Cameras/Recording at Council**

- 29.1 Without prejudice to any power of exclusion to suppress or prevent disorderly conduct or the power to deal with other misbehaviour or interference with proceedings at a meetings, any person shall be permitted to film, ~~video or~~ photograph, record and/or stream the proceedings at Council meetings except for that part of the meeting where the public are excluded pursuant to a resolution passed in accordance with Section 100A(2) or (4) of the Local Government Act 1972 as amended.
- 29.2 Subject to para 29.1 above, aAny person attending a meeting of the Council or of a Committee or Sub-Committee may use ~~any mobile~~ communication device or method to and audio record ~~or and~~ transmit council proceedings, and reasonable facilities will be made available to facilitate this. -provided that:-
- (i) Any mobile communications device shall be kept in silent mode throughout the meeting;

07/04/16

- (ii) There should be no use of any voice facility to make calls, receive calls or check voice messages. Only text or non-voice uses can be made of mobile phones;
- (iii) The person presiding at the meeting may order that all mobile phones be switched off and any audio recording cease at any time;
- (iv) There shall be no recording or transmission of council proceedings when exempt or confidential business is discussed, nor will ~~or at~~ meetings of Licensing Act 2003 Committee Panels be recorded or transmitted.

29.3 The recording of proceedings by authorised personnel for the purposes of web-casting shall be permitted, providing that the Mayor or person presiding at the meeting may withdraw such authorisation if he/she considers it is not conducive to the efficient despatch of business.

## INDEX

The numbers in this index refer to the relevant Council Procedure Rule, not the page number.

- Advisory bodies 18.13
- Agenda 2.2
- Allocation of seats 18.7
- Amendment of Rules 1.2-1.3
- Amendment of Motions 13.3-13.6, 15.2, 15.5-15.6
- Annual Council 2
- Annual Meeting 2
- Appointment of Chair 20.1-20.5
- Appointment of Committees [18.1-18.3](#)
- Appointment of Leader 18.10
- Attendance at Committees 18.11-18.12
- Call Over 24.5-24.6
- Cameras [\(Filming, Photographing, Audio recording\)](#) 29
- Chairs, appointment of 20
- Closure Motions 17, 15.13
- Consultation 8.11
- Continuity of office 18.6
- Debate rules 15, 16
- Declaration of Interests 25.4-25.5
- Declaratory motion 8.5-[8.6](#), 13
- Definitions 31
- Deputations 11
- Disorderly Conduct 25.1-25.3
- Exclusion of Public & Press [26.1](#)
- Extraordinary Council Meeting 4
- [Filming/ Photographing/ Audio recording/ streaming](#) 29
- [Interests 25.4-25.5](#)
- Interpretation ~~33~~[1.4-1.5](#)
- Leader 18.10
- Minutes 12, 13.1(b)
- [Misbehaviour – Members 25.1](#)
- [Misbehaviour – Public 25.2-25.3](#)
- [Mobile & communication devices, use of](#) ~~29-2~~
- Notice of Motion 8
- Order of Business 7
- Ordinary meeting ~~3-4~~
- Petitions 10
- Point of Order 15.10-15.11
- Questions – Member 9.1, 9.2-9.17
- Questions – Public 9.1, 9.18-9.29
- Service of notices 1.6
- Six month rule 13.7
- Smoking 30
- Special Meeting 19.2
- Speeches 15.7-15.9
- [Speech Times \(Council Meetings\)](#) [16.4](#)
- Substantive motion 8.5-[8.6](#)
- Substitution 18.14-18.19
- Suspension of Rules 1.7, 1.8, 13.1(j)
- Termination of meetings 17, 15.13
- ~~Times, speech 16.4-16.5~~
- ~~TV cameras 29~~
- Urgency Sub-Committee 22
- Voting 27
- Web-casting 29
- Withdrawal of items from agenda 7.4

07/04/16

Quorum – Council 6; Committees 21  
Reporting of Council proceedings  
(incl Filming, Photographing, Audio  
recording & streaming) eording at  
Council 29  
Reports to Council, Committees and  
Sub-Committees 14, 24.1-24.4  
Requisitioning Council meeting 4.4  
Right to reply 16.6, 16.8  
Seconding Motions 15.2

07/04/16

<b>Subject:</b>	<b>Software Licensing Procurement</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Watson</b>	<b>Tel: 29-1585</b>
	<b>Email:</b>	<b>mark.watson@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval for the procurement and award of agreement/s for Microsoft software licensing to support Brighton & Hove City Council's (the 'Council's') ICT services working in collaboration with the Orbis Partnership.
- 1.2 Officers have participated in a selection and evaluation process for a Licensing Solutions Partner under lot 2 of the government Crown Commercial Service, Ministry of Defence and Pro5 technology products framework agreement (RM1054), led by its partner East Sussex County Council ('ESCC') alongside Surrey County Council ('SCC') as part of the Orbis Partnership.

**2 RECOMMENDATIONS:****That the Policy & Resources Committee:**

- 2.1 Delegates authority to the Executive Director Finance & Resources to select a suitable procurement route and to enter into Microsoft Software Licensing agreement/s with a Microsoft Licensing Partner for a three year period.
- 2.2 Delegates authority to the Executive Director Finance & Resources to extend the agreement/s referred to in 2.1 for up to two periods of one year following the initial three year term, should such extensions be deemed necessary.

**3 CONTEXT/ BACKGROUND INFORMATION****Overview**

- 3.1 Brighton & Hove City Council, in common with most local authorities, makes use of Microsoft software licensing in the delivery of its ICT services to staff, Members and its traded services to schools. This ensures that the authority is accurately and compliantly licensed for a variety of Microsoft software including but not limited to: operating systems, productivity systems, security, server and database systems. Collectively, these services form the foundation for the day to day use of ICT by all ICT users.

- 3.2 ICT delivers services for nearly 5,000 corporate users and devices, alongside several hundred physical and virtual servers and a traded ICT service to schools across Brighton & Hove. Ongoing Microsoft licensing is required for any device/user or combination which accesses ICT desktop, laptop and core services including email, file storage and application delivery.
- 3.3 The Council purchased a Microsoft Enterprise Subscription Agreement (ESA) five years ago under the Public Service Agreement 2009 (PSA09). This agreement and the associated pricing terms are no longer available and the existing Microsoft ESA will terminate at the end of June 2016. The current licensing agreement is purchased on a subscription basis. If this were to lapse and no new agreement was in place the Council would be un-licensed for the products and services it uses. This would place the organisation at very serious risk of litigation and substantial damages.

### **Orbis Partnership**

- 3.4 The Council is developing its collaboration arrangements with ESCC and SCC under the Orbis Shared Service Partnership. A common approach to Microsoft software licensing has been developed and agreed as a key ICT enabler of the partnership. However, it should be noted that each sovereign authority will enter into its own licensing arrangement to support its needs; this is a requirement of the Orbis shared service model as Orbis itself cannot enter into contracts.
- 3.5 To this end ESCC led a procurement exercise on behalf of ESCC, SCC & the Council, through the CCS, MoD and Pro5 Framework (RM1054) for a Microsoft Licensing Solutions Partner to provide both advice and the procurement route for Microsoft software licensing for all three authorities for an initial three year period, with the potential to extend for two further periods of one year. The intention was to ensure that both the sovereign needs of the authorities and the common opportunities within the Orbis Partnership were identified and procured effectively and efficiently.
- 3.6 Further, if the Orbis partnership is to operate a joined up service it is important that it has effective tools and systems for collaboration and shared technologies which can be jointly supported. The alignment of Microsoft licensing will enable this approach.

### **Licensing Requirements & Budget**

- 3.7 All Microsoft licensing agreements are now offered for a three year period with licensing reviewed on a combination of annual and/or monthly renewal depending on licence type and need. This can be affected by the number of users, type of software required, or the implementation of those services. This licensing approach, set by Microsoft, combined with the variable number of users and the rapid pace of change (through both the Orbis Partnership and Customer First in a Digital Age programme) means that it is impossible to predict the exact value of the contract over the period as the number and type of licences will flex up and down. This will lead to a combination of reductions (fewer users and desktop computers) and significant increases (mobile devices, data and content storage).

- 3.8 The current ICT budget of £420k per annum for Microsoft licensing has been increased for 2016/17 to accommodate the expected rise in cost from both the reductions in discount available and the increased requirements across the user base. The exact levels of spend will be subject to advice received from the appointed Microsoft Licensing Partner and more detailed review of both the current licence estate and requirements. Based on initial early review, evaluation and soft market analysis the annual cost is expected to be in the range £500-£600k, with potential to rise to £700k by year 3 of the agreement. The unit pricing and discount levels have already been negotiated at a national level, so the options to reduce the costs are through the selection of licensing options, not negotiation.
- 3.9 Over the three year term of the licensing agreement the range of contract cost is likely to be £1.5 to £2 million. The current budget over the 3 year period based on agreed 2016/17 budget levels is 3 years x £594k or £1.782 million.
- 3.10 This will provide not just the server end licensing requirements, but also existing software and updates for Windows, Office (Word, Excel, Powerpoint etc.). In addition the licensing will provide users with Skype for Business (messaging, video calls), OneDrive file storage, Yammer social collaboration, unlimited email archiving and a number of other benefits. The solutions will be licensed per user, which will have the advantage of containing costs where staff use multiple devices (smartphones, tablets, laptops etc.), but will also mean that where staffing numbers reduce the software costs will reduce at the same rate.

### **Governance & Direction**

- 3.11 Microsoft software licensing will continue to be managed as part of the ICT Service and operated from within the ICT Services budget. If the needs of the authority exceed the agreed budgeted levels, a business case would be put to the council's Modernisation Programme for the additional revenue requirement. This has been allowed for within the investment levels of the Modernisation Programme, in support of both staff mobility/productivity and the delivery of the Orbis shared service.
- 3.12 The Procurement Advisory Board has reviewed the report and approach as part of its progress to Policy and Resources Committee.

### **Procurement Strategy and Approach**

- 3.13 The Council, ESCC and SCC have worked together under the South East 7 group of authorities ICT strand for a number of years with the aim of delivering savings and developing opportunities for joint working. Effective examples of joint procurement have included; The Link Public Service Network and joint procurement of Management Information System software for schools.
- 3.14 As outlined above, the Orbis founding partners (ESCC, SCC & the Council) subject to due diligence are proposing a common approach to procure the services of a Microsoft Licensing Solutions Partner. The key benefits of having the same partner are; economies of scale for margin and services supplied and the ability to explore licensing opportunities of benefit to the wider Orbis partnership as well as supporting the sovereign ICT Strategies.

- 3.15 ESCC led a procurement exercise through an existing government framework and all three authorities were represented in the development of the requirements, the setting of the evaluation criteria and the evaluation of the tenders. Although there is no obligation on the Council to use the outcome of this procurement as its route to buy Microsoft licensing, it is considered that this vehicle represents the best value for money approach available to the Council.
- 3.16 Independent advice was sought from Crown Commercial Services in the development of both the approach and the tender. Further quality assurance of the tender responses was also sought.

## **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Analysis has been undertaken by all authorities of their individual licensing requirements and the best fit procurement model to meet their individual and collective needs. Collective technical agreement was reached that both individually and collectively Microsoft solutions presented the most appropriate choice for each partner council, as opposed to other commercial or non-commercial alternatives. Each of these alternative options would have a significant cost of change, learning curve for users and are known to have compatibility issues with existing council systems.

### **4.2 Options Appraisal**

In analysing the proposed approach to delivering the requirements, the following options were considered

- 4.2.1 **Option 1 – Do Nothing** – Under this option (included for completeness) the Council would cease its Microsoft licensing agreements at the end of the existing licensing term

#### **Advantages –**

- No new direct licensing costs

#### **Disadvantages –**

- This approach would either leave the Council exposed to immediate legal and compliance action by Microsoft for breach of its licensing terms, or with no access to the majority of the ICT core service for any of its users. This would risk either substantial cost and reputational damage or catastrophic business continuity issues with many services unable to operate.

- 4.2.2 **Option 2 – Procure Microsoft Licenses via a new Microsoft Licensing Solutions Partner (MLSP)** – Under this option the Council would independently

procure its licenses through tendering for a Licensing Solutions Partner via a government framework.

