

# Report

## Cabinet Report

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### Part 1

Date: 14 June 2018

**Subject** Neighbourhood Hubs

**Purpose** To implement a sustainable 21<sup>st</sup> century offer around Neighbourhood services in Newport that will plan assets and resources to improve the customer experience. This report seeks cabinet approval to develop the Neighbourhood Hub in East Newport as a pilot project, approval to incrementally develop the concept of Neighbourhood Hubs across other identified areas in Newport subject to funding availability and demonstrable need.

**Author** Head of Regeneration Investment & Housing

**Ward** Newport Wide

**Summary** The council has an opportunity to reconsider the way we deliver Neighbourhood voluntary accessed services, which could create a new experience for customers, staff, partners and stakeholders. As an authority we have an opportunity to place ourselves at the forefront of service delivery providing a 21<sup>st</sup> century offer and sustaining this for the future for the residents of Newport.

The current method of service delivery provides the Council and residents with a number of challenges including:-

- The sustainability of the buildings.
- The fragmented services provided to residents.
- Accessibility for residents due to different services being provided from different buildings.
- Buildings that are not fit for purpose.
- Compliance with the obligations of the Future Generations Act.

The Neighbourhood Hub model of service delivery has been successfully implemented by a number of other local authorities, with Cardiff providing a blue print for the Newport hub development.

The benefits of this approach include enhanced service provision through; co-location with other agencies; greater integration of services; improved operational and performance management; better ICT provision and the development of estates and facilities which are fit for purpose. As a consequence the Council will benefit from a more sustainable capital asset plan for our buildings and facilities which will enable the delivery of a more cost effective service and realise significant revenue savings. Appendix 1 demonstrates the functionality of a Hub and Spoke model.

The proposal for the locations of a Neighbourhood Hub approach within Newport was determined using strategic needs analysis to align the location with resident needs. This analysis is in the business plan attached, appendix 3 p14.

The preferred Neighbourhood Hub locations as a result of the analysis are:-

- North Hub – Bettws Community Centre (Spokes – Malpas, Shaftsbury)
- East Hub – Ringland Community Centre (Spokes – Alway, Somerton, Newport East, Beaufort Centre)
- Central Hub – Pill Millennium Centre (Spokes – Old Pill Library, Community House)
- West Hub – Maesglas Community Centre (Spokes – Gaer, Duffryn)

The level of investment for each Neighbourhood Hub will be dependent on a number of factors; these factors will include demonstration of need, availability of external funding, availability of council investment/ loans and partnership arrangements and stakeholder engagement.

Due to the significant impact the proposal could have to Neighbourhood services it was recognised that a step approach would be more viable. Therefore it is proposed that one pilot Neighbourhood Hub would be delivered to prove the Neighbourhood Hub concept.

In order to determine the optimum location of that Neighbourhood hub and pilot area a strategic needs analysis was undertaken which considered the following factors.

- **Geography**
- **Existing Assets**
- **Deprivation/Need**
- **Current service provision**

Appendix 3 p15 - details the data maps that provided the evidence for the chosen locations.

The analysis demonstrated that when the criteria was assessed and mapped geographically that the locations were clearly identifiable.

The strategic analysis identified 4 key factors as described above.

As a result of the analysis the Ringland site was chosen for further investigation. The rationale for choosing the Ringland site as the first Hub was decided as the analysis highlighted Ringland as being very strong in two areas;

#### **Assets**

When reviewed the east area assets were the newest within the communities of the city. Additionally the assets are all City Council owned, many of which are directly managed by the authority. In comparison the west, central and north area have a mix of voluntary run and council run facilities. Therefore a decision was made that the east area would be the most effective sites.

#### **Needs analysis**

Ringland within this area demonstrated the greatest needs of deprivation. It also demonstrated the greatest number of community regeneration service users.

A number of partners were engaged including Norse and PLACEmaking, a company that specialises in advising, designing and implementing smart working strategies and making changes to working environments.

The investigation was carried out over a period of time and reviewed the opportunities to develop the Ringland site in order to align with the aspirations of NCC Neighbourhood Hub development. Detail of the analysis can be found in appendix 3 (Business Case).

Below is a concept designs that is representative of NCC aspiration for a Neighbourhood Hub.

### Community Hub 3D Imagery- Public Areas



### How will the Ringland Hub look and Feel

The actual physical assets which will house the hub were determined by taking into consideration which assets were owned by NCC and the capacity and accessibility requirements. The hub will be redesigned to look and feel like a modern open community facility. It has been acknowledged that significant investment will be required to make each hub fit for purpose.

