

# Public Document Pack



<b>MEETING:</b>	Overview and Scrutiny Committee
<b>DATE:</b>	Tuesday, 27 November 2018
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

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## **AGENDA**

Administrative and Governance Issues for the Committee

### **1 Apologies for Absence - Parent Governor Representatives**

To receive apologies for absence in accordance with Regulation 7 (6) of the Parent Governor Representatives (England) Regulations 2001.

### **2 Declarations of Pecuniary and Non-Pecuniary Interest**

To invite Members of the Committee to make any declarations of pecuniary and non-pecuniary interest in connection with the items on this agenda.

### **3 Minutes of the Previous Meeting (Pages 3 - 8)**

To approve the minutes of the previous meeting of the Committee held on 30<sup>th</sup> October, 2018 (Item 3 attached).

Overview and Scrutiny Issues for the Committee

### **4 The Glassworks and Wider Town Centre Re-Development (Pages 9 - 24)**

To consider a report of the Executive Director Core Services and the Executive Director Place (Item 4 attached) in respect of a progress update and governance arrangements in relation to The Glassworks and Wider Town Centre Re-Development.

Enquiries to Anna Marshall, Scrutiny Officer

Email [scrutiny@barnsley.gov.uk](mailto:scrutiny@barnsley.gov.uk)

To: Chair and Members of Overview and Scrutiny Committee:-

Councillors Ennis OBE (Chair), Bowler, G. Carr, Charlesworth, Clarke, Clements, Franklin, Frost, Gollick, Daniel Griffin, Hampson, Hand-Davis, Hayward, W. Johnson, Makinson, Mitchell, Murray, Phillips, Pickering, Pourali, Sheard, Sixsmith MBE, Tattersall, Williams, Wilson and Wright together with co-opted Members Ms P. Gould and Statutory Co-opted Member Ms K. Morritt (Parent Governor Representative)

Electronic Copies Circulated for Information

Diana Terris, Chief Executive

Andrew Frostdick, Executive Director Core Services

Rob Winter, Head of Internal Audit and Risk Management

Michael Potter, Service Director, Business Improvement and Communications

Ian Turner, Service Director, Council Governance

Press

Witnesses

Item 4 (2:00pm)

Matt Gladstone, Executive Director - Place

David Shepherd, Service Director - Economic Regeneration

Neil Copley, Service Director - Finance

Councillor Roy Miller, Cabinet Member - Place

<b>MEETING:</b>	Overview and Scrutiny Committee
<b>DATE:</b>	Tuesday, 30 October 2018
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

### Present

Councillors Ennis OBE (Chair), Bowler, G. Carr, Charlesworth, Clarke, Clements, Frost, Gollick, Daniel Griffin, Hampson, Hayward, W. Johnson, Makinson, Mitchell, Murray, Phillips, Pickering, Tattersall, Williams, Wilson and Wright together with co-opted members Ms P. Gould and

### 28 Apologies for Absence - Parent Governor Representatives

Apologies for absence were received from Ms Kate Morritt in accordance with Regulation 7(6) of the Parent Governor Representatives (England) Regulations 2001.

### 29 Declarations of Pecuniary and Non-Pecuniary Interest

Councillors Carr, Charlesworth, Tattersall and Wilson declared non-pecuniary interests with regard to Minute 32 of the agenda due to their role as members of the Corporate Parenting Panel.

### 30 Minutes of the Previous Meeting

The minutes of the meeting held on 9<sup>th</sup> October 2018 were approved as a true and accurate record.

### 31 Barnsley Child and Adolescent Mental Health Services (CAMHS)

The following witnesses were welcomed to the meeting:

Martin Tune, Acting Chief Nurse, Barnsley CCG  
 Patrick Otway, Head of Commissioning (Mental Health, Children's and Maternity)  
 Barnsley CCG  
 Dave Ramsay, Deputy Director of Operations for SWYPFT  
 Claire Strachan, General Manager, Barnsley CAMHS, SYPWFT  
 Mark Smith, Vice-Chair, Healthwatch Barnsley

Patrick Otway introduced this item and gave Members an overview of the report which detailed the performance of the Barnsley Child and Adolescent Mental Health Service (CAMHS). It was explained that Barnsley CAMHS reflects national trends in terms of rising demand and insufficient capacity to meet this huge unmet need. There are lengthy waiting times, particularly for children and young people with a learning disability or with a diagnosis of Autistic Spectrum Disorder (ASD) and Attention Deficit Hyperactivity Disorder (ADHD). Barnsley is currently undertaking a peer review, 'buddying' with Doncaster. This has already highlighted a number of

issues, including difficulties around the transition from children's to adult services together with a need for a more robust workforce strategy. A final meeting is to be held on 9<sup>th</sup> November, from which an action plan will be developed.

In the ensuing discussion, and in response to detailed questioning, the following matters were highlighted:

Chilypep and its sub-group, OASIS had led on the consultation with young people to ensure they were fully involved in shaping mental health services as part of the Local Transformation Plan (LTP). Chilypep's report will be used to develop a service improvement plan. Care leavers and looked after children were actively involved in the consultation.

Healthwatch had also consulted with 73 parents and carers and 65 professionals in their revisit to their report on CAMHS in 2015. It was highlighted that Healthwatch's consultation in 2018 identified lack of support from GPs, with 45 out of 65 people not offered support following referral to CAMHS. Referrals from GPs had risen recently, due in part to a GP training event and a single point of access (SPA). ASD and ADHD steering groups have now been established to offer support to individuals waiting to hear from CAMHS.

