

Public Document Pack



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22/08/2013

CABINET

Tuesday 3 September 2013
2.00 pm
Council House (Next to the Civic Centre), Plymouth

Members:

Councillor Evans, Chair
Councillor Peter Smith, Vice Chair
Councillors Coker, Lowry, McDonald, Penberthy, Vincent and Williams.

Members are invited to attend the above meeting to consider the items of business overleaf.

This agenda acts as notice that Cabinet will be considering business in private if items are included in Part II of the agenda.

This meeting will be broadcast live to the internet and will be capable of subsequent repeated viewing. By entering the Warspite Room and during the course of the meeting, Councillors are consenting to being filmed and to the use of those recordings for webcasting.

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Tracey Lee
Chief Executive

CABINET

NOTICE

Further notice of intention to conduct business in private

AGENDA

PART I (PUBLIC MEETING)

1. APOLOGIES

To receive apologies for absence submitted by Cabinet Members.

2. DECLARATIONS OF INTEREST (Pages 3 - 4)

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda. A flowchart providing guidance on interests is attached to assist councillors.

3. MINUTES (Pages 5 - 16)

To sign and confirm as a correct record the minutes of the meeting held on 6 August 2013.

4. QUESTIONS FROM THE PUBLIC

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Plymouth City Council, Civic Centre, Plymouth, PL1 2AA, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five clear working days before the date of the meeting.

5. REDEVELOPMENT OF THE CIVIC CENTRE AND FUTURE ACCOMMODATION REQUIREMENTS (Pages 17 - 34)

The Director for Place and the Interim Director for Corporate Services will submit a report seeking authority to award the contract for the redevelopment of the Civic Centre and adjoining car park to the preferred bidder, to agree where services and staff will be relocated, the financial resources and to ask the City Council to agree capital resources.

The minute of the Co-operative Scrutiny Board of 21 August 2013 is also submitted.

Background papers to this report can be accessed at the Council's website Council and Democracy/Councillors and Committees/Library/Cabinet background papers or using the following hyperlink –

<http://tinyurl.com/bdggk2r>

6. PLYMOUTH HISTORY CENTRE (Pages 35 - 50)

The Director for Place will submit a report on the development of a 'History Centre' project at North Hill / Tavistock Place and seeks authority for officers to progress the vision and undertake a major Heritage Lottery Fund application.

7. CONCESSION FOR A WIRELESS NETWORK IN PLYMOUTH (Pages 51 - 60)

The Director for Place will submit a report setting out the business justification and contracting strategy for a concession contract which will enable the delivery of a core wireless network in public spaces within Plymouth. The concession will enable Plymouth City Council to engage a commercial provider to roll out a wireless network across the city to realise wider social and economic benefits.

A background paper to this report can be accessed at the Council's website Council and Democracy/Councillors and Committees/Library/Cabinet background papers or using the following hyperlink –
<http://tinyurl.com/bdqqk2r>

8. HOME PARK FOOTBALL STADIUM AND HIGHER HOME PARK (Pages 61 - 74)

The Director for Place will submit a written report on a request to assist the delivery of a major improvement to the Home Park Football Stadium, in a £57.0m commercial development centred on the adjoining privately-owned Higher Home Park. The proposal will also include improvements to sporting facilities and landscaping at Central Park in the immediate vicinity of the Home Park area. In order to enable commercial funding to be obtained, Cabinet is requested to authorise the surrender of the existing lease of the football stadium, the re-grant of the stadium lease over a reduced area, the transfer of the freehold interest of part of the existing leasehold area that is needed for the proposed commercial development, and associated estates matters mainly relating to site access.

9. THE BRILLIANT CO-OPERATIVE COUNCIL SUSTAINABLE THREE YEAR PLAN (Pages 75 - 80)

The Chief Executive will submit a report identifying some of the key financial challenges that the council faces over the coming three years, proposing a revised approach to financial planning over the medium term, and seeking support for a council-wide transformation programme based on co-operative values to substantially reduce the operating costs of the council and ensure the maximum possible investment in achieving Corporate Plan objectives.

10. CONTRACT AWARD - REABLEMENT SERVICE

(Pages 81 - 90)

The Director for People will submit a report summarising the recent competitive tender process for an externally provided reablement service which enables people to re-gain their independence in areas such as personal care, daily living activities and other practical tasks following a period of illness, or an injury. The service will be commissioned in partnership with the Western Locality of NEW Devon Clinical Commissioning Group.

11. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

(Members of the public to note that, if agreed, you will be asked to leave the meeting).

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, members are entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

12. REDEVELOPMENT OF THE CIVIC CENTRE AND FUTURE ACCOMMODATION REQUIREMENTS (E3)

(Pages 91 - 108)

Further to item 5 above, the Director for Place and the Interim Director for Corporate Services will submit a private report on the redevelopment of the Civic Centre and future accommodation requirements including financial and business details.

13. CONTRACT AWARD - REABLEMENT SERVICE (E3)

(Pages 109 - 116)

Further to item 10, the Director for People will submit a private report on the outcome of the tender process and the evaluation process for the reablement service.

FURTHER NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE



3 SEPTEMBER 2013

REGULATION 5 OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012

A Notice was published on 5 August 2013 indicating that the Cabinet meeting on 3 September 2013 is likely to move into private session to consider the following decisions under Section 100A(4) of the Local Government Act 1972 where the press and public may be excluded from the meeting on the grounds that it/they may involve the likely disclosure of exempt information in accordance with Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

No representations have been received in respect of the following -

Title	Exemption Paragraph
Redevelopment of the Civic Centre and future accommodation requirements;	Paragraph 3
Contract award for Domiciliary Care Services	Paragraph 3

The following items have been deferred to a future meeting –

- Future Procurement of Low Level Support for Older People
- Contract award for Domiciliary Care Services (Carers' Emergency Respite Service and Framework Agreement for general domiciliary care)

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DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?

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Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain
- any sponsorship that they receive including contributions to their expenses as a councillor or the councillor’s election expenses from a Trade Union
- any land licence or tenancy they have in Plymouth
- any current contracts leases or tenancies between the Council and them
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities

No

Yes

Declare interest and leave (or obtain a dispensation)

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Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- a member of your family or
- any person with whom you have a close association; or
- any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the council). This would include membership of a secret society and other similar organisations.

Yes

No

You can speak and vote

Will it confer an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in the ward?

Yes

No

Declare the interest and speak and vote

Speak to Monitoring Officer in advance of the meeting to avoid risk of allegations of corruption or bias

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Cabinet members must declare and give brief details about any conflict of interest* relating to the matter to be decided and leave the room when the matter is being considered. Cabinet members may apply to the Monitoring Officer for a dispensation in respect of any conflict of interest.

*A conflict of interest is a situation in which a councillor’s responsibility to act and take decisions impartially, fairly and on merit without bias may conflict with his/her personal interest in the situation or where s/he may profit personally from the decisions that s/he is about to take.

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Cabinet

Tuesday 6 August 2013

PRESENT:

Councillor Evans, in the Chair.
Councillor Peter Smith, Vice Chair.
Councillors Lowry, McDonald and Penberthy.

Also in attendance: Councillor Mrs Aspinall (Chair of the Health and Adult Social Care Overview and Scrutiny Task and Finish Group), Tracey Lee (Chief Executive), Adam Broome (Director for Corporate Services), Carole Burgoyne (Director for People), Patrick Bowes (Urban Enterprise Project Manager), Debbie Butcher (Head of Safeguarding, Quality and Individual Placements), David Draffan (Assistant Director for Economic Development), Claire Hodgkins (Strategic Commissioning Manager), David James (Head of Strategic Development Projects), Debbie Newcombe (Public Transport Officer), Clive Perkin (Assistant Director for Transport and Infrastructure), David Schwartz (Young People's Lead) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

Apologies for absence: Councillors Coker, Vincent and Williams and Anthony Payne (Director for Place).

The meeting started at 2 pm and finished at 3.25 pm.

Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

16. **FURTHER NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE**

The Chair referred to the further notice of intention to conduct business in private and indicated that as much information as possible would be discussed in public at the meeting.

17. **DECLARATIONS OF INTEREST**

There were no declarations of interest made by councillors in accordance with the code of conduct in relation to items under consideration at this meeting.

18. **ADAM BROOME (DIRECTOR FOR CORPORATE SERVICES)**

The Chair thanked Adam Broome (Director for Corporate Services) both personally and on behalf of the executive, for his work during the last nine years and in particular paid tribute to his major contribution to the transformation of the organisation to date.

19. **MINUTES**

Agreed the minutes of the meeting held on 18 June 2013.

20. **QUESTIONS FROM THE PUBLIC**

One question was submitted by a member of the public for this meeting, in accordance with Part B, paragraph 11 of the Constitution, as set out below.

In the absence of Mr Sharpe, the Chair read the question submitted and advised Cabinet Members that the written response would be sent to him.

Question No	Question By	Cabinet Member	Subject
1 (13/14)	Mr F E Sharpe	Councillor Peter Smith, Deputy Leader	Swimming Pool at Sherford
How many residents from Plymstock asked to have a swimming pool for Plymstock built at Sherford rather than on the Downhorn park site in central Plymstock.			
Response:			
The Council does not keep records of this information.			

21. **STRATEGIC ALCOHOL PLAN FOR PLYMOUTH 2013-18**

Councillor Mrs Aspinall (Chair of the Health and Adult Social Care Overview and Scrutiny Task and Finish Group) attended the meeting and presented the recommendations in the scrutiny report on the Strategic Alcohol Plan for Plymouth following the pre-decision scrutiny.

The Chair advised Cabinet Members that Councillor James (Chair of the Cooperative Scrutiny Board) had also been invited to attend the meeting but had declined the invitation.

Carole Burgoyne (Director for People) submitted a report on the draft Strategic Alcohol Plan for Plymouth 2013 -18 'Promote Responsibility, Minimise Harm.' indicating that -

- (a) the plan would sit under the governance of the Health and Wellbeing Board;
- (b) an annual delivery plan would be produced outlining a partnership programme of actions;
- (c) the recommendations from the scrutiny report had either been incorporated into the draft plan or would be incorporated into the detail of the delivery plans.

Councillor McDonald (Cabinet Member for Public Health and Adult Social Care) introduced the proposals and thanked the Cabinet Members for their support during the development proposals.

David Schwartz (Young People's Lead) also commented on the proposals. Following consideration of performance measures, the Cabinet Member would monitor the progress.

Alternative options considered and reasons for the decision –

As set out in the report.

The Chair thanked Councillor Mrs Aspinall, members of the task and finish group and all the witnesses who had participated in the scrutiny review for their work.

Agreed that approval is given to the Strategic Alcohol Plan 2013 -2018 as submitted.

22. **BUSINESS RATES: DISCRETIONARY RATE RELIEF**

Adam Broome (Director for Corporate Services) submitted a report reviewing the council's approach to granting discretionary business rate relief to identify resources to promote growth in the local economy and in the light of new government legislation. The report also contained the outcome of benchmarking with other local authorities.

The content of the report had been considered by the Cooperative Scrutiny Board on 24 July 2013 and a minor alteration to add 'time limited' was recommended which had been taken included in recommendation (1).

Councillor Lowry (Cabinet Member for Finance) introduced the proposals.

Councillor Penberthy (Cabinet Member for Cooperatives and Community Development) also reported that he was intending to submit a report on the outcome of the review referred to in (6) below, to Cabinet in December 2013 entitled the Civil Society Policy.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) a 'ring-fenced' funding pot is created to provide time limited rate relief to a wider range of businesses that can demonstrate that they provide significant economic benefit to Plymouth (utilising new government legislation that came into effect in April 2013);
- (2) the appropriateness of discretionary business rate relief provided to individual charities and non-profit-making organisations for 2013/14 is reviewed, ascertaining the contribution that each organisation makes to the city and its residents;

- (3) the principle is adopted that all organisations should contribute something towards the cost of their business rates in line with the newly adopted Council Tax Support Scheme that requires all residents to contribute at least 25 per cent towards their Council Tax bill (regardless of circumstances);
- (4) as a general principle, the total value of discretionary rates relief given to any single organisation is capped to 75 per cent of the relief provided by the council in 2012/13;
- (5) existing 'hardship' relief provided is removed unless supported by a clear business case evidencing how an organisation supports the local economy;
- (6) a wider review is conducted for Cabinet consideration, providing a clear strategy for joining up all financial support and assistance provided by the council to all non-profit making and profit making organisations.

23. **FINANCE - CAPITAL AND REVENUE MONITORING REPORT**

The Corporate Management Team submitted a report on the finance monitoring position of the council as at 30 June 2013 to show how the council was delivering against its financial measures using its capital and revenue resources, to approve budget variations and virements and to seek approval of new schemes in the capital programme.

The report also detailed the number of fulltime equivalent employees and the average number of days sick per full time employee.

Councillor Lowry (Cabinet Member for Finance) introduced the proposals and indicated that there was an error on recommendation (3) in the report (minute 24 below refers) which should read '...schemes added to the capital programme totalling £3.3m'.

Councillor Peter Smith (Deputy Leader) advised Cabinet Members that the policies to reduce sickness were having an impact with a reduction to an average of 8.5 sick days per employee but that more work was required to further reduce sickness absence.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted -

- (1) the revenue position of an overspend of £1.892m and the actions being taken;

- (2) the increase in the medium term capital programme forecast to £159.903m which included expected grants of £19.3m following the Comprehensive Spending Review announced on 26 June 2013 and £6m in respect of highways infrastructure maintenance;
- (3) the data provided by the Assistant Director for Human Resources and Organisational Development.

Agreed the revenue budget virements as detailed in the written report.

(See also minute 24 below)

24. **Finance - Capital and Revenue Monitoring Report: Recommendation to the City Council**

Further to minute 23 above,

the City Council is Recommended to agree the new schemes to be added to the capital programme totalling £3.3m as follows –

- Marjons Link Road £1.5m
- Vehicle and Plant Replacement Phase IV £1.8m

25. **URBAN ENTERPRISE: NEW ENTERPRISE UNITS AT OCEAN STUDIOS**

Anthony Payne (Director for Place) submitted a written report on the Ocean Studios development at the Royal William Yard, which was a £4.06 million building project which could unlock £3.27 million public funding to create 1,900 square metres of affordable artists' studios.

The report indicated how the delivery of the project would be facilitated by a capital contribution of £794,000 from the City Council's Investment Fund and how the potential financial impact of the council acting as guarantor to a loan of similar value would be mitigated.

Councillor Evans (Council Leader) introduced the proposals and advised Cabinet Members that the council would be liable for any outstanding payments at the end of the 10 year loan period.

Patrick Bowes (Urban Enterprise Project Manager) also reported on the proposals.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that subject to a favourable outcome to both the European Regional Development Fund and the Growing Places Fund applications and the approval of the City Council, the council agrees -

- (1) to act as guarantor for Ocean Studios Community Interest Company (CIC) for repayment of the balance of the Trust's loan from the LEP outstanding to a maximum of £794,000 in accordance with an agreed Heads of Terms between Plymouth City Council and the Ocean Studios CIC which mitigates the potential financial impact upon the council. Authority to agree the Heads of Terms to be delegated to the Director for Place;
- (2) to make a capital contribution of £794,000 from the Investment Fund.

ADULT SOCIAL CARE: IMPROVING QUALITY AND OUTCOMES, INCREASING CHOICE AND CONTROL

26. Increasing choice and control in day opportunities

Further to the Cabinet meeting on 15 January 2013 (minute 127 (2012/13) referred) which asked officers to undertake inclusive and meaningful consultation with service users, families and carers on proposals relating to day care opportunities, Carole Burgoyne (Director for People) submitted a written report on the outcome of the consultation process and making a series of recommendations designed to "Increase Choice and Control in Day Opportunities".

Councillor McDonald (Cabinet Member for Public Health and Adult Social Care) presented the proposals detailed in the written report and drew Cabinet Member's attention to the background paper on the equality impact assessment indicating that no person would suffer a shortfall of income if the impact of the proposals caused additional travelling.

Debbie Butcher (Head of Safeguarding, Quality and Individual Placements) also reported on the proposals indicating that there was a need to update current facilities and that the council would continue to meet eligible need.

The Chair emphasised that no services were being withdrawn and that transport arrangements would continue.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the council will ensure that eligible needs continue to be met and clients that are assessed as needing centre based day care will continue to receive this form of provision in improved facilities;
- (2) in the light of the changing demand profile detailed in the report, the numbers of day centres provided by Plymouth City Council are reduced from three to two;

- (3) the building St George's would close allowing for the community redevelopment plan on the site to proceed;
- (4) day centre provision will be operated from the Woodfield/Reatch site with the services being remodelled to become centre based community hubs for those with multiple and complex needs which would bring economies of scale whilst still providing sufficient capacity to meet demand;
- (5) proposals will be brought forward to seek additional resources to upgrade and modernise provision at the Woodfield/Reatch site;
- (6) these changes will take place over the next 12 months.

