

## EXECUTIVE BOARD – 22 JULY 2014

<b>Subject:</b>	Hyson Green Library Relocation to Mary Potter Joint Service Centre		
<b>Corporate Director(s)/ Director(s):</b>	John Kelly, Corporate Director for Communities Hugh White, Director of Sport and Culture		
<b>Portfolio Holder(s):</b>	Cllr Nicola Heaton, Portfolio Holder for Community Services		
<b>Report author and contact details:</b>	Sue Foster, Project Manager, Major Programmes <a href="mailto:Susan.Foster2@nottinghamcity.gov.uk">Susan.Foster2@nottinghamcity.gov.uk</a> 0115 8763412 Tanya Najuk, Programme Manager, Major Programmes <a href="mailto:Tanya.Najuk@nottinghamcity.gov.uk">Tanya.Najuk@nottinghamcity.gov.uk</a> 0115 8763402		
<b>Key Decision</b>	X Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	X Yes <input type="checkbox"/> No
<b>Reasons:</b> X Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input type="checkbox"/> Revenue X Capital		
Significant impact on communities living or working in two or more wards in the City	X Yes <input type="checkbox"/> No		
<b>Total value of the decision:</b> £780,000			
<b>Wards affected:</b> Arboretum, Berridge and Radford	<b>Date of consultation with Portfolio Holder(s):</b> 25.06.2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter	<input type="checkbox"/>		
Cut crime and anti-social behaviour	<input type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input type="checkbox"/>		
Help keep your energy bills down	<input type="checkbox"/>		
Good access to public transport	<input type="checkbox"/>		
Nottingham has a good mix of housing	<input type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	X		
Support early intervention activities	X		
Deliver effective, value for money services to our citizens	X		
<b>Summary of issues (including benefits to citizens/service users):</b>			
The £780,000 investment to relocate the Hyson Green Library into the Mary Potter Joint Service Centre (JSC) is to provide and secure quality and sustainable community services in the Hyson Green area. Relocating the library secures a better long term financial position for the Council by addressing the underutilisation of space in the Mary Potter JSC.			
Relocating the Hyson Green library to the Mary Potter JSC will:			
<ul style="list-style-type: none"> <li>• Improve customer experience having modern library facilities and longer opening hours</li> <li>• Provide a single access point (Ask Here desk) for all Council Services</li> <li>• Improve citizen satisfaction having one reception area (Ask Here desk) for all Council services</li> <li>• Provide a greater opportunity for community cohesion and social inclusion through bringing library services into the JSC which has a range of facilities. Both Children’s Centre and Acorn service users will have access to library</li> </ul>			

facilities, activities and services

- Increase in the number of new members joining the library, increase in the number of loans and enquiries
- Improve access to IT including free wi-fi
- Provide potential additional revenue from room lettings at the JSC
- Improve local employment opportunities during the construction phase
- Address the underutilisation of space in the Acorn Resource Centre to the value of £78,000 per annum supporting the Council's commitment to improve the management of its operational property estate
- Reduce the Council's revenue costs associated with the current library of circa £7,000 per annum and reduce maintenance liability of £239,000 over a 20 year period

**Exempt information:**

None

**Recommendation(s):**

1. To approve the relocation of the Hyson Green Library into the Mary Potter JSC at a total capital cost of £780,000, to include the reconfiguration of the Acorn Resource Centre, Children Centre reception and Housing Payment Desk.
2. To authorise the Director of Legal and Democratic Services in consultation with the Corporate Director of Communities, to approve the Lease Plus Agreement Minor Structural Contract Variation of £641,867 at the LIFT Strategic Partnering Board.
3. To approve the procurement of furniture, equipment and services in support of the Hyson Green Library relocation and delegate authority to the Portfolio Holder for Community Services, in consultation with the Corporate Director of Communities to sign the relevant contracts following the tender processes.
4. To approve the decision that the Hyson Green Library be declared surplus following the relocation of the service into the Mary Potter JSC.
5. To approve a budget virement (transfer) from Acorn Resource Centre to the Library Service of circa £78,000 per annum from 2015-16

## **1 REASONS FOR RECOMMENDATIONS**

1.1 The Council is undertaking a series of Citizen Programmes that intend to transform the Citizen experience, these programmes including Customer Access, Citizen First and Strategic Asset Management. The Community Provision in Neighbourhoods (CPIN) strategy aims to deliver 'A network of modern accessible multi-purpose facilities, conveniently located, offering higher quality frontline services and support for citizens'. CPIN forms part of the wider Strategic Asset Management Programme that aims to transform the operational property estate through investment and disinvestment in facilities to create better, efficient and a harder working property portfolio to meet the needs of Citizens and services.