#### **Advantages –**

- Ensures that the MLSP is working exclusively for the benefit of the Council in all advice it provides.
- Requirements and evaluation criteria are solely set by the Council

#### **Disadvantages –**

- Any economies of scale available are only at the Council licensing level.
- No possibility of realising opportunities presented by the the Orbis partnership as a whole.
- Evaluation criteria would so closely match that used within the joint procurement, this option would end up duplicating the work carried out by Orbis

#### **4.2.3 Option 3 – Procure Microsoft Licenses via the ESCC led MLSP tender –** *This was the preferred option – This is the option described in the main body of the report*

#### **Advantages –**

- Available economies of scale are gained on margin and service delivery costs.
- MLSP can provide advice to individual sovereign authorities
- MLSP can also provide advice on opportunities for the Orbis Partnership as a whole.
- Collective resources of the Orbis partnership can be used to ensure that the maximum value is extracted from the contract and the relationship with the MLSP.

#### **Disadvantages –**

- There is a small risk that if the needs of the other Orbis partners become significantly different over the term of the contract that the Council will not be able to derive added value from this approach.
- Working in partnership with other authorities will require time and resource to ensure best value is gained.

#### **4.3 Preferred Option – Option 3**

Option 3 was selected and recommended as the most appropriate to the current need providing both local and partnership benefits for procuring required Microsoft licensing.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

### **5.1 Not applicable**

## **6. CONCLUSION**

- 6.1 The council is required to ensure that its systems and software are appropriately licensed. The proposed approach provides the best balance for ensuring sovereign requirements are met, while also enabling the opportunities presented through the Orbis partnership.
- 6.2 This is a relatively low risk procurement approach which means that the Council benefits not only from the necessary specialist advice on Microsoft licensing, but also ensures that the partners within Orbis are best placed to drive collective benefit for the public sector.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 As mentioned in the body of the report, it is expected that licensing costs will increase for the council over the next few years. The budgetary costs are stated in sections 3.8 and 3.9, with the increased costs of approximately £0.5m anticipated to be met within the future level of service budget approved at the recent budget council. Should further funding be necessary then a further allocation would be accessible from the council's modernisation fund subject to business case approval.

*Finance Officer Consulted: Peter Francis*

*Date: 31/03/16*

### Legal Implications:

- 7.2 The authority of Policy & Resources Committee is required for matters with corporate budgetary implications, such as the award of the Microsoft Software Licensing agreement/s by the Council for which the costs are going to exceed £500,000. Accordingly the committee is entitled to agree the recommendations at section 2 above.
- 7.3 Further, the Council's contract standing orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee.
- 7.4 The procurement of contracts through framework agreements must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders. The Council are entitled to access the framework agreement set up by the Crown Commercial Service, and may use this to purchase Microsoft software licences in accordance with its call off arrangements.

*Lawyer Consulted: Isabella Sidoli*

*Date: 4/4/16*

## **SUPPORTING DOCUMENTATION**

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None



<b>Subject:</b>	<b>Royal Pavilion Estate Capital Project</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Assistant Chief Executive Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Richard Davies</b>	<b>Tel: 29-6825</b>
	<b>Email:</b>	<b>richard.davies@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Royal Pavilion Estate was bought by Brighton Corporation in 1850 and today is Brighton & Hove's cultural heart, uniquely combining a historic Royal Palace and Regency Garden, a museum, art gallery and three performing arts spaces at Brighton Dome. Brighton Dome & Festival Ltd (BDFL) has a lease on the Brighton Dome, Corn Exchange and Studio Theatre.
- 1.2 The council and BDFL signed a Memorandum of Understanding on 18 August 2014, to formalise the joint working with the Royal Pavilion & Museums (RPM) and underpin the delivery of the phased capital works to the Royal Pavilion Estate that aim to secure its long term future and financial viability. This will be achieved through phased works across the Royal Estate. A fundraising campaign has been started including successful bids to Arts Council England (ACE) Stage 2 and the Heritage Lottery Fund (HLF) Round 2.
- 1.3 This report summarises the progress made to date on the project, seeks agreement to proceed with tendering and appointment of the main contractor and proposes options to underwrite the project expenditure while identifying the risks of not proceeding.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee notes the progress made to date on the Royal Pavilion Estate capital project Phase 1, which has an estimated cost of £19.1 million, and the successful bids for ACE Stage 2 and HLF Round 2 match funding totalling £10.8million towards these Phase 1 capital works.
- 2.2 That Policy & Resources Committee delegates authority to the Assistant Chief Executive and Executive Director, Finance & Resources to procure and appoint the main contractor to carry out the Phase 1 capital works to the Corn Exchange and Studio Theatre where the tender price is within the project budget.

- 2.3 That Policy & Resources Committee delegates authority to the Assistant Chief Executive and Executive Director Finance & Resources to procure and appoint consultants to carry out the works required to satisfy the conditions of the HLF and ACE grant funding where these costs are identified within the project budget.
- 2.4 That Policy & Resources Committee notes the financial implications set out in paragraph 7.1 and agrees that the Executive Director Finance & Resources may implement the option of borrowing to mitigate financial risks and that if this risk does not materialise during Phase 1 the risk provision may be rolled forward to support Phase 2 of the Royal Pavilion Estate improvement works.
- 2.5 That Policy & Resources Committee resolves that the City Council appropriates the land for planning purposes identified as Phase 1 on the plan 'Phasing of Capital Works to the Royal Pavilion Estate' at Appendix 1 and on 'Royal Pavilion Estate Phase 1 Site Plan' at Appendix 2 under sections 226 and 227 of the Town and Country Planning Act 1990 (TCPA1990).

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Memorandum of Understanding signed by the council and BDFL on 18 August 2014 proposes to redevelop and improve the Royal Pavilion Estate as a world class cultural and heritage site by reconnecting the Royal Pavilion, Brighton Dome, Brighton Museum & Art Gallery, Corn Exchange and Studio Theatre with their historic setting, improving the world class centrepiece of Brighton & Hove's cultural quarter. To also include in these improvements the Old Courthouse in Church Street. This redevelopment will seek not only to upgrade buildings on the Estate and the Garden, but also restore some of the connectivity between the Dome, Brighton Museum & Art Gallery and the Royal Pavilion, which will enable further future co-working on the delivery of cultural events and celebration of the parties' unique heritage.
- 3.2 The proposed capital improvement works prepared through this initiative aim to significantly enhance the quality of the Estate's visitor offer and the heritage in its care, delivering a legacy of sustainability and resilience, which will safeguard its future.
- 2.6 In January 2015 Policy & Resources Committee agreed to appoint the architect led design team for Phase 1 to carry out the detailed design, prepare contract documentation and procure a main contractor.
- 3.3 The Phase 1 capital works will provide much needed improvements to the Dome, including the Corn Exchange and Studio Theatre, back of house facilities for artists and staff and new public spaces to improve the audience experience and heritage interpretation. These areas of the Dome were missed out of the previous improvements completed in 2002 and as a consequence require considerable works to address their poor condition.
- 3.4 Planning permission and listed building consent have now been granted for the Phase 1 works.

- 3.5 The project has secured ACE funding of £5.603million and HLF funding of £4.823million for the Phase 1 capital works to the Dome. This is in addition to £0.2m previously awarded by ACE to prepare the granted planning application. If the Phase 1 project does not proceed, this investment will be lost to the city.
- 3.6 HLF funding includes a contribution towards implementing the Interpretation Strategy, Brand Identity & Wayfinding and Evaluation and consultants will have to be procured and appointed to carry out these works.
- 3.7 The phased approach to the capital works responds to current issues and funding opportunities. The total cost of all three phases is estimated at £41.6 million. It should be noted that if other funding streams become available for future phases of works then this may alter the phasing.
- 3.8 PHASE 1: Restoration of the Corn Exchange and Studio Theatre together with development of the Estate-wide Interpretation Strategy, Brand Identity and Management & Maintenance Plans. Estimated cost of £19.1 million.
- 3.9 PHASE 2: Upgrades to the Royal Pavilion Garden, establishment of new interpretation, activity and Wayfinding, creation of a new Visitor Welcome Facility, and refurbishment and re-interpretation of the Royal Pavilion. Estimated cost £16.9 million
- 3.10 PHASE 3: Refurbishment and some updated interpretation of Brighton Museum & Art Gallery, new interpretation and activity within Brighton Dome and creation of new learning facilities within the Old Courthouse and part of Northgate House. Estimated cost of £6.0 million.

### **Procurement Strategy**

- 3.11 The procurement process will be overseen by the council's Procurement Team to achieve the project objectives and will adhere to the council's procurement guidance, Contract Standing Orders and best practice.
- 3.12 The project involves significant Grade I and II listed buildings and the Garden (grade II listed). As these are of local, national and international importance it is essential that the procurement process ensures that full control is maintained by the client team over design and construction works at all times. For this reason, procurement will follow a traditional route. The council appointed Feilden Clegg Bradley Studios (FCBS) in July 2015 to lead the design team who will complete the design process and prepare the tender documentation. FCBS provide architectural services and is the project's conservation architect. It is proposed that a main contractor is procured and appointed to carry out the building works through an open process where FCBS will be responsible for contract administration.
- 3.13 The contract value for the construction appointment will exceed the current OJEU thresholds for Works and the Public Contracts Regulations 2015 and the Council's Contract Standing Orders will be adhered to.
- 3.14 The Council is currently the lead organisation and therefore accepts the risks associated with being the recognised accountable body.

- 3.15 As well as fulfilling all legal requirements, adhering to the OJEU formal procurement process will ensure effective competition and therefore secure Value for Money and best consideration.
- 3.16 Following the successful Stage 2 ACE and Round 2 HLF funding bids, it is proposed that the main contractor for Phase 1 will now be procured and appointed to proceed with the works as well as other consultants required to deliver against ACE and HLF funding requirements including areas of work such as Interpretation, Branding & Wayfinding, Activity and others as required.
- 3.17 The Interpretation Strategy, Brand Identity & Wayfinding and Management & Maintenance Plan for the Royal Estate will also be prepared within Phase 1 and procurement of consultants or direct employment to undertake these pieces of work will be carried out.
- 3.18 The Procurement Advisory Board confirmed its support of this report on 11 April 2016.

### **Funding**

- 3.19 Funding for the phased works will be split between public sector, trusts and institutions, and private donations. The project funding targets for the overall phased capital improvement works over the next four years are set out in the following table.

<b>Capital Improvement Works</b>	<b>£m</b>
Government Grants	24.9
External Contributions / fundraising	14.7
BHCC	2.0
<b>Capital Improvement Works income requirements</b>	<b>41.6</b>

- 3.20 The Phase 1 total project budget to the end of the delivery phase is £19.1m, which has been established through design to part RIBA Work Stage 4 Technical Design (previously RIBA Work Stage E) and is being tested by the project cost consultants. The combined ACE and HLF funding provides £10.8 million of the total Phase 1 project cost.
- 3.21 For Phase 1 the secured funding and funding targets are set out below. These are to be confirmed and up-dated following a value engineering exercise currently underway. The Stage E cost plan received from the design team on 14 March 2016 estimates the build cost at current day costs to be approximately £1.8m above the previous budget. With a start of works now programmed for January 2017, cost inflation can be expected to add an additional £650k to the total cost.

<b>Development Phase</b>	<b>£m</b>
Arts Council England (ACE)- secured ( Stage 1)	0.199
Heritage Lottery Fund (HLF) development grant- secured	0.176
External Fundraising	0.020
BDFL contribution	0.154
<b>Development income</b>	<b>0.549</b>
<b>Delivery Phase</b>	<b>£m</b>
Arts Council England (ACE)- secured ( Stage 2)	5.603
Heritage Lottery Funding- secured (Round 2)	4.823
Other government grants (LEP Application now anticipated post March 2016)	2.000
External Fundraising	5.230
BHCC	0.750
BDFL	0.102
<b>Delivery income</b>	<b>18.509</b>
<b>Total Phase 1</b>	<b>19.058</b>

- 3.22 In addition to the ACE and HLF contributions of £5.802 million and £4.999million respectively, circa £5.2million will need to be raised through public funding and private contributions. It is a requirement before ACE releases most of its match funding (£5m) that 90% of fundraising for the project has been raised or pledged.
- 3.23 The RIBA Stage E cost plan now completed indicates that the current day project cost is approximately £1.35m over the Stage D budget. A value engineering exercise is underway and has so far identified approximately £0.75 million of savings. This exercise is continuing in order to identify the further savings of £0.6 million that are required to bring the project within budget.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The joint Stage 1 HLF bid that was submitted in November 2013 for the whole of the Royal Pavilion Estate was unsuccessful. HLF advice was to phase the capital works and submit smaller bids for each phase. This approach is now being adopted instead of carrying out all the works together.
- 4.2 The option of doing nothing is untenable as major investment and, in some cases, a sustainable business model are required to protect the historic fabric of the buildings and the Garden for future generations.