27. **Improving quality in dementia care**

Further to the Cabinet meeting on 15 January 2013 (minute 127 (2012/13) referred) which asked officers to undertake inclusive and meaningful consultation with service users, families and carers on proposals relating to dementia care, Carole Burgoyne (Director for People) submitted a written report on the outcome of the consultation process and making a series of recommendations on "Improving Quality in Dementia Care".

Councillor McDonald (Cabinet Member for Public Health and Adult Social Care) presented the proposals in the written report and in addition reported that -

- (a) the consultation process had been reviewed by the Health and Adult Social Care Overview and Scrutiny Panel and the process had been found to be robust;
- (b) if Lakeside was upgraded, there would also be a loss of 50 per cent of the beds due to the increased facilities required;
- (c) many providers across the city had achieved the dementia quality mark for services.

Debbie Butcher (Head of Safeguarding, Quality and Individual Placements) also reported on the proposals and emphasised that people would be supported through the transition period.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the council de-commission Lakeside over the next 12 months and support residents and their families and advocates to move to alternative homes of their choice;

- (2) taking into account feedback from consultation, an exception is made to the general policy that no person currently residing in a Plymouth City Council owned residential care home will have to move if they wish to stay there;
- (3) the council will ensure there is support for families and users throughout this process;
- (4) Lakeside Residential Care Home shall immediately stop taking new long term admissions.

28. **ADDITION OF A SPECIAL EDUCATIONAL NEEDS SUPPORT CENTRE TO KEYHAM BARTON CATHOLIC PRIMARY SCHOOL**

Carole Burgoyne (Director for People) submitted a report indicating that the proportion of stated pupils with an autistic spectrum condition (ASC) requiring specialist provision had risen in both the secondary and primary sector. Keyham Barton Catholic Primary School currently had the opportunity, working with the Diocese, to make considerable alterations to the school and adjacent presbytery building which would provide a centrally located support base for ASC students and associated break out spaces. This would contribute to the council's strategic requirement of providing additional capacity to meet the special educational needs of complex children with ASC including specialist teaching input, within a mainstream setting. The school currently provided five places for ASC pupils from across the city.

Councillor Evans (Council Leader), in the absence of Councillor Williams (Cabinet Member for Children and Young People), introduced the proposals.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) formal consultations are undertaken with all interested parties on proposals to add a special education needs support centre for complex children with autistic spectrum condition to Keyham Barton Catholic Primary School with effect from September 2014, using the facilities to be renovated by the Diocese;
- (2) the Cabinet Member for Children and Young People, in the light of the outcomes of and responses to the formal consultations, is authorised to determine whether to publish formal proposals (Public Notice) to undertake the above change and to determine whether to implement the proposal outlined in any such Public Notice.

29. **CONTRACT AWARD - DOMESTIC ABUSE VICTIM SUPPORT, RECOVERY AND PREVENTION SERVICES**

Carole Burgoyne (Director for People) submitted a report on the recent tender process for two separate services of victims of domestic abuse -

- (a) Service A to support people assessed as being at a 'higher risk of serious harm' including a volunteer co-ordinator;
- (b) Service B (a new provision) to focus on supporting people who had been assessed as being at a 'lower risk of serious harm' to prevent escalation of their needs and to create initiatives to raise awareness of domestic abuse amongst agencies and the public.

Councillor McDonald (Cabinet Member for Public Health and Adult Social Care) introduced the proposals.

Subject to consideration of a separate private report also included on the Cabinet agenda detailing the evaluation process and the outcome of the tendering process, three year contracts, containing an option to extend the contracts for a further three years, would be awarded to the most economically advantageous tenderers.

(See also minute 33 below)

30. **CONTRACT AWARD FOR LOCAL BUS SERVICES**

Anthony Payne (Director for Place) submitted a report summarising the recent tender process for the commissioning of the following local bus services across the city:

7D, 13, 14, 18, 19, 25, 27, 28B, 31, 39, 43B and 52.

Councillor Evans (Council Leader) introduced the report in the absence of Councillor Coker (Cabinet Member for Transport) and indicated that the recommendations of the Overview and Scrutiny Management Board Task and Finish Group on a review into subsidised bus routes and through ticketing had been accepted and wherever possible those relevant to subsidised bus services had been incorporated as part of the tender process.

A separate private report was also included on the Cabinet agenda detailing the outcomes of the tenders and recommendations for awarding the contracts for specific bus services.

The report was noted.

(See also minute 32 below)

31. **EXEMPT BUSINESS**

Agreed that under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

32. **CONTRACT AWARD FOR LOCAL BUS SERVICES (E3)**

Further to minute 30 on the tender process for the commissioning of the following local bus services across the city: 7D, 13, 14, 18, 19, 25, 27, 28B, 31, 39, 43B and 52, Anthony Payne (Director for Place) submitted a private report detailing the outcome of the tenders and recommendations for awarding contracts for specific bus services.

Cabinet Members asked that ward councillors were given advanced notice of the changes to services.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed the recommendations in the written report and award the contracts accordingly.

33. **CONTRACT AWARD - DOMESTIC ABUSE VICTIM SUPPORT, RECOVERY AND PREVENTION SERVICES (E3)**

Further to minute 29 on the tender process for two separate services for victims of domestic abuse, Carole Burgoyne (Director for People) submitted a private report on the evaluation process for the tenders received.

Cabinet Members asked the Chief Executive to raise with officers the wording used in relation to 'a priority service area' in the financial section of the report.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that contracts are awarded as indicated in the written report for a period of three years with the option to extend for a further three years in annual increments (authority for any contract extension to be delegated to the Cabinet Member for Public Health and Social Care) for -

- (1) Service A to support people assessed as being at a 'higher risk of serious harm' including a volunteer co-ordinator;
- (2) Service B (a new provision) to focus on supporting people who had been assessed as being at a 'lower risk of serious harm' to prevent escalation of their needs and to create initiatives to raise awareness of domestic abuse amongst agencies and the public.

34. **RESTRUCTURE OF TWO CITY CENTRE HEAD LEASES (E3)**

Anthony Payne (Director for Place) submitted a report on a restructure of two City Centre head leases to enable new investment in commercial units at Old Town Street in the City Centre.

Councillor Lowry (Cabinet Member for Finance introduced the proposals.

David Draffan (Assistant Director for Economic Development) and David James (Head of Strategic Development Projects) also reported on the proposals.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed to –

- (1) accept a surrender of the existing two head leases at –
 - (a) 1-19 New George Street & 13-21 Old Town Street & rear car park; and
 - (b) 2-6 Royal Parade and 1-11 Old Town Street (Norwich Union House);
- (2) grant a new 250 year lease of the combined area of (a) and (b) above to facilitate the proposed commercial investment, as detailed in the report; The lease to commence upon the completion of the proposed sub-lease as indicated.

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PLYMOUTH CITY COUNCIL

Subject:	Redevelopment of the Civic Centre and Future Accommodation Requirements
Committee:	Cabinet
Date:	3 September 2013
Cabinet Member:	Councillor Mark Lowry
CMT Members:	Anthony Payne (Director for Place) David Trussler (Interim Director for Corporate Services)
Authors:	Les Allen, Accommodation Transformation Programme Manager Alwyn Thomas, Civic Centre Project Director
Contact details:	Tel: 01752 304127 Email: les.allen@plymouth.gov.uk Tel: 01752 304307 Email: alwyn.thomas@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

- (1) To award the contract for the redevelopment of the Civic Centre and adjoining car park to the preferred bidder;
- (2) To agree where services and staff would be relocated, the financial resources and to ask the City Council to agree capital resources.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The sale of the Civic Centre will contribute to the Pioneering Council by allowing greater flexibility and efficiency in delivering services; the Growing Council by facilitating the Arts Centre and creating a substantial number of jobs and training opportunities and the Confident Council by regenerating this site in a way in which all residents of Plymouth can be proud, with an internationally branded, top quality hotel.

The future locations of staff and services decanting from the Civic Centre will support the Pioneering and Caring priorities of the council by providing the essential customer services in the centre of the city. This moves the more process driven elements to other areas across the city reducing the cost of operating and limiting expenditure to essential sites thus freeing up finances for front line services and removing inequalities in access across public buildings.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

The resolution of the Civic Centre site links to the Accommodation Transformation Strategy and forms part of the council's Medium Term Financial Plan. The annual revenue cost to the Council of the recommended solution can be contained within existing revenue budgets held for the Civic Centre. Full financial information is contained in the Part II report.

There will be a requirement for Capital investment in assets to achieve the occupancy levels required and further investment in ICT infrastructure to support decant and flexible operations in the future.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

Resolution of the Civic Centre site removes one of the biggest financial risks to the council. This has featured on the strategic risk register since the listing of the buildings in 2007. Doing nothing and maintaining the building in its current status represents a serious health and safety risk as significant investment is required to ensure structural stability and builds up increased liability for the future.

A number of opportunities have been created by seeking alternate ways of working resulting in opportunities for closer working with partners to improve community safety and deliver services more aligned to the needs of the city. The provision of more flexible ways of working across the city will improve service delivery and access to services across the city in the long term.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

- I. To award the contract for the re-development of the Civic Centre to the party selected as Preferred Bidder following the public procurement exercise.

- Reasons:
- i) To implement the conclusion of the public procurement process.
 - ii) Sale of the site for redevelopment will:
 - a) Deliver economic, physical and social regeneration
 - b) Maintain the Council House for formal meetings and ceremonies

- c) Reduce the accommodation operating costs over a period of 25 years
- d) Remove the liability to maintain a grade II listed building

- 2. To agree the preferred locations for services to be redeployed to and the assets for redevelopment / lease, to support services decanting from the Civic Centre.

Reason: To progress lease negotiations and contract specification, procurement and award to meet the timelines required to support the sale of the Civic Centre programme.

- 3. To agree the revenue budgets and seek appropriate capital budgets required from Council to achieve decant of the Civic Centre as identified within the attached Part II report.

Reason: To progress all work streams required to decant from the Civic Centre.

- 4. To delegate authority to Cabinet Member for Finance to award contracts and approve leases within the agreed budget to redevelop the facilities identified in the attached Part II report.

Reason: There will be a number of contracts and leases to be approved which will be in excess of currently approved delegations of authority and will need to be approved quickly to support commercial decisions.

Alternative options considered and rejected:

To award the contract to another contractor would not be lawful as it would contravene the procurement process undertaken.

Doing nothing and maintaining the building in its current status represents a serious health and safety risk as significant investment would be required by the council to ensure structural stability and build up increased liability for the future.

The delivery of a preferred bidder for the Civic Centre has provided the driver to identify alternate accommodation across the city. As such a large number of options have been identified and reduced to a small number of alternate options taking into account the operating cost envelope which needs to be maintained, the opportunities available on the market at this time and the requirements of the Council's services at the point of change.

The alternate options are still subject to lease negotiations and procurement competition to obtain the best value for money available but include utilising opportunities such as partnership working with some services moving to partner locations.

Published work / information:

Civic Centre & Accommodation Strategy Update 20 January 2009

<http://www.plymouth.gov.uk/mgInternet/documents/s17553/Civic%20Centre%20Accomm%20Strat%20update.pdf>

Accommodation Strategy June 2009

<http://www.plymouth.gov.uk/mgInternet/documents/s18978/Accommodation%20strategy.pdf>

Accommodation Strategy Report 10 August 2010

<http://www.plymouth.gov.uk/mgInternet/documents/s25099/Accommodation%20Strategy%20Business%20Case.pdf>

Accommodation Strategy – Civic Centre Options 28 November 2006

<http://www.plymouth.gov.uk/mgInternet/documents/s10375/Accommodation%20Strategy%20-%20Civic%20Centre%20Options.pdf>

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Future of Civic Centre 23 August 2011		x			x					
Accommodation Strategy – Civic Centre 25 September 2007		x			x					
Equality Impact Assessment for Customers	x									
Equality Impact Assessment for Staff	x									

Sign off:

Fin	TPOCI31 4002SRA0 7-08-2013	Leg	18164 /ALT	Mon Off	TH22/ 08	HR		Assets	.	IT		Strat Proc	JK/S PU/C P/32 9/08 13
Originating SMT Member: n/a													
Has the Cabinet Member(s) agreed the content of the report? Yes													

ACCOMMODATION TRANSFORMATION PROGRAMME / CONTRACT AWARD FOR THE REDEVELOPMENT OF THE CIVIC CENTRE

I. Background:

Since July 2004 work has been undertaken on options to secure a strategy for dealing with the City Council's administrative estate. Windsor House was secured as a long term strategic site, leaving the key remaining issue as the Civic Centre.

In June 2007 DCMS wrote to the Council confirming that the Civic Centre campus had been approved for listing as a Grade II listed building.

In January 2009 Cabinet approved the preparation of a joint report by the Council and English Heritage of a detailed brief summarising the repair and refurbishment specification to be adopted by the Council and/or a purchaser (investor/developer) in the event that the building was either reoccupied or disposed of by the Council. In addition approval was given for the Civic Centre campus to be formally marketed upon receipt of the refurbishment brief and to approve the Council as the lead procurer of the new Civic Offices.

Alongside of this Cabinet approved the principles of the Accommodation Strategy and its on-going development and for the progression of negotiations with our Local Strategic Partners (including Devon & Cornwall Constabulary and the Primary Care trust) about the opportunity of developing a co - location centre.

The key principles of the strategy were:

- The Council should agree to aim for stage 4 of the 'Without walls' evolutionary model, and a target for an overall 80% desk to employee ratio.
- All meeting rooms to be bookable centrally
- All furniture to be corporately owned, with existing furniture budgets centralised under Property & Economic Development
- A fundamental re-evaluation, in partnership with key suppliers of office furniture design and specification to take place
- Implement standard signs and corporate identity across all corporate buildings

The principles of the accommodation strategy, including co-location with health partners, have been installed in all the main corporate buildings via the first phase of the accommodation strategy delivery with the exception of the Civic Centre which was excluded due to the uncertainty around its future occupation by the Council.

In 2011 Cabinet agreed that the Council would continue to explore the opportunity for freehold disposal as part of the Competitive Dialogue process. Subject to this not being possible it approved a proposal for the redevelopment of the Civic Centre to be put out for European procurement via the Official Journal of the European Union (OJEU) with a view to the Council taking a lease-back of reduced space in a refurbished Civic Centre.

The report explained the position in terms of the Civic Centre which can be summarised as:

- A city centre site of 0.936 ha (2.31 acres) including a surface car park of approximately 0.29 ha (0.72 acres).
- The civic centre and council house was completed in the early 1960's opening in 1963 and was grade II listed in 2007.
- The building has a significant maintenance backlog.
- A feasibility study jointly commissioned with English Heritage was completed in April 2010 and concluded that the building could be sufficiently repaired to give it 50 years of life but at a significant cost.
- It also concluded that there were alternative uses for the building as either office, a hotel or residential use. These options are supported in planning terms.
- It houses 1008 staff on 13 floors in the tower.
- Accommodation for elected members, Council meetings & Civic Reception facilities are provided in the Council House.

2. The Issues:

There are a host of issues in relation to the Civic Centre building which means that the Council does not see its long term future linked to the building.

- The building provides sub-standard accommodation which has suffered from a lack of comprehensive capital investment. In particular:
 - Poor thermal insulation with singled glazed metal framed windows.
 - Only 3 lifts currently work and they are at the end of their useful life and beyond economic repair and need to be replaced.
 - The cladding on the outside of the building is failing which has led to the temporary works to protect those outside from falling masonry. Twice yearly scaling is carried out to remove loose elements and it is estimated that the panels will need to be completely replaced by no later than five years time.
 - The grade II listing placing restrictions on capital works that can be carried out and consequently increasing the cost of those works.
 - The building in its present state represents a serious health and safety risk as significant investment is required to ensure structural stability.
- The need for the present sized accommodation is diminishing and will diminish further in the future as new ways of working including home working are rolled out and the Council pursues an alternative service delivery model.
- The Council House will still have value to the Council for public meetings and ceremonies.
- The Council has limited capital to fund the repairs backlog and refurbishment of the building and such investment is not a priority for the Council.
- The Council has advice from Counsel that there are no grounds to mount a challenge to the listing. Current legal advice is that the position has not changed.

The present situation of our use and occupation of the building in its present state cannot, therefore, continue beyond the next 5 years in the absence of significant capital investment.

3. Objectives:

The August 2011 report and subsequent considerations have identified a number of objectives to be achieved.

- Deliver economic, physical and social regeneration.
- Provide a reduced level of office accommodation to reflect current and future working practices (flexible working, home-working etc.).
- Provide a city centre based 'first stop' for customers.
- Maintain (if practicable) the Council House for formal meetings and ceremonies.
- Reduce the accommodation operating costs.
- Remove the liability to maintain a grade II listed building.
- Improve the environmental credentials of the Civic Centre building.

