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**HINCKLEY & BOSWORTH  
BOROUGH COUNCIL**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**AGENDA FOR THE  
EXTRAORDINARY MEETING OF THE COUNCIL  
TO BE HELD ON  
TUESDAY, 21 JANUARY 2014  
at 6.30 pm**

# Fire Evacuation Procedures

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Date: 13 January 2014

Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

Dear Sir/Madam

I hereby summon you to attend an Extraordinary meeting of the Hinckley & Bosworth Borough Council in the Council Chamber at these offices on **TUESDAY, 21 JANUARY 2014 at 6.30 pm**

Yours faithfully

Miss RK Owen  
Democratic Services Officer

### **AGENDA**

1. Apologies
2. Declarations of interest  

To receive verbally from Members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.
3. Hinckley Leisure Centre Procurement (Pages 1 - 16)  

Report of the Deputy Chief Executive (Community Direction).
4. Hinckley and Bosworth Local Plan (2006 - 2026): Site Allocations & Development Management Policies Development Plan Document - pre-submission document (Pages 17 - 24)  

Report of the Deputy Chief Executive (Community Direction).

The Site Allocations document and appendices are available on the Council's website as part of the agenda documentation, in the Members' Room, or on request from the report author.
5. Broadband (Pages 25 - 32)  

Report of the Deputy Chief Executive (Community Direction).

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**COUNCIL – 21 JANUARY 2014**

**RE: HINCKLEY LEISURE CENTRE PROCUREMENT**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE – COMMUNITY DIRECTION**

**WARDS AFFECTED: ALL WARDS**

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Hinckley & Bosworth  
Borough Council

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## 1. PURPOSE OF REPORT

To advise Members of the outcome of the procurement process in relation to the development of a new innovative and dynamic Leisure Centre facility, for all residents of the Borough, on Argents Mead, Hinckley.

## 2. RECOMMENDATIONS

- 2.1 That Members note and commend the high quality tender submissions that have been submitted.
- 2.2 That Members agree the selection of Bidder A as the Council's Preferred Bidder with Bidder B appointed as reserve bidder in case the contract with Bidder A cannot be finalised. This selection being based on the evaluation scores summarised in Section 6 and detailed in Appendix 1.
- 2.3 That Members note the positive income stream that will be provided via the management fee by the Bidder.
- 2.4 That Members note and approve the additional capital budget requirement of £1.35m to fund the enhanced facility at a total cost of £13.55million.
- 2.5 That Members approve an increase in the Council's Authorised Borrowing limit by the amount of the increase of £1.355million to take the Authorised Limit in 2014/15 to £97.4million (including the HRA)
- 2.6 That members note that in the first year, 2015/16, there may be a shortfall in revenue funding of up to £360,000 arising from the servicing of the borrowing prior to the opening of the new Leisure Centre. Members will in due course be asked to approve funding of this amount from General Fund Balances. This amount will be replenished in full in the following year.
- 2.7 That Members note and endorse the program for delivery of the new Leisure Centre.
- 2.8 That Council delegates to the Project Team, in conjunction with Deputy Chief Executive (Community Direction) and Leader of the Council, the oversight of the program of delivery up to the construction and opening of the new facility.
- 2.9 That upon transfer to the new facility on Argents Mead, Council approves the disposal of the existing Leisure Centre site, in accordance with the Councils adopted Disposal Strategy, with the capital receipt being assigned to fund the Leisure Centre scheme.

## 3. BACKGROUND TO THE REPORT

At the Council meeting convened on 13<sup>th</sup> November 2012, Members unanimously agreed (minute no. 265) that:

- (i) The building of a new facility to replace the existing leisure centre, be approved;
- (ii) The development of a new leisure centre on Argents Mead, subject to maintaining and enhancing the green space and adding value to the park, be approved;
- (iii) The facility options, procurement process and timescales as set out in sections 5 and 6 of the report, be approved.

An internal project management governance structure was agreed, which included a strategic Project Board and a multi disciplined and experienced Project Team.