The Wellspring Academy Trust is funded to lead on the provision of school-led mental health therapeutic support across Barnsley's 10 secondary schools. Mindspace provides low level emotional health and wellbeing support to secondary school pupils and has built up strong collaborative partnerships with CAMHS, Chilypep and Early Help services. It is hoped that this support will be mirrored in primary schools. Training is also provided in schools around anxiety, self-harm and other mental health issues.

A member expressed concern that the service was now fragmented, with some duplication, lack of coordination and communication difficulties evident. Reassurances were given that the service provides value for money and is fully integrated but is delivered flexibly in a variety of places.

Members were advised that there are a number of pathways for young people aged 17 to access mental health services; they do not have to wait until they are aged 18 to access adult services. It was explained that an initial assessment will be carried out within 5 weeks to identify how their needs can be best met. If significant needs are identified, they will be referred to adult services. The IAPT service meets the needs of 16/17 year olds and there is a clear transition policy in place. Cases are discussed by a multi-disciplinary team of professionals to decide the best pathway. At the point of initial referral they will also be signposted to support networks, social care and family centres etc., for family support. Crisis response times are very good.

It was acknowledged that in terms of waiting times, 280 people had been waiting for more than 6 months for intervention, which is too long. Mindspace had been evaluated positively by children and young people in schools but as yet this is not reflected in reduced waiting lists. No information is held with reference to how many people choose to access ASD/ADHD services privately due to the lengthy waiting list.

It was explained that the Accessing Information 'one-stop shop' previously led by the YOT Manager is now part of the Chilypep work as part of a universal scheme. In addition, the Mindspace website is developing a service 'map' which will help young people identify the services available and to self-refer. For young people who do not have a mobile phone to access this, a town centre hub is also being developed, staffed by volunteers and with self-referral options, similar to a scheme in Birmingham.

Members expressed concern at the number of other authority looked after children who were accessing Barnsley CAMHS services and felt that this could be at the detriment of Barnsley children. It was felt that a report should be submitted to the Corporate Parenting Panel to address this.

A Member queried what would happen if a child was referred to a particular pathway which was deemed inappropriate at a later date and if they would then have a further wait. It was explained that although needs can change, the pathway should remain the same following a combined assessment as there are a range of different interventions to meet needs, delivered by different agencies.

When questioned regarding meeting the needs of children from BME or LGBT communities, the committee were advised that assessments are comprehensive and take account of all a child's needs. If specialist skills are required then these are sought however this has not been the case in Barnsley. If required, interpreters would be brought in to assist those where English is an additional language.

No data is available around the number of children and young people 18 and under who self-harm and are already known to CAMHS. Public Health collate data up to the age of 25. Work is ongoing with colleagues at the hospital regarding children who present in a crisis situation at the Accident and Emergency department. There is limited data available on their experience.

As yet there is no information about Barnsley's expression of interest in becoming an NHS England 'Trailblazer' pilot. The successful Trailblazer sites will be announced in the next two weeks. If Barnsley is successful, decisions about priorities and how the funding will be spent will be made collectively with partners to ensure that it is the best fit for the Barnsley community and for families.

**RESOLVED** that:

- (i) The report be noted and witnesses be thanked for their attendance and contribution;
- (ii) A six-monthly update be provided regarding GP referral;
- (iii) A detailed evaluation be provided regarding the effectiveness of Mindspace and Thrive together with data on pathway timescales for various conditions;
- (iv) Parenting workshops be provided specifically in relation to dealing with children and young people who self-harm;

- (v) Reports are submitted to the Corporate Parenting Panel in relation to other authority looked after children who access Barnsley CAMHS, and that;
- (vi) Future reports to the Committee are written concisely in Plain English, avoiding acronyms, addressing key points and including a glossary of terms, with supplementary information included in the appendices.

### **32 Barnsley Corporate Parenting Panel (CPP) Annual Report 2017-18**

The following witnesses were welcomed to the meeting:

Rachel Dickinson, Executive Director - People, BMBC  
Mel John-Ross, Service Director - Children's Social Care and Safeguarding, BMBC  
Liz Gibson, Virtual Headteacher for Looked After Children, BMBC  
Andrea Scholey, Named Nurse Children in Care, 0-19 Service, BMBC  
Councillor Margaret Bruff, Cabinet Spokesperson - People (Safeguarding)  
Councillors Carr and Wilson - Barnsley Council Elected Members on the CPP

Councillor Margaret Bruff introduced this item and provided an annual update of the work of the Council's Corporate Parenting Panel (CPP) for 2017-18, which Members proceeded to consider and challenge.

Key points to note include:

Significant progress has been made regarding waiting times for access to CAMHS services for looked-after children since the report was published. There is now a clear pathway for looked after children into CAMHS with specific support. Barnsley children can be tracked as they progress along the pathway. There are still some gaps which need to be closed, but progress is being driven by the Children's Trust Executive Group (TEG).

The Care4Us Council is very important and has been heavily involved in designing the local offer, including the Regent Street 'Hub'. Real progress has been made in listening to, taking seriously and responding to young people, although there is still more to do. The Care4Us Council involves children and young people of varying ages through meaningful participation. One young person is a full member of the CPP.

Young people were recently involved in recruitment to a new dedicated health team and worked with the CCG to develop a video to give young people coming into care information about their health assessment. They have also been involved in reviewing the care summary which is compiled when a young person leaves care.

The Virtual Head has been instrumental in driving forward a robust Personal Education Plan (PEP) system and has ensured that children in care are tracked closely in terms of progress, attainment and future directions. Pupil Premium Plus (PPP) funding is child-led according to individual needs. There is strong collaborative working, with a robust collective voice and support, which has impacted on pupil progress and reducing exclusions, with more young people moving into higher education.

Feedback from young people indicates that Personal Advisers are highly valued, continuing to support young people emotionally and with issues such as housing, education and training. Young people can continue to access the service up to age 25 and beyond as they are vulnerable and need support and guidance.