4. Options

The August 2011 report set out five different options to achieve all or some of these objectives. It was not believed at the time, following a soft market test exercise, that the option of a freehold sale was achievable. These options were:

- a. Re-development of the site requiring consent for demolition.
- b. Carry out a full refurbishment of the buildings by the Council.
- c. A sale and leaseback of the buildings.
- d. A sale and leaseback of part of the buildings.
- e. Continue with the existing maintenance regime (the status quo option albeit limited to the life of the building in its current condition, estimated as 5 years at this time).

It was recommended then, that option d, the sale and leaseback of part of the civic centre tower would be the most cost-effective solution. In order to develop that solution, an Official Journal of the European Union (OJEU) procurement exercise was carried out with a view to the council taking a leaseback of reduced space in a refurbished building. In addition it was agreed that the Council would continue to explore the opportunity for freehold disposal.

5. Best Value Analysis

Officers have undertaken a Best Value analysis to confirm that the decision of Cabinet in August 2011 to seek to vacate the Civic Centre still provides best value for the Council. The results are shown in the Part II report.

6. Procurement Project:

A Contract Notice for the redevelopment was published in the OJEU on 08 September 2012.

Following a successful Bidder's Day held at Plymouth's Guildhall, the first stage of the procurement process commenced with the authority requiring interested parties to complete a Pre Qualification Questionnaire (PQQ). Applicants had to meet the minimum requirements for economic and financial standing (financial capabilities) and technical and professional capacity (relevant technical experience and resources) and had to meet the legal eligibility criteria, as set out in the PQQ.

The four highest scoring applicants were taken forward to the Invitation to Submit Solutions Stage (ISS). During this phase participants were required to engage in dialogue with the authority to develop their solutions and to enable them to be tested against the authority's requirements.

The ISS stage required participants to propose their solutions for the project by responding to specific questions detailed in the ISS questionnaire. Key questions related to cost to the council, job creation and environmental impact in addition to planning fit and the likelihood of obtaining listed building consent. Four companies were involved during this phase and the council continued to dialogue with the two highest scoring participants following evaluation of the ISS submissions. Two companies were then taken forward to the final tender stage.

The authority closed dialogue on the 15 March 2013 once it could identify one or more solutions capable of meeting its needs and issued the Call for Final Tenders on that date. Participants had until the 18 April to submit their final tender. They presented their solutions to senior councillors and officers on the 19 April 2013. The two submissions were then evaluated by officers against the published evaluation criteria and a Preferred Bidder has been identified. The Preferred Bidder is identified in the Part II report.

7. Solution Offered by the Preferred Bidder

The solution offered by the Preferred Bidder allows the Council to vacate the Civic Centre entirely, thus meeting the objective of removing liability for a Grade II Listed Building. The Civic Centre and car park will then be redeveloped into a high quality internationally branded hotel (4 star), feature apartments, restaurants, other food and beverage operations and, subject to grant funding by a third party, an Arts Centre, achieving the objective of physical regeneration of the site.

This solution will result in the creation of a significant number of jobs and training opportunities. The Preferred Bidder is committed to providing local jobs for local people and has begun establishing working relationships with local firms. They will create training courses for school leavers and unskilled workers to develop their skills and experience levels in addition to training courses for students, school leavers and the long term unemployed in connection with Plymouth City College's Employer Endorsement Scheme. All posts will be advertised with the 1000 Club, of which they are a member.

The company offers a long term commitment to the City of Plymouth with an estimated 128 permanent jobs along with apprenticeships, work placements and training courses in the Leisure & Tourism sector; all being made available directly through the Preferred Bidder once the redevelopment is complete and fully operational.

An estimated further 233 permanent jobs will also be available across the food/beverage, health and cultural sectors once the scheme is fully let and operational.

Additionally, 449 jobs will be generated through the Civic Centre project construction process alone. This achieves the objective of economic and social regeneration. The jobs created are a direct contribution to the Plan for Jobs. Project number 1 says "By creating a new partnership of public and private sector landowners we will accelerate, unblock and maximise local employment from the regeneration of the West End including the Theatre Royal, Pavilions and Civic Centre".

Once refurbishment has finished, the public space surrounding the building will experience all the usual benefits of major investment in a thirteen floor city centre development. Activity at street level from the new uses will increase significantly. The design solutions by the architects will generate many more leisure-orientated trips to this area of the city, which is likely to become a destination or hub with its own identity. Many more leisure-orientated visitors will be attracted to the city generally, and they will congregate here and be ideally positioned for walking to nearby shops or to the Hoe as its world-famous visitor attraction. The new uses will attract all ages, business travellers and families, from home and abroad.

The proposal involves the transfer of the freehold interest in the Civic Centre and its rear car park (not the Council House) to the Preferred Bidder at nil consideration. The company will then apply for planning permission and listed building consent to re-develop the property. Once planning permission is achieved there is a legally binding development obligation on the developer to complete the re-development within 2 years. It will not be possible for the developer to "sit on his hands" and land-bank the property. It is anticipated that contracts will be signed this year, once the funders have completed all usual due diligence and the contract will only be conditional on obtaining planning consent. The developer will be under a legally binding obligation to diligently pursue the planning application.

The benefits to the Council of this proposal include the elimination of one of its most significant financial risks in terms of the repair costs anticipated for the Civic Centre; the creation of significant numbers of jobs and training opportunities along with the economic regeneration benefits of having an internationally branded, high class hotel in the centre of the city.

The Council House will be retained meeting the objective of its continued use for civic purposes.

The redevelopment will also meet the objective of improving the environmental credentials for the Civic Centre by improving its rating from E to B.

8. Evaluation

Submissions were evaluated using the criteria listed in table 2 overleaf.

Table 2: Evaluation Criteria

Ref	Issue	Available Score	Weighting	%age of overall score
Pass/Fail Questions				
A1.1	Purchase of Freehold			
A1.2	Solution for Provision of Office Accommodation (specification)			
A1.3	A1.3 Capital Contribution			
A1.4	A1.4 Financial Guarantee			
A1.5	English Heritage			
A1.6	Form of Lease to Council			
Scored Questions				
<u>Technical Proposals</u>				9%
BI.1	Quantum of Leaseback	10	9%	
<u>Contractual</u>				3%
CI.1	The Contract	10	3%	
<u>Financial Proposals</u>				45%
DI.1	Financial Proposal	10	43%	
DI.2	Capital Contributions	10	2%	
<u>Deliverability</u>				17%
EI.1	Funding/Occupiers/Surveys/ Capacity/Vibrancy of proposal	10	12%	
EI.2	Planning	10	5%	
<u>Environmental Factors</u>				11%
FI.1	Energy Performance	10	1%	
FI.2	Carbon Emission	10	10%	
<u>Economic Factors</u>				15%
GI.1(i)	Number of Jobs	10	8%	
GI.1(ii)	Clear statement re job creation	10	3%	
GI.1(iii)	How will jobs be created?	10	4%	
TOTAL		110	100%	100%

The Preferred Bidder scored a total of 83%

The second placed bidder scored a total of 74%

9. Current Position Post Procurement Exercise

The outcome of the procurement exercise is a freehold disposal with no requirement for the council to leaseback space. This allows the council to utilize the current market conditions to procure a better financial deal to meet its space requirements with a revised estimated cost over 25 years as follows as detailed in the Part 11 report.

10. Route to Decant

In anticipation of the preferred bidder being selected the Accommodation Transformation Programme commenced work on the potential decant of the Civic Centre based largely upon the concept of operations used to deliver the Corporate Accommodation Strategy. A Senior Responsible Officer and Programme Manager were appointed at the start of April 2013 to deliver a coordinated delivery of the Civic Decant with a cogent solution for the operational accommodation to meet the needs of the Council's Transformation Programme.

The team sought to achieve a realistic delivery time table in consultation with the preferred bidder for the Civic Centre and equitable operating costs. The solution needed to deliver a 'Front of House' where the services to the public could be delivered within the city centre (an objective) and provide sufficient accommodation to meet the needs of the current occupation levels of the Civic Centre on a hot desking ratio of no greater than 8:10 at this time, in other locations across the city. This effectively reduces the accommodation footprint by 7% in the first instance. Given the changing nature of local authority finances the delivery of a flexible operating base with flexible infrastructure and ICT will be essential to service provision as Plymouth moves into the future. The remaining objectives of reducing accommodation levels and operating costs over 25 years will be achieved in this way.

11. Time Table

The current proposed timeline has the Council vacating the Civic Centre by November 2014 with vacant possession being provided in December 2014 / January 2015. This is a timeline which the Council is keen to achieve. The current programme for the Preferred Bidder shows that planning permission will be sought April – August 2014. To achieve the vacant possession date work will need to be commenced and leases agreed on a number of properties prior to planning permission being granted for the Civic Centre. This exposes the council to the risk and associated wasted costs in the event that planning approval is not obtained. In mitigation, significant dialogue between the developer, planning and English Heritage to gain accord on the route forward has been completed and thus this risk is seen as low.

The Accommodation Transformation Programme will seek to de-risk the impact on service delivery by decanting the civic in a phased approach up to December 2014 taking advantage of the delivery of buildings early and any partnering opportunities which may present themselves. To achieve this will require significant coordinated effort across all departments.

12. The Approach

When the decision was taken in 2011 to commence dialogue with the market the authority had understood that the cost to refurbish the Civic Centre was significant and outside the authorities' ability to finance. It also understood that there was likely to be a little interest in the outright purchase of the building given the state of the market, the results of a soft market testing exercise and the condition of the building. Further to this the authority would potentially need to lease back a number of floors in order to make the commercial deal possible, deliver a solution to the building and maintain its iconic status within the city; whilst using the development to help stimulate the provision of jobs, economic activity and regeneration in the city. The dialogue process delivered a solution for the whole building surpassing the authority's expectations and totally achieving the aims originally set in 2011.

Since the decision in 2011 and the outcome in 2013 the financial markets have changed alongside the political landscape and the availability of funding for local authorities. With the city commencing a whole scale transformation programme, and the future shape and structure of the organisation at this time unknown, the delivery of an accommodation infrastructure to support service delivery must be a flexible one to meet the needs of the business both now and in the medium term.

A number of options were investigated to deliver a coordinated solution to the civic centre into a solution which would add value to the transformation programme and the changing nature of the operations of Plymouth City Council. Clearly with the physical condition of the Civic Centre, the option to do nothing does not exist and the need to remove the asset liability remains as does the need to create jobs, economic activity and regeneration of an iconic landmark within the city. As such the options investigated were as follows:

- Option A Refurbish the current Civic Centre
- Option B Provide a whole scale New Building to replace the current Civic Centre
- Option C Provide a number of refurbished buildings across the city to replace capacity
- Option D Provide a flexible operating base in the medium term

Option A

Option A looked at remaining in the Civic Centre with it being refurbished by Plymouth City Council in the immediate future. This option had already been looked at in 2011 to form the original decision to commence competitive dialogue. As discussed earlier, the costs of this had been calculated however in order maintain a rational approach, it was decided that this should be tested again. In doing so with a group of independent Professional Quantity Surveyors the investigation arrived at a cost detailed in the Part II report. This level of funding on maintaining business as usual was not supported and the option was rejected.

Option B

Option B looked to provide a whole scale new building to accommodate the staff, services and technology currently housed within the Civic Centre. The costs based upon this option are detailed in the Part II report. This did not include the cost of site assembly or resource to conduct decant. Further to this the time line to achieve site assembly and delivery would have a negative impact upon the potential solution for the Civic Centre. Although sites were available, the cost to provide a building which would be excessive in terms of size given potential operating models was not seen as a sound investment in business as usual at this time and as such this option was rejected.

Option C

Option C looked to accommodate staff in multiple locations across the city investing in assets largely owned by the authority. However due to the nature of current service provision and the need to maintain a city centre presence this would necessitate heavy investment in an asset that the authority did not own. It would also require significant investment in ICT infrastructure, disruption to services prior to transformation and the termination of a number of commercial leases that the city has with partners providing income to the city. This option was also rejected given the size of the investment in assets that were not owned by PCC and did not provide the long term solution given the changing nature of the business as a whole.

Option D

Option D sought to accommodate staff in leased accommodation and a number of unoccupied commercial properties taking advantage of current market conditions whilst the authority completes its transformation over the next five years altering its shape, size, and structure and operating model accordingly. This will allow the authority to develop its strategy for wider asset rationalisation within its transformation programme alongside its partners desire to do the same achieving economies of scale across the board. The cost to achieve this is detailed in the Part II report with an ongoing revenue support requirement which is subject to further review. The option of remaining in the Civic Centre during this five year period was discounted due to the negative impact on the proposed solution for the Civic Centre and the anticipated repair costs over that period of 5 years.

Recommended Option

Option D is the recommended option delivering an operating base for the city based upon a mixture of leased and owned assets which remain flexible in terms of size to allow the Council to adapt to the changing nature of service delivery across the city and the changes in public sector financing.

The infrastructure will be delivered over the next 18 months decanting staff and services as elements become available with the final element being the customer facing areas which will decant in the latter quarter of 2014. The programme will achieve an 8:10 hot desking ratio and will seek to compress to 6:10 alongside the delivery of technological solutions to allow mobile working to take place. The expectation is that approx. 290 staff will be deemed mobile and as such will have ICT solutions to meet their needs. The remaining staff will be deemed flexible unless flagged for specific permanent desks. This arrangement will be delivered across the estate with all staff from the CEO down working in this way.

This provides the smallest operating cost at this time. This information is likely to change as the lease negotiations continue in an attempt to gain the most beneficial offer possible for the authority. As a result of this the paper seeks to have the delegated authority to agree the leases to be given to Cabinet Member for Finance in consultation with the Director of Corporate Resources.

The solution allows the public to have direct access to services in the city centre through the provision of a 'Front of house' through a commercial property along the same lines as a high street bank would provide. A preferred solution is being pursued and seen as appropriate, again these are subject to lease negotiations. The support elements are then located in a number of buildings which are either owned by the authority or leased. The aim was to cause minimal disruption to services and to sustain the economic links between the 1000 staff and the city centre.

13. Capital Requirements

The capital requirements to achieve the programme are set out in the Part II report. This is spread across a large number of projects within ICT and the building environment. Revenue Requirements

Further to the capital requirements to deliver this programme of works, there will be a number of revenue costs immediately associated with decant of the Civic Centre. These are detailed in the Part II report.

14. Co-operative Scrutiny Board

The Co-operative Scrutiny Board considered this matter on 21 August 2013 and endorsed the recommendations set out in this report. The minute of the Board is attached.

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Cooperative Scrutiny Board

Wednesday 21 August 2013

PRESENT:

Councillor James, in the Chair.

Councillor Mrs Aspinall, Vice Chair.

Councillors Ball, Bowie, Bowyer, Casey, Darcy, Philippa Davey, Murphy and Tuffin.

Apology for absence: Councillor Sam Leaves.

Also in attendance: Malcolm Coe (Assistant Director for Finance, Efficiencies, Technology and Assets), Alwyn Thomas (Civic Centre Project Director) and Helen Wright (Democratic Support Officer).

The meeting started at 4.00 pm and finished at 5.00 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

50. **DECLARATION OF INTEREST**

There were no declarations of interest made by Members in accordance with the code of conduct.

51. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

52. **EXEMPT BUSINESS**

Agreed that under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

53. **REDEVELOPMENT OF CIVIC CENTRE AND FUTURE ACCOMMODATION REQUIREMENTS (E3)**

The Civic Centre Project Director presented the report on the redevelopment of the Civic Centre and future accommodation requirements which was followed by a question and answer session.

The Board wished its disappointment to be noted that the information had been released prior to pre decision scrutiny taking place.

Agreed –

- (1) to endorse the recommendations as detailed in the report submitted to the Board;
- (2) to recommend that an update is provided to the Board in three months' time encompassing further information on the decant arrangements, details of the implementation funding and how customer interface will be managed in the future.

PLYMOUTH CITY COUNCIL

Subject:	Plymouth History Centre
Committee:	Cabinet
Date:	3 September 2013
Cabinet Member:	Councillor Peter Smith
CMT Member:	Anthony Payne (Director for Place)
Author:	Nicola Moyle, Head of Arts and Heritage
Contact details:	Tel: 01752 306918 Email: Nicola.moyle@plymouth.gov.uk
Ref:	01224-10
Key Decision:	Yes
Part:	I

Purpose of the report:

The development of a 'History Centre' project is one of Plymouth City Council's Pledges. We want to translate this into a major cultural statement and a complete step change for the Plymouth cultural sector. This report initiates the project and seeks to empower officers to progress the vision and undertake a major Heritage Lottery Fund application.