- 4.3 Doing nothing would also result in increased planned maintenance demands requiring further investment, as well as major refurbishment works to parts of the Dome such as the Corn Exchange roof.
- 4.4 User-feedback collected by BDFL suggests that the changes and improvements throughout the building are definitely required to enhance the audience experience and to encourage further visits and spend in the venues. The proposed works will contribute to creating a world-class cultural destination in the heart of Brighton & Hove and deliver a strong model for long term financial resilience, not only to the Estate itself but through job creation and impact on the visitor economy, to the City as a whole.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The initial HLF submission was informed by a series of consultation and engagement sessions, which included workshops, presentations and surveys undertaken with a variety of stakeholders. In relation to the Garden, which will be phase 2 works, three stakeholder workshops have been held with a fourth solely for young people held in December 2014. A public exhibition took place in Jubilee Library in November 2014 to gather further feedback along with an online survey on the council's consultation portal.
- 5.2 The planning application and listed building consent application for Phase 1 works included statutory consultation.

## **6. CONCLUSION**

- 6.1 Successful ACE and HLF funding bids for Phase 1 works provides the basis for the private fundraising campaign alongside other funding sources, and this opportunity must now be taken to advance achievement of the project to ensure the long term future of the historic fabric of the buildings and the Garden.
- 6.2 The request from HLF for the project to be phased is considered sound and allows programming of resources and fundraising in a measured way over the project lifetime. This approach has been supported by the successful ACE and HLF funding approvals for Phase 1 works.
- 6.3 Detailed design for the Corn Exchange and Studio Theatre, construction works, Interpretation Strategy, and Brand Identity & Wayfinding will form the Phase 1 works. This phase will demonstrate the ambition of the parties' approach to the Royal Pavilion Estate to create transformational change. This ambition will underpin future fund raising for subsequent phases.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The main financial considerations are as follows:

- Funding of £12.460 million ( 67% of total) has been secured for the delivery phase of Phase1 of this project through grants from Arts Council England and Heritage Lottery Fund, fundraising commitments, and through BHCC and BDFL.
- Funding of this capital scheme is subject to the award of LEP funding of £2million. The delay in the application and award process is impacting on the council's cashflow for the scheme. If the award is not achieved then a further report to Policy & Resources Committee will be required setting out options for replacement funding or reductions in costs.
- The 3 year fundraising campaign is on target. At March 2016, commitments totalled £1.482 million against the first year target of £1.300 million. The fundraising campaign will continue to be resourced and monitored. However, there is a residual risk to the council against the balance of £3.748 million remaining of the fundraising campaign target of £5.230 million. A risk assessment has been undertaken in relation to fundraising and indicates a potential financial risk of up to £0.800 million for which the council, as accountable body, will need to consider risk cover. This cover could be provided through borrowing at a cost of approximately £0.050 million per annum. If activated, the objective will be to share this risk cover with BDFL. The Arts Council grant conditions require 90% of fundraising for the project to have been raised or pledged before most of its match funding can be released.
- It should be noted that the fundraising campaign target may need to increase to cover the costs of the fundraising campaign.
- The council has set aside £0.750 million in the capital programme towards the Phase1 Delivery Phase; of this 50% can be funded by the council directly and 50% through the Dome sinking fund for maintenance assuming that there will be reduced maintenance in the build period. This is subject to agreement with BDFL.
- Both ACE and HLF require regular progress and financial reports and have key stage requirements before an instalment of grant can be released.
- The council, as accountable body, must also consider the risk of cost overruns and this exposure is regularly monitored.
- Value engineering is currently underway to address the increased cost estimates at Stage E. If the tender price exceeds the construction elements of the agreed project budget then Policy & Resources Committee approval will be required and appropriate funding resources identified.
- The expected start date for the build has slipped, however it has been agreed that the risks to BDFL of programme overruns and subsequent income streams fall to BDFL to manage.
- An update of the legal structure is required to formalise the relationship between the Council and BDFL to cover off financial risks referred to in the report and VAT arrangements.

Finance Officer Consulted: Anne Silley

Date: 13/04/16

#### Legal Implications:

- 7.2 The Council is bound by its Contracts Standing Orders and the Public Contracts Regulations 2015 as set out in part 3 of this report.
- 7.3 It should be noted that as the accountable body for the funders (Arts Council England and Heritage Lottery Fund) the Council will have financial exposure to costs and claw-back in the event of failure to deliver the project outcomes or

breach of the funders' terms. Arts Council England reserves in its terms and conditions the right to "withhold or demand repayment of all or part" of funds in the event of breach of the terms of the grant. The Heritage Lottery Fund terms and conditions will be considered in due course.

- 7.4 In light of the above, in the event that the architects or any other part of the project team become aware of the need to change the design/ layout, extra works required, or any over or under-spend it is imperative that Arts Council England are properly notified in accordance with their terms and conditions.
- 7.5 Arts Council England will require a legal charge over the Council's interest in the property which will subsist for 30 years from the date of the grant. The Council will require the Arts Council England's consent before any disposal of the property (e.g. a lease to successor body to BDFL). Other funders (including Heritage Lottery Fund) may require further security.
- 7.6 The Town and Country Planning Act 1990 (TCPA1990) allows local authorities to appropriate land for planning purposes. Under sections 226 and 227 a local authority can appropriate land "if the authority think that the acquisition will facilitate the carrying out of a development, redevelopment or improvement on or in relation to the land" (section 226(1)(a) TCPA1990).
- 7.7 Appropriating land gives various powers to local authorities to override easements and other rights in land including rights to light over land that has been appropriated for planning purposes under section 237(1) and (1A) TCPA1990.
- 7.8 The owner of any such third party right will have a claim for compensation which will be assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach (s237(4) TCPA1990)."

*Lawyer Consulted: Oliver Asha*

*Date: 04/02/16*

#### Equalities Implications:

- 7.9 In preparing the capital works proposals, an extensive range of stakeholders were consulted to identify issues of access to facilities and activities in order that these may be addressed through the project works. Improved educational space will be provided within the overall project that will further increase access for schools and others to the Royal Pavilion Estate activities. The capital works will provide a dedicated space to deliver the BDFL Learning and Access Programme.

#### Sustainability Implications:

- 7.10 The project's Phase 1 sustainability consultants, as part of the integrated design team, undertook a detailed evaluation and consideration of the use of sustainable technologies and where possible these have been incorporated into the developed design. The project is using a specialised matrix approach to target areas of design that can offer the best opportunities for improving environmental performance of listed buildings. At present, the project is anticipated to achieve the equivalent of a BREEAM rating assessment of Good.

- 7.11 The proposed capital works will result in the historic buildings being more energy and water efficient, both of which will contribute to reduced operating costs.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.12 A risk register for the project is maintained by the project manager and is a requirement of both ACE and HLF. The risks and mitigating actions will be considered by the project team and escalated to the Royal Pavilion Estate & Cultural Governance Steering Group where necessary.
- 7.13 Currently the risk register identifies fundraising as a key risk. A detailed Fundraising Strategy has been developed and well researched, and an experienced Campaign Director has been appointed to implement the strategy.

Corporate / Citywide Implications:

- 7.14 This project is part of Brighton & Hove City Council's Cultural/City Centre Investment Programme within the council's Regeneration & Investment Programme. This brings together a number of regeneration and investment projects and programmes into an over-arching co-ordinated programme that is overseen by the Corporate Investment Board formed of the Executive Leadership Team.
- 7.15 The project is included in the Greater Brighton Investment Programme project pipeline, which has been confirmed in both October 2014 and October 2015.
- 7.16 The project is investing in premises to promote economic activity and support growth of the local cultural and tourist economy. The flagship Brighton Festival attracts 150,000 visitors during May each year with year round visitors to the Brighton Dome of 600,000.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Phasing of Capital Works to the Royal Pavilion Estate
2. Royal Pavilion Estate Phase 1 Site Plan

### **Documents in Members' Rooms**

1. None

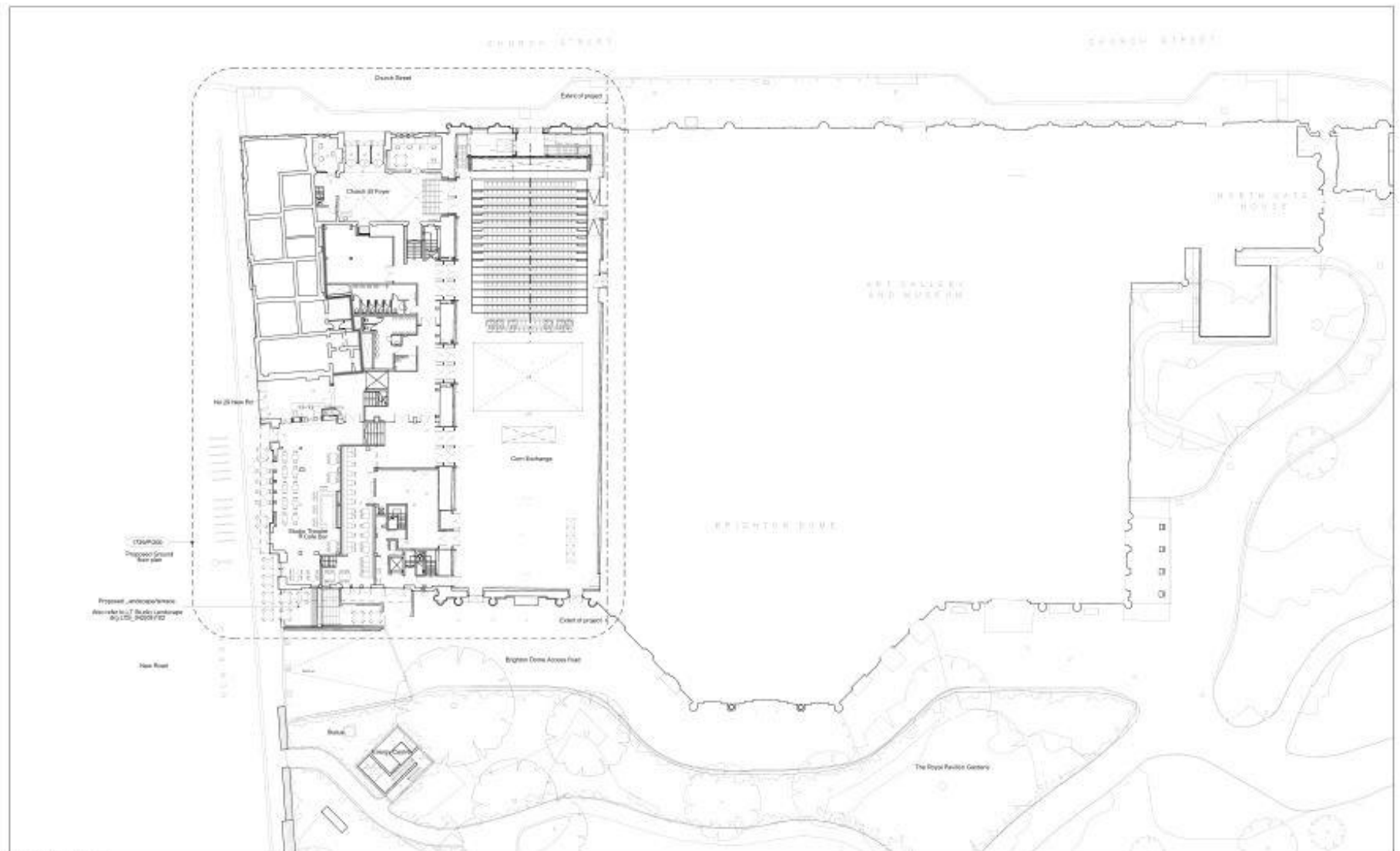
### **Background Documents**

1. None

Phasing of Capital Works to the Royal Pavilion Estate



## Appendix 2 - Royal Pavilion Estate Phase 1 Site Plan



IC288H-100 Proposed Site Plan

Rep. A. Ben-porath and his scholarly group have been

1 Sep 2004



STATUS:  
PLANNING

**Keywords:** child sexual abuse; disclosure; self-blame

3

Fifth Avenue  
 541 Madison Street  
 New York, NY 10017

8. CESTER ROSS-40

© 2016 BSL2016  
 042016 BSL2016  
 042016 BSL2016

**Abstract**

Brightspace Course

Pharmacokinetic parameters of

Cost-Exchange and Study Funding

Do not escape

Original printed at A2

**Index**

**Autism: A world**

17.28/P/100 A

S0485 1200(1498) (S. A. S.)