#### 4. NEW LEISURE CENTRE REQUIREMENTS

The principle underpinning the new development is based on providing a core set of leisure facilities, which are commercially viable and, where feasible, offer an enhanced experience for customers. Increasing the main swimming pool offer from 6 lanes to an 8 lane competition pool and increasing the number of gym stations are just two of the enhancements.

The Management term is based on a 20 year contract period, as this offers the best financial return on investment and has helped secure the level of capital commitment that the developers are willing to fund. The preferred bidder will design, build, operate and maintain the facility for the life of the contract. This significantly reduces the financial risk to the authority. Captured within the contract will be responsibility that the bidder will need to have fees and charges approved by the Council. This is in keeping with current operational procedures. There are also key performance criteria against which the contract will be monitored, including:

- Delivery of a bespoke Sports Development Action Plan that aims to increase participation;
- Focused Reducing Health Inequalities Action Plan that will deliver improved health outcomes for residents;
- Targeted programmes aimed at specific markets i.e. over 60's, children, low income families, to name just a few;
- Complement the economic regeneration of Hinckley Town Centre, by increasing footfall and secondary spend;
- Seek to obtain Quest (nationally recognised quality accreditation) rating of 'Outstanding';
- Other key performance indicators focussing on usage, profit and loss, customer feedback, programming, energy consumption – note this list is not exhaustive.

Retaining office accommodation for the Council's Cultural Services Team within the facility will assist in monitoring the contract by having a visible presence on site.

#### 5. PROCUREMENT PROCESS

Following the decision in November 2012 to proceed with facilitating the procurement of a new Leisure Centre, a robust process has been undertaken to get to this point. This can be summarised into 3 steps.

**Step 1 Professional support**

HBBC jointly appointed an experienced Leisure Consultant (Robin Thompson) to provide professional guidance and expertise throughout the tender process. The partnership with Oadby & Wigston Borough Council offers efficiency savings. A Memorandum of Information was produced that detailed the Council's requirements.

**Step 2 Invitation to Submit Detailed Solutions**

8 expressions of interest were received. Following short listing through the pre qualification questionnaire process, 5 Bidders were invited to submit detailed solutions. During this process one Bidder decided to withdraw from the process on commercial grounds. 4 tender submissions were received and evaluated.

**Step 3 Invitation to Submit Final Tender**

3 companies were invited to this final stage of the procurement process. During this process one company decided to withdraw from the process on commercial grounds. 2 final tenders were received.

**6. EVALUATION OF FINAL TENDERS**

As detailed in Final Tender Evaluation Executive Summary report (Appendix 1) each of the tenders was critically and objectively assessed and was scored accordingly.

The final evaluation scores were as follows:

<b>Evaluation Area</b>	<b>Includes</b>	<b>Maximum score</b>	<b>Bidder A</b>	<b>Bidder B</b>
Technical	The design and capital proposals – including the planning risk	10%	8.3%	7.8%
Commercial	Financial and legal offer, including overall delivery and risk of the project	50%	42.7%	33.9%
Services	Includes the operational approach to the services, such as delivery of outcomes, customer care, programming, maintenance, etc	40%	29.7%	30.9%
<b>Total Score</b>		<b>100%</b>	<b>80.6%</b>	<b>72.6%</b>

Bidder A received the highest overall percentage score and therefore this is the company that the Project Board are proposing be invited to become the Council's Preferred Bidder. The minor percentage difference within the services category is not significant – of the 21 sub sections within this category 19 areas exceed the council's requirements and are rated as very good with just 2 are deemed to be acceptable, achieving satisfactory minimal standards with no major concerns.

**7. KEY BENEFITS**

The list below represents some of the key benefits this exciting capital development will bring to the Borough:

## Strategic

- Supports the economic sustainability and vitality of Hinckley Town Centre by increasing footfall, especially on Castle street and Upper Castle Street. Potential secondary spend modelling estimates this could be worth circa £4m to the local economy.
- Provision of a fit for purpose 'state of the art' Leisure Centre facility, with a life expectancy in excess of 40 years
- Enhanced facilities for existing customers and a growing population
- Strong partnership with national leisure provider
- Will contribute to improving residents' health and wellbeing
- Flexible facility design will encourage increase in participation amongst target groups such as schools and clubs.
- The new opportunities presented at the facility will inspire and motivate the next generation of athletes to achieve sporting excellence.
- The new facility will be significantly greener and more environmentally friendly than the old Leisure centre.
- Via a sensitive design, the facility will complement and increase the Argents Mead open space.
- Accessibility enhanced resulting from Crescent bus station development.