Therefore, the purpose of this report is to seek:

- Commitment to the concept of a major cultural facility on North Hill / Tavistock Place.
 - Approval for officers to submit a stage 1 application to the Heritage Lottery Fund (HLF) for this project for up to £12.5m to enable this concept to be developed fully.
 - Commitment, in the form of £3.5m match funding from the Investment Fund, (subject to an HLF stage 2 bid and subsequent Cabinet report in 2014) to support the HLF application.
-

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**PIONEERING PLYMOUTH**

The project will transform the management and provision of an outstanding arts and heritage offer for residents and visitors alike. The proposals for the building, the public realm and the attraction's interior will aim to achieve an extremely high quality. The proposals will be of national significance, and this is reflected in the bid to the National Lottery major national programme, supported by the National Archives.

GROWING PLYMOUTH

The proposals are aimed at stimulating and meeting the demand for a growing visitor economy in Plymouth. The proposals are targeting a growth in the visitor numbers from 80,000-100,000 per year to 200,000-250,000 per year. The proposals are targeting an improved education offer for all schools in the city and will contribute to the city's reputation as a city worth investing in.

CARING PLYMOUTH

This project will create a safe place for children, young people and adults. The proposals will address existing shortcomings that are a barrier for some groups from entering a number of buildings that currently house the collections. For the first time there will be non-discriminatory access to Plymouth's heritage.

CONFIDENT PLYMOUTH

We will create a new and brilliant service that will be a regional showcase for the delivery of cultural services, and in doing so, give confidence to external agencies such as the Arts Council and The National Archives. It will act as a positive showcase of the Plymouth brand in the public realm. The proposals will be carefully crafted to appeal to a global market as well as a personal experience for local visitors.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:

Capital

The Project would be expected to be delivered during the 2015/16 and 2016/17 year with an expected total capital investment of £20.5m.

The Council will bid into the Heritage Lottery's national programme that considers bids of in excess of £5m, and initial discussions with the regional director of the HLF have indicated that a sum of £10-13m is not unrealistic. For this to be achieved however there needs to be a significant demonstration that the council is backing the proposals with match funding appropriate to the scale and ambition of the project. Looking at successful Lottery proposals over the past few years it is clear that a match commitment of between 30-40% is necessary. Initial scoping of the project suggests that it may be achievable around £20.5m which suggests that a cash match commitment of £4.5m would be needed.

There is a current commitment of £2m in the council's capital programme of which £1.5m will be eligible as match funding. Funding opportunities (at maximum) from the Arts Council, CLORE Foundation and the Wolfson Fund may lead to grants of £1m each, giving a total match of £4.5m.

This paper asks Cabinet to consider making a further commitment of £3.5m match funding from the council's Investment Fund to support a new History centre, making a total of £8m or a minimum of a third of the total capital cost of the proposals. This would demonstrate a significant and similar match to other national successful proposals.

It should be understood that there is limited financial impact for the council to make a stage 1 application to the Heritage Lottery Fund. The use of the Council's Investment Fund is a theoretical commitment that demonstrates the applicant's commitments to the scale of the ambition. A successful stage 1 bid will release development funding from the Heritage Lottery Fund to develop the detailed stage 2 bid. Draw down on capital match funding would only be realised after completing the detailed stage 2 application and once the project commences its delivery phase. This is estimated to be from May 2015.

Revenue

Whilst the proposals represent a significant growth in visitor numbers and the quality of their experience, the plans will be carefully crafted to make sizable efficiencies on the current service, particularly on the back of house. The current service is located in ten buildings across the city, and this proposal will consolidate the existing staffing structure into one Arts & Heritage service in one location. In addition the proposals are being crafted to target the commercial opportunities of the visitor economy, and the following revenue generation is being modelled.

- Increased visitor spend on merchandise and cafe
- Hire of premises for functions
- Rental income from partner organisations that will use dedicated space within the building
- Loan of touring Plymouth unique exhibitions
- Maximising income potential from collections
- Sponsorship

The full potential of the income generation opportunities will be scoped throughout the development phase but it is anticipated that the revenue income and expenditure will break even and there will not be a pressure on PCC. Should the project be aborted for any reason, the development costs to support this project would become a revenue pressure. The scale of this pressure is estimated between £400,000 and £500,000.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The council strategic risk register contains an important reputational risk which was flagged as critical this time last year. The reduction of this risk has only been achieved by the diligent execution of the proposals that are set out in this report. In July the National Archives visited Plymouth to assess the council's progress and they judged the work done to present this proposal as excellent. On this basis they have provided more time to enable the council to pursue these proposals. However they made it clear that this was as long as the council continued to make progress in the current direction.

The proposals to expand the museum and art galleries into a major visitor attraction is connected into the council's aspiration to relocate the Central Library to the city centre and in the longer term its colocation with the First Stop. This facility is likely to be about the size of two shop units and the financial analysis of the project proposal takes this into account. It should be understood therefore that the success of this bid also puts the council a step closer to the delivery of its strategic customer focus agenda.

Equality and Diversity:

An Equality Impact Assessment (EIA) has been considered but the conclusion is that it is unnecessary at this stage. However, as part of the development phase of the project (i.e. after the HLF stage 1 approval) an EIA will be undertaken to ensure that the building does not disadvantage any sector of the community and to make suggestions as to how the associated community outreach work can be aligned to support those who are often economically marginalized.

Recommendations and Reasons for recommended action:

It is recommended that Cabinet, having considered the benefits set out in this report:

- approve the proposals for a major cultural facility in the cultural quarter in North Hill and Tavistock Place and authorise officers to submit a Heritage Lottery bid application in November 2013 for this project for up to £12.5m;
- approve the allocation of up to £3.5m of the Investment Fund to provide match funding for the grant application, subject to an HLF stage 2 bid and subsequent Cabinet report in 2014.

Accepting these recommendations will offer the security that the Heritage Lottery Fund will demand in demonstrating the council's commitment to match funding and will allow officers to undertake the necessary consultation to establish public support for the proposals.

Alternative options considered and rejected:

There have been over the years many options considered, including proposals dating back to 1998 when the council was first established. Various site options and configurations including a 'do nothing' option have been considered. Most recently there have been a series of studies that have looked at proposals on up to 10 different sites across the city. In addition to this further options appraisals have been undertaken on different proposals around the preferred site which has led to the selection of the current proposal. The current option selected not only avoids any reputational and financial risk of letting the collections degenerate further, but also provides significant opportunities in terms of leveraging in considerable grant funding.

Published work / information:

[Plymouth Visitor Plan](#)

[Plymouth Economic Strategy](#)

[Plymouth Plan for Jobs](#)

[Investment fund cabinet paper \(February 2013\)](#)

[City of Culture bid proposals](#)

Background paper:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
None										

Sign off:

Fin	PlaceF EDCI 314 007	Leg	18166 /ALT	Mon Off	1820 4/D VS	HR		Assets		IT		Strat Proc	
Originating SMT Member David Draffan													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 PROJECT OVERVIEW

This project is about the entire transformation of the Arts and Heritage Service, incorporating a major refurbishment and refit of the existing City Museum and Library buildings to provide an entirely new and exciting visitor experience.

The project will result in the following:

- A complete transformation of the way heritage is managed and accessed in the city
- A building 3 times the size of the existing museum with increased public space from 64% to 86%
- 100% of heritage assets available to access
- Support from The Heritage Lottery Fund and The National Archives resulting in the reputation of the council being protected with heritage assets and resources kept in the city
- A major cultural catalyst for the city's visitor economy
- 200% increase in visitors to the existing museum
- 500+ new jobs
- External funding brought in of at least £15.5 million
- Significantly increased commercial income – more than four times its current baseline on current estimates
- Half of the budget being spent on the visitor experience.

2.0 PROJECT DRIVERS

2.1 The desire to make Plymouth a more attractive cultural destination

The Visitor Plan has identified that Plymouth, at present, does not offer a critical mass of cultural sites and experiences to make it a thriving tourist destination. In addition, at present, only 5% of the fascinating collections are currently on display. Therefore, there is a huge amount of untapped resource that can be reconfigured and re-presented within a new, exciting and vibrant facility that can capture the imagination and curiosity of locals and tourists alike. Our ambition is to provide access to collections in unprecedented ways and this, added to the draw of other improved city cultural sites, such as the Theatre Royal and National Marine Aquarium, will make Plymouth a far more attractive prospect for visitors

2.2 The protection of some of the city's most at risk and valuable heritage assets

Plymouth City Council owns and manages several important collections across the city in sub-standard buildings and it has been an aspiration to resolve this and improve public access to historic records and artefacts for some time. Therefore, the project involves building new purpose-built storage facilities that are secure and environmentally controlled to properly protect the heritage. There would be significant reputational – and monetary – loss if the National Archives were to remove important parts of the collections. This threat creates a strong case for support from the Heritage Lottery Fund.

This project also seeks to protect some other key collections at risk within the city not presently until local authority control, namely the film collections of the South West Film and Television Archive and the photographs at the South West Image Bank.

3.0 VISION

This project will use our heritage and collections in a completely different way to engage with citizens and visitors. It will typify excellence, engage visitors using the latest technology and will help reposition us on a national stage.

Therefore, we want to look to the future to become:

- An award-winning visitor attraction
- A facility incorporating cutting-edge technologies to explore the past, present and future
- The biggest research facility in the South West
- A living entity that develops and changes
- An inspiration for all.

The support from HLF will enable us to take these concepts and through consultation and working with individuals who have delivered successful visitor experiences, we will have a detailed solution for November 2014.

Please see appendix A for a future vision of a visitor experience.

4.0 THE WIDER CONTEXT

4.1 The Visitor Offer

The project is a key part of the overall jigsaw that is 'Telling Stories': this is a separate project and is subject to separate project funding and project management, but it is important to see how this project fits into our wider plans for the city as a visitor destination.

The newly transformed service needs to be seen as the central hub of 'Telling Stories' – it will be the first port of call for all visitors wanting to find out more about the city of Plymouth and its heritage. Visitors will leave the building and pick up the visitor trail that is 'Telling Stories'. They will move around the city by using mobile technology, public art or physical signposts that provide additional information about Plymouth's past at key locations around the city. Some examples will include:

- Elizabethan Plymouth and the Mayflower story: the Elizabethan House will be the focus for bringing 16th and early 17th century Plymouth history to life.
- Feeding the navy: the Royal William Yard will reveal the back story of what the navy needed before it set sail on its many voyages through the names of the buildings themselves and through digital technology.
- Plymouth blitz and the Abercrombie plan: the city centre itself will be used to convey the impact of the blitz on Plymouth and its rebirth through the Abercrombie plan.

Discussions are already underway between Destination Plymouth and the Arts and Heritage service to map out ideas for 'Telling Stories', and to create a pilot project with funding from the recently launched Cultural Tourism programme by Visit England and the Arts Council. The deadline for initial proposals in the first round is the end of September.

4.2 The Cultural Quarter

The development of this scheme is also a key part of the realisation of a cultural quarter or precinct, and the vision around the North Hill and the University of Plymouth as outlined in the Mackay Plan. By creating a major cultural attraction in a location between the university's Peninsula Arts and the College of Art's visual arts gallery, the new facility will be the cultural glue for the North side of the city centre. It will build on the redevelopment of the College of Art site on Charles Street and the growth of the cultural offer on the university campus, and help to signpost visitors down to the Theatre Royal and the burgeoning cultural development.

4.3 The Virtual Offer

We know that people's perceptions of what they can do online is increasing all the time. 51% of adults now have a smartphone which means they can access the internet at all times. This figure will no doubt be almost 100% by 2017/18 and, as such the pre- and post-visit experience in the virtual domain will be hugely important. The ambition to be the biggest and best research facility in the South West will mean that collections and collections information will need to be accessible online in a variety of ways and we will need to be able to help people define their visits before they arrive.

There will also be scope for expanding the commercial offer we already have in terms of image sales and rights. People will expect to be able to order prints and reproductions of collections they have seen online and onsite.

5.0 PARTNERSHIPS

5.1 MOD and the Naval Heritage

Plymouth's association with the sea and its naval and maritime connections are critical to the vision of the project and following a number of discussions there is outline agreement between the project team and the MOD that key areas of the naval base collections will be included in the new displays alongside other existing collections. Objects from the Devonport Collection will be threaded into the displays so that visitors to the building will get a real sense of the importance of the sea and its naval heritage to Plymouth. A number of the Plymouth figureheads will be included in the displays both as exhibits in their own right and also as markers or signposts to guide visitors round the building. To keep the building fresh and new these collections will rotate.

5.2 Higher/Further Education

The proximity of two of the major education establishments in the city to the proposed site creates some very exciting partnership opportunities. Plymouth University are very excited by the possibilities for using historic collections for developing courses and teaching modules. This September a new maritime and naval lecturer will be developing a course based mainly on local source material. Having this material all in one place and on the doorstep is seen as a great advantage. In September a 3-year doctorate student will begin work on one of the museum's most important collections, and this project will help to extend these opportunities.

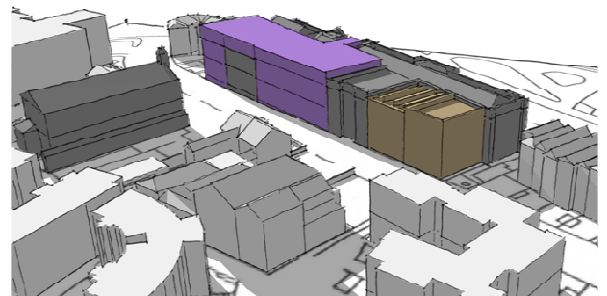
The College of Art are also very engaged with the developments thus far and are keen to explore opportunities for developing the public realm through artists' commissions and potential artists' studios/shops in the locality. There have also been some interesting conversations around how together we can ensure the collections within this building can grow and develop to support the researchers and artists of the future.

5.3 The Registry Office

Dialogues have commenced with the registration team to explore opportunities for how historic birth, marriage and death registers could be incorporated within the new facility to provide a more holistic experience for those tracing their family history.

6.0 LOCATION

Careful consideration has been given to the location of proposals. Studies of various sites across the city centre have been considered, including the Civic Centre, Burrington Way, Derry's and Colin Campbell Court, before it was narrowed down to Tavistock Place. In this location the heritage value of the existing buildings and the urban context of Tavistock Place have all been carefully considered to ensure that the location can respond to the significance of the proposal. Such proposals, first envisaged in the Mackay Plan, will transform Tavistock Place to a significant public space connecting the lower end of Tavistock Place with the recent alterations around the College of Art and the pedestrian links to Drake's Circus. East-west connections will also be opened up to enhance the permeability of the street to benefit the connections of this quarter of the city with the University. Proposed traffic alterations will reduce vehicle access giving priority to pedestrian, cyclists and bus and coach drop off making the street a destination location. We are working closely with Highways to explore the wider possibilities for access and transport links.



The advantages to this location are as follows:

- The facility builds on the existing museum and galleries as an important civic presence in this part the city.
- It delivers a major intervention to securing the cultural impact in what is labelled the cultural quarter of the city.
- It secures a major public facility within the growing University and College of Art campuses and allows for synergy to conjoin facilities.
- It offers the opportunity to make interventions to join up and complete public realm to create a key public space.
- It offers the opportunity to breathe life and investment into key historic buildings of the city.

Analysis shows that there is sufficient site area to meet the technical challenges of a high quality building. These proposals are connected into the Council's aspiration to relocate the lending and customer focused elements of the Central Library and this relocation (subject to the successful funding applications) also puts the Council a step closer to the delivery of its strategic customer focus agenda.

It is envisaged that a national architectural competition will be used to select the design solutions for what will potential be a signatory piece of architecture.

7.0 THE BRIEF

This scheme brings together services that are currently dispersed across the city, including:

- the Plymouth and West Devon Record Office, inappropriately housed at Clare Place in Cattedown,
- the City Museum and Art Gallery collections,
- the South West Film & Television Archive, currently temporarily located in the Royal William Yard,
- key elements of the naval base collections, currently stored by the MOD in South Yard and
- local and reference history collections of the Central Library.

The colocation of heritage and arts collections will make Plymouth a centre of excellence for heritage study alongside a contemporary visitor attraction. A comparison of the breakdown of existing spaces currently contained in twelve separate buildings across the city with the proposed spaces is set out below.

However the headline messages for the project as follows:

- Just under half the total budget is being spent on creating the visitor experience.
- The building will be three times the size of the existing museum
- The public space will be 86% overall as opposed to 64% at present
- The hidden spaces will become accessible.