DOB: July 2016  
Diagnosed: BSE

All dimensions to be checked on site

<b>Subject:</b>	<b>Royal Pavilion &amp; Museums</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Assistant Chief Executive</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Janita Bagshawe</b>	<b>Tel: 29-2840</b>
	<b>Email:</b>	<a href="mailto:Janita.bagshawe@brighton-hove.gov.uk">Janita.bagshawe@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to recommend to Members that the Council engage in a procurement process in accordance with the requirements of the Public Contracts Regulation 2015 to secure a third party organisation to manage and operate the Royal Pavilion and Museums independently of the City Council.
- 1.2 A new governance model for the management of the Royal Pavilion & Museums is a work stream of the Cultural Services Modernisation programme which was established to develop the recommendations in the Ernst & Young report.
- 1.3 In November 2015 the Economic Development and Culture Committee agreed a report with the recommendation that a full business case for the establishment by the council of a new trust setting out the context and financial imperative to move the management of the Royal Pavilion and Museums to such a trust be presented to Policy & Resources Committee in January 2016.
- 1.4 Subsequent further work into what would be involved, the costs and implications of establishing a brand new trust, the risks associated with creating a brand new entity with no existing reputation or funding or infrastructure have resulted in a review of this preferred option. Discussions with the Area Director of the Arts Council have also contributed to the review.
- 1.5 Legal advice confirmed that the council is required to make the opportunity highlighted in 1.1 known to the market in a fair, open and transparent procedure in accordance with the Public Contracts Regulations 2015 as they apply to requirements of this nature. It is recommended that a Contract Notice or a Prior Information Notice (PIN) be published in the Official Journal of the European Union alerting the market to the council's intentions.
- 1.6 An integral part of the procurement process is the evaluation of the proposals submitted. The evaluation criteria are set in advance. These will address each bidders financial and economic standing together with their technical and professional ability and the merits of each individual proposal for delivery of the required services so as to ascertain which is the "most economically advantageous".

## **2. RECOMMENDATIONS:**

### **That the Policy & Resources Committee:**

- 2.1 Approve the option to proceed with the procurement for a 25 year term contract as set out in the report.
- 2.2 Authorise the Chief Executive to award a contract externalising the future management of the Royal Pavilion and Museums on completion of the procurement process.
- 2.3 Agree that consideration may need to be given to maintaining the council's funding level for up to 3 years to support viable bids for operating the service. This would result in changes to the current level of savings assumed in the 4-year Service & Financial Plans for 2017/18 to 2019/20.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The 4 year Service and Financial Plans presented to Budget Council in February 2016 assume that the budget for the Royal Pavilion and Museums (RPM) service, as a non- statutory service, will be reduced significantly from its current £1.140million net budget in 2016-17. Indicative further savings of £0.372million over the next 3 years (2017 to 2020) have been identified, which in addition to the £0.246million savings already made since 2015/16 represents a total saving of 37% of the total direct RPM budget from £1.295million in 2015/16 to £0.813million by 2019/20. (For comparison, the service's direct budget 5 years ago in 2010/11 was £2.1million).
- 3.2 The ambition in moving the management of the RPM to a new entity is to enable it to continue to deliver on council priorities: a Strong Sustainable Economy, Children and Young People, Health & Well Being, Community Safety & Resilience and Environmental sustainability and build on the success of the RPM as a nationally significant museum service. However the financial benefits of becoming independent take time to grow, for example: initiating new income streams, engaging potential sponsors and individuals who will not give funds to a local authority run service. Brighton & Hove City council will need to support the new management in the early years of business to allow it time to develop new sources of income to replace the reducing local authority contribution as has been the case with other museum services which have moved outside of council control across the country. The new entity will need time to get to grips with the existing operations and re-design services to become more efficient and generate new income streams.
- 3.3 It is therefore anticipated that the RPM direct budget may need to be maintained at its 2016/17 level of £1.140million until 2020/21 to enable viable bids, after which the grant contribution would be reduced to approximately £0.776million. This means that the savings identified within the current 4 Year Service & Financial Plan in paragraph 3.1 would not therefore be realised until 2020/21. Maintaining the investment for an initial period would allow the new operators to run and develop the RPM service and determine longer term plans to deliver the saving required. Indicative financial modelling suggests that without this provision

the new operators would only just break even in the first few years and would therefore not be in a position to build reserves to support and/or invest in the longer term viability of the operation which would represent a significant risk to viability.

3.4 These assumptions would need to be tested in the procurement process when considering and testing alternative financial models.

3.5 The sites within the Royal Pavilion and Museums portfolio are:

- Brighton Museum & Art Gallery – a Grade 2 listed building, on its present site since 1873.
- Booth Museum of Natural History – a Grade 2 listing building, founded in 1874, bequeathed to the public in 1890 by Thomas Booth and held in trust by the council since that date.
- Hove Museum & Art Gallery – established in 1927 (purchased by Hove Corporation in 1926).
- Preston Manor – which is a Grade 2 listed building, bequeathed in 1933 to be held in trust by the council (An 18th century building dating back in part to medieval period).
- Royal Pavilion – a Grade 1 listed building, purchased by the council in 1850. It was restored as a historic palace in the 1970s since which it has been open all year round to the public.
- Royal Pavilion Garden- Grade 2 on Historic England register of parks.

3.6 The museum collections include 3 Designated Collections of national/international significance:

- World Art, Natural History & Decorative Art (designation attracts funding). The designation scheme is a mark of distinction, identifying and celebrating pre-eminent collections of national and international importance in non-national institutions. There are 140 designated collections held in museums, archives and libraries across England.
- Local History, Social History, Fine Art, Costume, Musical Instruments, Archaeology, Egyptology, Numismatics, Toys and Crafts.

3.7 Most of the collections are owned directly by the City Council having been either donated or acquired by the museum service since its inception in 1860. Some items are held in trust by the city council e.g. for the National Toy Museum & Institute of Play; The James Green Trust's collection of Burmese textiles; photographs and artefacts; the Booth Trust Birds, Cases, Library and Building.

3.8 Other sites/historic monuments within the portfolio include:

- Grade 1 listed buildings : William IV Gate House and India Gate.
- Grade 2 listing buildings/sites: Northgate House, the Old Court House, Jaipur Gate and the Royal Pavilion Garden (the only restored regency garden in England).
- Portslade Old Manor Ruins – an ancient monument.
- Blatchington Windmill run by a Friends organisation.
- Off-site store.

- The Keep. The RPM manages the Service Level Agreement with East Sussex County Council in respect of the City's archives. Collections from the RPM are also stored and accessed through the Keep.

3.9 In a new management entity the sites and collections managed currently by the Royal Pavilion and Museums will remain in the ownership of the city council.

#### 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Options which were considered as part of the report to Economic Development and Cultural Committee in November 2015 were:

- **Remain within the Council** - The risk with this is potential closure of sites, reduced services and consequently the loss of a nationally recognised museum service. As a service currently which has this status it is able to attract funding. If sites are closed and reduction in services takes place, this status will be lost and the service will go into decline. This in turn will impact on the priorities the service currently delivers for the city and the visitor economy.
- **Incorporate as a mutual or a community interest company or other form of social enterprise** - There may be financial risks associated with this option as they do not attract the taxable benefits which trusts can e.g. gift aid. They operate in short contractual timeframes and require the parent body to conduct a tender process. As a mutual, an organisation may only be awarded a contract for a period of three years before being required to compete. The council would then have to put the service out to tender again and the mutual organisation would need to re-tender. As museums need to operate on long timeframes, this approach and uncertainty would not be suitable or recommended. This is not a tested model for museums and with the international significance of the Royal Pavilion and Museums it is considered that this option carries high risks with financial benefits less than becoming a trust.

4.2 The option of the establishment of a Trust to be set up by the Council was discounted on the grounds of cost and risks associated with establishing a new entity as set out in paragraph 1.4 above.

4.3. Taking the above considerations into account, the appointment of a third party organisation to manage the service has been identified as the preferred option, as recommended in this report. To achieve this, a procurement process which complies with the requirements of fairness and transparency and the Public Contracts Regulations 2015 is required.

#### 5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 The Council's change management process will be followed in relation to staff and trade union engagement.

#### 6. CONCLUSION

- 6.1 This report sets out the case to proceed to procurement for a 25 year term to find an alternative management for the Royal Pavilion and Museums.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### **7.1 Financial Implications**

- 7.1.1 A high level assessment of costs and income over a 25 year period indicates that an organisation that is able to attract charitable benefits (gift aid, business rates relief etc) and can achieve income growth will deliver a small surplus from year 1 assuming reducing council investment plus an additional one off investment for the cost of change.
- 7.1.2 However, to succeed it is likely that Council funding will need to be maintained at 2016/17 levels during the early stages of the development. It is recommended that the option to maintain funding for a period of up to 3 years should be available to support bidders in putting forward viable business cases. If this option were utilised, the savings within the current 4 Year Service & Financial Plans, beginning 2017/18, would not therefore be applied to the Council contribution until 2020/21.
- 7.1.3 The expectation is that the funding from the council will reduce over the period as the new organisation grows, giving it the capacity to build appropriate reserves. Council support is expected to have reduced by over 40% by year 10 and over 50% by Year 15.
- 7.1.4 Sensitivity analysis of a high level financial assessment has been carried out which demonstrates that the delivery model is financially sustainable based on prudent assumptions and even if the income growth that is anticipated cannot be achieved, for example, as a result of an unexpected drop in visitor numbers.
- 7.1.5 The council will maintain ownership of the buildings and would continue to fund planned maintenance, however the level of maintenance resources is expected to reduce in line with the council's 4 year service & financial plans. The level of future investment in maintenance would need to be negotiated within any management agreement.
- 7.1.6 Negotiation will be required in agreeing the planned funding reduction for the operation and the affordable level of funding support in the future. The cost of support functions and overheads also needs to be assessed and, in particular, where an organisation cannot provide these itself, consideration given to the conditions for the provision of support functions from the council and how these may be allowed to change over time.
- 7.1.7 The evaluation of the proposals as part of the procurement process will test their financial deliverability and assess the impact on council funding and investment. The risk of failure and mitigating action will also be assessed
- 7.1.8 If the procurement does not go ahead then the council will need to manage the operations within the reduced budget envisaged within the 4 Year Service and

Financial Plan. There is a risk that this will reduce the capacity to deliver services which could have an impact on the quality of service offer.

*Finance Officer Consulted: Anne Silley*

*Date: 23/03/16*

Legal Implications:

- 7.2 The appointment of an economic operator to manage the service is subject to the Public Contracts Regulations 2015 (PCR2015) and must comply with the overriding principles of transparency, non-discrimination and equality in the process of procuring and awarding all contracts.
- 7.2.1 Additional rules apply to the award of contracts depending on the nature of the contract (e.g. works, services or supplies), the value of the contract, and whether it falls within the provisions of Schedule 3 to the PCR. Those areas falling within Schedule 3 are broadly speaking health, education and cultural matters and are referred to as being "Light Touch". The Light Touch Regime procurement route is set out in the PCR 2015, at Regulation 74-77. It applies to the procurement of services whose value equals or exceeds the threshold of £589,148. The process requires an advertisement in the Official Journal of the Economic Union either in the form of a Contract Notice or a Prior Information Notice calling for expressions of interest.
- 7.2.2 Failure to advertise the contract is a direct breach of the PCR which may result in any contract awarded directly being challenged. An application to have the contract declared in effective may be made for six months from when a party should have been aware of the breach.
- 7.2.3 The Council's Contract Standing Orders provide that every contract shall comply with the EU Treaty, the EU Public Procurement Directives and all relevant EU and domestic legislation.