## Financial

- Project is deliverable within the Council's affordability.
- Will provide HBBC with a significant index linked revenue management fee from the Leisure Operator for the 20 year contract.
- Pricing structure has been protected ensuring entry fees do not present a barrier to participation.
- Provides cost certainty for the period of the contract and overall the 'value for money' this projects achieves is excellent.
- Provides the Council with ownership of a new facility on HBBC land.
- Fees and charges levied by the operator will have to be approved by the council, in keeping with current operational procedures

## Facilities

The new Leisure Centre will include a minimum of the facilities listed below:

<b>Summary of new facilities</b>
Main Pool 8 lane, 25 metre pool + 100 seats
Large Learner pool with Separate wet play area for young families
Sports Hall with 8 badminton courts
Health and Fitness gym 120+ stations
Dance Studios/ Multi Purpose Rooms x 2
Catering Area
Family Climbing Wall
DDA compliant with changing place toilet
Village style Changing Rooms
Integrated partnership accommodation
Car Parking
Complementary landscaping, Grassed play area, suitable for school use



## Management contract

The current leisure centre management contract expires 31<sup>st</sup> March 2015. Bidder A will undertake the operational management of the existing Hinckley Leisure Centre as from 1<sup>st</sup> April 2015. Any costs associated with this are contained within Bidder A's tender submission.

## 8. CONSTRUCTION/CONTRACT TIMETABLE

The table below captures the key elements with regards to the signing of the contract and construction of the new facility.

When	Action
January 2014	Award of contract offer inc. 10 day stand still period
February 2014	Demolition of former council Offices begins
February 2014	Planning application submitted
May 2014	Planning determination
May 2014	Close of contract – formal signing
Early Summer 2014	Building works commence on site at Argents Mead
31 <sup>st</sup> March 2015	Existing Leisure Centre Management contract ends
1 <sup>st</sup> April 2015	Preferred Bidder to manage existing facility until completion
Summer 2015	Building works complete

## 9. FINANCIAL IMPLICATIONS (KP)

- 9.1 The proposed capital programme for 2014-15 onwards currently includes expenditure of up to £12,200,000 to fund the Leisure Centre scheme. This will need to be increased to reflect the preferred bidders proposal of £13.55million upon agreement of the contract. The profile of this cost and the financing arrangements are detailed below.

	TOTAL COST	ESTIMATE 2013-2014	ESTIMATE 2014-2015	ESTIMATE 2015-2016
	£	£	£	£
<b>Expenditure</b>	<b>13,550,000</b>	<b>50,000</b>	<b>6,750,000</b>	<b>6,750,000</b>
<b>Financed by</b>				
Leisure Centre Reserve	2,660,000	50,000	2,610,000	0
Capital Receipts (depot site)	2,000,000	0	2,000,000	0
Leisure Centre Temporary Financing	3,400,000	0	0	3,400,000
Leisure Centre Borrowing	5,490,000	0	2,140,000	3,350,000
<b>Total financing</b>	<b>13,550,000</b>	<b>50,000</b>	<b>6,750,000</b>	<b>6,750,000</b>

- 9.2 In order to ensure that the enhanced scheme could be funded, an increased debt "Authorisation Limit" was approved by Council in July 2013 to fund elements of the

scheme that could not be met by internal resource. This was based on a forecast capital outlay of £12.2million and therefore will require the Authorised Limit to be increased to ensure approval for funding of the entire scheme. Based on the current Treasury Management forecasts included in the Capital Programme, it is therefore recommended that the Authorised Limit in 2014/2015 is increased to £97.4million as calculated below:

Authorised limit £m	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2013-2014	2014-2015	2015-2016	2016-2017
<i>Debt</i>				
HRA (Debt Cap)	72.0	72.0	72.0	72.0
General Fund	15.5	16.6	27.1	23.5
Bus Station Loan	7.0	7.0	0.0	0.0
Other long term liabilities	0.4	0.4	0.4	0.4
<b>Total</b>	94.9	96.0	99.5	95.9
Additional Leisure Centre	0	1.35	0	
<b>Total Proposed Limit</b>	94.9	97.4	99.5	95.9