1.2 The Customer Access Programme (CAP) aims to bring improved customer satisfaction and value for money from having services designed around the customer. It also aims to make them more

efficient, by simplifying the ways in which the customer accesses and uses Council services and making effective use of local and digital services. The Council's joint service centres and libraries have been identified as forming the network of Neighbourhood and Community hubs for accessing Council services.

- 1.3 Relocating Hyson Green Library into the Mary Potter JSC provides the Council with the opportunity to realise the above priorities. The relocation will allow the Council to make better use of its assets and realise short and long term savings and efficiencies whilst releasing a surplus property. It will provide additional service benefits of longer library opening hours, modern facilities (including free wi-fi) and the convenience of having several services and agencies located in one place. The relocation will provide the opportunity to create a new operating model focused upon supporting citizens to self-serve and improving digital literacy.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The JSC Programme was initiated in 2002/3 and formed part of the Council's "Access to Services Strategy". A successful expression of interest was submitted to the, then, Office of the Deputy Prime Minister to support the development of JSCs in key District Centres within the City. The initial bid was successfully developed into a business case to develop two centres, Clifton and Hyson Green, through the NHS Local Improvement Finance Trust Initiative (LIFT) and attracted PFI grant towards the Council's share of the capital cost. The business case was approved in August 2005 and the Mary Potter JSC was completed in March 2008 following a phased build with the lease due to expire in May 2033.
- 2.2 The LIFT model is one that is based upon the procurement of a LIFT Co that will in turn procure the designing, building, financing and maintaining of new and/or refurbished facilities. Organisations that wish to benefit from serviced accommodation within LIFT facilities enter into a lease (Lease Plus) with a project company owned by LIFT Co. "Lease Plus" offers more than a traditional lease; the landlord being required to take on more of the longer term risks related to the property than under a traditional lease. Tenants make monthly rental payments from the date of "building handover" including lease costs (rental plus service costs), pass through costs (rates and property insurance) and utilities. If the Tenant should wish to make a variation to the lease including "function and use" and operating hours, then the change control mechanism applies which may involve an additional charge. Under the terms of a Lease Plus Agreement the Strategic Partnering Board for LIFT is to approve changes to services that result in a Minor Structural Variation.
- 2.3 The Acorn Resource Centre is located on the ground floor of Mary Potter JSC and provides day care for Citizens with physical disabilities and sensory impairments. The Acorn Resource Centre is currently under occupied and under-utilised in regard to opening hours. Occupancy figures from April 2012/February 2013 averaged 28 Citizens per day with the Centre being operational between 9.00am – 5.00pm Monday – Friday for those with independent travel arrangements. Citizens using in house transport arrive and depart

between 9.45am – 4.00pm Monday – Friday. The current occupancy levels are not anticipated to increase particularly in respect of personalised budgets and the closer integration/sharing of space with main stream services supporting the Inclusion Agenda of the Council.