*Lawyer Consulted:*

*Name: Judith Fisher*

*Date: 9-3-16*

Equalities Implications:

A full Equalities Impact Assessment will be carried out. There will be a full consultation process with staff and trade unions. The public and particular community interest groups will also be consulted.

Sustainability Implications:

None

Any Other Significant Implications:

None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

None



<b>Subject:</b>	<b>Brighton Waterfront Project (Brighton Centre and Black Rock sites)</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Acting Executive Director for Environment, Development and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Katharine Pearce</b>	<b>Tel: 29-2553</b>
		<b>Mark Ireland</b>	
	<b>Email:</b>	<b><u><a href="mailto:Katharine.pearce@brighton-hove.gov.uk">Katharine.pearce@brighton-hove.gov.uk</a></u></b>	
		<b><u><a href="mailto:Mark.Ireland@brighton-hove.gov.uk">Mark.Ireland@brighton-hove.gov.uk</a></u></b>	
<b>Ward(s) affected:</b>	<b>Regency/Queens Park/Rottingdean Coastal/East Brighton/ALL</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks delegated authority for council officers, in consultation with the Waterfront Project Board, to agree terms for a conditional Development Agreement (cDA) with Standard Life Investments (SLI) to allow for a future integrated redevelopment of the council owned Brighton Centre site (currently occupied by the Brighton Conference Centre) and the Kings West site (owned by Standard Life Investments) (and referred to jointly as Waterfront Central).
- 1.2 The cDA will also govern the terms of an agreement which will support the redevelopment of the Black Rock site (referred to as Waterfront East) in order to deliver a major new multi-use 10,000 capacity venue to replace the current Brighton Conference Centre.
- 1.3 This report also seeks committee approval to begin the process of procuring a third party operator to run the new venue once constructed. In order to ensure the operator is able to participate in the Agreed Development Strategy for the Black Rock site (Waterfront East) and the design and functionality of the new venue, it is ideally the case that this process be started soon.

**2. RECOMMENDATIONS:**

- 2.1 It is recommended that the Committee:-

Agree the draft Heads of Terms as summarised in the Confidential Appendix 3 as the basis of ongoing negotiations with Standard Life Investments (SLI) on the understanding that the Head of Law is authorised to enter into the final conditional Development Agreement (cDA) and any linked documentation after the Acting Executive Director Environment Development & Housing and

the Head of Law have consulted with the Waterfront Project Board regarding any further changes to the draft Heads of Terms.

2.2 Note the terms of the draft Valuation Brief as referred to in the Confidential Appendix 4.

2.3 Note and agree:

- a) The revised financial information contained in the Confidential Appendix 5.
- b) The current conference subvention budget is retained by the council to support conferences during the closure period and attract conferences to the new venue once opened.
- c) Construction of the new venue will be funded by the capital receipt generated from the sale of the Brighton Centre site, rent from the appointed venue operator, net savings achieved on the current Brighton Centre operational budgets and up to 50% of the forecast additional future business rates income stream (set out in the funding table in paragraph 7.4 of the financial implications) along with any relevant successful Local Growth Fund bids.
- d) That any additional council tax revenue and any increase in New Homes Bonus will be used to support the City Council's medium term financial strategy
- e) The Brighton Centre Redevelopment Reserve can continue to be used to fund project development costs incurred by the council on the Central and Black Rock sites as set out in paragraph 7.14.

2.4 Note and agree the overall procurement approach as summarised in paragraphs 7.15 to 7.17 and the role of Standard Life Investments as lead Development Partner for both the central (Brighton Centre and Kingswest) and east (Black Rock) sites.

2.5 Agree that a competitive procurement process to appoint a third party operator can proceed in a manner agreed by officers with the Waterfront Project Board.

2.6 Agree that the appointment of a third party operator for the new venue, following completion of the procurement process, be agreed by Policy & Resources Committee.

### **3. BACKGROUND**

3.1 A previous report to Committee (December 2014) set out a series of recommendations regarding the proposal from Standard Life Investments (SLI) in relation to the Waterfront project and secured committee agreement to the following:

- I. The principle of a third party operator being procured for a new venue

- II. The ring-fencing of the council subvention budget for future conferencing within the city
  - III. The use of income from the sale of the Brighton Centre (BC) site, the rent (or equivalent) from a new venue operator, any net savings from the Brighton Centre closure and a proportion (25%) of newly generated business rates, to pay for the delivery of a new venue.
  - IV. The use of the Brighton Centre Redevelopment Reserve to fund council project development costs.
- 3.2 This previous report explained the SLI proposal in detail, and significantly the opportunity offered by the combined projects (Black Rock and Brighton Centre/Kingswest) to generate 2,000 FTE jobs for the City and surrounding areas, and an overall development value of approximately £0.5 billion. Net additional spending in the city in the region of circa £150m was also estimated with approximately £4.6m per annum of additional business rates, council tax and New Homes Bonus income to the City Council (a proportion of which was ring-fenced to help fund the project).
- 3.3 The previous report also explained how the Waterfront project has the capacity to transform two important, very visible parts of the city seafront. By linking the two sites and using the resources available from SLI to fund the development stages of the two sites, each party will be able to achieve its own important long term strategic objectives. For the city council this will include securing the future of conferencing in the city and assisting with the regeneration of Madeira Terraces by delivering a high quality anchor development at the far end of Madeira Drive. For SLI this will provide the opportunity to build upon the success of the Churchill Square shopping centre by extending and redeveloping the centre into a new leisure/retail destination with regional status and broader appeal.
- 3.4 The proposal also supports delivery of the City's Economic Strategy, the Coast to Capital LEP's Strategic Economic Plan and will enable further significant investment in the City's Seafront.
- 3.5 A Local Growth Fund pipeline proposal is being progressed to support an Enabling Works Package on the Black Rock site and further funding will be sought to invest in transport, seafront infrastructure, and public realm works to underpin the successful delivery of the overall Waterfront scheme.
- 3.6 Officers have continued to work with the team at SLI to gain a fuller understanding of how risks and funding will be jointly managed for the project, whilst also ensuring compliance with the public procurement (PCR 2015) and EU (Article 56) and State aid obligations. In order to ensure the council's interests are protected and to mitigate risks for both parties, the following key activities have taken place, key elements of which have been reported on an ongoing basis to the cross party Project Board:
- a. Due diligence on the initial proposition from SLI and headline appraisals by the council appointed property practice CBRE to ascertain strengths

and weaknesses in September 2015. The Confidential Appendix 8 sets out the key findings from the report.

- b. Appointment of Osborne Clark – a specialist legal firm, to support the council in-house legal team with progression of the cDA, advice on procurement and other commercial issues pertinent to the proposal.
- c. Following the outcome of the CBRE report (above) and further negotiation with SLI, an amended project structure which would place SLI in the lead Development Management role, with a separate exercise for the procurement of a more specialist venue advisor role as required by the project.
- d. Progressed soft market testing with potential venue operators demonstrating market interest.
- e. Ongoing regular meetings with the cross party project board for officer updates and/or briefings by the Standard Life professional team.
- f. Feasibility work by world renowned practice, Wilkinson Eyre architects regarding venue options for the Black Rock site in relation to heritage, townscape and environmental constraints.
- g. Dialogue with Historic England as part of a planning review to establish current parameters in relation to the impact of development on existing heritage assets such as the Grade I listed Lewes Crescent and consequential impact mitigation options.
- h. Title searches and reporting in relation to both Black Rock and Central sites, including adjacent ownerships.
- i. Appointment of Peter Brett Associates by SLI to undertake initial feasibility of transport options for the new venue and expanded retail scheme.
- j. Appointment of GVA (January 2016) to undertake the Council's Section 123 obligations to obtain "best consideration" and sign off on the draft Valuation Brief (attached as Confidential Appendix 4).
- k. Progression of various documents to support the structure of the wider proposal including agreements around cost recovery scenarios, qualifying expenditure for purposes of clawback, pre-emption options and procurement.
- l. Counsel opinion in connection with wider procurement implications of the land transaction and connected procurement appointments e.g. of SLI professional team (March/April 2016).
- m. Introductory sessions with the design team appointed for the central site and the cross party project board to discuss initial concepts and opportunities in relation to both transport and design.

- 3.7 In addition, a bid for Local Growth Funding of £3m is being submitted to Coast to Capital Local Enterprise Partnership (C2CLEP) with the support of the Greater Brighton Economic Board to secure funds to resolve "below ground" barriers to development at the Black Rock site. Previous sea wall defences, complex utilities and services infrastructure and other obstructions that dissect the site need to be addressed in order to de-risk the construction process. The LGF Round 3 proposal will enable work to start as soon as funding can be secured for 2017/18.

## Next steps

3.8 If Committee approve the recommendations within this report, the project will proceed to the next stage and the following tasks will be undertaken by the officer team in conjunction with SLI:

- Signing of conditional Development Agreement – June 2016
- Production of outline business case for the venue
- Procurement process instigated to appoint third party operator for new venue
- Consultation strategy finalised and dialogue started with a range of key stakeholders including the local city wide amenity societies and local communities of interest, Appendix 2
- Confirm budget for Waterfront East to deliver next stage (to ADS)
- Competitive process to select full professional design team for Black Rock site
- Early meeting with newly established Design Review Panel in relation to both key seafront sites
- Concept design progression of two sites to RIBA Stage 2/Agreed Development Strategy in preparation for Council sign off in its capacity as Landlord – Appendix 1.
- Production of business case for combined project including dialogue with C2C
- Ongoing dialogue with BHCC Transport teams to identify urgent project interfaces with current transport led projects e.g. former West Street Shelter Hall highway structure (including West St/A259 junction); 'Gateway to the Sea' (improvements to the Queen's Road/West Street route from the station via the Clock Tower to the seafront); other seafront highway structures adjacent to the Waterfront sites; and the Valley Gardens corridor (particularly Phase 3, which will include the Sea Life Centre/Palace Pier (A23/A259) junction).

3.9 Once these activities are underway the two sites will be progressed to a point of completion referred to within the cDA as the "Agreed Development Strategy" (ADS). The purpose of the ADS is to ensure that at this point, all the parties have a full appreciation and understanding of the two projects sufficient to make a full commitment to the next planning submission stage.

3.10 Several other tasks will also be needed at this point and will form part of a further report to P&R Committee as follows:

At the next (1<sup>st</sup>) condition date (Q2 2017)

- An Agreed Development Strategy for Eastern and Central sites *including cost envelope* (Appendix 1)
- Public consultation strategy for next stage agreed
- Base land valuation undertaken – GVA
- Venue Operator selected and either an Agreement for Lease exchanged or HOT's agreed (as a minimum)

- Construction Strategy agreed for both sites
- Commitment to agreed professional team fees and budget to proceed to final pre-planning stage.

The terms of the cDA provides for the council to agree to a number of areas which include those above, before proceeding to the next stage. Further conditions and timeline are included in Confidential Appendix 6.