\* Note: The current Debt limits include the £4million increase in limit approved by Council in July 2013

- 9.3 The scheme proposed by the preferred bidder meets the following affordability requirements set out in the tender specification:
- A capital cost that can be met by internal resource and prudential borrowing
  - Delivery and commitment to an income stream to the Council after proving for any costs of borrowing
  - Centre management contract costs as from 1<sup>st</sup> April 2015 are included

- 9.4 Bidder A provides the best offer to the Council and are prepared to pay the Council £902,000 per annum (on average) over the life of the contract, which after the cost of financing would be reduced to an income of £485,000 to the Council.

The total net income from Bidder A for the term of the 20 year contract would be £18,040,000.

- 9.5 Bidder B would pay £540,000 per annum which after cost of capital repayments comes down to an income of £282,000 per annum.

The total net income from Bidder B for the term of the 20 year contract would be £10,800,000.

- 9.6 In the first year, 2015/16, there will be a revenue cost to the Council during construction and pre- opening of the Leisure Centre as the debt of up to £6m will need to be funded without any management charge income to offset against this cost. This cost will be temporarily funded from General Fund Balances with a view to replenishing the balance in the following 2016/17 year.

## 10. LEGAL IMPLICATIONS (AB)

- 10.1 The Local Government Miscellaneous Provisions Act 1976 gives the Council power to provide such recreational facilities as it sees fit including the provision of sports centres.

10.2 The Council will now enter into a Design Build Operate and Maintain contract with the Bidder. The contract has been drafted on the Council's behalf by Freeth Cartwright solicitors who will continue to act until the contract is signed and completed.

10.3 On completion of the contract the Argent's Mead site will be leased to the successful bidder to allow them to build and operate the leisure centre.

11. CORPORATE PLAN

This project will assist the Council in achieving the following key priorities:

- Improve health and wellbeing and Sustain economic growth
- Reduce our impact on the environment
- Identify and plan to meet the needs of the ageing population
- Give children and young people the best start in life
- Accessible services for all and To value partnerships

12. CONSULTATION

Extensive consultation primarily focused on existing users has been undertaken. This information helped to shape the final tender submissions received from the bidders.

13. RISK IMPLICATIONS

In keeping with the Council's Project Management Policy, a Risk Register on this project is available to view upon request. The table below captures high level risks:

<b>Management of significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating actions</b>	<b>Owner</b>
Securing planning permission	Close liaison with bidder and Planning authority and external key stakeholders i.e. LCC Highways, Sport England and English Heritage	HBBC
Delivery of the facility within time and budget and reliance on external partners	Develop robust performance management during the construction phases. Ensure sound financial systems and processes are in situ.	HBBC/Contractor
Continuity of service to the existing customers of Hinckley Leisure Centre in an ageing facility	Ensure preventative and reactive maintenance and operating schedules are adhered to.	HBBC/Contractor
Ensuring cost certainty and quality of works	Joint appointment of a Independent Certifying Officer and Clerk of Works	HBBC/Contractor

14. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The new facility will serve the residents of the Borough. It will have enhanced user friendly disabled facilities which will increase participation.

15. CORPORATE IMPLICATIONS

Numerous internal Teams have been fully engaged in the procurement process.

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Background Papers:	Council report 13/11/12
Contact Officer:	Simon D. Jones, Cultural Services Manager
Executive Leads:	Councillor Stuart Bray, Leader of Council Councillor David Cope, Leisure & Culture Councillor Keith Lynch, Finance, ICT and Asset Management

**Appendix 1**

## **HINCKLEY AND BOSWORTH BOROUGH COUNCIL**

### **ISFT EVALUATION**

### **LEISURE MANAGEMENT CONTRACT**

**JANUARY 2014**

# CONTENTS

	<b>Page</b>
Section 1 – Introduction	1
Section 2 – Evaluation Process Overview	2
Section 3 – Summary Evaluation and Recommendations	6
Section 4 – Way Forward	8