The hub will act as the central delivery point and will have responsibility for co-ordinating services across a range of smaller satellite/spoke centres. Each will provide a range of voluntarily accessed services dependant on identified need in their respective geographical area.

The hub will provide a range of facilities and services that will enhance partners and citizen's experiences and requirements, services such as ICT access, multiple services, café facilities and room hire facilities.

The co-location of internal services and collaborative partnership working will ensure a holistic service delivery model. This will enable colleagues to refer cases in directly to teams. This will be achieved through a deeper understanding of one another's activities. Hubs and spokes will be flexible with their opening hours to meet the needs of the

individuals and co-located services, with expected operating hours to include evenings and weekend working. All services in scope will share multi-agency operating policies and procedures. After Cabinet approval a formal staffing structure incorporating all changes to base and working conditions will be ratified through a 45 day staff consultation.

A Hub will employ a full time Hub Manager who will hold specialist responsibility for a specific service delivery area i.e. Flying Start but will be operationally responsible for all service areas operating from the hub and spokes within their geographic remit. Further to this they will manage the client relationship with respective partner organisations and co-located services. They will have overall responsibility for facilities management for all NCC owned assets within their area.

All service delivery/operational staff will work to a customer first model and their base of location and delivery area will change in line with locations/needs of the hub and spoke facilities. Back office staff such as administrative and finance will co-locate to the hub or the civic centre depending on capacity requirements.

### **Capital Asset Strategy**

A by-product of the Ringland hub and wider development is the opportunity to review the asset base required in order to deliver effective and efficient community services to the citizens of Newport.

There are currently 74 buildings delivering community services across Newport including schools. Once schools have been disregarded, a total of 31 community buildings remain for consideration. Please see appendix 3 attached page 17.

The appropriate maintenance of this number of buildings is a significant cost to the council. It is estimated that the maintenance backlog costs are in excess of £35m. There is a strategic imperative therefore for the council to deliver services efficiently from its asset base.

Whilst many valuable services are being delivered from the NCC estate, the efficiency of services is affected by the restrictive use of some of the buildings caused through lack of investment and poor design.

The review of Ringland for example highlighted that less than 40% of the building area being provided, maintained and serviced could actually be made use of for service delivery activities – the greater proportion included for example, space given over to corridors, multiple storage rooms and over-sized toilet facilities. The remaining small pockets of space were unconnected and as a result were difficult to use. Re-planning the space and redistributing out dated back-of-house zones to form larger and better connected areas has rebalanced the value towards 80% being available for service delivery activities.

Buildings that are outside of the scope for Neighbourhood Hubs will need to be considered by council. As highlighted there is an unsustainable backlog of maintenance across this estate. Considerations should be; asset transfer to community associations/ organisations, alternative use through commercialisation (where no other option can be found).

**Proposal** To pilot a single hub for design and development purposes and an in principle agreement for incremental development of the hub model. The key reasons are that the pilot option will enable the Hub and Spoke approach to be tested and refined prior to the wider role of the approach across the City. It also minimises initial investment required by the Council in order to implement and reduces the risk of systemic issues. If the recommended option is chosen the timescales and milestones are highlighted below.