Members were reminded that they are all corporate parents and were thanked for their involvement in this vital role.

**RESOLVED** that:

- (i) The report be noted, and
- (ii) Witnesses be thanked for their attendance and contribution.

### **33 Exclusion of the Public and Press**

**RESOLVED** that the public and press be excluded from the meeting during the consideration of the following item because of the likely disclosure of exempt information as described by the specific paragraphs of Part I of the Schedule 12A of the Local Government Act 1972 (as amended) as follows:

<u>Item Number</u>	<u>Type of information likely to be disclosed</u>
23	Paragraph 1

### **34 Children's Social Care Performance**

Mel John-Ross, Service Director – Children’s Social Care and Safeguarding, BMBC and Cllr Margaret Bruff, Cabinet Spokesperson – People (Safeguarding) were welcomed to the meeting.

The Service Director introduced this item and gave an overview of performance indicators for children’s safeguarding and social care for September 2018. It was reported that there are no significant changes and performance remains good across children’s social care, including Early Help.

A Member noted that ‘front door’ improvements are significant. There is now a strengthened, integrated front door. Capacity in the system has been realigned, with all partners fully involved and aware of the thresholds. The ‘step-up’ and ‘step-down’ approach is now operating seamlessly. More families now receive the early help offer they need, and appropriate intervention, so that the number of referrals to social care has reduced. Assessments are of good quality and timely. There is more to do, but there has been a vast improvement.

A discussion ensued regarding dental health. It was explained that poor dental hygiene can be an indicator of neglect. Under the partnership arrangements of the Safeguarding Children’s Board, training has been delivered around this topic. Work has been underway with local chemists and dentists to promote the strategy, with performance indicators developed.

It was highlighted that the performance data around dental health of looked after children is better than that of statistical neighbours and that this may be due to a

good Early Help offer, excellent partnership working and strong and stable communities, often with extended family care.

**RESOLVED** that:

- (i) The report be noted; and
- (ii) Witnesses be thanked for their attendance and contribution.



# Item 4

Report of the Executive Director Place  
and the Executive Director Core Services,  
to the Overview and Scrutiny Committee (OSC)  
on 27th November 2018

## The Glass Works and Wider Town Centre Re-Development – Progress Update & Governance Arrangements

### **1.0 Introduction**

- 1.1 This report provides an update on the progress of the Glass Works and wider town centre re-development, with a particular focus on the governance arrangements in place to ensure that the overall programme is delivered to scope, on time and to budget.
- 1.2 The report highlights the current position in terms of decisions taken, cost and income projections and future risks / challenges the scheme may encounter and how these will be managed moving forwards.

### **2.0 Background**

- 2.1 In January 2014 Cabinet agreed an initial framework to enhance and revitalise Barnsley Town Centre (Cab.29.1.2014/7 refers). The vision being to:

*‘Develop a vibrant town centre that is thriving, economically active with a strong revitalised market at its heart and supported by good retail, leisure, community facilities, public realm, car parking, visitor and night time economy’*

- 2.2 The scheme is designed to address the leakage of local retail and leisure spend with research indicating 59% of Barnsley catchment residents do not currently use Barnsley Town centre as a retail destination. The scheme will also act as a catalyst for wider private sector investment in the town centre and borough. Research has estimated that the Glass Works scheme will support the following outputs in the wider economy

- 544 new housing units
- 60,171 sq. gross external area (GEA) of additional commercial space.
- Leverage of an additional £88m in private-led investment to unlock new development site opportunities across the borough

- 2.3 In 2015, Cabinet approved a detailed programme of works for Phase 1 of the re-development which includes:

- Demolition of Central Offices, Multi-Storey Car Park and elements of May Day Green, Kendray Street and the old CEAG building;
- Construction of Market Gate car park;
- Re-development of the Metropolitan Centre;
- Construction of a new Library; and
- Provision of a new public town square.

- 2.4 A number of individual business cases for each of the above elements have been submitted over the past number of years which provide more detail on each element of the programme.

2.5 In March 2017, Cabinet were presented with a proposal for the Council to potentially finance and operate Phase 2 of the development for a new retail and leisure offer (Cab.9.3.2017/3 refers).

Phase 2 includes:

- A multiplex cinema;
- Ten-pin bowling and family entertainment centre;
- A gym/alternative leisure offer;
- 7 units to house various family styled restaurants;
- 30 retail units; and
- A new multi-story car park.

2.6 In September 2017 Cabinet approved the use of a design and build form of contract for the construction of Phase 2. At the same time Cabinet also approved revised governance arrangements for the Glass Works scheme which effectively brought together all of the various phases of the town centre regeneration under one single governance arrangement (Cab.6.9.2017/17).

2.7 In the autumn of 2017, Cabinet approved the completion of additional wider public realm works within the town centre, together with the construction of a new footbridge across the railway line to enable the closure of Kendray Street rail crossing.