## **SECTION 1 – INTRODUCTION**

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### **Introduction**

- 1.1 In December 2012, Hinckley & Bosworth Borough Councils and Oadby & Wigston Borough Councils (the Councils) invited Expressions of Interest, through the competitive dialogue process, for Partner(s) to further develop and enhance Leisure Facilities in both Boroughs through the Leisure Management Contract. A notice was posted to the Official Journal of the European Union (OJEU) in December 2012. Applicants were asked to return Expressions of Interest, including completion of the Pre-Qualification Questionnaire (PQQ), to the Councils.
- 1.2 The PQQ evaluation was undertaken and five bidders were shortlisted and received an Invitation to Submit Detailed Solutions (ISDS) and to participate in further dialogue.
- 1.3 Four bids were received by the deadline with one bidder declining to bid because of a lack of resourcing. The ISDS evaluation undertaken shortlisted three bidders to go forward to the Invitation to Submit Final Tender (ISFT) stage.
- 1.4 Two bids were received by the deadline with one bidder declining to bid due to resourcing and competing priorities.
- 1.5 The ISFT stage asked bidders to provide responses to design, build and operate a new Leisure Centre on the Argents Mead site to meet the Council's facility mix requirements which includes a 8 lane, 25 metre pool and 8 court sports hall, together with ancillary facilities (including commercial development).

### **Purpose of this report**

- 1.6 This report provides a summary of the ISFT responses and scoring of those applicants submitting. Its purpose is to inform the Councils of the outcome of the evaluation and make recommendations on Applicants that should move forward to the next stage of the procurement process, to appoint a preferred bidder.
- 1.7 The report also identifies the various areas and issues which will be resolved at preferred bidder stage prior to contract close and finalisation.

## SECTION 2 – EVALUATION PROCESS OVERVIEW

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### Introduction

- 2.1 The purpose of this stage of the evaluation process is to evaluate the bids received against the evaluation criteria to test both financial proposals and the technical, services and innovation presented by each bidder. This will lead to the appointment of a preferred bidder.
- 2.2 ISFT Bids were received on 3 December 2013 and each evaluation team undertook an evaluation of the bids in accordance with the areas identified in the evaluation matrix, as set out later in this section. The evaluation teams were
1. Services Team
  2. Technical Team
  3. Financial Team
  4. Legal Team
- 2.3 The financial and legal evaluation combines to deliver the overall commercial evaluation score.

### Evaluation Criteria and Weightings

- 2.4 The evaluation matrix that was developed during the preparation for the ISDS documentation has been maintained during the ISFT phase and is summarised in Table 2.1 below.

**Table 2.1 - Evaluation Matrix**

<b>Evaluation Area</b>	<b>Maximum score</b>	<b>Description</b>
Technical	10%	The design and capital proposals – including the planning risk
Commercial	50%	Financial and legal offer, including overall delivery and risk of the project
Services	40%	Includes the operational approach to the services, such as delivery of outcomes, customer care, programming, maintenance, etc
<b>Total Percentage Score</b>	<b>100%</b>	

- 2.5 Each of the areas presented above was split into more detailed evaluation areas and each of the bidders were scored out of 10 in accordance with the following table for the tier 3 weightings and then these scores were weighted and combined to give an overall percentage score for the bidder.

<b>Score</b>	<b>Rating</b>	<b>Criteria for Awarding Score</b>
0	Unacceptable	Does not meet any of the Councils' requirements.

## SECTION 2 – EVALUATION PROCESS OVERVIEW

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Score	Rating	Criteria for Awarding Score
1-2	Very Weak	Insufficient information provided / unsatisfactory.
3-4	Poor	Fails to meet the minimum standard, some major concerns
5-6	Acceptable	Satisfactorily achieves the minimum standard, acceptable, no major concerns
7-8	Very Good	Exceeds the requirements, good, full and robust response, gives confidence and will bring added value/benefit to the Councils
9-10	Excellent	Considerably exceeds requirements, outstanding, and will bring significant added value/benefit to the Councils, shows innovation and the Councils have full confidence in response.