- East Hub – Ringland, Alway, Somerton, Beaufort, Newport East Community Centre

**Action by** Head of Regeneration, Investment and Housing

**Timetable** Immediate

ID	Task Name	Start	Finish	Duration	Q2 18		Q3 18			Q4 18			Q1 19			
					May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
1	<b>Approvals</b>	30/04/2018	15/06/2018	34d												
2	SLT	30/04/2018	30/04/2018	0d												
3	Cabinet	15/06/2018	15/06/2018	0d												
4	<b>Engagement and Consultation</b>	15/06/2018	17/09/2018	67d												
5	Staff	15/06/2018	17/09/2018	67d												
6	Communities	15/06/2018	17/09/2018	67d												
7	Partners and Stakeholders	15/06/2018	17/09/2018	67d												
8	Members	15/06/2018	17/09/2018	67d												
9	<b>Ringland Hub - Design and Build</b>	30/04/2018	24/05/2019	280d												
10	<b>Design, planning, Procurement</b>	30/04/2018	14/01/2019	186d												
11	Norse Design	30/04/2018	19/11/2018	146d												
12	Planning	23/10/2018	14/01/2019	60d												
13	Procurement and Award	20/11/2018	14/01/2019	40d												
14	<b>Construction</b>	15/01/2019	24/05/2019	94d												
15	Construction	15/01/2019	06/05/2019	80d												
16	Handover	07/05/2019	24/05/2019	14d												
17	<b>Rationalisation - Buildings</b>	15/06/2018	27/05/2019	246d												
18	Plan building closure	15/06/2018	24/05/2019	246d												
19	Close or handover buildings	27/05/2019	27/05/2019	0d												
20	<b>Staffing</b>	15/06/2018	04/12/2018	122d												
21	Consultation	15/06/2018	31/08/2018	56d												
22	Notice	03/09/2018	03/12/2018	66d												
23	Staff release	04/12/2018	04/12/2018	0d												
24	Restructuring	15/06/2018	31/08/2018	56d												
25	<b>Funding</b>	30/04/2018	29/03/2019	240d												
26	Applications	30/04/2018	28/09/2018	110d												
27	Outcome	31/05/2018	29/03/2019	217d												

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer
- Head of People and Business Change
- Cabinet Member for Communities

**Signed**

## Background

In 2015, a working group was established to explore the rationale for developing a neighbourhood hub model for improving the experience of customers who use voluntarily accessed services delivered by the council. For the purposes of this project 'voluntarily accessed services' are termed as those services which are delivered in a neighbourhood setting and are accessed on a voluntary basis by the customer. In an evaluation of Children's Centres in England (ECCE) Goff et al. (2013) define a hub and spoke model as follows:

*"a hub centre has responsibility for co-ordinating services across one or more satellite or 'spoke' centres. Hub centres have their own leaders, and spokes may or may not be led by an individual centre manager (or deputy). The hub may provide core services that are not available in spoke centres"*

The working group gave consideration to the asset portfolio of neighbourhood centres and the increasing backlog maintenance and capital investment required to maintain these buildings. The working group suggested that a neighbourhood hub and spokes model could be an opportunity to address this issue if the council agrees to put in place a management plan for its property portfolio. The work produced from the group also provided rationale to develop a full business case and options appraisal, which will be led by a formal project team within the Council's Change Programme.

In December 2016, the Council's Change Programme Board agreed to establish a formal strategic project approach to deliver a business case to explore options for the future delivery of voluntarily accessed services in the form of a neighbourhood hub model. In January 2017, a formal project team was established within the Council's Change Programme governance to carry this work forward. Benchmarking a range of hub models from across the UK was undertaken as part of the development of the Newport model. These included Bristol, Cornwall, Sunderland, Kent and Cardiff. The successful implementation of the Cardiff City Council Hub model has been used as an exemplar for the design of the Newport Neighbourhood Hub model.

Newport City Council commissioned a study to consider how a more cost effective and sustainable set of requirements for hubs and spokes could be determined if the council and its partners adopted a new way of working. This change put greater emphasis on converting previously dispersed and often duplicated private office space to front line service delivery space and as a result enables the council to get better utilisation from a reduced building stock. This aligns with the council's focus on consolidating back-office and administrative activities and putting greater emphasis on citizen facing service delivery activities in local Hub and Spoke assets.

Newport City Council have explored options for more effective and sustainable service delivery through a Neighbourhood Hubs approach. The services in scope have been agreed by the Strategic Group as those which are accessed by individuals on a voluntary basis such as:

- Families First
- Flying Start
- Community Centres
- Work, Skills & Training
- Communities First
- Library Services
- Youth Service
- Play Development
- Community Connectors.

This will enable the Council to provide a more effective and sustainable service delivery model for voluntarily accessed services. However, in line with the Well-being of Future Generations Act (Wales) The Council will continually evaluate the needs of its citizens and broaden the scope of the services included in line with the city's changing needs.

## Current Position

Currently NCC delivers its community services through a number of different programmes and many community buildings. This method of delivery provides a number of challenges, such as access to services, maintenance of buildings and providing a holistic service to citizens.

The Neighbourhood Hubs proposal provides NCC and public sector partners with an opportunity to rationalise services and create more focussed investment into Community Facilities, Integrated Services Co-located Services, Accessible services, Enhance community involvement, Eliminate duplication

Currently neighbourhood services are delivered through a number of community facilities that include schools, community centres, churches and library buildings using a programme led management structure.

The service delivery model is currently based on a funder first model. Each programme has its own management finance and admin teams and delivers its services across the city.