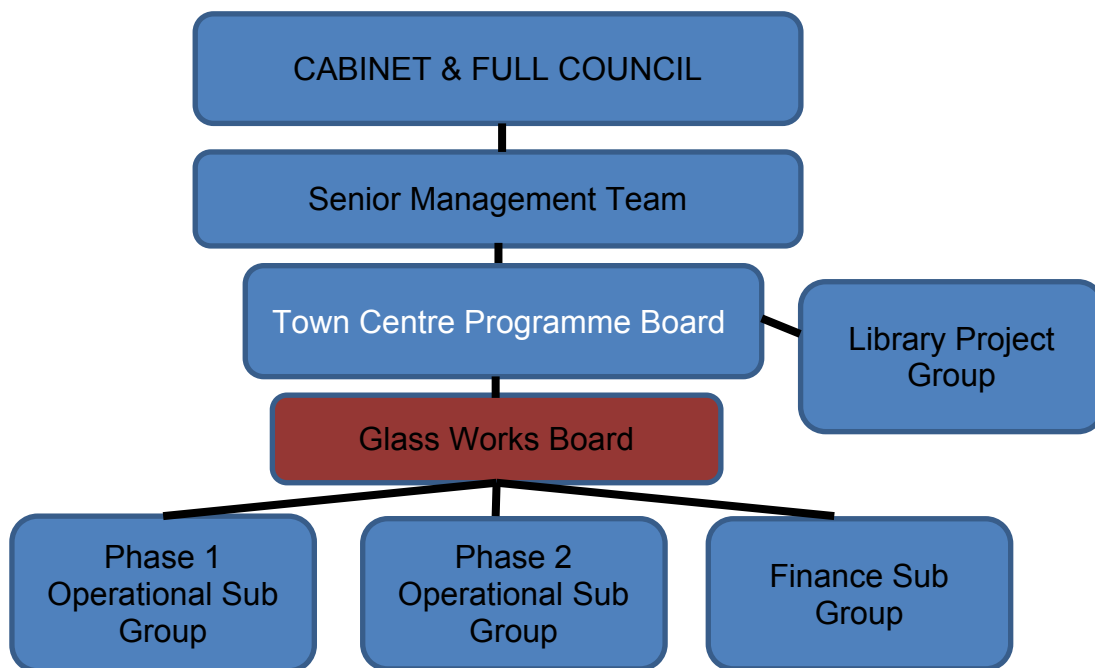
2.8 In the early autumn of 2018 Cabinet approved the design and the approval to proceed with the procurement for the construction of a new equality pedestrian bridge over the Sheffield to Leeds / Huddersfield railway line. This thus completed the 4 components that comprise the Glass Works Programme (Phase 1 Market Refurbishment, Phase 2 Retail and Leisure, wider public realm and pedestrian bridge).

2.9 Finally, on 27<sup>th</sup> September 2018, Full Council received an update report highlighting progress made to date on the overall re-development and approval to proceed to contract for the phase 2 works within a funding envelope for the overall scheme set at £178.1M. This report also provided an update on the ongoing running costs and income projections of the Glass Works development and the consequential impact on the Council's Medium Term Financial Strategy.

### **3.0 Overall Programme Governance and Control**

#### **Glass Works Governance Structure**

3.1 The following diagram shows the current governance structure:



**The Glass Works Board**

3.2 Responsibility for delivery and overall governance of the Glass Works re-development has been delegated to the Glass Works Board. The Board is led by the Executive Director of Place who is Senior Responsible Officer (SRO) with the wider Board comprised of the following members:

- Executive Director of Place (SRO);
- Executive Director of Core Services;
- Service Director (S151 Officer) – Finance;
- Service Director - Property and Regeneration;
- Service Director – Assets;
- Development Management Organisation (DMO) representatives;
- Main Contractor for Phase 1 (note: phase 2 contractor yet to be appointed).

3.3 The Board’s responsibility can be categorised into 3 main areas:

1. Scope – design, objectives and benefits realisation
2. Programme – work package delivery, timeline and programme management;
3. Cost – budget, cost control, affordability and value for money.

3.4 These areas are captured in an approved terms of reference for the Board (attached in Appendix A to this report). Set within the normal decision making processes and limits within the Council, the board make decisions relating to the delivery of the project. Where directed by the board’s SRO key decisions relating to significant deviations/ changes on the following areas are escalated to the Council’s Senior Management team and into the formal Council decision making processes.

- Changes to agreed project budgets;
- Changes to agreed delivery programmers/milestones;
- Changes to agreed marketing/ leasing communication strategies.

*NB: the Board’s terms of reference are reviewed annually with a formal review due to be completed by early 2019*

- 3.5 The Board meets monthly and receives reports and updates on various issues covering the Glass Works scheme. More detail is provided at sections 4 to 6 below.
- 3.6 The board is supported by key officers from Finance, Legal, Communications and Regeneration. A number of sub groups have been created to lead on specific areas of responsibility. The following diagram shows the current governance structure:

### **The Glass Works Sub Groups**

- 3.7 Each sub group meets on a monthly basis and produces a highlight report which is presented to the Glass Works Board.

#### **Phase 1 Operational Sub Group**

- 3.8 The Phase 1 operational sub group is chaired by the Service Director - Assets and includes the Phase 1 main contractor, lead architects, Phase 1 Development Management Organisation (DMO), BMBC Project Management and BMBC Finance.
- 3.9 The group discusses all of the key elements of the Phase 1 development including design, progress and cost issues. Key issues or exceptions are escalated to the Glass Works Board for discussion and / or approval.

#### **Phase 2 Operational Sub Group**

- 3.10 The Phase 2 sub group is responsible for all aspects of the retail and leisure offer of the Glass Works. This includes marketing and communication, leasing, contractor procurement, project programme and the ongoing operational management of the development.
- 3.11 The group is chaired by the Phase 2 DMO and has representatives from the BMBC Regeneration team, Finance and Communications.

#### **Finance Sub Group**

- 3.12 The finance sub group is chaired by the BMBC Service Director Finance (Section 151 Officer) and is supported by the Glass Works external cost control consultant and representatives of the BMBC Finance Business Unit. The group has responsibility for reviewing all costs and income associated with the Glass Works development and maintains oversight of the overall financial model. Key variances or exceptions are reported to the Board and depending on the nature of the issue to the Council's Senior Management Team (SMT) and / or Cabinet as appropriate.