2.6 There were two areas where the pass mark for evaluation was 5 out of 10 and any responses scoring less than this would be considered not to have met the requirements. These areas were

- Health and Safety
- Staffing

2.7 Following initial scorings a number of clarification questions were asked of the bidders, following which the scores were refined and final scores are presented in this report.



## SECTION 3 – EVALUATION SUMMARY AND RECOMMENDATIONS

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### Introduction

- 3.1 In this section we present the outcomes of the ISFT evaluation with the scores and their overall percentage score.

### Evaluation scores

- 3.2 Table 3.1 below summarises the scores for each bidder against the tier 1 evaluation criteria weightings.

**Table 3.1 – Evaluation Weighted Scores Summary**

<b>Evaluation Area</b>	<b>Maximum score</b>	<b>Bidder A</b>	<b>Bidder B</b>
Technical	10%	8.3%	7.8%
Commercial	50%	42.7%	33.9%
Services	40%	29.7%	30.9%
<b>Total Percentage Score</b>	<b>100%</b>	<b>80.6%</b>	<b>72.6%</b>

- 3.3 The commercial evaluation includes the legal evaluation.
- 3.4 The scores presented above reflect the overall evaluation, with Bidder A scoring the highest of the two bidders. We summarise and compare a number of the key issues for each of the bidders in the table overleaf

## SECTION 3 – EVALUATION SUMMARY AND RECOMMENDATIONS

**Table 3.2 – Comparison of Bids**

Issues	Bidder A	Bidder B
Facility Mix Proposals	<p>Both bidders have presented proposals which deliver the specification required by the Council to include</p> <ul style="list-style-type: none"> <li>• 8 lane 25 metre Pool and learner pool</li> <li>• 8 Court Sports Hall</li> <li>• Fitness Suite and Studios (both bidders have presented larger spaces)</li> <li>• Partner accommodation space</li> <li>• Café and ancillary facilities (changing, reception, plant, etc)</li> </ul> <p>In addition each bidder has presented additional facilities over and above the Councils requirement to include:</p>	
	<ul style="list-style-type: none"> <li>• Family Climbing Wall</li> <li>• Larger Learner Pool with moveable floor</li> <li>• Separate splash/water familiarisation and fun zone in pool hall</li> <li>• Glazed Group Cycling studio</li> <li>• Health Suite (Sauna and steam rooms)</li> <li>• Moveable wall between studios</li> </ul>	<ul style="list-style-type: none"> <li>• Climbing Wall</li> <li>• Flowrider – indoor surfing machine</li> <li>• Trim Trail for park</li> <li>• Group Cycling Studio</li> </ul>
Design Principles	<p>Both bidders have presented proposals which develop the buildings within the constraints of the covenants and enhancing the green space on the park. This includes providing the playing space for the school.</p> <p>Neither facility provides any issues from a planning point of view.</p>	
Capital Cost	£13.55 million	£11.1 million
Opening of New Facility	Summer 2015 (construction starts June 2014)	July 2015 (construction starts April 2014)
Service Delivery	<p>Both bidders have presented good proposals and plans to deliver the Council's specification and outcomes through their sports development plans and quality delivery.</p>	
Price Proposals	<p>Bidder A have met the terms of the specification and also included a reduced gym only membership offer to reduce the price for customers</p>	<p>Bidder B have proposed prices in line with the existing prices and in accordance with the specification</p>
Legal Mark Up	<p>Bidder A have presented a mark up which is based on Sport England documentation and there are no major issues in respect of delivering the contract.</p>	<p>Bidder B have presented a mark up which is likely to need further work to get to contract close, however there are no major issues.</p>

## SECTION 3 – EVALUATION SUMMARY AND RECOMMENDATIONS

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- 3.5 In addition to these issues we have analysed the financial proposals and present in the table below the financial proposals compared.