Indicative analysis suggests:

Existing spaces (m ²)			Proposed space allocation (m ²)	
Gross		Public	Gross	Public
Museum	2344	1494 (63.7%)	7022	6117 (86%)
Record Office	881	77 (8.7%)	-	-
SWFTA	590	10 (1.7%)	-	-
Museum stores	1000	0 (0%)	-	-

A breakdown of all proposed areas and an estimate of their costs as a percentage of the total project cost are set out below with the headline message as follows:

Proposed area	Space allocation (m²)	Cost (% of total costs)	Assumptions
Freely accessible public spaces (not including commercial)	3432	£9.02 (44%)	This includes all galleries, displays, event space, orientation, study centre, film screening spaces and open stores.
Commercial space	270	£0.62m (3%)	Significantly increased shop and café plus functions area.
Spaces with managed access	2415	£8.81m (43%)	The environment of these areas will be highly controlled to protect the unique historic assets.
Ancillary, plant and back of house	905	£2.05m (10%)	Creation of BREEAM Outstanding building Provision of high-spec M and E to meet PD5454
Totals	7022	£20.5m	

8.0 AUDIENCES

The main ethos of this project is about increased access and engagement. Current visitor numbers to the museum average between 80,000 and 100,000 depending on the type and nature of the exhibition programme. However visitor research also suggests that there is a high percentage of repeat visits within that total figure, making the number of unique visits to the museum closer to 30,000 to 35,000 a year.

We intend to retain the current loyal base of visitors, but to significantly draw in the tourist market, quadrupling the existing figure, as well as a broader demographic of residents in Plymouth and the travel to work area. Our aspiration to have the best research centre in the South West gives us scope to increase our researchers by a multiple of 5.

A comparison with like visitor attractions suggests that a target of 300,000 is not unreasonable:

- Bristol's MShed attracted 500,000 in its first 6 months of opening
- The National Marine Aquarium attracts c300,000 visitors per year
- The National Waterfront Museum in Swansea attracted 271,452 visitors in 2012-13, a 6% increase on the previous year.

9.0 OPERATING MODEL: SUGGESTED COSTS & INCOME OPPORTUNITIES

It is still too early to present a full business case – this will be developed during the development stage of the Heritage Lottery bid. However, we have had some conversations with other visitor attractions such as the National Marine Aquarium and we feel there are considerable opportunities for improving the income streams and existing lines given that we are creating an attraction with three times the amount of space and visitor numbers.

Although it is very early days, clearly this facility is going to be considerably larger than the existing museum, resulting in some increase in running costs. However, the increased floor area and visitor experience will offer opportunities in terms of income generation that will balance this and as the business case develops it will become clearer whether this will become a break-even model or even a surplus.

10.0 IMPACT ON THE ECONOMY

Creating an additional visitor attraction to the city will have a significant impact on the city's visitor economy: the proposals are consistent with the Visitor Plan, which highlights the need for additional cultural infrastructure to increase the dwell time for visitors in the city, and the economic strategy, which indicates that the city must develop its visitor economy to sustain growth. Using Cambridge modelling, the table below shows the impact of the proposals for the expansion of the museum into a visitor destination on the permanent and temporary construction jobs in the city based on £20.5m capital expenditure:

	Construction industry jobs	Visitors (per annum)	Permanent supported jobs
Current	0	100,000	93 gross (73 direct)
Potential	229 gross 148 direct)	200,000	187 gross (146 direct)
Potential (stretch target)	229 gross (148 direct)	300,000	279 gross (219 direct)

It is proposed to use a substantial sum from the council's Investment Fund for Jobs to set against this proposal given the importance of this project to the city and its economy. Based on the analysis above this investment works out at a rate of £6890/ job, and it would lever in external funding into the city a rate of just under four and a half times its value – in return for £3.5m it would attract £15.5m.

11.0 CAPITAL FUNDING PACKAGE

It is too early to consider the capital costs in detail but broad estimates suggest that the proposals could be achieved for an estimated £20.5m. This figure includes £1.5m invested in the public realm to establish the location of Tavistock Place and a further £1.5m on resetting the museum interactive display and public spaces. Provision in this figure has also been made to relocate elements of the central library in accordance with the Library Plan so that the library building asset can be used as match funding to the Heritage Lottery.

Further consideration has been given to the different funding packages that will contribute to the overall funding envelope and they are set out in the table below.

Funding body	Anticipated contribution
Heritage Lottery Fund	£12.5m
Arts Council England	£1m
CLORE Foundation	£1m
Wolfson Foundation	£1m
Plymouth City Council Capital Programme	£1.5m
Plymouth City Council Investment fund	£3.5m
Total funding	£20.5m
Potential sponsorship funding	£2m

12.0 TIMELINE

29 Nov 13	HLF stage 1 submission
30 Apr 14	HLF stage 1 announcement
May 14 – Nov 14	HLF Development phase
28 Nov 14	HLF stage 2 submission
30 Apr 15	HLF stage 2 announcement
Apr 15 – Apr 17	2 year build programme
Apr 17 – Dec 17	Set up
01 Jan 18	New building opens

13.0 CONCLUSIONS

Therefore, it is recommended that Cabinet, having considered the benefits set out in this report:

- Formally support the proposals for a major cultural facility in the cultural quarter in North Hill and Tavistock Place and approve officers to submit a Heritage Lottery bid application in November 2013.
- Support the allocation of up to £3.5m of the Investment Fund to provide match funding for the grant application.

Accepting these recommendations will demonstrate the Council's commitment towards developing:

- An award-winning visitor attraction, three times the size of the existing museum, with three times the visitors
- A facility incorporating cutting-edge technologies to explore the past, present and future
- The biggest research facility in the South West, with access to 100% of the heritage assets

With the added benefits of:

- Attracting external funding of at least £15.5m
- Supporting 500+ jobs
- Significantly increased commercial income – more than four times its current baseline on current estimates
- Reputation protected and heritage assets kept in the city

The support from HLF will enable us to take these concepts and through consultation and working with individuals who have delivered successful visitor experiences, we will have a detailed solution for November 2014.

Appendix A: A vision of the future – 25 April 2020

It's Wednesday morning and large numbers of visitors are arriving in the main foyer of Plymouth's brand new visitor attraction. Their immediate impressions are of colour, movement and activity – the walls are backdrops for continually running film footage of Plymouth through the decades. There is a huge floor-to-ceiling installation commissioned by an internationally recognised artist. There are collections everywhere. Orientation maps of the building are visible but visitors are immediately welcomed by greeters to help them find what they want and to guide them towards their destinations.

Some move off towards the busy café that spills out onto the pavement of Tavistock Place to grab a coffee and cake and to plan out how they will get the most out of their visit today. Elsewhere in the café a business meeting is taking place over a couple of Americanos and their iPads using the building's free wifi. A couple of mums with their five children have just taken advantage of a healthy snack deal for their children with their lattes before they take part in one of the toddlers' workshops – they've had them booked for ages, as they routinely get booked up in spite of the cost per workshop.

Other visitors are still standing mesmerised in the main foyer in front of the large art installation. Inspired by the concept of a cabinet of curiosities and using Plymouth's historic collections, one of the greeters encourages the group to explore the work – one, an American, opens a drawer and finds a list of the Mayflower pilgrims that stayed overnight in Plymouth before leaving for the US on the 8th September 1620. She's keen to know more as she believes one of her ancestors was on board the Mayflower, so the greeter points out a tall figurehead that is a way marker for a major display on the naval and maritime history of Plymouth. He also suggests that she might be interested to follow up her exploration of the gallery with a visit to the study centre in a different part of the building, which might have more information on her family history.

As she and her group move into the maritime gallery a class of school children from Devonport High School for Boys has just arrived with the arts & heritage education officer to explore the role that Plymouth played in the slave trade. There is no separate learning centre for schools as all the displays have been built to allow teaching to take place within them. Fortunately the displays are very flexible allowing visitors to pick and choose what they want to see, so other visitors including the American visitors can enjoy different stories at their own pace without fighting for space. There's a good mix of collections using film footage and oral histories to bring to life what it was like to live and work in the dockyard as well as innovative technology, including a 'talking head' of an old Plymouth sea captain – one of the museum portraits has been brought to life and visitors cluster around it to listen to him talk about life in 17th century Plymouth.

As suggested by the greeter, the American visitors move in the direction of the study centre, passing through a wide double storey high pathway. As they walk they are able to look through different viewing points into the core of the archives store – they are astounded by its size, and make a note to book a tour on a subsequent visit.

On arriving at the study centre, they see a number of individuals and small groups engrossed in a variety of activities – a few university students are sat round a small screen looking at archival film footage for their dissertation. Others are browsing through the history publications. The American visitors walk up to a small desk and tell the member of staff that they'd like to find out more about their family history. After a few quick questions, they are sat down in a more managed area of the study centre. Nearby are four researchers from the British Museum studying the 18th century volumes of prints and drawings from the internationally important Cottonian collection. All around

them are family historians, academics and individuals pursuing their own areas of interest looking at original manuscripts, archaeological finds or even natural history specimens.

The American visitors spend a couple of hours browsing through the original archives brought to them by the member of staff. Although they can't prove their ancestor stayed in Plymouth, they are given a number of leads to pursue back in the States. They decide to make their way back towards the main entrance and into the large shop before leaving the building. They find a great range of souvenirs, many of them unique to Plymouth – and to the new visitor attraction. They buy a miniature version of the solid silver Winstanley Salt made locally by one of the up and coming craftsmen that have moved to Plymouth to join an increasingly vibrant creative economy in the city. They're also tempted by a couple of pieces of porcelain made by some graduates of the College of Art, whose work is also on display at the college's viewing gallery.

Before leaving they pick up further information on the 'Telling Stories' trail, much of which can be downloaded onto their mobile phones, and decide to enjoy it that very afternoon. Outside on Tavistock Place as they move slowly towards Drake's Circus Shopping Centre enjoying the external public art works, they agree that they completely underestimated the amount of time needed to do it justice and they will need to come back again very soon.

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PLYMOUTH CITY COUNCIL

Subject:	Concession for a wireless network in Plymouth
Committee:	Cabinet
Date:	3 September 2013
Cabinet Member:	Councillor Evans
CMT Member:	Anthony Payne (Director for Place)
Author:	Sheldon Ryan, Senior Economic Development Officer
Contact details	Tel: 01752 398228 sheldon.ryan@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

This report sets out the business justification and contracting strategy for a concession contract which will enable the delivery of a core wireless network in public spaces within Plymouth. The concession will enable Plymouth City Council to engage a commercial provider to roll out a wireless network across the city to realise wider social and economic benefits. The holder of the concession contract will be authorised, under strict conditions, to use Council owned street furniture including street lighting and CCTV columns, for a period of between 5 and 10 years. Potentially subject to further due diligence, rooftops could be used for deploying hardware. This model will create a network which will initially focus on high demand (footfall) areas, with a view to using network surpluses to extend the network and invest in aligned digital initiatives in order to contribute to the achievement of the City Council's Corporate Plan.

The concession process has been selected in order that Plymouth City Council can ensure maximum value and innovation from the private sector. The market will be challenged to exceed the expectations of Plymouth City Council and for this reason an exact specification for the network will be determined through the process. However, based on similar recent networks it is the objective of Plymouth City Council that the City Centre and some of the Waterfront should be covered by the first phase of the network. Also, as a further objective Plymouth City Council will be seeking innovative solutions which can address ease of access for the end user including the option for free (but limited by speed, time, and data) access to the internet for anyone inside the network area and ways in which such access could support other Council digital initiatives including access to public services. The network will therefore have the potential to benefit local residents and also improve facilities for the growing number of people visiting the city and contributing to the visitor economy.

Plymouth could have an operational free to use wireless network as early as Summer 2014.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Corporate Vision: The wireless network will potentially offer an internet landing page which will enable Plymouth City Council to work with its concessionary partner to deliver a vibrant and modern means of access to information on the City. The page will focus communications to address the needs of: tourists, shoppers, residents and businesses and will therefore improve "the Plymouth offer" and the potential for inward investment and growth.

At its heart this project will be designed to tackle social exclusion in disadvantaged communities within the city and enable more people to participate in the digital revolution that has now become critical to our everyday existence (see section 1).

Pioneering: By increasing the ability to communicate with citizens the network will enable the delivery of a step change in democracy, transparency and service/information delivery. If the City Council can enable reinvestment in the network to allow it to grow sufficiently, it may be possible in future to deliver, subject to the future concession procurement process, cheaper and improved public services across the network such as e-learning, adult social care, healthcare, CCTV, smart metering and other integrated infrastructure services. This could become a significant asset for the Council, particularly as pressure on Local Authority budgets increases.

Growing: An effective wireless network will potentially enable mobile working and learning and act as an asset for inward investment into the city. The network will add to the already very strong digital infrastructure in Plymouth. If a surplus can be generated from the network it also has the potential to fund investment in the skills necessary to exploit this infrastructure in order to create jobs in high value, digitally enabled industries.

Caring: The wireless concession will potentially become a critical tool in helping the 50,000 Plymouth residents who currently have no home internet connection obtain a minimum level of access to the internet. By doing this the network will be a critical tool in reducing health and social inequality.

Confident: The network will enable Plymouth City Council to communicate what is great about the city in addition to being a visible symbol of modernity. The concession will put Plymouth among a small group of cities with this type of infrastructure offer.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The wireless concession will require no funding from Plymouth City Council. On the contrary the project has the potential to generate a surplus which Plymouth City Council would reserve the ultimate right to access.

The process is being led by Economic Development and an operational team has been assembled to deliver the concession with staff from Transport and Infrastructure, ICT, Planning, Legal, Finance and Procurement.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

- Child Poverty – the project will have a positive impact on child poverty by potentially assisting those currently without internet access to have a minimum level of access.
- Community Safety – the network could potentially be used to enable CCTV and services such as blue light services in future by providing additional capacity for cross city communication.

- Health and Safety – there have been well documented but ill-proven concerns regarding wireless transmitters in public spaces. However as part of the concessionary process all potential bidders will be required to demonstrate a pass/fail compliance with national and international regulations relating to health and safety. In respect of planning, planning regulations will be applied with the same rigor as have been applied to similar schemes nationally. The model through the sharing of street level assets could also arguably reduce the total number of transmitters deployed in the city.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

The project will potentially have a positive effect on equality and diversity by increasing access to the internet. The wireless network would therefore complement the work of the three year, £330,000 project called Plymouth Get IT Together which the Council is the lead partner on.

Recommendations

1. That the progression of a concession to utilise Plymouth City Council assets (street furniture) in order to deliver a wireless communications network is approved.
2. To request authority for the portfolio holder for Economic Development (Cllr Tudor Evans) to make the key decision to award a contract to deliver said network to the winner of the concession process.

Reasons for recommended action:

By following the proposed concession model:

- A wireless network of appropriate quality can be delivered to the City at no cost to the Council.
- The network will enable increased connectivity for more citizens, and ultimately enable economic growth.
- Plymouth City Council will be able to create a network which will initially focus on high demand areas with a view to using surpluses to grow the network and aligned digital initiatives for social and economic benefit to the City.
- By using a concession model the Council will stimulate competition in the private sector to create the best possible network for the city and therefore increase opportunities for innovation in service delivery.
- The concession model removes the risks associated with operating and maintaining a Council owned and led network. The telecoms market is extremely fast moving and complex. By exploiting previously under-utilised City owned assets Plymouth City Council can generate surpluses whilst shifting investment risk and technical responsibility onto the private sector that have the specialist expertise.
- The concession model shifts responsibility for the maintenance and upgrading of the network onto the private sector.
- The Digital Plymouth steering group has worked over the last 18 months to assist in the development of the proposed wireless concession strategy for the city taking into account expert advice from market specialists. The proposal has wide support from city partners including: Destination Plymouth, The Plymouth Chamber of Commerce, The Plymouth Growth Board and the two city Business Improvement Districts.

- A number of other cities already have wireless networks and others are planning to implement them. If Plymouth does not act it could lose competitive advantage and become a second tier backwater.
- By combining great digital connectivity with an outstanding quality of life Plymouth can create a strong inward investment business case to attract digital businesses from elsewhere.

Alternative options considered and rejected:

A number of options were assessed in relation to the delivery of the services.

Option two: Do nothing

For:

- There is no statutory requirement for the proposal.
- Avoids risk of under-utilising assets and the other risks associated with deploying wireless networks in general.
- Without Council intervention there will be an increasing proliferation of free wireless networks being implemented by private and public organisations but these may not address some of the fundamental digital aspirations of the Council

Against:

- Missed opportunity to provide added value to citizens: notably in terms of attracting inward investment, tourism and crucially to enable digital inclusion.

Option three: Invest Plymouth City Council controlled funds to create a Council owned and run network

For:

- The Council could fully mandate the coverage of the network to areas with high social need for free internet access.
- The Council could fully mandate the added value services.

Against:

- The Council does not have necessary funds to pay for such a network

Option four: Collaborate with other neighbouring areas and organisations to form a larger single customer for a Wireless concession.

For:

- Potential to create more market interest in the overall concession.

Against:

- No increase in negotiating power.
- Reaching an agreement on specifications could be difficult and time consuming.
- Reaching a strategic agreement on how and where to grow the network would be difficult.