## **4.0 Glass Works Scope**

- 4.1 The town centre prospectus approved by Cabinet in 2014 outlined the initial scope and aspiration for the regeneration of Barnsley town centre. The re-development, which later became known as the Glass Works, originally included the following elements:

- A re-developed Metropolitan Centre;
- A new library;
- A new public square; and
- A new retail and leisure offer.

- 4.2 Each element has been subject to the completion of a full business case before any works have commenced. In addition, a number of scope changes have also been

proposed and approved as the development has progressed, some within the delegated authority of the Glass Works Board with those outside tolerance / budget or of a more high profile nature being escalated to SMT / Cabinet as appropriate as outlined in the examples in the following paragraphs.

#### Approval of individual works packages / business cases

4.3 The Glass Works Board has received a number of individual business cases which, where necessary, have been referred to SMT / Cabinet for approval. These have included:-

- The Library @ the Lightbox (Cab.27.7.2016/13 refers);
- Metropolitan Centre including setting the market rent structure (Cab.11.01.2017/15 refers); and
- Retail and Leisure Development (Cab.9.3.2017/3 refers).

#### Increase in the retail space

4.4 Following discussions with key retail and leisure operators, the development has increased in size from the original proposal, specifically in relation to the proposed cinema which is twice the size of that included in the original design. This followed successful discussions with Cineworld who have signed a lease agreement to provide a 13 screen cinema (one of the biggest in the north of England). An additional 15000 sq. ft. of retail space will also be provided as part of the revised design and specification.

#### Inclusion of new foot bridge and wider public realm works

4.5 Whilst not part of the original town centre prospectus, the Council has always had the aspiration to close the Kendray Street railway crossing for safety reasons. To help facilitate this, the Glass Works Board commissioned designers to produce options for the provision of a footbridge across the railway. In October 2017 Cabinet were presented with a business case highlighting a number of design options for a bridge with the final design being agreed in February 2018 (Cab.04.10.2017/6 and Cab.7.2.2018 refer). Successful discussions have also been held with Network Rail who have agreed to contribute to the construction cost.

4.6 In addition to the bridge, the Glass Works Board also received a proposal to undertake wider public realm works throughout the town centre. The proposal included works on Cheapside, Queens Street, Peel Square, Kendray Street and Midland Street. The Board agreed the production of a business case for the required works including the proposed pallet of materials. This was later presented and approved at Cabinet in November 2017 (Cab.29.11.2017/13 refers).

### **5.0 Glass Works Programme**

5.1 A key responsibility of the Glass Works Board is to manage the delivery of the overall programme and individual works packages to the agreed timeline. Significant progress has been made to date on the development. With the exception of the Multi-Storey car park, all demolition works have been completed on time. Construction works on the Metropolitan Centre are also now complete with the new Market opening at the beginning of November 2018. The Library @ the Lightbox is expected to open in spring 2019.

5.2 The next key stages of the development are as follows:

- Demolition of Multi Storey - Jan 2019;
- Completion of Library build - February 2019;
- Phase 2 start on Site - March 2019;
- Shell completion of Cinema - August 2020;
- Phase 2 completion - February 2021.

5.3 However, the work to date has involved a number of amendments to the delivery programme. The following examples outline how amendments are managed and reported into Board / Cabinet for review / approval:-

*Provision of the temporary “Market Parade”*

5.4 In order to ensure the refurbishment of the Metropolitan Centre was completed to programme, on time and to budget, a proposal was put forward by the main construction contractor to refurbish the old semi-open market beneath the multi-storey car park. This enabled the traders and café providers within the main market hall to relocate to the newly named Market Parade. This allowed the main contractor a free rein within the space vacated rather than having to work around the traders as was originally planned. This has allowed the re-development programme to accelerate.

5.5 A report was prepared identifying the above proposal as a practical solution along with alternate proposals, with the preferred proposal being discussed at SMT and subsequently being agreed by Cabinet.

*Change to the demolition method for the multi-storey car park*

5.6 The original programme provided for the multi-storey car park to be demolished by a long reach crane. However, creation of the temporary “Market Parade” market above, resulted in a delay to the proposed demolition commencement date.

5.7 In order that the car park could be demolished in time to commence construction of Phase 2, an alternative option was presented to Board to use an explosive ‘blow down’. Whilst this resulted in an increase in the cost of demolition, the Board collectively agreed that this option presented the best way forward and thus included this proposal into the final package of works approved by Cabinet and Full Council in late September 2018.

*Scheme access requirements for Glass Works tenants.*

5.8 The impact of the potential delay to the demolition programme also added to the risk of not being able to meet the contractual requirements of the tenants signed up for the Glass Works. Specifically in relation to Cineworld the Board received advice on the implications of not delivering the cinema in time. This resulted in an approach to Cineworld and the other leisure operator Superbowl to renegotiate the long stop dates for delivering their units. This was completed successfully with no additional cost to the Council.

**6.0 Cost**

6.1 The Glass Works Board regularly reviews the overall cost of the development and has given regular updates to the Council’s Senior Management Team and to Cabinet as part of the formal quarterly budget monitoring processes.

6.2 A number of key issues are discussed at Board in relation to cost. These include:-

- Construction cost of Phase 1;
- Construction cost of Phase 2;
- Annual running costs of the development;
- Leasing and other income assumptions;
- Value for Money.

### Construction Cost on Phase 1

- 6.3 The original approved cost for the Phase 1 development of the Glass Works was estimated to be in the region of £52.7M.
- 6.4 A number of unexpected works have been required on the different elements in Phase 1. These works have included additional asbestos removal, party wall issues, unforeseen foundation/ground work issues and additional fit out costs. There have also been unanticipated cost increases, including the higher than expected cost of steel due both to the increase in the size of the scheme and the unforeseen impact that BREXIT had on the value of sterling.
- 6.5 The current cost estimate of Phase 1 now stands at £60.2M. Approval for the increased cost has been sought via Cabinet in two stages (Cab.6.9.2017/17 and Cab.19.9.2018/14 refer).