**Table 3.3 – Financial Comparison**

£'000's	Bidder A	Bidder B
<b>Net Management Fee (to)/from the Council</b>	<b>(902)</b>	<b>(540)</b>
Capital Repayments (prudential borrowing)	417	258
<b>Net Cost/(Income) to the Council</b>	<b>(485)</b>	<b>(282)</b>

Note: the capital repayments are based on the borrowings the Council will make above the £7.1 million they are providing

- 3.6 As can be seen from the table above Bidder A provide the best offer to the Council and are prepared to pay the Council £902,000 per annum (on average) over the life of the contract, which after the cost of financing would be reduced to an income of £485,000 to the Council.
- 3.7 Bidder B would pay £540,000 per annum which after cost of capital repayments comes down to an income of £282,000 per annum.
- 3.8 It should be noted that these figures are an average management fee and the Council will be receiving a profiled management fee. These figures are fixed for the life of the contract and subject to indexation, thus the risk of achieving the income and expenditure projections set out above lies with the contractor.
- 3.9 Both bidders have presented examples of how these projections can be delivered and can illustrate where they have achieved similar levels of income and delivered similar increases.

### Summary and Recommendation

- 3.10 Based on the scores and evaluation presented **above it is recommended Bidder A are appointed as preferred bidder**, with Bidder B appointed as reserve bidder in case the contract with Bidder A cannot be finalised.
- 3.11 Both bidders have presented schemes which meet the Council's specification and indeed deliver enhanced facilities however Bidder A's financial offer is circa £200,000 per annum better than Bidder B. Both bidders have presented construction programmes of 15 months but Bidder A have assumed a later start date (which may be more realistic) to allow for planning and contract close.
- 3.12 We discuss in the next section the way forward and the approach to finalising the contract.

## Next Steps

- 4.1 Within this section we set out the various areas and issues for the next stage of the project including the approach to finalising the contract and reaching contract close (when the contract will be signed).
- 4.2 The next stage of the project at preferred bidder is to undertake two parallel work streams which are
  - Planning Approval
  - Contract Close – finalising the contract ready for signing
- 4.3 Bidder A have presented a programme which seeks to deliver both of these work streams by May 2014, allowing construction to commence in early Summer 2015 and the new facility to be open for Summer 2015.
- 4.4 This is a realistic timescale and it is anticipated that the planning application will be submitted by the end of February 2014, which Bidder A will prepare and submit.
- 4.5 As planning is being submitted the negotiations will be undertaken to finalise the contract and the precursor to this will be the appointment of preferred bidder, with a number of conditions which reflect the discussions and clarifications the evaluation team have had with the bidders.
- 4.6 A key part of this will be the response on the legal mark up from Bidder A. Once the preferred bidder letter has been issued then contract negotiations will commence.

## Key Milestones

- 4.7 We set out in the table below the key milestones and timescales for the next stage of the project.

**Table 4.1 – Key Milestones**

Task	Date
Council Decision	21 Jan 2014
Preferred Bidder Letter Issued (after stand still period)	31 Jan 2014
Planning Application Submitted	February 2014
Planning Approval	May 2014
Contract Signed	May 2014
Construction Commences	Early Summer 2014
New Centre Opens	Summer 2015

- 4.8 If the negotiations on contract finalisation can be completed quicker then there is the potential (if planning approval is resolved earlier) that the construction could be brought forward.

**COUNCIL – 21 JANUARY 2014**

**HINCKLEY AND BOSWORTH LOCAL PLAN (2006 – 2026): SITE ALLOCATIONS AND DEVELOPMENT MANAGEMENT POLICIES DEVELOPMENT PLAN DOCUMENT – PRE-SUBMISSION DOCUMENT**  
**REPORT OF THE DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)**



**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

The purpose of the report is to seek agreement to consult on the Site Allocations and Development Management Policies Development Plan Document (DPD) pre-submission version, and supporting documents in accordance with the Town and Country Planning Regulations (Local development) (England) 2004 (as amended) and the Local Development Scheme. It also seeks agreement for subsequent submission of the DPD to the Secretary of State for Examination in Public. And finally it seeks agreement to the Consultation report from the preferred option stage of the documents production. Copies of the documents are available to view in the Members room and on the internet as part of the committee documents.

2. **RECOMMENDATION**

That the Council approve;

- (i) The publication of the pre-submission draft Site Allocations and Development Management Policies DPD, Sustainability Appraisal, and supporting documents for consultation during the period 17 February 2014 to 31 March 2014 in accordance with the Town and Country Planning Regulations (Local Development) (England) 2004 (as amended).
- (ii) The submission of the Site Allocations and Development Management Policies DPD, and supporting documents to the Secretary of State for Examination in Public following analysis of the representations received during the consultation period.
- (iii) The Statement of Consultation Responses to the Site Allocations and Generic Development Control Policies DPD Preferred Options February 2009 – April 2009.