This structure is delivered by 196 FTE staff across the city. The current management structure that delivers these services is set up as described below.

The current budget that underpins this structure is mixture of core, contract and grant funding from internal and external sources.

NCC currently subsidises the operation by providing repairs and maintenance services, utility bills, facilities management and provision of corporate functions. This level of support over 74 separate facilities is not a sustainable or efficient position for NCC.

## Financial Summary

The baseline costs, funding options, cost rationalisation and required investment by Newport City Council (NCC) are detailed in the tables below for each option to enable comparison.

	Option 1	Option 2	Option 3
<b>Revenue</b>			
Baseline operating cost - £m	£2,120k	£2,120k	£2,120k
Rationalisation savings - £k's/annum – ( staffing costs)	Nil	£654k	£654k

<b>Capital</b>			
Total Investment required	Nil	£3,992k	£1,720k
Capital funding sources			
Grant – assume 50% success rate	Nil	£2,967k	£969k
NCC	Nil	£1,025k	£751k

<b>Net Revenue Savings</b>			
Net annual revenue savings ( post NCC financing costs and rental of Hub 4 option 2	Nil	£524k	£592k

Using indicative refurbishment costs and assuming a 50% success rate against the grants that would be applied for, the table above shows that it would be necessary to borrow just over £1m to implement the four hub model or £750k for one hub only. It is worth noting that the levels of borrowing would be entirely dependent on the level of grants received, none of which has been approved yet.

The cost of borrowing would be spread over a 15 year life cycle and when offset against the savings this would still generate annual savings of between £500k and £600k depending on whether the four hubs or



one hub model was applied. In year cash savings could be achieved in 2018/19 before full year budgetary savings are applied in 2019/20.

The detailed spreadsheets are available in appendix 3 page 31. (Budgets). These also highlight a scenario where only a 25% success rate on grant funding is achieved. The financial impact under this scenario is an increase in borrowing for NCC of £1,484k when assuming the four hub model or £485k for one hub.

The proposed Neighbourhood Hub model will manage a number of grant packages as detailed previously. This grant management will continue, as part of these grants there is opportunity to apply for capital funding to develop capital assets. As part of this proposal we have applied to the following funds and are confident in achieving the following Capital grants. The table below represents available funding for option 2 which is the full roll out of 4 proposed Neighbourhood Hub and option 3 which is the current preferred option to deliver 1 Neighbourhood Hub as a pilot.

<b>Funding Source</b>	<b>Assumption across all grants</b>	<b>Preferred option – 1 initial Hub</b>
WG Museums, Archives & Libraries	£600,000	£200,000
Grant: Communities First Capital	£375,000	£125,000
Grant: Flying Start Capital	£225,000	£75,000
Grant: TRIP / VVP2	£1,297,400	£559,000
Grant: Work & Skills	£250,000	
Grant: Big Lottery	£150,000	
Grant: Charitable Trusts	£50,000	
Grant: Community Groups	£20,000	£10,000
<b>Total grant</b>	<b>£2,967,400</b>	<b>£969,000</b>
NCC Borrowing	£1,024,600	£751,000
<b>Total Funding requirement</b>	<b>£3,992,000</b>	<b>£1,720,000</b>

## Risks

<b>Risk</b>	<b>Impact of Risk if it occurs* (H/M/L)</b>	<b>Probability of risk occurring (H/M/L)</b>	<b>What is the Council doing or what has it done to avoid the risk or reduce its effect</b>	<b>Who is responsible for dealing with the risk?</b>
Potential closure/transfer of buildings	High	High	Spreading budgets thinly across multiple facilities does not provide the appropriate level of investment required to improve buildings to the correct standards. If major work is required then buildings may need to be closed due to a lack of investment funding.	
Reduction in funding	High	High	Reduction in funding will reduce service provision and will no longer support the current level of asset provision.	
Requirement to meet future	High	High	All non-grant funding could be affected .	

<b>Risk</b>	<b>Impact of Risk if it occurs* (H/M/L)</b>	<b>Probability of risk occurring (H/M/L)</b>	<b>What is the Council doing or what has it done to avoid the risk or reduce its effect</b>	<b>Who is responsible for dealing with the risk?</b>
MTRP commitments				
Inability to meet the requirements of the Future Generations act	Medium	Medium	The current position will not produce a sustainable and effective operation going forward and does not allow the organisation to plan its services based on the needs of the citizen.	