### Construction cost of Phase 2

- 6.6 Following submission of a draft business case in March 2017, Cabinet approved in principle the proposal to fund and operate the retail and leisure offer of the Glass Works, subject to business case refinement and the results of a competitive tender exercise to procure a Phase 2 contractor (Cab.9.3.2017/3 refers).
- 6.7 Over the past 18 months more detailed design works have been progressed for the development as well as undertaking a procurement exercise to appoint a main contractor.
- 6.8 Throughout this time the Board has been kept regularly updated on the ongoing construction cost estimate for the development. In February 2018 NPS Barnsley were appointed as overall cost control consultants (covering all aspects of the programme Phase 1, Phase 2, Public Realm and Bridge) and have worked with representatives from BMBC Finance and Economic Regeneration as well as the external cost consultants for Phase 2 (Turner and Townsend) to determine the final cost estimate for the overall scheme.
- 6.9 The submission of a tendered price from the preferred contractor in August 2018 highlighted that the costs of the Phase 2 construction had increased from the initial estimate. This resulted from a combination of issues but most notably the significant increase in the size of the scheme referred to at paragraph 4.4. The revised cost estimate as included in the report to Full Council for Phase 2 now stands at £104M, though this still remains subject to contract at the time of writing this report (Cab.19.9.2018/14 refers). A further report is due to be submitted to Cabinet early in 2019 prior to entering into a formal contract with the preferred bidder.

### Annual Running Costs

- 6.10 The annual running costs of the development have been regularly updated throughout the process. These costs include 2 key parts – the day to day running costs of operating

and maintaining the completed development combined with the annual borrowing costs associated with the required capital investment.

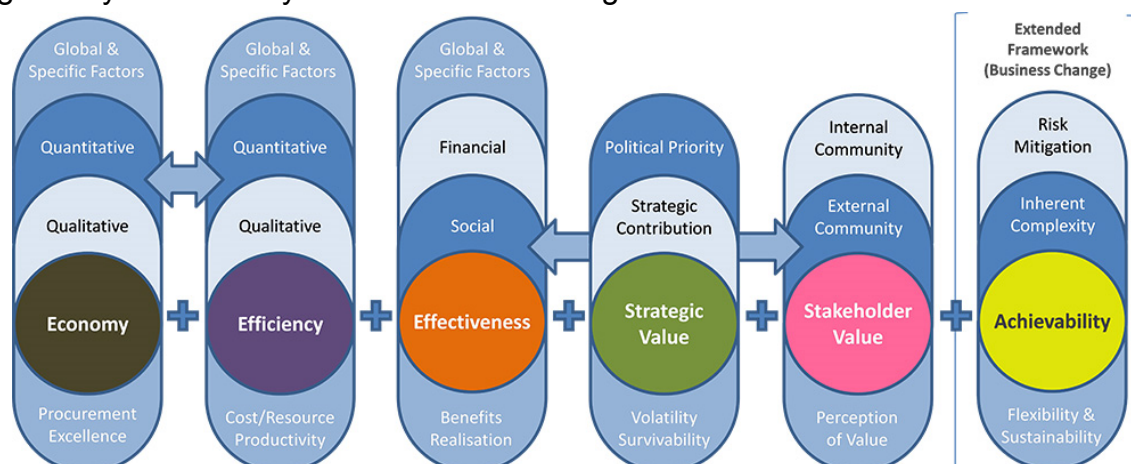
- 6.11 The Board received proposals from the Phase 2 DMO which provided a detailed proposal in relation to managing, running and maintaining the completed development together with an associated cost schedule. This estimate is based on the benchmarked cost of similar sized retail and leisure developments across the country. Board approved the paper as a true and accurate estimate and built this cost into the ongoing financial model of the Glass Works.
- 6.12 The annual borrowing costs for the capital investment required have been set in line with the Local Government prudential borrowing framework and the Council's own approved Treasury Management Strategy.

Leasing and other income

- 6.13 Leasing of the development remains a major key activity. The Board receives an update on the progress on securing tenants for the development on a monthly basis. A number of potential lease deals have been presented to Board to date. Some of these have been approved and have seen finalised lease agreements whilst others have been rejected because they are either not in line with the estimated rental value included within the Glass Works financial model or they do not fit within the wider schemes aspirations / objectives. To date 23% of income has been secured on agreed lease deals with further progress being made on a number of other key retailers.
- 6.14 Nevertheless, the current economic climate of the retail and leisure sector remains challenging and as such leasing remains under constant scrutiny and review by the Board. To partly counter this, the ongoing occupancy level of the development has been set at 95% with a further sensitivity analysis undertaken to ascertain the impact of further void levels. That said, progress made to date on lettings remains promising especially as the development is still some 30 months from opening.
- 6.15 Income is also expected to be generated from the new multi-storey car park, service charges and business rates. The Board has received numerous reports for each major income stream and the estimated levels have been included in the Glass Works financial model. Where necessary the Board have commissioned independent research to fully understand the financial implications of the scheme. An example of this is the assessment of the business rate implications of the completed Glass Works scheme.

Value for Money

- 6.16 Value for Money (VFM) remains an ongoing consideration of the Board. Any proposal is rigorously reviewed by Board members using the framework below.