### **Coast to Capital Local Enterprise Partnership Strategic Economic Plan**

- 3.11 Securing ongoing investment in internationally, competitive conferencing facilities is identified as a priority of the City's Economic Strategy 2013-18. Enabling the regeneration of both the Brighton Centre and Black Rock sites is also identified as a priority in C2CLEP's Strategic Economic Plan [SEP] and Growth Deal Investment Plan. Both sites are identified within the Seafront Priority Development Location area for Brighton & Hove within the SEP.
- 3.12 The SEP provided the LEP (and therefore the local authorities within it) with the opportunity to bid for and secure additional funding from the Local Growth Fund to invest in a number of projects that would unlock jobs and homes in the Coast to Capital area. A series of further Local Growth Fund [LGF] bids are currently being developed in discussion with the Coast to Capital LEP to support the overall Waterfront proposal, based on existing and future LGF allocations. The developer team has continued to work closely with the council to formulate the first bid around a series of themes to support infrastructure works and pre-construction de-risking activity at Black Rock.
- 3.13 Future bids may include:
- LGF 2 (Sustainable Transport and Resilience funding allocations)
- 'Gateway to the Sea' – in line with the priorities agreed by the council's Environment Transport & Sustainability Committee in November 2015.
  - Seafront highway structures ('arches') adjacent to the Waterfront Central site - in line with the priorities agreed by the council's Environment, Transport & Sustainability Committee in November 2015.
  - 'Intelligent Transport Systems' [ITS] – further extension of investment in technology e,g Variable Message Signing for drivers and upgraded traffic signals, to manage traffic and pedestrian movement more efficiently, based on successful package bid in 2015.
- LGF 3
- Supporting improvements to Madeira Drive and Dukes Mound
  - Supporting seafront connectivity along the A259 e.g. via seafront bus route
- 3.14 Future bids will be subject to further discussion and refinement before submission to the LEP's Local Growth Fund bidding rounds for both existing and future LGF budgets.

## **MANAGING RISK TO THE COUNCIL**

- 3.15 The cDA will address and seek to mitigate the key risks for the Council in the linked proposal. Specialist advice has been sought in relation to cost risk, valuation risk and legal challenge. These key risks and their mitigation are highlighted in Confidential Appendix 7.

### **Risk and Opportunity Register**

- 3.16 Council officers will develop a detailed Risk and Opportunity register for the project going forward which will apply the council's approved Risk Management Strategy methodology and be used for reporting purposes.
- 3.17 It should also be noted that maintaining the seafront as an asset to the city is identified as a priority in the council's Strategic Risk Register.

### **Land Valuation**

- 3.18 A valuation based on SLI's proposed scheme for the Central Site will be completed at the 1<sup>st</sup> Condition Stage of the cDA. In order to facilitate this the principles for the valuation are to be agreed between the parties and documented in a Valuation Brief which will be attached to the cDA (the current draft of which is at Confidential Appendix 4). GVA are advising the council on the Valuation Brief and subsequent valuation. The Valuation Brief defines the extent of the site on which the valuation will be based and will include both the council's interest (Brighton Centre) and SLI's interest (including the sites of Odeon and Debenhams). It will also define the basis of the valuation and how the site value is to be apportioned between the two parties.
- 3.19 The valuation will be based on SLI's Base Scheme and will provide both parties with certainty to allow each to progress the developments. In addition to the valuation an overage structure will be agreed between the parties to capture any additional value created in the central site following completion of the valuation and up to cDA achieving unconditional status. SLI have proposed an additional overage payment based on any changes to the base scheme, for instance if the size of the development is increased. In addition SLI have proposed a second overage based on an increase in value gained through market improvement.

### **Transport**

- 3.20 The previous report considered by this committee (December 2014) about the Waterfront project highlighted the need to learn from the experiences of managing travel and transport during the first 4 years of the 30,000 capacity AmEx Community Stadium. It also identified a number of opportunities and challenges that would need to be seized and overcome respectively in order to ensure that the redevelopment of both Waterfront sites was achieved using the most sustainable and efficient options for transport and travel. Some

initial progress has been made in further exploring what these may be for the individual sites, as well as identifying possible linkages between them. This work has been led by SLI's transport consultant, and informed by the council's Transport teams. The scale of this task is not underestimated, but options have been considered before by officers as part of previous proposals that were not progressed on either site. Achieving the right balance of transport and travel services, infrastructure and information for a number of different scenarios, by working with a number of key city stakeholders, will be important for achieving a viable and successful transport strategy.

- 3.21 One of the key focuses of this work will be to ensure that the Waterfront development project is integrated with other projects and programmes of transport investment that the council has prioritised, and which have been, or will be, subject to successful bids for additional funding to deliver them. Three examples are Phase 3 of the Valley Gardens project; seafront highway structures; and the route between the station and the seafront (Gateway to the Sea), as mentioned earlier in this report, and which are explained more fully below.
- 3.22 The final section of the Valley Gardens project (between Pavilion Parade and the Brighton Pier and referred to as Phase 3) was included in the Coast to Capital LEP's SEP and therefore considered by the Government for funding as part of the LEP's LGF bid in 2014. In July 2014, the Government announced that Phase 3 had been approved as a named scheme to receive funding of up to £6m to deliver regenerative improvements to the southern section of the A23 corridor by improving access to jobs and homes and enabling safer and more efficient and sustainable movement for people and vehicles, as well as enhancing the public realm. That funding would become available from 2016/17 onwards, subject to the development of a robust Business Case by the council which would need to be submitted to the Coast to Capital Local Transport Body [LTB] for consideration and approval. If the Business Case is approved, the council will need to secure and spend 20% of the project's total estimated cost of £7.25 million. This funding is expected to be secured from developer contributions and the council's Local Transport Plan capital programme. The project's construction would follow on from Phases 1 and 2, and could start before 2020.
- 3.23 The former West Street Shelter Hall structure is directly adjacent to the Waterfront Central site, and the A259/West Street junction, which is a key part of the pedestrian and cyclist route to/from and along the seafront (especially from Brighton Station) and provides direct access to a number of city centre parking spaces, including Churchill Square. The structure was built in the 1880s and supports the upper promenade at the junction of the A259 (King's Road) and West Street. Its potentially dangerous structural condition has secured £9 million worth of government funding through a successful bid to the Highway Maintenance Challenge Fund. Demolition and reconstruction is now underway and will take approximately 2-3 years. The pressing need to rebuild this particular structure has presented an opportunity to fully assess this section of the seafront and the associated highway structures, and the operation of the junction. It is therefore essential that the primary principles for

access and movement within the designs for the Waterfront project proposals are known as soon as possible in order to incorporate them in to the design options for the West Street junction.

- 3.24 The 'Gateway to the Sea' project was originally identified by the council as a potential scheme for inclusion in the LEP's 2014 SEP to help unlock or improve access to jobs and homes. It is specifically linked to the New England Quarter and Seafront Priority Development Locations, and focuses on the role and importance of the Queen's Road/West Street route from the station via the Clock Tower junction to the seafront, especially for visitors. It also links to the newly enhanced southern entrance to the Brighton Station Gateway and connects with the North Laine, The Lanes and the Churchill Square/Western Road shopping areas.

### **Planning**

- 3.25 The key planning issues for the schemes have been assessed by SLI on behalf of the city council and by GL Hearne, their appointed planning consultants.

The redevelopment schemes for the two sites will be assessed against policies in the City Plan Part One, now formally agreed at Full Council on March 24<sup>th</sup> 2016. In particular policies DA1 (Brighton Centre and Churchill Square) and DA2 (Brighton Marina, Gas Works and Black Rock Area) which include strategic land-use allocations for the two sites, will be relevant to this assessment.

Concurrent planning applications will be made to ensure the two proposals are considered as linked projects. This is considered particularly important as it relates to the transport proposals.

Early dialogue with Historic England to inform initial feasibility has demonstrated that opportunities for residential development on the Black Rock site are likely to be very restricted due to the impact upon heritage assets at Lewes Crescent and Arundel Terrace.

- 3.26 A Planning Performance Agreement will be drafted, in common with other large developments (such as the King Alfred project) to guide the planning process.

### **Monitoring and reporting**

- 3.27 Policy and Resources Committee will be provided with general progress reports as the project progresses particularly at key milestones. The Cross Party Project Board and shortly to be established, Strategic Delivery Board, will also receive regular project updates. Project reporting will also be provided to the Economic Development and Culture Committee.

## **Due Diligence**

- 3.28 Given the extent of borrowing required for this project, the Audit and Standards Committee will expect to have oversight of the complete proposal. This would set out the approach being taken to risk management and due diligence and also the assurance role for Internal Audit over the project as a whole.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Officers and Members, together with expert financial advisers, have previously considered over a number of years a range of options that might enable the funding of a suitable replacement for the Brighton Centre. The scale of the problem presented by such re-provision (estimated as costing in excess of £120m) was not able to be met before the period of austerity, and with fewer government and local funding sources available, is now even less within reach. Without very significant private sector funding and an expanded business case to support a more commercial approach, the capacity of the city to re-provide a new centre on the existing site is not considered financially achievable. With its loss, the city would therefore lose a market that has successfully been built up since the centre opened in 1977.
- 4.2 The opportunity being presented with this proposal, on the contrary (as set out in the Financial paragraphs) is one which creates significant additional revenue for the city (from a range of sources) and at the same time, reduces the reliance on the public purse in the longer term. It will protect the conferencing industry on which so many businesses in the city rely, but also grow the sector, by attracting in more frequent and larger entertainment events. As the evidence shows, these events will directly impact upon the local economy retaining and improving job prospects, as well as providing a platform for the city on the UK and World stage.
- 5.0 If the Committee decides not to proceed with negotiations, the following outcomes are anticipated:
- The Brighton Centre will continue to require annual subsidy but without any additional income to fund this. Delay will not resolve the ongoing problem of how to provide a sustainable economic future for conferencing or of how to invest in the Brighton Centre building.
  - Future business rates income of between £7m and £8.7m will not be realised.
  - New investment to protect the seafront and grow business and investment income for future years will be significantly held back.
  - Projects, prioritised by council Committees, to improve the 'gateway to the Sea' corridor and strengthen seafront structures will continue and may not be integrated with the development of both sites.
  - Public realm improvements to the seafront/A259, Russell Road, Cannon Place will not be achieved in the medium term.
  - Black Rock, as a derelict site, will continue to deter investment in the Area.

- Existing scarce resources will have to be re-prioritised from current and future revenue and capital service budgets to continue to resource the Brighton Centre maintenance and operational budgets.
- The regeneration of Madeira Terraces will be far more challenging to address without a new anchor development to pull in more visitors and support new infrastructure.
- Construction inflation will add to project costs.

## **6. COMMUNITY ENGAGEMENT & CONSULTATION**

- 6.1 A process of consultation with the business and wider community is planned to take place as the proposal develops to ensure key stakeholders remain fully engaged going forward. See Appendix 2.

## **7. FINANCIAL & OTHER IMPLICATIONS**

### **Financial Implications**

#### **Forecast Financial Benefits to the council**

- 7.1 The forecast economic benefits and new jobs created by the proposals are set out in the body of the report, but in addition the council will receive direct financial benefits as forecast in the table below. The additional business rate income stream is potentially double the amount forecast in the December 2014 report due to the decision by the government to allow councils to retain 100% of business rates from 2020. However, it is not known exactly how the changes to business rate retention will be implemented so there remains an element of uncertainty. Churchill Square currently represents 7% of the total rateable value of the city and the extended shopping complex could add between £7m and £8.7m to the annual income retained by the council once the developments on both sites are completed.
- 7.2 The December 2014 report recommended that 25% of the total income stream covering business rates, council tax and New Homes Bonus was used to support the construction of the arena. The CBRE report identified potential under estimates of cost and over estimates of income in the December 2014 Eastern site appraisal so in order to maintain viability it is recommended that 50% of the additional business rates is used to support the construction of the arena. The balance would be retained within the revenue budget and could for example help protect services to the elderly and most vulnerable in the city.
- 7.3 There will be a temporary reduction in business rates income during the construction phase and this will be built into the funding strategy. There is also potential for hotel development within the site which would generate additional business rates which has not been factored into the estimates.
- 7.4 Whilst the proposed development would be retail led the council also needs to be mindful of the additional services it needs to provide to the residents of any

new housing. It is recommended that additional council tax revenues will be retained in the revenue budget for the provision of these services. Allowance will also be made within the costings of the proposals to cover S.106 contributions towards the provision of new school places and other relevant services. The payment of New Homes Bonus (NHB) is currently under review and future payments are likely to be reduced compared to the current position. Any amounts payable will be for a limited period and therefore should not be relied on to fund the financing costs of long term investment decisions. It is therefore recommended that any net increase in NHB is used to help fund affordable housing within the city.