## Links to Council Policies and Priorities

This proposal links with many priorities through the corporate plan and the PSB wellbeing goals.

Corporate priorities;

**Learning & Working city** – The proposal will deliver skills and employability programmes as a core element of its work.

**Healthier City** – Promoting partnerships and engaging health and activities organisations within the delivery models.

PSB priorities;

**The Newport “Offer”** – Providing residents and partners with a clear community strategy to improve peoples lives.

**Strong Resilient Communities** – Supporting residents and communities through prevention and support programmes in the community.

**Right Skills** – Community based support for residents to access job opportunities and the opportunity to improve skills.

**Sustainable Travel** – Accessible services that will reduce staff and resident travel distances.

## Options Available and considered

In addition to the “do-nothing” option, a further two options were analysed to determine a recommended approach for the Council.

- Option 1 - Continue delivering community services in its current format
- Option 2 - Implement a city wide Neighbourhood Hub programme (4 Hub Model).
- Option 3 - Pilot single hub for design and development purposes and in principle agreement for full implementation.

## Preferred Option and Why

The recommended option (3) is to pilot a single hub for design and development purposes and an in principle agreement for incremental development of the hub model. The key reasons are that the pilot option will enable the Hub and Spoke approach to be tested and refined prior to the wider role of the approach across the City. It also minimises initial investment required by the Council in order to implement and reduces the risk of systemic issues.

If the recommended option is chosen the timescales and milestones are highlighted below.

- Phase 1 – the pilot Hub.
- East Hub – Ringland, Alway, Somerton, Beaufort, Newport East Community Centre

## **Comments of Chief Financial Officer**

The proposal to develop a single hub as a pilot with the potential to move to a multiple hub model has identified capital investment required of more than £1.7m (nearly £4m if the four hub model is eventually approved). The business case identifies a number of grants available to the Council and the likelihood is that a substantial proportion of the investment required could be found through these grants and that any shortfall could be met by Council borrowing. There is clearly potential for the success rate to vary so figures have been worked out to demonstrate a 50% success rate and 25%.

The projects achieves future savings inclusive of funding the cost of NCC borrowing, and this is required in order to 'preserve' the capital programme headroom for other projects which cannot be structured to cover any cost of borrowing.

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report at the present time. However, there will be a range of property and staffing issues that will need to be addressed in due course as part of the implementation of the neighbourhood hubs project.

## **Comments of Head of People and Business Change**

There are no human resources implications at this stage.

Should the proposal be approved there would be future staffing implications. These implications would include changes to work locations and working patterns resulting in a potential of weekend working and early morning and late evening working hours. These implications could also include redundancies.

There would be a need for consultation with employees and trade union representatives to implement these changes.

## **Comments of Cabinet Member**

The report author is to confirm that the Cabinet Member has approved the report for consideration by cabinet.

## **Local issues**

N/A

## **Scrutiny Committees**

N/A

## **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in

better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

## **Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

## **Wellbeing of Future Generations (Wales) Act 2015**

- Long term: The proposal will deliver a long term strategy for delivering community projects and managing community assets, putting in place a sustainable financial plan to maintain community assets in the future.
- Prevention: The proposal will secure community assets for the future; ensure assets are well maintained and fit for purpose. This proposal will also ensure that citizens receive services that are integrated and therefore provide a greater impact on their lives.
- Integration/ Collaboration: The proposal will integrate a number of community services run by the city council and partners providing a greater impact for citizens. This approach will deliver against the wellbeing objectives;

**The Newport “Offer”** – Providing residents and partners with a clear community strategy to improve peoples lives.

**Strong Resilient Communities** – Supporting residents and communities through prevention and support programmes in the community.

**Right Skills** – Community based support for residents to access job opportunities and the opportunity to improve skills.

**Sustainable Travel** – Accessible services that will reduce staff and resident travel distances.

- Involvement: Through the design of this proposal a number of steering groups have been created to involve departments and partners, conversations with the local health boards and Newport City Homes have been ongoing to ensure integrated approaches are taken and resources are shared. If the proposal is approved further involvement events will take place with communities.

## **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

## **Consultation**

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

## **Background Papers**

Appendix 1 - The diagram details the overall structure of the hub model, the hub relationship with the satellite offices (spokes) and its functionality.

Appendix 2 – Heat map demonstrating areas with the highest numbers in need of services.

Appendix 3 – Business Case

Dated: 4 June 2018