- 2.4 In April 2014 Delegated Decision Approval (1440) was granted for a Feasibility Project to be undertaken at a cost of £32,360 to include the relocation of the Hyson Green library into the JSC. The Project included design and costs works to be undertaken by LIFT Co to the Acorn Resource Centre and Children's Centre; independent structural survey for the Hyson Green Library; and a consultation exercise with Citizens, service users and stakeholders.
- 2.5 The Delegated Decision Approval provided the authority for the Council to initiate a variation under the terms of the Lease Plus Agreement (Letter 1). This included the liability for aborted design fees of £16,110 in the event of the variation failing to proceed to full approval (Letter 2).
- 2.6 A User and Citizen consultation was held during the period 2<sup>nd</sup> April to 9<sup>th</sup> May 2014. The public consultation covered Berridge, Arboretum and Radford wards and included a survey that was distributed to households within the above areas. The main finding of the survey was that 49% of respondents either strong agreed/agreed in favour of the relocation. Whilst 41% of respondents disagreed/strongly disagreed with the proposal, the main reasons were due to respondents concerns regarding the potential impact upon the Acorn Resource Centre service users (refer to section 2.3 and 2.7).
- 2.7 A separate Service User Consultation on the proposed design was held with Acorn Resource Centre and Children's Centre users. This resulted in a change to the design for the ARC to provide additional activity space, retain another specialist hoist toilet and move the main entrance..
- 2.8 Following the outcome of consultation detailed above, a Full Business Case has been produced. The business case supports the relocation of the Hyson Green library to the JSC by downsizing the Acorn Resource Centre to reflect current and projected usage and demand. The current cost of underutilisation of the Acorn Resource Centre has been calculated to be £78,000 per annum. The business case identifies that the relocation of the Library into the JSC will realise revenue saving of £7,000 per annum. Also the independent lifecycle report commissioned for the Business Case identified the cost liability for retaining the existing Hyson Green Library to be £239,000 over the next 20 years. The design and construction costs included in the business case are provided by LIFT Co and validated by independent advisors.
- 2.9 The original Feasibility Project assumed the pooling of Library and JSC "Ask Here", Acorn Resource Centre and Children Centre reception resources to create a single access point. However a Strategic Choice decision in respect to Business Support resources has resulted in the staff pool being restricted to Ask Here and Library personnel. This represents a saving of £35,000 per annum for Adult and Children's Services as covered in the Strategic Choice booklet No. 5 within the Medium Term Financial Plan. Library opening hours will be extended within the revised Operating

Model to those of the Mary Potter JSC Ask Here Desk e.g. Monday to Friday 8.30 – 5.30pm with additional Saturday opening. However, the Operating Model will continue to be reviewed and it is anticipated that there will be a greater shift to self-serve at the Mary Potter JSC aided by plasma screens and self-issuing facilities to maximise opening hours.

- 2.10 Prompted by a Strategic Choice decision concerning Council payments and consultation with tenants, Nottingham City Homes has decided to close cash payment desks at all of the JSCs. A recommendation has been made to convert the payment desk at Mary Potter Centre into a bookable meeting room and a small store/cleaners cupboard. The cost of this work is included within the project as a variation within an approved cost envelope of £30,000.
- 2.11 Consultation with LIFT strategic partners including Community Health Partnerships, the Tenant Representative under the terms of the Mary Potter Lease Plus Agreement has been undertaken. A special meeting of the LIFT Strategic Partnering Board has been scheduled for July to agree the Minor Structural Variation subject to Council Executive Board approval. The Director of Legal and Democratic Services is the council's voting representative on the Strategic Partnering Board.
- 2.12 A high level programme is outlined below that will be managed by the Council's Major Programmes Team.

<b>Milestone</b>	<b>Date</b>
Full Business Case Approved (Exec Board)	22 <sup>nd</sup> July 2014
Detailed Design	August/September 2014
Design Review and Sign Off	October/November 2014
Mary Potter Centre construction complete	February/March 2015
Mary Potter fit out and commissioning	March/April 2015
Handover to Users	Spring 2015

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 As part of the Feasibility Study carried out in April 2014, the other options considered included:

- a) Refurbishing the existing Hyson Green library** which would cost circa £700,000 and incur additional running costs of £26,000 per annum
- b) Extending the opening hours at Hyson Green library** would incur additional running costs of £26,000 per annum and maintenance charges of £239,000 over the next 20 year period
- c) Do nothing** will incur maintenance charges of £239,000 on Hyson Green library building over the next 20 year period

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 The Capital and Revenue expenditure required for the JSC reconfiguration is detailed below:

## Capital Expenditure: Total Cost

Description	Cost
Mary Potter JSC Construction and fees (including £16,110 Letter 1 costs)	£641,867
MPC Fit Out costs	£ 99,883
Quantity Surveyors Fees (including Value for Money Assessment for Feasibility and Sub Contracting phases)	£ 10,000
Survey Work on Hyson Green library	£ 8,250
Project Management (Major Programmes)	£ 15,000
Communications (including Feasibility and Design and Construction Phases)	£ 5,000
<b>Total</b>	<b>£780,000</b>

The reconfiguration of the payment desk is included in the above capital costs.