- **Economy** – The careful use of public resources to minimise expense, time or effort has been and continues to be at the forefront of the Board.
- **Efficiency** – The Board has worked with the designers, main contractor and other partners to ensure that the scheme is delivered to the highest quality achievable within minimum resources whilst still obtaining the greatest benefit from the scheme.
- **Effectiveness** – This is evidenced via a number of factors including cost, revenues generated, jobs and skills growth created, footfall, economic growth and ultimately a “Better Barnsley” in line with the Town Centre Prospectus published in 2014.
- **Strategic Value** – The Glass Works (including the award winning Barnsley Market) as its centre point is the next and largest piece in the jigsaw of the 30 year regeneration of the Town Centre following on from the Commercial Quarter, the Interchange, Experience Barnsley.
- **Stakeholder Value** – Both internal and external stakeholder views and participation in the scheme have constantly been considered throughout the process.
- **Achievability** – The Glass Works delivery programme, lettings schedule and risk register is continuously reviewed and updated and remains a key agenda item at the Glass Works Board.

## 7.0 Future Plans, Challenges & Risk Management

7.1 There remains a series of actions to be completed in order to achieve a final scheme opening in spring 2021. These include:

- Finalising the contractor procurement for the remaining elements of the scheme (inc. the Retail and Leisure Boulevard, Public Realm and Market Gate Bridge);
- Marketing and letting of the retail/leisure units within the development;
- Development of a long term asset management strategy for the completed development.

7.2 Project governance will continue to be delivered by the monthly Glass Works Board with the Executive Director for Place being the Senior Responsible Officer for the scheme. A key focus for the Board is the management of overall programme and project risks. In this regard a detailed risk register is maintained covering the following key risks:

1. Programme constructions costs – managing these within the resource envelope approved by Cabinet;
2. Annual running costs – defining the arrangements to operate the development within the resource envelope approved by Cabinet;
3. Funding and interest rate risk – developing proactive funding strategies that minimise risk and provide budget certainty;
4. Occupancy levels / income – managing the risks inherent in the current retail sector to ensure both the right tenant mix and maximisation of income yield;
5. Programme timeline – managing risks related to programme delivery to ensure long stop dates are achieved.

7.3 The ongoing uncertainty in relation to the outcome and impact of BREXIT, specifically on the UK economic outlook and its consequential impact on the success of the development, will be kept under close scrutiny as part of both the programme risk register and the Council’s wider strategic risk register arrangements that record and manage this risk.

7.4 In addition, as the scheme nears completion the Council will need to define its long term aspirations in relation to the development which could involve holding on to and enhancing the scheme, disposing of the scheme or some combination thereof. This will of course be predicated on how the first 5 years of operation materialise as compared to the expected plan.

7.5 To ensure that the scope of the Board reflects these priorities and the current delivery position of the project, a full review of the terms of reference of the Board will be undertaken in the next quarter.

## **8.0 Implications for Local People**

8.1 The Glass Works scheme will have a significant positive impact for Barnsley residents in terms of the retail and leisure offer as well as employment opportunities.

8.2. There will continue to be disruption to local people and businesses during the remaining three years of scheme development prior to completion. The project team will work hard to minimise the disruption by ensuring that regular communications is provided to the public detailing any changes and providing progress updates.

8.3 Regular town centre walkabouts by Board members, Elected Members and other key stakeholders will also continue to be held particularly with vulnerable groups of service users who may find the disruption particularly difficult. These have proven successful to date and have led to several mitigation measures being implemented to minimise the impact of the redevelopment works.

## **9.0 Invited Witnesses**

9.1 The following witnesses have been invited to today's meeting to answer questions from the committee:

- Matt Gladstone, Executive Director - Place
- David Shepherd, Service Director - Economic Regeneration
- Neil Copley, Service Director - Finance
- Councillor Roy Miller, Cabinet Member - Place

## **10.0 Possible Areas for Investigation**

10.1 Members may wish to ask the following questions:-

- How will the redevelopment support other Council strategies and what wider benefits will it deliver to the community?
- What do you foresee as the biggest challenges over the next 12 months?
- What stakeholder engagement has taken place with local businesses and members of the public?
- What is being done to identify, assess and control risk during the project?
- What have been the biggest issues so far in terms of cost & milestones and have these been overcome?
- How are you tracking the project and how will you evaluate the project's success?

- What are the success criteria that will indicate objectives have been met and benefits delivered?
- What benefits has the cost consultant brought to the project?
- How confident are you that the new market area and other retail spaces will achieve the 95% fill rate?
- Who is responsible for communication to ensure that all the project groups are working towards the same goal?
- Will there be a clear return on investment (ROI) for the organisation?
- What has been built into the plans to ensure that the public spaces are accessible to all?
- What technology has been utilised to ensure efficient operational costs and reduce the impact upon the environment?
- What actions could be taken by Members to support the delivery and success of the project?

## 11.0 Background Papers and Useful Links

11.1 There are numerous background papers that are available to members on request (subject to commercial confidentiality).

- Appendix A: Glass Works Board Terms of Reference (attached)
- Barnsley Town Centre Enhancement & Revitalisation Report (Cab.29.1.14/7):  
<https://barnsleymbc.moderngov.co.uk/Data/Cabinet/201401291000/Agenda/Cabinet%202014%2001%2029%20Itemd7.pdf>
- The Library @ The Lightbox Business Case Report (Cab.27.7.16/13):  
<https://barnsleymbc.moderngov.co.uk/documents/s11746/Better%20Barnsley%20Reneration%20-%20The%20Beacon%20Business%20Case.pdf>
- Metropolitan Centre Business Case Report (Cab.11.1.17/15):  
<https://barnsleymbc.moderngov.co.uk/documents/s16460/Better%20Barnsley%20Reneration%20-%20Metropolitan%20Centre%20Business%20Case.pdf>
- The Glass Works - Further Investment in the Town Centre Report (Cab.6.9.17/17):  
<https://barnsleymbc.moderngov.co.uk/documents/s24519/Glassworks%20-%20Further%20Investment%20in%20Town%20Centre.pdf>
- Market Gate Bridge Business Case Cabinet Report (Cab.4.10.17/6):  
<https://barnsleymbc.moderngov.co.uk/documents/s25354/Better%20Barnsley%20-%20Market%20Gate%20Bridge%20-%20Business%20Case%20Cab.04.10.20176.pdf>
- Better Barnsley Public Realm - Developed Design Report (Cab.29.11.17/13):  
<https://barnsleymbc.moderngov.co.uk/documents/s27560/Better%20Barnsley%20Public%20Realm%20-%20Developed%20Design%20Cab.29.11.201713.pdf>
- Market Gate Bridge Design Cabinet Report (Cab.7.2.18/10):  
<https://barnsleymbc.moderngov.co.uk/documents/s30426/Market%20Gate%20Pedestrian%20Bridge%20Concept%20Design%20Cab.7.2.201810.pdf>