Published work / information:

None

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equality impact assessment Concession for Plymouth wireless network	I									

Sign off:

Fin	CR Place F EDCI 314 006	Leg	181 38/ ALT	Mon Off	CT 13 14. 00 1	HR		Assets	CT1 314. 001	IT		Strat Proc	JK/S PU/ CP/3 27/0 813
Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

This report sets out the business justification and contracting strategy for a concession contract for a street and open spaces wireless provision. The aim is to let a concession contract which will enable the delivery of a core wireless network in public spaces within Plymouth. It is expected that this network will generate surpluses with which to grow the network and to reinvest in similar digital initiatives in support of the Plymouth Corporate Plan.

1.1 Context

Over the last decade the internet has revolutionised the way we live and work. This revolution shows no signs of slowing. This rapid change brings with it opportunities and also threats for Plymouth. The proposed wireless network concession is critically important to the Digital Plymouth strategy because it offers the potential to enhance connectivity for all and with it the potential to create revenues to stimulate and enable wider digital initiatives.

1.2 Plymouth's remote location often acts as a barrier to the production of many physical products and services but the same barrier does not apply to digital products and services. In fact Plymouth's great existing connectivity, excellent quality of life and strong existing creative/digital and ICT base provide a significant strategic opportunity for the city to exploit high value global digital markets and attract inward investment from individuals and businesses who seek a better lifestyle.

1.3 In order to get ahead of the competition Plymouth will need to work hard to improve digital skills. According to Go On UK, "90% of all jobs will require at least basic IT skills by 2020". A 2009 PricewaterhouseCoopers report stated: that people with good ICT skills earn between 3% and 10% more than people without such skills.

- 1.4 Currently in Plymouth approximately 50,000 people have no hard wired home internet connection. The Council is currently leading on the largest digital inclusion project of its kind, Plymouth Get IT Together in the UK which will aim to get at least 2,500 people to use the internet regularly however more will be needed going forward.
- 1.5 If the City is to build a successful, vibrant, inclusive economy then more must be done to address this skills deficit and capitalise on the opportunity that the digital economy presents to the City. The wireless concession provides a means for Plymouth City Council to seize this opportunity for the City by utilising surpluses from the concession in order to:
- attract inward investment and home grown talent in the high value digital economy
 - improve the ICT skills base and the ability for the City to exploit high value global markets
 - enable web based public services to save money and improve service
 - increase access to the web

2.0 How will the wireless network benefit Plymouth?

- 2.1 **Act as a catalyst to address social and digital inclusion:** The network will create a channel through which digitally excluded communities can start to be enabled (with training and education). Whilst difficult to quantify at this stage there is strong evidence to suggest that digital inclusion can start to have a financial benefit in terms of reducing social funding to support individuals and communities. In this respect this has become a key driver for local authorities in challenging and addressing the “digital divide”.
- 2.2 **Enable cost savings and innovation in public service delivery:** Public spending reductions, increasing costs and an ageing population will impose particular pressure on service delivery in Plymouth. Wireless has the ability to drive improved and more cost efficient services in addition to ‘smart city’ innovations such as smart metering and improved integration of infrastructure.
- 2.3 **Support economic development and regeneration with the consequent link to non-financial benefits:** With an increasing need for modern and flexible infrastructure to support modern business the instigation of a City wide wireless strategy by the local authority will send a positive signal to business, attract inward investment and deliver a network which could support training, education and other Council and community services.
- 2.4 **Enable tourism:** By delivering a platform (a landing page with links to the Destination Plymouth website) which will support retail and tourism and enhance the visitor’s experience to Plymouth, this will enable Plymouth City Council to deliver a co-ordinated digital experience.
- 2.5 **Enable retail:** As a key sub regional shopping centre the provision of a digital platform within the centre of Plymouth would offer a unique selling point for retailers with a view to attracting new visitors, retailers and increasing footfall.
- 2.6 **Act as an enabler for community engagement:** As the internet now constitutes such an important means of engagement at both a local community and local authority level, the availability of a network which potentially will offer a degree of free access offers the opportunity for the effective delivery of local government information and a platform for sharing community related content. As more end users start using smartphones with a wireless capability this type of strategy will become increasingly relevant.

2.7 **Create revenue** which can be used to build demand for digital technologies and grow the network into new areas. Without conducting the concession it is difficult to estimate how much if any surplus the commercial demand in Plymouth could generate but in a difficult funding environment any initiative which can self-fund is extremely valuable.

3.0 **Details of the proposed service concession model**

3.1 The services proposed will consist of a public wireless provision across significant areas of the City, these areas are expected to primarily be in areas of “high footfall” as these provide the maximum potential income generation for the suppliers. Any chosen supplier will need to develop and sustain a commercially viable business model so, based on existing similar networks to date it is expected that there will be innovative approaches to enabling ease of access including free internet access. All such models will be subject detailed clarification and discussion prior to contract award. These proposals and solutions will vary depending on the supplier chosen and may include, but not confined to, limitations on:

- Times when the network is available
- Speed of the network connection
- Geographical coverage of the network
- Services available on the network
- Type of wireless technology to be deployed

3.2 It is anticipated that this will be treated as a concession contract with the successful bidder expected to be solely responsible for installation, operation and maintenance of the wireless network and the supplier will own all costs, risks, liabilities and responsibilities of operating such a service.

3.3 Market research undertaken indicates that the wireless service offer is likely to vary between suppliers in what remains a fast moving and rapidly evolving market. The aim from the procurement process will be to find the optimum level of benefits commercial and social. Competition and a process akin to competitive dialogue will maximise the opportunity to the Council.

4.0 **Financial factors, market assessment and proposed contract terms**

4.1 There is no revenue or capital expenditure anticipated for providing the services in this proposal. No fee will be paid to the provider. The provider will be required to ensure the maximum creation of value for their own benefit and for that of the Council and City.

4.2 It is expected that the service concession will result in a cost neutral or surplus generating contract that will fully support delivery of the services for the life of the contract in addition to growing the network footprint and the related digital offering of the city. Surpluses generated will be allocated by Plymouth City Council with the expert guidance of the Digital Plymouth Steering Group in order to grow the network and related digital initiatives in order to achieve the City Council’s vision for the city. All costs associated with implementing and operating the concession are to be covered by the chosen supplier. Plymouth City Council will through the concession agreement retain control revenue secured as part agreement.

- 4.3 The market for wireless services is characterised by keen interest from the telecom and mobile market to build public space wireless infrastructures. This interest appears to be driven by:
- advances in consumer demand for access to content (for example Netflix and BBC iPlayer) and technology as well as competition and business innovation in the sector.
 - delivery of Wi-Fi: access to content/social media based on a consumer expectation that Wi-Fi is available.
 - requirements for 3G offload: where mobile data networks (3G) are being pushed to capacity and require additional capacity from other wireless data networks such as the wireless model proposed.
 - 4G Deployment: following the award of the 4G licences in March 2013 there will be a need over the coming years for the 4G Operators to look at street level coverage in high footfall urban areas.
- 4.4 Numerous locations including Leeds and Bradford, Brighton, and a number of London Boroughs have recently awarded contracts for similar concessionary services to what Plymouth has proposed. Numerous other cities including Edinburgh and Cardiff are also in the process of initiating similar concessions.
- 4.5 Based upon the assessment of the market and the strategic direction of the Council, it is proposed that the proposed contract term is no shorter than 5 years and no longer than 10 years with options for exclusivity and break clauses based on the advice by consultants within the market.
- 4.6 As the technology and consumer/business demand changes in this sector the contract should provide a guarantee of provision for the full term and extensions and also incorporate appropriate review and break clauses within the contract if demand for this service or the technology provided becomes obsolete or requires upgrading within the duration of the contract.
- 5.0 **The procurement process**
- 5.1 The full rigour of EU procurement regulations are not applicable to concession contracts; however, the principles of equality, fairness and transparency as set out in the EC Treaty are applicable. The contract will be advertised in the Official Journal of the European Union (OJEU).
- 5.2 A process akin to Competitive Dialogue will be followed and an adequate number of days to hold dialogue sessions with bidders will be factored into the timetable. A supplier day will be held to engage with the market to demonstrate Plymouth's commitment to taking this concession forward and to explaining the procurement process to potential suppliers. This model will stimulate competition and innovation and ensure an optimal solution to Plymouth's individual requirement.
- 6.0 **Contract Management Strategy**
- 6.1 The eventual contract will be managed by the Council's Economic Development Department. An operational team has been assembled to deliver the concession with staff from Transport and Infrastructure, ICT, Planning, Legal, Finance and Procurement. The Council has also

sought the expert guidance of consultants who have advised on the delivery of similar projects elsewhere in the UK.

- 6.2 Works will not commence until a project and resource plan are set in place and agreed by all parties. Quarterly or monthly liaison meetings will take place between the key Council representatives and the supplier's representatives during the implementation and operational phase or more frequently if required.

7.0 Timetable

- 7.1 The expected timetable for the procurement is set out below.

Indicative Timeframe	Date
Cabinet Approval Procurement process (see below)	Sept 2013
<u>Phase 1: Preparation</u>	
Technical Due Diligence Document preparation and asset audit	Aug 2013
<u>Phase 2: Tender Process</u>	
Advertise opportunity and commence procurement	September 2013
Receive submissions and evaluate	January 2014
Contract commencement	March/April 2014

8.0 Responsible procurement

- 8.1 The network will be required to comply with all relevant legislation and government recommendations covering such networks.
- 8.2 In respect of ethical concerns the Council will retain the right to veto organisations at its discretion from advertising on the network. Specifically the advertising of payday loans companies or similar enterprises shall be prohibited in compliance with stated Council policy. In addition to this access to payday loan websites will be blocked from public access through the network.

REPORT ENDS

PLYMOUTH CITY COUNCIL

Subject: Home Park Football Stadium and Higher Home Park
Committee: Cabinet
Date: 3 September 2013
Cabinet Member: Councillor Lowry
CMT Member: Anthony Payne (Director for Place)
Author: David James, Head of Strategic Development Projects
Contact details: Tel: 01752 304571 email: david.james2@plymouth.gov.uk

Ref: DJ/SP/ED
Key Decision: Yes
Part: Part I

Purpose of the report:

The Council, having acquired the freehold of Home Park Football Stadium in 2011, and having leased the Stadium to Plymouth Argyle Football Club Limited, has now been requested to assist the delivery of a major improvement to the Stadium, in a £57.0m commercial development centred on the adjoining privately-owned Higher Home Park. This project was envisaged in the 2011 Agreements, and could create 600 construction jobs and 400 permanent new jobs. Improvements to Central Park itself – its sporting facilities and landscaping - will also be part of the project in the immediate vicinity of the Home park area. In order to enable commercial funding to be obtained, Cabinet is requested to authorise the surrender of the existing lease of the football Stadium, the re-grant of the Stadium lease over a reduced area, the transfer of the freehold interest of part of the existing leasehold area that is needed for the proposed commercial development, and associated estates matters mainly relating to site access. All proposed legal arrangements will be reliant upon planning permission being granted for the project.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The proposed development will help to deliver the Council's Corporate Plan in the following ways:

City Vision: The scheme will provide new football and leisure facilities that will positively add to the quality of life in the City; it will contribute to *Growing Plymouth* by creating a significant range of new jobs, to *Pioneering Plymouth* by using land resources wisely, and improving the City's cultural and visitor offering, and to *Confident Plymouth* by raising the profile of Plymouth Argyle and also by building a new high quality ice arena that will be another facility in the City that will be of national importance.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

New investment in the football Stadium will assist the football club as a growing and sustainable business, and new commercial development will generate additional jobs and rental income for the Council and provide new sporting and leisure facilities for the public. The project will deliver for the City a new sports and cultural destination within a high quality environment of Central Park

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

Health and Safety management has been address through the multi-agency Safety at Grounds Group; financial and legal risks will be handled through the proposed legal documentation for the project. As a private-sector development, all commercial risks will be borne by the development company.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No – the proposed development is a private-sector development and the prospective developer will be responsible for managing all EIA assessment.

Recommendations and Reasons for recommended action:

Cabinet is recommended as follows:

- (a) To accept a surrender from PAFC of the existing 30-year Home Park lease from October 2011, and to grant a new lease to PAFC on a reduced area including all the existing and proposed spectator stands, for 30 years from the original lease commencement date;
- (b) To grant HHP Nominee/Akkeron or nominated developer a lease for 125 years of 4 ground-floor commercial units within the new Grandstand;
- (c) To grant to HHP Nominee/Akkeron/developer a Building Lease for 125 years of approximately 1.22 acres of land to the north and east of Higher Home Park, all of which is within the existing Stadium lease, and subsequently to transfer of the freehold interest of the above 1.22 acres of land to HHP Nominee/Akkeron/developer following completion of all development works on Higher Home Park and Home Park;
- (d) To grant freehold easements to HHP Nominee/Akkeron/developer to allow pedestrian and vehicle access over the Council's adjoining land to the new commercial development;
- (e) All the above arrangements to be in accordance with the financial terms set out in this report;
- (f) To authorise the Director for Place in consultation with the Portfolio Holder for Finance to agree any additional or supplementary legal and estates issues associated with this project that may arise prior to completion of the relevant legal documentation.

Reasons:

- (a) – (e) above - To provide HHP Nominee/Akkeron/developer with an additional freehold area of approximately 1.22 acres adjoining its existing private freehold ownership of 2.27 acres at Higher Home Park, to enable the proposed commercial scheme to be fundable. The recommended decision will also to generate additional rental and business rates income for the Council from the football stadium and from commercial units within the new football Grandstand, in return for transferring the proposed freehold area of approximately 1.22 acres. The project will also lead to the creation of 600 construction jobs and 400 permanent jobs in the new facilities, and £1.1m investment into environmental improvements in Central Park;

- (f) To ensure that all legal documentation can be completed in a timely manner and in accordance with the commercial requirements of the proposed development;

Alternative options considered and rejected:

If the Council were to take no action the developer would not be able to secure the necessary freehold site of a size needed to build the proposed commercial scheme including a new ice rink. If the commercial development were restricted to the privately-owned area of Higher Home Park, the proposed new ice rink could not be accommodated on Higher Home Park and a separate site would need to be found for that use. It would be logical to locate all major sporting facilities near to the Life Centre, and the only other feasible site for which there is supportive planning policy would be Cottage Field to the south of Higher Home Park. Development of the ice rink at Cottage Field would entail the loss of an important area of public open space and existing football pitch.

Published work / information:

Central Park Adopted Area Plan

<http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/planningpolicy/ldf/aaps/ldfcentralparkaap/ldfcentralparkadoption.htm>

Background papers:

None

Sign off:

Fin	CRPlaceF EDC1314005	Leg	18177/8/8/ 13/AC	Mon Off	TH 22/08	HR		Assets		IT		Strat Proc	
Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 Introduction

1.1 To assist Akkeron Leisure Limited to save the football club, the Council acquired the freehold of the Home Park Stadium from the company ("Akkeron") on 31st October 2011 for £1.6m. This was authorised by the Council's Cabinet on 18th October 2011 (Minute Nos 69 and 69a refer) and by the full Council on the same day (Minute No. 76 refers). Before selling the stadium to the Council, Akkeron had acquired the property from the administrator of Plymouth Argyle Football Company Limited. Akkeron retained the freehold ownership of an area of land of about 2.27 acres immediately to the south of the football stadium, known as Higher Home Park.

1.2 The 2011 Agreement

- (a) The Council leased Home Park Stadium to Green Pilgrim Limited ("Green Pilgrim") a company controlled by Akkeron, for 30 years from 31st October 2011 at an initial rent of £135,000 per annum. Green Pilgrim subsequently changed its name to Plymouth Argyle Football Club Limited ("PAFC").
- (b) The Council and Green Pilgrim also entered into Heads of Agreement on 31st October 2011 in respect of possible future arrangements for the redevelopment of the stadium Grandstand.
- (c) If the Grandstand redevelopment was to go ahead, the minimum size of any new replacement stand was agreed to be 3,800 seats (the capacity of the existing Mayflower Stand) and the existence of any new stand would not alter the rental to be paid for the Stadium, nor the option price if the tenant wished to purchase the freehold of the Stadium.
- (d) The Council would grant a new 125-year lease of the site for the new Grandstand, at a nil rent in respect of all football-related uses. However, any non-football uses, such as retail shops, restaurants, etc would require the payment of a rental to the Council at the rate of 10% of the occupational rental payable by all such occupiers.
- (e) The Council and Green Pilgrim also entered into a Deed and release and variation of covenants in respect of Higher Home Park on 31st October 2011. This document extinguished a purchase Option for £1.00, held by the Council over most of the Higher Home Park site, and varied the restrictive covenants on the site uses to allow the range of commercial uses that were permitted within the Central Park Area Action Plan Proposal CP02 which applied to this site.
- (f) The value of the Higher Home Park Option and variation of restrictive covenants was independently assessed by the District Valuer at £425,000, which the Council had forgone. Green Pilgrim also however granted the Council the right to receive a 50% share of any development profits exceeding 15% of total development costs, resulting from the future development of the Higher Home Park site. This was secured by way of Legal Charge on the land.