Table 1: Annual forecast direct financial benefits for the council

	Forecast range of income per annum £ million
<b>Central &amp; Eastern sites:</b>	
Net Additional Business rates – 100% council share based on additional commercial space of between 40,000 sqm and 50,000 sqm	£7m to £8.7m
Additional council tax based on up to 200 new units	Up to 0.2
New Homes Bonus (assuming payable for 4 years but currently under government review)	Up to 0.25
Total forecast of additional annual revenue	Up to £9.15m

- 7.5 The forecasts shown above are just estimates at this stage based on the latest development proposals on each site at a point in time.

### **Best Consideration**

- 7.6 The council must ensure that the amount received for the Brighton Centre site achieves the “best consideration” that can reasonably be obtained and has employed GVA to review and advise on the central site appraisals.
- 7.7 A valuation brief is in the process of being agreed between the parties and the current draft is included in the Confidential Appendix 4. The valuation brief will be used to calculate the initial valuation once the development brief has been agreed. The council will need to consider what it is prepared to accept for the sale of the Central site bearing in mind the overall package of benefits and risks offered by the overall deal. The cDA may make provision for 2 potential overages, one based on what is achieved at planning and the other based on the values achieved once the Central site development is completed.

### **Cost estimates and proposed funding arrangements for the arena**

- 7.8 Confidential Appendix 5 shows both the latest cost estimates for the venue and the potential external and council funding sources for the project. At this

stage they are still ballpark figures which will be refined as design works progress. A combination of inflation and previously understated costs (as indicated in the CBRE report) has resulted in a significant increase in construction cost estimates. Further work has also meant that the opportunities for residential development on the Black Rock site are restricted because of the impact on the significance of heritage assets at Lewes Crescent and Arundel Terrace. However the retention locally of 100% of business rates from 2020 has provided a substantial boost to funding which means that overall the project is likely to be financially viable.

- 7.9 The cDA will also allow for SLI to choose to meet a funding shortfall entirely at it's own cost to ensure that the council viability condition is met. This could address the position where a relatively small shortfall in the arena viability would halt both schemes from proceeding.
- 7.10 The cDA will also address a scenario where SLI decide to delay the development of the Central site for example for economic reasons, and therefore the additional business rates income is not generated as anticipated. SLI have offered to meet the financing costs planned to be funded by business rates for the period of any delay. The details of this proposal are subject to negotiation.

### **Operation of the new Conference Centre and Arena**

- 7.11 An indicative rent will be determined through a competitive procurement process for an arena operator based on an outline business case developed by the operator for the operation of the venue. Soft market testing has already provided the council with information which suggests there is a strong appetite for this opportunity amongst the limited number of potential operators.
- 7.12 There will be significant operational and maintenance savings to the council compared to the existing Brighton Centre budget which will be used to fund borrowing costs as set out in Confidential Appendix 5. Further work needs to be done to identify precisely what these savings will be and any additional costs arising from the maintenance and upkeep of the new public realm areas around the conference centre and arena. This will form part of the wider business case and financial appraisal.

### **Project Development Costs**

- 7.13 The project development costs for both sites are primarily at SLI's risk until the cDA becomes unconditional when most of the Eastern site costs are recoverable from the council funded from the sale of the Brighton Centre site. The summary HoT in Confidential Appendix 3 outline the different cost recovery scenarios. The council will be obliged to pay for cost items, such as basic site infrastructure works, which enhance the value of the Eastern site should the project not progress. The costs likely to be incurred to get to the unconditional stage have been estimated by SLI to be £10m for the Eastern site and £7m for the Central site. As part of the package SLI have also offered

to provide Development Management Services free of charge. The estimated cost of these services is between £2m and £3m.

- 7.14 However, certain limited costs will be met directly by the council. The development of the project will need dedicated internal resources and appropriate specialist external advisers for example to provide legal advice, review financial appraisals and evaluate and test proposed transport solutions. This expenditure can be met from allocations from the Strategic Investment Fund (SIF) using the Brighton Centre Redevelopment Reserve. It is currently estimated to be £3.366m at the 31 March 2016. In addition to the subvention budget any unused balance on the Redevelopment Reserve could also be available to help fund conferences and events during any closure period before the new venue is completed.

*Finance Officer Consulted: Mark Ireland / James Hengeveld Date:19 .04.16*

### **Legal Implications:**

#### **Procurement**

- 7.15 Leading Counsel has advised on the procurement implications of the proposed transaction with SLI. The overall project is a complex transaction and entails a number of interlinked contracts being entered into. In essence, the council will enter into a land transaction with SLI in respect of the Centre, and specified services will be provided by SLI as part of that land deal. Further counsel advice will be sought after exchange of the cDA to ensure full compliance with procurement requirements.
- 7.16 It is proposed that a competitive procurement process to appoint a third party operator will proceed in a manner to be agreed by officers with the Waterfront Project Board with a view to that appointment being agreed by Policy & Resources Committee.
- 7.17 There will also be an OJEU procurement of the building contract relating to the Black Rock site and a competitive process for final appointment of an architect team for the Black Rock site.

#### **Development Agreement**

- 7.18 A full summary of the current draft Heads of Terms for the cDA is in Confidential Appendix 3. For the purposes of this open report the key aspects of the cDA include:
- (a) A number of conditions need to be satisfied in respect of both sites, including agreeing the development strategy, satisfactory planning permission, site assembly, funding and viability. Re viability, (i) SLI will need to achieve a threshold figure linked to return on expenditure and the internal rate of return for the Central Site and also achieve a percentage of pre-lets in the shopping centre and (ii) the Council will need to have procured an operator and an affordable building contract.

(b) Detailed Clawback and Qualifying Expenditure provisions will regulate potential payments by the council to SLI.

(c) Agreement as to how the Land Price is calculated (see 7.22 below).

- 7.19 It is proposed that officers continue to work with the Project Board and that the final Heads of Terms for all of the required documentation are agreed by the Project Board, so that the appropriate documentation can then be entered into in June.

### **TUPE**

- 7.20 Whether or not there is a transfer subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 (TUPE) involved in this transaction is a matter of law. Further consideration to this key aspect will be needed once timescales are known, as part of the procurement of the Operator for the new Centre
- 7.21 Staff at the Brighton Centre who may be affected by the proposals will continue to be kept informed as the project progresses.

### **Best Consideration**

- 7.22 As referred to elsewhere in this report, the council is under a duty to achieve the best consideration reasonably obtainable for the disposal of the Brighton Centre. The Valuation Brief sets out the market valuation approach against which the agreed price will need to be assessed to ensure that either this duty is complied with or if necessary consent to dispose at less than best consideration is obtained.

*Lawyer Consulted: Bob Bruce*

*Date: 19.04.16*

### **Equalities Implications**

- 7.23 A full equality impact assessment will be undertaken as part of the next stage of the project. A future report will address specific equalities issues arising from the proposal that the venue be operated by a commercial operator.

### **Sustainability Implications**

- 7.24 Building standards will need to comply with the minimum standards set out in the City Plan in terms of BREEAM. The opportunity to ensure both developments are District Heat Network ready will also be explored. Commitments to the promotion and provision of sustainable transport options that minimise carbon emissions and mitigate any effects on air quality levels and congestion will also be critical to ensuring that the project is successful.

### **Any Other Significant Implications**

7.25 All significant implications are dealt with in the main body of the report.

## **SUPPORTING DOCUMENTATION**

### **Appendices**

#### **Part One**

1. Requirements of Agreed Development Strategy (ADS)
2. Consultation strategy - GL Hearn

#### **Part Two**

3. Heads of Terms
4. Draft Valuation Brief
5. Cost and Funding Sources (Table)
6. Milestones and Key Conditions
7. Risk Table
8. Conclusions of CBRE Viability Assessment Report Sept. 2015

### **Documents in Members' Rooms**

None

### **Background Documents**

Report (Waterfront Project) to P&R Committee - December 2014  
Report (Local Transport Plan Future Priorities) to ET&S Committee – November 2015



	The Development Strategies shall each: (taken from conditional Development Agreement)
1	Include a Budget setting out categories of estimated expenditure with maximum sums of expenditure for each category
2	Be consistent with any estate management strategy settled between the parties
3	Include the indicative mix of all units in each of the Waterfront Central and Waterfront East Developments
4	Include a Site Assembly Strategy for each of the Waterfront Central and Waterfront East Developments
5	Include the indicative location of any Affordable Housing necessary on either site that complies with housing requirements of the Authority
6	Include the proposed Transport Strategy
7	Include the proposed layout of any recreational facilities, Public Realm works, and landscaping proposals and open areas for each site
8	Include the siting of any energy system and indicative linkages of the common services to and from it in favour of any adjoining land
9	Show the massing of buildings indicating height, width, depth and active frontage
10	Include details of any phasing requirements for development
11	Include a public consultation strategy in relation to each site
	Also:
12	To comply with any appropriate sustainability standards that may apply to the developments e.g. as required by the code for sustainable homes or building regulations and the requirement for the Building Research Establishment and Environmental Asset Methodology (BREEAM) measured to a standard of “Excellent” or such other standard as is reasonably required by the council for the purpose of any commercial and/or retail elements together with obtaining an EPC certificate.
<b>A</b>	<b>The Central Development Strategy shall also include:</b>
1	Waterfront Central Appraisal
2	Waterfront Central Development Plans
3	Design to RIBA Stage [2] [A planning application is typically made at RIBA Stage 3]
4	An overview of the scheme in relation to the proposed Central Core Elements ie how does the scheme compare to the expected proposed “Base Scheme”
5	A suitable community package which also explains clearly the social value to be derived from the proposal
<b>B</b>	<b>The Eastern Development Strategy shall also include:</b>
1	The proposed Waterfront East Appraisal
2	The proposed Waterfront East Development Plans
3	Design to RIBA Stage [2]
4	A proposal <i>in relation</i> to the Venue Operator and terms for an Agreement for Lease agreed or Heads of Terms agreed
5	Eastern Core elements and Venue Core Elements confirmed
6	<i>A commitment to an agreed professional team and their fees and a budget to proceed to Planning</i>
<b>A/B</b>	<i>Base land values agreed and reported to Committee to ensure proposal remains financially deliverable to allow progress to next, “2<sup>nd</sup>” Condition Stage – working scheme up for planning approval.</i>


# Brighton Waterfront

## *Communications and consultation plan - April 2016*

### **Context**

The project partners understand the importance of the project to the city and the need for widespread and comprehensive communications and consultation throughout the design, planning and delivery phases. GL Hearn's Strategic Communications team has been engaged by Standard Life Investments to advise the partners on the most appropriate strategy and will assist with delivery of the consultation programme.

This note sets out GL Hearn's recommended approach to the various stages of the project between the Policy and Resources Committee meeting on 28<sup>th</sup> April 2016 and the submission of planning applications for the two sites.

### **Outline programme**

The later stages of consultation are proposed to fit into the overall programme, and the initial stages will begin this summer 2016:

Stage 1 – early engagement with local residents and interested groups which have a direct interest in the development of both sites

Stage 2 – wider consultation around design competition/emerging concept plans

Stage 3 – information on the appointment of the operator and the agreement of the development strategy prior to completion of the Development Agreement

Stage 4 – pre-application consultation and engagement

Stage 5 – information on the submission of the application and ongoing engagement during deliberation of the application up to decisions at planning committee

### **Stakeholders**

Stakeholders are categorised as follows:

1. **Brighton Waterfront** – Those stakeholders that have a city-wide interest in the Waterfront project
2. **Brighton Waterfront East (BWE)** – Those stakeholders that have a specific interest in the Black Rock site
3. **Brighton Waterfront Central (BWC)** – Those stakeholders that have a specific interest in the Brighton Centre/Churchill Square site

The initial engagement strategy will focus on civic groups in close proximity to each site, such as the Kemp Town Society, city centre neighbours such as the North Laine Traders' Association and city wide business, civic, transport and environmental groups.

Councillors and other elected representatives for both sites and across the city will also be kept informed throughout the process and provided with regular opportunities to contribute to the consultation strategy and the emerging plans.