## Revenue Expenditure

Description	Cost
Printer lease	£ 600
Additional Cleaning and security at the JSC	£ 6,037
Wi-fi maintenance	£ 2,859
Staffing (assume neutral and new self-serve operating model)	£ 0
Saving from Hyson Green library running costs	-£16,430
<b>Total (saving)</b>	<b>-£ 6,934</b>

- 4.2 The relocation of the Hyson Green library to Mary Potter JSC represents a revenue saving to the Council of approximately £7,000.
- 4.4 For accounting purposes the recommendation is that under the Lease Plus Agreement, 43% of the annual recharge to Adult Services and the corresponding budget for the Acorn Resource Centre is transferred to Library Services. The required budget virement (transfer) is estimated to be £78,000 to take effect in 2015-16. This represents the lease plus payment and running costs in respect of the re-allocation of space to enable the more effective utilisation of the building that this scheme will offer. Over the remaining term of the Lease Plus Agreement this will equate to approximately £1.4million.
- 4.5 The fit out budget assumes that allowance has been made within the Communities IT allocation for the wi fi survey within the library area of the JSC and therefore is not included within the capital costs above.
- 4.6 As part of the fit out, the procurement of library furniture will use suppliers from the ESPO Framework 695 contract.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 The following risks have been identified by the Hyson Green Library Relocation Project Board:

<b>Type</b>	<b>Description</b>	<b>Mitigation</b>
Financial	Relocation of Hyson Green Library cannot proceed due to affordability and budgetary constraints	The costs for the reconfiguration are included in the capital programme and endorsed by Leadership Group. A Value for Money exercise will take place to ensure construction costs meet original indicative cost
Financial	Strategic Choice Business Support realignment that includes the Acorn Resource Centre and Children's Centre receptionist posts, has reduced the resource pool for extended opening hours.	Revised Operating Model to include current Ask Here opening hours Monday – Friday 8.30 – 5.30pm and additional Saturday opening
Service Provision	Fluctuations in the number of service users attending the Acorn Resource Centre may result in further underutilisation or lack of space in Acorn	Adult Services confirmed anticipated project demand and Business Model for Social Care Services

5.2 Legal issues: The City Council has power to procure the works and service changes described in this report. The LIFT procurement route was used for the construction and operation of the JSC and the current proposals fall within change control mechanisms available under the Lease Plus Agreement and the Strategic Partnering Agreement. Value for money will be achieved through transparent sub-procurement mechanisms.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The relocation of the Hyson Green into the Mary Potter Centre will provide benefits directly to local Citizens particularly in respect to the accessibility of library and information services. The project provides an opportunity for greater social inclusion through bringing library services into the JSC. All centre users including Children's Centre and Acorn service users will have access to library facilities, activities and services. Improved access to reading and learning facilities and services including IT and free wi-fi will promote life-long learning and digital inclusion, whilst local employment opportunities will be made available during the construction phase.
- 6.2 A comprehensive stakeholder consultation and engagement plan is to be developed to ensure opportunities for Citizens to engage into the project and promote social inclusion and community cohesion.

## **7 REGARD TO THE NHS CONSTITUTION**

Not Applicable

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new changing policies, services or functions, financial decisions or decisions about implementation of policies: development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment is contained within the Hyson Green Library Relocation Business Case

Due regard should be given to the equality implications identified in any attached EIA.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

Hyson Green Library Relocation Business Case – Appendix A

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Proposal to relocate and modernise Hyson Green Library – Consultation Findings

<http://www.nottinghaminsight.org.uk/insight/consultation/details.aspx?status=4&id=311>

Delegated Decision 1440, 24<sup>th</sup> April 2014, 'Hyson Green Library relocation Project'

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 A full Stakeholder engagement map has been produced as part of the project. Internally the following teams have been involved in the Business Case preparation:

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