1.3 The 2013 Proposals

Akkeron has now transferred Higher Home Park to another group company, HHP Nominee Limited (HHP) and had now decided to implement a £57m redevelopment scheme for the Home Park Stadium Grandstand and the adjoining Higher Home Park site. Akkeron Group has now submitted a planning application for the following facilities:

Football Grandstand of 4,800 seats to replace the existing Mayflower Stand
Ice arena with spectator seating for 1,500 people
Improvements to Central Park, including landscaping, drainage, and the provision of new sports changing facilities.
14 shop/restaurant units totalling 4,712 sq m (50,721 sq ft)
Hotel of 120 bedrooms
Medical centre
Cinema with 10-screens including IMAX screen
Car parking for 380 vehicles

- 1.4 It is anticipated that implementation of the project will require 600 construction workers, and that the completed buildings will provide jobs for 400 people. The new ice rink will provide a facility not available within about 150 miles of the City, and its replacement of the existing rink at Plymouth Pavilions will enable that building to be renovated with an improved concert arena. The nearest other IMAX cinema screens are located in Southampton and Cardiff. The “completed” Home Park Stadium will also itself be a major regional venue for events as well as for professional football.
- 1.5 To implement the development project that was envisaged in the 2011 Agreement, Akkeron has now requested that approximately 1.22 acres of the Stadium site, currently contained within the 30-year lease, should be transferred freehold to HHP, so that commercial use, rather than football, sports and events use, can take place on that area. The transfer of the freehold area is essential to enable commercial funding to be obtained for the commercial proposals.
- 1.6 An important issue for consideration is that if the site for the commercial scheme were to be limited to the current privately-owned area at Higher Home Park, it would not be possible to incorporate a new ice rink as now proposed by HHP. Since it would be logical to cluster all major sports facilities in proximity to the Life Centre at Central Park, the only other suitable site would be Cottage Field to the south of Higher Home Park which is within Proposal CP01 of the Area Action Plan, and therefore, in principle, suitable for that use. Cottage Field is currently a football pitch and an important area of public open space which would then be lost if required for development of the ice rink.

2.0 Proposed Land Disposal Terms and Variation of Existing Legal Documentation

- 2.1 The implementation of the proposed scheme, subject to planning permission, will require the existing stadium lease to be surrendered by PAFC and re-granted with a reduced area, to exclude the land required for the commercial development elements. The existing Home Park Stadium lease comprises both the areas shown with broad green edging on the attached plan, and that shown with square hatching.

- 2.2 The Higher Home Park site – HHP’s freehold land – is shown with broad blue edging on the attached plan. It is proposed that the amended Stadium lease should be granted on the area shown only with broad green edging – this is the existing “horseshoe” of spectator stands, plus the site for the new Grandstand (less 4 new ground floor retail units – see 2.3 below). The amended Stadium lease will be for a term of 30 years from 31st October 2011.
- 2.3 The 125-year lease of the site of the new Grandstand, previously proposed (referred to in paragraph 1.2(d) above) will not go ahead. However, the Council will grant to HHP/developer a 125-year lease of 4 ground-floor commercial units which will be built within the new Grandstand, and which will face on to the new commercial facilities on Higher Home Park.
- 2.4 As an interim measure to enable the scheme to be commercially-funded, the Council will grant a Building Lease for 125 years over the 1.22 acres of additional land required (square hatched on the plan) and will ensure that all development works are completed before the freehold interest of this area is transferred to HHP or to the developer, for the nominal sum of £1.00.
- 2.5 In return for the eventual transfer of the freehold land, PAFC will pay an additional stadium rental of £30,000 per annum, i.e. increasing the stadium rental from £135,000 to £165,000 per annum, plus indexation, from the date of completion of the new Grandstand.
- 2.6 HHP/developer will also procure that any purchaser of the commercial investment developed at Higher Home Park will pay a ground rental to the Council as previously agreed, at the rate of 10% of the rental paid by occupiers of 4 commercial units within ground floor of the new Grandstand. Once these units are let, this ground rental is expected to amount to approximately £30,000 per annum.
- 2.7 The freehold land to be transferred will have user covenants that match those in place on Higher Home Park i.e. those permitted as indicated in the adopted Central Park Area Action, plus the additional specific uses of cinema and medical centre that are now proposed.
- 2.8 The value of the proposed freehold land is similar to the value of the adjoining Higher Home Park site as assessed by the District Valuer in his independent report dated 17th October 2011, that is to say, approximately £187,000 per acre. The area of the freehold land to be transferred is approximately 1.22 acres which at the same rate would indicate a value of £228,000. In return the Council would receive the additional rental payment of £30,000 per annum from the football Stadium.
- 2.9 The value of this additional stadium rental of £30,000 per annum as a capital sum would be in the order of £360,000, based on the freehold Option formula contained in the Stadium lease, compared with the estimated value of £228,000 for the proposed 1.22 acres of freehold land to be transferred. There will therefore be no public subsidy of the proposed new commercial scheme.
- 2.10 In addition the Council will retain 50% of the business rates payable for the new development; the retained amount is estimated at £750,000 per annum. The Council could also receive a share of any excess development profits from the commercial development of Higher Home Park and the Grandstand redevelopment, as an integrated development project.

- 2.11 The proposed freehold land to the east of Higher Home Park is an overgrown area to which the public has no practical access because of the undergrowth, or because there are no pathways. Photographs of this land are attached in the Appendix to this report. .
- 2.12 In order to enable the new commercial development to operate, HHP/Akkeron/developer will also require access rights over the Council's adjoining land. The primary vehicle access route will be from the Outland Road/Segrave Road junction, southwards to the football stadium. This will follow a route already approved as a right of way in the existing stadium lease.
- 2.13 Vehicle access on non-match days would then follow a dedicated route along the concourse around the northern and eastern sides of the stadium into the 380-space car park on the lower ground floor level of the commercial development on Higher Home Park.
- 2.14 Vehicle access on certain very busy match days – to be determined by the PAFC Safety Officer - will follow a route from the Outland Road/Segrave Road junction southwards along the western side of the football stadium to the south-western corner of Higher Home Park, then eastwards along the commercial scheme's service-vehicle route running parallel to and adjoining Gilbert Lane, then northwards along a dedicated route (partially encroaching beyond the existing stadium leased area) and then westwards into the commercial scheme car park. Egress of this traffic will be determined by the Safety Officer on the day, but is likely to be westwards along the service vehicle route, then west again to Outland Road to the south of the Life Centre.
- 2.15 Service vehicles will gain access to the commercial scheme from the main car park side of the Life Centre on a time-limited basis, past the front (south) of the Life Centre and then eastwards along the service route adjoining Gilbert Lane. The Council will need to grant easements for these vehicular routes where they affect Council-owned land, and also agree arrangements for routes always to be kept open (subject to time limits for service vehicles) and for maintenance responsibilities.
- 2.17 All land and property agreements will be subject to a "live" planning permission being granted for the proposed project, including the completion of a S.106 Agreement that will require the redevelopment of the football Grandstand, and also environmental improvements and community benefits in Central Park.

3.0 Temporary Contractor's Compound/Site Offices

- 3.1 The provision of a contractor's compound and site offices has also been requested by HHP/Akkeron. The former "spoil heap" site on Zoo Field has been proposed, to the east of Higher Home Park. This site will be landscaped upon completion of the building works, together with the remainder of Zoo Field, and also Cottage Field, where a new football pitch will be provided. All excavated spoil will be retained and used for agreed landscaping works, or taken off-site.
- 3.2 It is proposed that occupation of such contractors' facilities should be on a Tenancy at Will basis at a licence fee to be negotiated with the main building contractor, so that any breaches of the conditions of occupation can ultimately be enforced by terminating the tenancy with immediate effect.

Appendix

4 Photographs – Land to the east of Higher Home Park









Photograph – land south of the existing Grandstand



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NOTES



Landings shown in red. For Landings shown in red to change to blue, go to: 01/20/2016

Allyson Groat LLP
11 Boulevard
Westchester/We
09223 NY

BDP.

7th Floor
United Kingdom
www.bdp.com

Higher Home Park, Plymouth

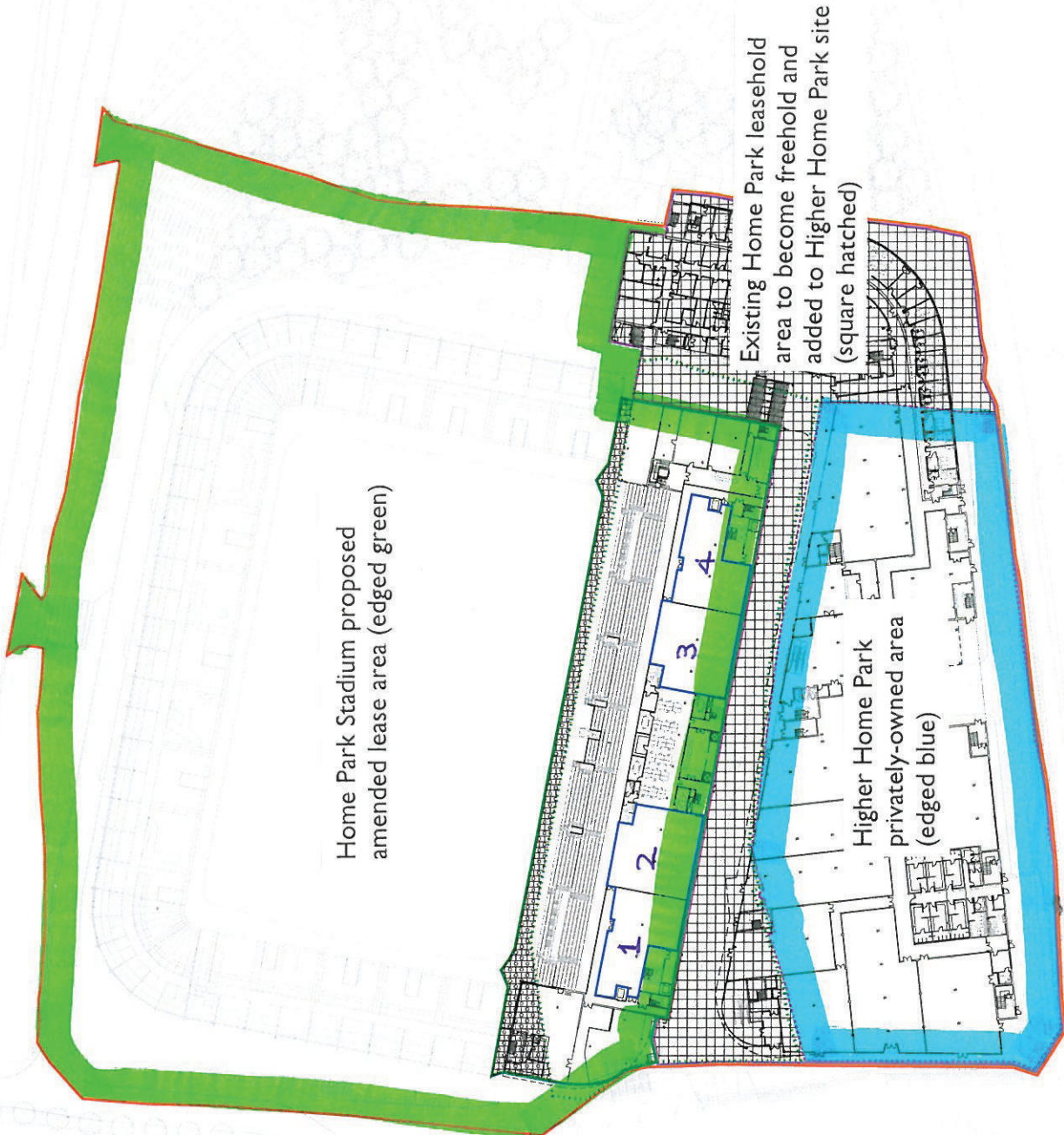
P2005464

Current & Proposed
Boundaries Plan

Scale
1:500

Date
04/07/13

Z:\(S)\JAP\02



Home Park Stadium proposed amended lease area (edged green)

Existing Home Park leasehold area to become freehold and added to Higher Home Park site (square hatched)

Higher Home Park privately-owned area (edged blue)

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PLYMOUTH CITY COUNCIL

Subject:	The Brilliant Co-operative Council Sustainable Three Year Plan
Committee:	Cabinet
Date:	3 September 2013
Cabinet Member:	Councillor Evans
CMT Member:	Tracey Lee (Chief Executive)
Authors:	Giles Perritt, Head of Policy, Performance and Partnerships
Contact details	Tel: 01752 304464 Email: giles.perritt@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

This report identifies some of the key financial challenges that the Council faces over the coming three years, proposes a revised approach to financial planning over the medium term, and seeks support for a Council-wide transformation programme based on Co-operative Values to substantially reduce the operating costs of the Council and ensure the maximum possible investment in achieving Corporate Plan objectives.

Funding for local government has been significantly affected by the Coalition Government's plans to reduce the national deficit. Since 2009/10, there have been a number of changes to the Local Government funding regime that have resulted in an overall reduction in income to the Council from central government of £9.5m per year. The Council has already reduced expenditure in this period by c£30m, through efficiency savings and service reductions.

In July 2013, the Department for Communities and Local Government published the detail of its funding intentions for 2014-15 and 2015-6 with a 'real terms' cut of 10% in overall funding for local government. It is now clear that £1bn has, in addition, been set aside from the settlement for allocation to some Councils, but not to others. Therefore underlying the headline 10% real terms cut in funding lies a 15% real terms reduction in the basic allocation affecting all authorities including Plymouth.

Sir Merrick Cockell, the Chair of the Local Government Association has said: "This cut will stretch essential services to breaking point in many areas. While positive steps have been taken to target NHS funding at social care, the fact remains that some councils will simply not have enough money to meet all their statutory responsibilities. Services such as culture and leisure facilities, school support, road maintenance and growth related programmes will bear the brunt of these cuts".

Responsibility for the funding of Council Tax benefit has been transferred to local authorities with effect from the current financial year, but prior to the transfer of this responsibility, a 10% top slice of resources was taken by the government. This, coupled with other anticipated impacts from Welfare Reform is anticipated to add further pressure of around £1.5m annually to Council budgets.

Reductions in Revenue Support Grant and the localisation of Council Tax benefit and Business Rate receipts have resulted in a significant transfer of financial risk from central to local government.

In contrast to the forecast reduction in resources, the demand for key Council services is increasing. For example, the growth in the proportion of older people requiring social care is putting pressure on both local authorities and health services nationally. Current forecasts anticipate a 2% increase on social care expenditure year on year in Plymouth, equating to annual financial pressures of £4.5m.

There are a number of financial impacts on the Council identified as being the result of the broader economic climate. These include reduced income from commercial rents and inflationary increases in contracted services and utility costs.

Taken together, the above factors will contribute to an estimated funding gap for the Council over the next three years of circa £65m. To put this into context, this equates to the entire annual net expenditure on environmental services and economic development, covering refuse collection and disposal, all street services and the Council's support for businesses and employment. The value of these savings equates to almost five times the entire annual revenue budget of Exeter City Council.

The respected economic 'think tank', the Institute for Fiscal Studies, (IFS), has stated that: "The UK faces the longest, deepest, sustained period of cuts to public services spending at least since World War II..."

The Brilliant Co-operative Council Corporate Plan 2013/14 – 2016/17:

In July 2013, the Council adopted a new Corporate Plan, to be a Brilliant Co-operative Council. The plan contains ambitious objectives around the themes of Pioneering, Growing, Caring and Confident Plymouth. Each objective identifies outcomes by which the delivery of the objectives will be measured. Commitments are made to promoting economic growth, improving Council services, health and social care outcomes and the reputation of the city. The plan also identifies Co-operative values which will inform the way that the Council goes about its business.

Given the financial climate described above in which the Council will have to operate over the life of the Corporate Plan, a substantially revised approach to financial planning and delivering financial efficiencies will be needed. The Council has sought advice from Ernst and Young concerning the robustness of its financial estimates for future years and the nature and scale of changes that it will have to make to its structure and delivery arrangements to meet its financial challenges and deliver the Corporate Plan.

The proposed Transformation Programme will deliver a fundamental change in the way that the Council goes about its business, delivering significant savings in four key areas:

- Economic growth initiatives that will provide financial dividends for the Council, a more commercial approach to the way that we run our services, and smarter procurement and commissioning.
- Customer-led service redesign, transforming the way the Council interacts with customers to meet their demands and preferences.
- Creating an integrated approach to health, wellbeing and social care commissioning, working co-operatively across all local communities and partners.
- Smarter, evidence based decision-making for the Council using co-operative principles, and support services delivering against our new organisational requirements.