## **Engagement tools**

The detail of the consultation and engagement approach will be worked up in conjunction with the groups we engage with, but will be comprehensive and will include the following activities:

- Correspondence – letters, emails, phone calls
- Meetings, briefings
- Collateral – newsletters, flyers, video
- Online – website, social media
- Media – editorial and advertising, online and print
- Events – workshops, drop in sessions, exhibitions

## APPENDIX 2

Outline approach to following stages:

Stage	Activity	Detail	Purpose
<b>Stage 1 - early engagement</b>			
<i>(spring/ summer 2016)</i>	Media briefings	Briefings to be issued following P&R committee re: programme of consultation	Ensure wide coverage of P&R decision and introduction to early engagement
	Establish project website / contact details etc.	Initial website holding page set-up with project team contact details	Ensure interested parties can contact project team and register for updates. Establish a platform for future updates and information to be posted online
	Meetings with stakeholders re: Brighton Waterfront	Meetings with stakeholders with city-wide interest	Discuss project and agree terms of engagement
	Meetings with stakeholders re: Waterfront East (BWE)	Meetings with stakeholders with specific interest in the Black Rock site	Discuss project and agree terms of engagement
	Meetings with stakeholders re: Waterfront Central (BWC)	Meetings with stakeholders with specific interest in the Brighton Centre / Churchill Square site	Discuss project and agree terms of engagement
<b>Stage 2 - Wider Public Consultation – Design competition/emerging concept plans</b>			
	Media briefings	Briefings to be issued to media prior to design competition and public consultation exercise outlining dates for events/contact details etc.	Ensure wide coverage of the design competition and consultation on emerging concept plans
	Local promotion and engagement	Immediate neighbour workshops at both Brighton Waterfront East and Brighton Waterfront Central locations	Engage immediate neighbours on the design competition/emerging concept plans
	City wide promotion & public events	Public exhibitions	Engage city wide on the design competition/emerging concept plans
	Online consultation via website, social media etc.	Content to be made available online and supporting social media sites	Provide a platform to inform public on the proposals who are unable to attend an event and provide opportunity to send feedback

## APPENDIX 2

<b>Stage 3 - Announcement of operator and approval of scheme prior to DA completion</b>			
	Media briefings	Statement to be issued to media re: operator and proposed scheme prior to completion of Development Agreement	Ensure wide coverage of appointment of operator and clear communication on completion of Development Agreement
	Online activity including website and social media	Online updates made through dedicated project website & associated social media	Inform the public of the appointment of operator and proposed scheme prior to completion of Development Agreement
<b>Stage 4 - Pre-application consultation and engagement</b>			
	Media briefings	Briefings to be issued to media prior to pre-application public consultation exercise outlining dates for events/contact details etc.	Ensure wide coverage of the pre-application consultation
	Local promotion and engagement	Immediate neighbour workshops at both Brighton Waterfront East and Brighton Waterfront Central locations	Engage immediate neighbours on the pre-application designs
	City wide promotion & public events	Public exhibitions	Engage city wide on the pre-application designs
	Online consultation via website, social media etc.	Content to be made available online and supporting social media sites	Provide a platform to inform public on the pre-application designs who are unable to attend events and provide an opportunity to send feedback
<b>Stage 5 - Submission &amp; campaign to committee</b>			
	Media briefings	Statement to be issued to media re: submission of planning applications  Ongoing proactive and reactive statements to be issued	Ensure wide coverage of submission of planning applications  Ongoing statements to ensure city wide coverage
	Online activity including website and social media	Online updates through dedicated project website & associated social media	Inform the public of the submission of planning applications
	Ad hoc meetings / briefings with stakeholders as required	Meetings with stakeholders as required	To keep stakeholders informed of the proposals

<b>Subject:</b>	<b>Former Peter Pan's Amusements site - Sea Lanes Lease Agreement – Part 1</b>		
<b>Date of Meeting:</b>	<b>28 April 2016</b>		
<b>Report of:</b>	<b>Acting Executive Director for Environment, Development &amp; Housing, and Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Ian Shurrock</b>		
	<b>Name:</b>	<b>Toni Manuel</b>	<b>Tel: 29-2084</b>
		<b>Jane Pinnock</b>	
		<a href="mailto:ian.shurrock@brighton-hove.gov.uk"><u>ian.shurrock@brighton-hove.gov.uk</u></a>	
	<b>Email:</b>	<a href="mailto:Toni.manuel@brighton-hove.gov.uk"><u>Toni.manuel@brighton-hove.gov.uk</u></a>	
		<a href="mailto:Jane.pinnock@brighton-hove.gov.uk"><u>Jane.pinnock@brighton-hove.gov.uk</u></a>	
<b>Ward(s) affected:</b>	<b>East Brighton</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In Autumn 2014 the Council marketed the area known as the former Peter Pan site on Madeira Drive as identified on the site plan in Appendix 1 . The results of the marketing exercise were reported to Economic Development & Culture Committee in March 2015, where Landlord's consent was granted. The working title of the preferred bidder for the project at that time was the "Sky Wide Open" open water swimming centre. The same project is now called "Sea Lanes". The committee also agreed that Heads of Terms with the preferred bidder would be presented to Policy & Resources Committee for approval.

**2. RECOMMENDATIONS:**

- 2.1 That the Policy and Resources Committee agrees to authorise the Acting Executive Director Environment, Development & Housing, Executive Director Finance & Resources, and Assistant Director Property & Design to enter into an agreement to lease and grant a 150 year lease to the preferred bidder, Sea Lanes, subject to planning approval for the site shown in Appendix 1 as set out in the Heads of Terms in Appendix 2 (Part 2 confidential information).

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 In Autumn 2014 the former Peter Pan site on Madeira Drive was marketed nationally by agents Oakley Commercial on behalf of BHCC. The brief was for a leisure development opportunity and 8 applications were received.
- 3.2 Following a shortlisting assessment and interviews the proposal called Sea Lanes presented by a consortium of local leisure operators and property developers was chosen by the panel as the preferred development.

3.3 The scheme will be promoted as a national centre for open water swimming and an all year-round leisure destination. Facilities proposed include:

- 50m 8 lane outdoor heated training pool with a constant depth of 1.5m
- changing/shower facilities, indoor endless/ training pools, sauna, studios for training, exercise and yoga, therapy rooms,
- café/restaurant, leisure based shops, offices, function room, bike lock-up/hire.

The proposal would provide a centre of excellence for water based activities offering a wide range of leisure facilities which would complement existing uses within the area. This would include water safety and awareness courses as well as lifeguard training.

3.4 The Sea Lanes development is an exciting and unique proposal which will provide a high quality and sustainable attraction for the seafront. The draft Seafront Strategy identifies Madeira Drive as a key area of the seafront in need of regeneration. Building on the success of the Seafront Development Initiative between the two piers the council's desire is to establish Madeira Drive as an all year round leisure destination for residents and visitors alike. Existing businesses on Madeira Drive already present an assortment of leisure opportunities for a variety of different user groups. Examples include Yellowwave for active people; Peter Pan's playground providing free family play facilities and Concorde II live music venue providing night-time entertainment primarily for young adults. The addition of Sea Lanes to the seafront portfolio will not only provide a new public attraction and directly enhance the site but it will help to support existing uses adding to the overall offer on Madeira Drive.

3.5 Due to its location, popularity and the nearest part of the swimmable coast for a high proportion of Londoners, Brighton is fast becoming a national centre for open water swimming. However, most swimmers have nowhere to change, leave their belongings or shower afterwards. Sea Lanes believe Brighton needs a place for open water swimmers to use as a base, to become a centre of excellence for this fast-growing sport and to make the activity more accessible for all, thus encouraging more people to take part. Due to the mix of activities on offer the centre will not only attract open water swimmers but will appeal to fitness swimmers, and beach visitors. Residents and visitors will be able to make use of the pool and changing facilities either through a membership scheme or on a pay as you go basis. The café/restaurant, shops, therapy rooms and sports hire will have open access to the public.

3.6 The development site is currently an enclosed hardstanding which is located to the north of the Volks Railway line and has remained vacant for many years. The proposal seeks to use the whole of the existing site with the pool to be built on the beach. A crossing point over the railway line will connect the pool to Madeira Drive. Therefore there will be changes to public beach access as a result of the development.

3.7 The developers all own local businesses and have a passion for open water swimming. These comprise Copsemill Properties, a Brighton based property development company with a commercial and residential portfolio; SwimTrek, the

world's biggest open water swimming operator, coordinating holidays, events, races and coaching clinics in Brighton, nationally and overseas; Swimmergy, an open water swimming coaching business, providing pool, sea and dry land courses for people of all ages and abilities; We Like Today, an architectural, interiors and graphic design practice based in Brighton, specialising in leisure and retail-centric projects.

- 3.8 The project is privately funded through 50% equity investment and 50% bank funding. There is no financial contribution required from the council. The level of investment from the developer will be approximately £4.5 million hence the requirement for a long lease. The initial investment of £4.5 million will provide significant additional economic benefits as well as helping to unlock further investment in Madeira Drive.
- 3.9 The business case for the scheme was analysed and approved by colleagues in the council's Finance Business Engagement Team when the Sea Lanes proposal was given preferred bidder status. In addition, the developers have appointed a quantity surveyor specialising in leisure developments who are working alongside a local structural engineering firm and commercial property agents. The business case has been informed using the expertise provided by these professionals.
- 3.10 The proposed Heads of Terms offer a full repairing and insuring 150 year lease. The developer will pay the council a rent based on a percentage of the market rent achievable from the retail, catering and leisure units to be developed on the site. Details are provided in the confidential Appendix 2.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The marketing of the site produced 8 applications. Two developers were interviewed and the panel's decision was that the Sea Lanes proposal was the strongest submission for the available site.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Officers within the Seafront, Tourism and Visit Brighton teams welcome this attraction and consider it meets a latent visitor demand.
- 5.2 The developer has sought pre-application advice from the Planning Department and has consulted with Sport England as well as potential leisure user groups in the local area. A full consultation process will be undertaken as part of the major Planning Application and will include conservation groups and local residents

#### **6. CONCLUSION**

- 6.1 The development of this site is a key part of the regeneration of Madeira Drive and represents a significant investment in the city.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The capital investment, estimated at £4.5m, would be fully funded by the developers in return for the 150 year lease. In accordance with Financial Regulations and Standard Financial procedures, the requirement to obtain best consideration has been taken into account when determining the rent payable. The proposed rental package would be made up of a base rent together with a top up turnover rent from the fifth year of operation. The Council would receive business rates on the new development. This additional income would be due to the Council once the development has been completed.

*Finance Officer Consulted: Name: Anne Silley*

*Date: 24/03/16*

### Legal Implications:

- 7.2 Close attention should be given to drafting the lease and agreement for lease. Officers should be clear about what conditions need to be satisfied by the tenant before the lease is granted. Care must be taken to ensure that user provisions in the lease ensure that the vision for the site is not diluted.

*Lawyer Consulted:*

*Name: Oliver Asha*

*Date: 24/03/16*

### Equalities Implications:

- 7.3 Sea Lanes intend to make disabled access a fundamental part of its proposal. The design includes plans for a boardwalk to allow wheelchair users improved access to the beach and sea.

### Risk and Opportunity Management Implications:

- 7.4 Existing businesses within Madeira Drive will benefit from the new investment and increased footfall.

### Crime and Disorder Implications:

- 7.5 The facility will be open all year round and into the evening therefore providing additional controlled activity and security in a currently underutilised area of the seafront.

- 7.6 Public Health Implications:

This proposal will provide a facility where local residents and visitors can undertake exercise and promote wellbeing in a high quality, relaxing environment.

- 7.7 Corporate / Citywide Implications:

This proposal will provide employment and training opportunities for local residents and will act as a catalyst for the regeneration of Madeira Drive which has been identified as one of the key elements of the draft Seafront Strategy.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

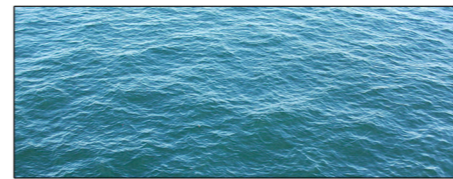
1. Site Plan
2. Heads of Terms (Part 2 Confidential Information)



Mixed-use  
commercial units

Changing  
facilities

License for  
disabled access



**SEA LANES**



Document is Restricted



Document is Restricted



Document is Restricted



Document is Restricted



Document is Restricted



Document is Restricted



Document is Restricted