## **12.0 Glossary**

12.1	BEP	Barnsley Economic Partnership
	BMBC	Barnsley Metropolitan Borough Council
	DMO	Development Management Organisation
	SRO	Senior Responsible Officer
	SMT	Senior Management Team

## **13.0 Officer Contact**

13.1 Anna Marshall, Scrutiny Officer, 19<sup>th</sup> November 2018

### Terms of Reference

**Date:** September 2017

**Name:** The Glass Works Board

**Type:** Project Governance

**Purpose:** To provide strategic governance and decision making for the Glass Works project.

#### Summary of Scope

##### In Scope

- Demolition and scheme enabling works
- Glass Works marketing and branding
- Future Asset and Property Management Strategies
- Met Centre Redevelopment -( includes design ,delivery and operation of Market Kitchen and relocation of existing and leasing of new market tenancies )
- Public Realm design and delivery -(all phases of public realm including Cheapside/ Queen Street , Peel Square and Midland Street)
- Retail and Leisure scheme design and delivery
- Market Gate Bridge design and delivery

##### Out of Scope

- Better Barnsley Bond
- Library- Design delivery and operational and marketing Issues
- Glass Works markets operational improvement plan
- Town centre car parking strategy

##### Matters for Board Consideration

- Review and acceptance of monthly Glass Works progress reports ( **detail to be discussed by exception**)
- Major design and delivery Interface issues of individual project elements
- Procurement/Appointment of Consultants
- Procurement/Appointment of Contractors
- Material Variances to existing contracts
- Termination of existing contracts
- Agreement of Final Accounts
- Entry into Agreements for Lease
- Unconditionality of Agreements for Lease
- Statutory Consent Applications
- Statutory Consent Appeals
- Entry into 3rd Party legal agreements
- Variances to project budgets

- Variances to project programme
- Material and significant design variations
- Strategic marketing of the scheme

## Authority

Set within the normal decision making processes and limits within the Council the board will make decisions and recommendations relating to the delivery of the Glass Works project.

Where directed by the board's senior responsible officer key decisions relating to significant deviations/ changes on the following will be escalated to the Council's Senior Management team and into the formal Council decision making processes.

- Agreed project budgets
- Agreed delivery programmers/milestones
- Agreed marketing/ leasing communication strategies

## Governance Reporting

The Governance of the board is set within the framework set out in the Appendix. The Glass Works board via the town centre board (also chaired by the senior responsible officer) will report into SMT. Only Glass works items by exception will be reported to the town centre board.

In addition SMT will be sent the executive summary of the monthly Glass works board meeting with feedback picked up by the senior responsible officer at the regular SMT meetings.

## Board Links

Initial links are as set out in the governance framework document. Beyond the two contractor progress meetings and the internal finance meeting key task and finish groups will continue to feed into project delivery. These will include:

Phase 1 and phase 2 design integration

Monthly leasing/ marketing update

Monthly marketing meeting

**(List to be completed)**

## Membership

Person	Organisation	Role
<b>Matt Gladstone</b>	BMBC	Senior Responsible Officer
<b>David Shepherd</b>	BMBC	
<b>Andrew Osborn</b>	BMBC	
<b>Jeremy Sykes</b>	BMBC	
<b>Andrew Frosdick</b>	BMBC	
<b>Steve Loach</b>	BMBC	Finance Officer
<b>Neil Copley</b>	BMBC	S151 Officer
<b>TBC following procurement</b>		Representatives of the Phase 2 DMO
<b>Ryan O'Loughlin</b>	Henry Boot	Phase 1 contractor
<b>TBC following procurement</b>		Phase 2 Contractor

**Note:** The agenda will be structured so that if there are any commercially sensitive issues relating to any of the contractors/ consultants these will be dealt with at the end of the meeting with the relevant contractor/ consultant asked to leave the meeting.

## **Meeting Arrangements**

### **CHAIR**

To be chaired by Phase 2 DMO

### **AGENDA**

Monthly meetings at the end of the month to allow for key task and finish groups to feed into monthly board report

Agenda to be produced and distributed by Phase 2 DMO a minimum of 2 days prior to meeting DMO will canvas all meeting attendees for agenda items 1 week prior to meeting

### **Monthly Report**

Board reports coordinated and produced by the DMO that will be circulated a minimum of 7 days prior to the meeting including

- Executive Summary- (concise summary that is also supplied as a separate document for circulation to SMT)
- Conflict of Interest
- KPI Review
- Health & Safety
- Programme
- Design
- Construction
- Leasing
- Stakeholder Management
- Funding
- Financial
- Risk
- Statutory Consents
- Social Benefit
- Contracts
- Issue Log
- Change Log

### **MINUTES**

Minutes to be produced and circulated by Phase 2 DMO within 1 week of meeting date.

### **Resources and Budget**

Contained within the Glass Works budget

### **Review**

Annual Review of Terms of reference and board operation

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