To support the delivery and implementation of Transformation Programme we will develop two 'enabling programmes' focussed on:

- Better use of the Council's physical and technical infrastructure and assets to better serve the needs of the organisation now, and into the future;
- Ensuring that Members and staff are engaged and supported through the transformation programme, and that they have the necessary skills to deliver.

The Transformation programme will help us to 'grow' ourselves out of the financial challenges that we face whilst focussing on, and improving, the customer experience and maximising opportunities from partnership working across the city. We already have an excellent track record across these areas such as generating income through building additional homes and attracting more businesses into the city. This needs to be expanded and developed in a structured and sustainable programme.

The Transformation programme alone will not enable us to close the £65m gap. Alongside this we will need to take proactive action to manage down the cost drivers and escalating pressures that we face, and comprehensively review all services delivered by the Council, both statutory and discretionary, followed by proposals for changes in the level, cost and nature of provision. The terms of reference for the review will be bound by the Co-operative Values of the Council, and will focus on contributing as far as possible to the delivery of the Corporate Plan objectives.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Councils throughout the country have had to enact drastic action in order to balance budgets. There are no easy solutions.

Over the last three years, Plymouth City Council has successfully managed net revenue savings of circa £30m through a number of delivery programmes. The scale of future financial challenges however is such that the Council will require upfront investment in capacity and support to enable it to bring about the fundamental changes described above in the coming years.

Revised financial planning arrangements will result in a longer term approach to addressing the funding available to the Council, planning for a balanced indicative budget in each of the coming three years.

The Transformation programme, as a whole, is a fundamental strand which will enable us to develop a three year sustainable financial plan to deliver the Council's co-operative vision. However, there will be a need to incur up front set up costs to structure, plan and provide capacity to deliver long term financial and service benefits. Earmarked reserves and balances will be reviewed in order to top up the existing Transformation Programme reserve in 2013/14 which will be used to 'smooth' the cashflow differences of costs vs savings between specific financial years. As a guide, it is estimated that the net benefit, (accounting for associated spend), from the Transformation Programme will deliver more than 50% of the Council's entire forecasted three year funding gap.

To supplement internal funding, officers are investigating opportunities for draw down of national funding streams that have been specifically set up to support transformation, such as resources available for Health and Social Care Integration.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

Implications with respect to the above areas relating to the response to individual recommendations will be explored in detail as related proposals are brought forward.

Equality and Diversity

An Equality Impact Assessment has not been undertaken as part of the preparation of this report, but assessments will be necessary as part of the implementation of its recommendations.

Recommendations and Reasons for recommended action:

1. That Council adopt a longer term approach to addressing the reduction in funding available to the Council, planning for a balanced indicative budget in each of the coming three years.
2. That Council support the implementation of a Council-wide transformation programme, based on Co-operative Values, to substantially reduce the operating costs of the Council and ensure the maximum possible investment in achieving our objectives.

3. That Cabinet review earmarked reserves and balances to ensure that the Transformation Programme reserve is adequate to cover cashflow requirements for the period of 2013/14 to 2016/17 (managing the overall costs incurred and savings achieved across each financial year)

Alternative options considered and rejected:

A one year financial planning horizon will not support the long term decision making required to deliver the objectives of the Corporate Plan
 The Council's financial stability will be put at risk unless a transformative approach is taken to revising its delivery arrangements in the coming years.
 Attempting to implement the Transformation Programme without additional support and capacity will seriously prejudice the Council's ability to deliver it effectively

Published work / information:

[LGA local government finance briefing for Leaders, Lead Members and Chief Executives 31 July 2013](#)
[Local Government Chronicle 27 June 2013](#)
[Spending Round 2013](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Ernst and Young Interim Report to Plymouth City Council July 2013		x			x					

Sign off:

Fin	MC13 14.12	Leg	18291 /DVS	Mon Off	18291 /DVS	HR	X	Assets	X	IT	X	Strat Proc	X
Originating SMT Member: Tracey Lee													
Have the Cabinet Members agreed the contents of the report? Yes													

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PLYMOUTH CITY COUNCIL

Subject:	Contract Award – Reablement Service
Committee:	Cabinet
Date:	3 September 2013
Cabinet Member:	Councillor McDonald
CMT Member:	Carole Burgoyne (Director for People)
Author:	Debbie Butcher, Head of Safeguarding, Quality and Individual Placements
Contact details	Tel: 01752 307452 email: debbie.butcher@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

This report summarises the recent tender process for an externally provided reablement service.

Reablement is a philosophy and practice that focuses on enabling people to re-gain their independence in areas such as personal care, daily living activities and other practical tasks following a period of illness, or an injury. Reablement is short term provision, and encourages service users to develop the confidence and skills to carry out these activities themselves and, consequently, removes or reduces the need for ongoing domiciliary care, and other forms of support.

Plymouth City Council, in partnership with the Western Locality of NEW Devon Clinical Commissioning Group (CCG), is seeking to commission a high quality Reablement Service for people who are assessed as being able to benefit from this approach, either to prevent hospital or care home admission, to aid hospital discharge, or to continue to remain living at home following a change in their circumstances.

The level of expenditure on the future services to replace this provision required a full competitive tender in accordance with the Council's Contract Standing Orders. This competitive procurement was run as a two stage process.

The Brilliant Co-operative Council Corporate Plan 2013/14 – 2016/17:**Caring Plymouth City Council**

- **Prioritise Prevention:** Reablement is a key preventative service, with proven ability to reduce ongoing packages of care and keep people living independently in their own homes.
- **Children, Young People and Adults are Safe and Confident in their Communities:** This service is normally for adults over the age of 18, although the service will be expected to support children in transition to adult services. The service provides people with the skills to stay safe in their own home and whilst out and about in the community.
- **Help People Take Control over their Lives and Communities:** Reablement focuses on enabling people to have control over their lives through re-skilling them and building their confidence to undertake tasks of daily living and to take part in the community

- People treated with dignity and respect: this is always a priority for Adult Social Care services and has been a cornerstone of our procurement, with indicators and a six weekly survey to measure how service users are treated built into our contract management system

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The award of this contract will result in an annual saving to the Council of £497,359 initially, increasing in subsequent years as the service increases in volume

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None

Equality and Diversity

When considering these proposals Cabinet has a responsibility to make sure that it gives due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act 2010 and those who do not.

The proposals in this Report focus on meeting people's needs through provision of high quality reablement services and will be available to anyone in the City who is referred following an assessment that they require such services. The tender process has evaluated the ability of all tenderers to comply with equalities legislation and the preferred bidder has a track record of implementing equality and diversity policies, staff training and monitoring both staff and service users to ensure compliance.

In addition, an Equality Impact Assessment has been completed as part of this procurement. No adverse impact was identified as a result of this however contract monitoring arrangements will continue to assess any impacts post contract award.

The Equality Impact Assessment can be found at:
www.plymouth.gov.uk/homepage/communityandliving/socialinclusion/socialinclusionieia.htm

Recommendations and Reasons for recommended action:

To award a three year contract, containing an option to extend the contract for a further two years in one year extensions, to the 'most economically advantageous tenderer' as identified in the Contract Award Report (Part II report).

Alternative options considered and rejected:

The option of not awarding any contract was considered but disregarded due to the need to ensure that we have a redesigned Reablement Service and achieve our delivery plans going forward

Published work / information:

The Equality Impact Assessment can be found at:
www.plymouth.gov.uk/homepage/communityandliving/socialinclusion/socialinclusionieia.htm

Background papers:

None

Sign off:

Fin	TOCS PeopleF AC1314 005 19/08/2013	Leg	LT/18 269/2 00813	Mon Off	TH 22/ 08	HR	B.S. 21/0 8/13	Assets		IT		Strat Proc	JK/SPU/ CA/330 /0813
Originating SMT Member Dave Simpkins													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. BACKGROUND

The financial values involved in this tender required a full competitive procurement to take place in order to select the future provider(s).

An advert was published for these contract opportunities online on the tendering portal used by the Council (www.supplyingthesouthwest.org.uk), on 11th February 2013. Organisations that registered an interest online from that date could then access a Pre-Qualification Questionnaire online. The following timetable was then followed for the remainder of the tender process:

Activity	Date
Contract Advert Published & PQQ Available	11 th February 2013
PQQ Return Date	13 th March 2013
ITT Issue Date	30 th April 2013
Return of ITT	24 th June 2013 (Reablement)
Notification of Successful Tenderer	16 th September 2013
Commencement of New Service (subject to successful provider achieving 'Admitted Body Status' to the Local Government Pension Scheme)	2 nd December 2013

2. PRE QUALIFICATION SELECTION CRITERIA

A competitive procurement was run as a two stage process with a Pre Qualification Stage (Pre Qualification Questionnaire) followed by an Invitation to Tender (ITT).

The Pre Qualification Stage

This stage required Providers to submit a Pre Qualification Questionnaire (PQQ). Each PQQ was assessed and scores used to select which Providers were shortlisted for to the next stage of the procurement.

The following sections of the PQQ contained mandatory questions, the responses to which were reviewed and treated as pass or fail criteria:

Professional and Business Standing

Financial

Insurance

Health & Safety Policy

Data Protection

Equalities and Diversity Policy

Safeguarding Vulnerable People Policy

Timescales

In addition the following sections of the PQQ were evaluated and awarded a score.

Section	Section Weighting (%)
Prime Contractor/Sub-Contracting	5%
Quality Management	10%
Health & Safety Policy	5%
Health & Safety	5%
Equality & Diversity Policy	2.5%
Equality & Diversity	2.5%
Safeguarding Vulnerable People Policy	10%
Safeguarding Vulnerable People	10%
Disputes	10%
Business Capability (Previous Experience)	30%
Recent Contracts/References	10%

These weightings and the scoring methodology for each section were published in the PQQ documentation.

The pre-qualification questionnaires were evaluated to identify the extent to which each tenderer had the ability, experience, and capacity to deliver the service.

References

Reference information covering the following areas was requested for all participating suppliers:

- Management;
- Staff competency and experience;
- Partnership working;
- Service user consultation and involvement;
- How well organized they are;
- Customer care;
- Level of complaints
- Innovation flexibility in adapting to change;
- Overall satisfaction with organization.

Organisations who submitted a PQQ

There were 24 PQQ submissions. The top six were invited to tender having also achieved above the threshold score of 75%

3. TENDER EVALUATION METHODOLOGY

The tender documentation submitted was evaluated to identify the extent to which each tenderer had demonstrated their ability to deliver a high quality service. The technical responses were evaluated to identify how well each tenderer would meet the service specification requirements.

This was carried out by the following officers:

Debbie Butcher	PCC	Head of Safeguarding, Quality and Individual Placements
Anna Coles	PCC	General Manager, Adult Social Care
Rachel Silcock	PCC	Commissioning Officer, Joint Commissioning
Julian Moulard	PCC	Service Manager, Adult Social Care
Nicola Jones	CCG	Commissioning Manager, Primary Care
Helen Hutchings	PCC	Human Resources
Sarah Ainsworth	PCC	Human Resources
Gareth Peter	PCC	Product Portfolio Manager
Chris Morley	CCG	Contracts Officer
Steve Rea	ADASS	Specialist Reablement Consultant

In addition to evaluating the written answers given in the tender, the tenderers were invited to a meeting in order to clarify three of their technical answers and this gave an opportunity to test their answers thoroughly in these areas:

Question 1: Understands the Purpose of the Service

Question 7: To describe their proposals for the supervision and training of staff

Question 12: To confirm their proposals for and experience of implementing similar outsourced services

The panel for these meetings consisted of:

Debbie Butcher	PCC	Head of Safeguarding, Quality and Individual Placements
Steve Rea	ADASS	Specialist Reablement Consultant
Anna Coles	PCC	General Manager, Adult Social Care
Jo Shill	PCH	Project Manager
Rachel Silcock	PCC	Commissioning Manager
Gareth Peter	PCC	Product Portfolio Manager

The commercial responses were evaluated on price offered.

2: Financial Response:

The financial responses were evaluated to identify any risks and score the overall price that tenderers could offer. These were assessed by:

Gareth Peter	PCC Product Portfolio Manager
Tony O'Connor Smith	PCC Group Accountant

4. SUMMARY OF EVALUATION

The evaluation weightings were published in the ITT. The outcome of the evaluation process was as follows:

Award Criteria	Weighting	1 st tender	2 nd tender	The successful tender	3 rd tender	4 th tender
Financial	30%	30	21.92	15.97	20.41	21.82
Technical criteria (total 70%)						
1. Understands the Purpose of the Service Demonstrated by responding to two case scenarios and describing how they would reable the service users, what skills and training the staff would require, which other professionals they would engage with and demonstrating innovation and creativity	10%	6.67	6.67	10	3.33	10
2. Knowledge of Co-operative Council and the Social Value Act	3%	2	3	3	3	3
3. Ability to meet response times required	3%	1	2	2	1	2
4. Uses appropriate assessment tools to understand service user needs, carry out reviews and monitor progress towards goals	7%	4.67	4.67	7	4.67	4.67
5. Demonstrates good processes for discharging service users and involving other professionals as appropriate	3%	3	3	3	2	2
6. Ensures compliance with the Equality Act both for service users and staff	3%	2	2	1	2	1
7. Ensure staff are appropriately supervised and trained	6%	4	4	6	2	2
8. Commitment to good recruitment, retention and management of staff including guaranteed hours, living wage, staff involvement in continuous service improvement and incentive schemes	6%	2	4	6	4	4.00

9. Ensure the staff can respond to service users with a wide range of needs and will have time to carry out their duties in line with the Unison report 'Time To Care'	6%	2	4	6	4	4
10. Has a realistic management structure, good opportunities for staff progression and qualifications expected of staff	6%	4	4	4	4	4
11. Will achieve the Key Performance Indicators and will monitor the service and supply management information required	10%	3.33	10	6.67	10	6.67
12. Will be able to set up and implement the service in the time available	7%	4.67	7	7	4.67	2.33
TOTAL		69.33	76.26	77.63	65.08	67.49

Strengths of the winning tenderer

- The successful tenderer demonstrated significant experience of delivering Reablement Services, including having successfully taken on a service that has been outsourced from a Local Authority.
- A commitment to increasing the number of people being reabled within the contracted hours. In the outsourced Reablement Service taken on by this provider, which was a contract for 700 hours and 30 staff, the provider was able to double the number of hours they spent on actual reablement ('contact hours') from 315 hours to 630 within the first 5 months with the same staff group which is a ratio of 90% contact time. This increases the number of people that are being reabled for the same cost which is a large efficiency saving for the Council. Our current in-house service has 57% contact time with service users.
- In relation to staff terms and conditions, 100% of staff will be on guaranteed hours contracts and the provider does not intend to make changes to employment contracts, pensions, or hours worked for transferred staff. The staff will be paid for travel time and training.
- The offer of a 12 week reablement training programme that has been tried and tested with York University and all staff are able to achieve this qualification within the first year.
- Added value to the contract by supplying a qualified Occupational Therapist to support the assessment process and qualified RGNs who provide clinical governance and specialist training. No other tenderer offered this additional professional and clinical support within the price of the contract
- Demonstration of close and successful partnership working with other Local Authorities in the development of single pathways and shared systems; in working towards the speedy discharging of service users; and in pro-actively reviewing domiciliary care clients to assess whether or not they could be reabled and thus reduce their dependence on care packages.
- A strong understanding and commitment to the Co-operative Council approach and experience of working with other Co-operative Councils including Oldham Council.

5. IMPROVED PERFORMANCE FROM NEW SERVICE

The current in-house service delivered an average of 1123 contact time hours per week during the month of July 2013 against a support staff complement of 1968 employed hours per week, which meant that 57% of employed time was spent on contact with clients. The new provider will seek to maximise the contact time which will make the service more efficient.

There will be increased demand for this service as from September 2013 the integrated health and social care pilot 'ICE' project will roll-out citywide. This service currently operates in one-fifth of the city and has a demand for around 200 hours of reablement time. This will increase to approximately 1000 hours by December when the new reablement service contract commences. Adding this to the current demand for reablement from other sources, the demand for the new service will be at least 2000 hours by December.

The new service will have Key Performance Indicators that will ensure we are achieving a higher throughput of service users than in the current service. The new service will be expected to discharge 60% of people within 3 weeks and 90% of people within 6 weeks, against the current performance whereby 40% of people are still in the service at 6 weeks.

6. FINANCIAL EFFICIENCIES

The current reablement service has been calculated to cost the Council £36.65 per hour of contact time delivered. This was calculated as follows:

Employee Costs	£ 1,862,508
Employee Travel	£ 106,940
Equipment & Clothing	£ 17,179
Support Services Recharges	£ 595,131
Grand Total	£ 2,581,758
Contact Hours (1,351 Per Week)	70,445
Internal PCC Hourly	£ 36.65

The award of this contract will result in an annual saving to the Council of £497,359 initially, increasing in subsequent years as the service expands.

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