3. **BACKGROUND TO THE REPORT**

- 3.1 The overarching strategy for Hinckley and Bosworth Local Plan (2006 – 2026) is the adopted Core Strategy (December 2009). This sets out the spatial objectives, directions for growth, long term vision and strategic core policies for the borough and forms the basis for subsequent development plan documents. The intention to prepare the Site Allocations and Development Management Policies DPD to allocate individual sites is set out within the Core Strategy.
- 3.2 The Site Allocations and Development Management Policies DPD must be in conformity with the adopted Core Strategy. The DPD allocates land for specific uses such as housing, employment, various typologies of open space, and community uses in accordance with the provisions set out within the Core Strategy and to reflect the adopted evidence which include;

- Areas of Separation Review (2012)
- Biodiversity Assessment (2009)
- Community, Cultural and Tourism Facilities Review (2013)
- District, Local and Neighbourhood Centre Review (2012)
- Employment Land and Premises Review (2013)
- Green Wedge Review and Green Wedge Allocations Topic Paper (2011)
- Phase 1 Habitat Survey (2012)
- Hinckley Area Cycle Network Plan (1999)
- Hinckley and Bosworth Rural Parishes Cycle Network Plan (2003)
- Landscape Character Assessment (2006)
- Leicester and Leicestershire HMA Employment Land Study (2012)
- Open Space, Sport and Recreational Facilities Study (2011)
- Renewable Energy Capacity Study (2013)
- Retail Capacity Study (2007)
- Strategic Flood Risk Assessment (2007)
- Strategic Housing Land Availability Assessment (2013)

All of the studies are available to view on the Borough Council's website ([www.hinckley-bosworth.gov.uk](http://www.hinckley-bosworth.gov.uk)).

- 3.3 The housing sites included within the pre-submission draft of the DPD have been robustly assessed to ensure they are; suitable, available and achievable and they will meet the residual requirements of the Core Strategy.
- 3.4 The following allocations; employment land, the different typologies of open spaces throughout the borough, community, cultural and tourism facilities, conservation area boundaries, district, local and neighbourhood centres, and green wedge boundaries are all reflected within the DPD. The Site Allocations and Development Management Policies DPD does not include allocations for gypsy and travellers, these allocations shall be made in the Gypsy and Traveller Allocations DPD.
- 3.5 The council commissioned consultant DTZ to undertake a Viability and Deliverability Assessment of the DPD. The assessment takes into account the cost of development, together with the consideration of competitive returns to land owners and developers that will enable the development to be deliverable. Having tested the policy requirements of the Core Strategy against a series of residential site archetypes, reflective of the profile sites featured in the Site Allocations DPD, the study concluded (notwithstanding site specific abnormal costs) that the residential allocations are deliverable in the context of reasonable flexibility in the interpretation and application of Core Strategy Policy.
- 3.6 Supporting the implementation of the Core Strategy and the site allocations are the Development Management Policies. The 25 policies set out in the document are intended to be used in day to day decision making on planning applications. The policies cover the following topic areas;
- Presumption in Favour of Sustainable Development
  - Delivering Renewable Energy and Low Carbon Development
  - Infrastructure and Delivery
  - Safeguarding the Countryside and Settlement Separation
  - Enabling Rural Worker Accommodation
  - Enhancement of Biodiversity and Geological Interest
  - Preventing Pollution
  - Safeguarding Open Space, Sport and Recreational Facilities
  - Safeguarding Natural and Semi-Natural Open Spaces
  - Development and Design

- Protecting and Enhancing the Historic Environment
- Heritage Assets
- Preserving the Borough's Archaeology
- Replacement Dwellings in the Rural Area
- Redundant Rural Buildings
- Telecommunications
- Highway Design
- Vehicle Parking Standards
- Existing Employment Sites
- Provision of Employment Sites
- Locating Sustainable Town Centre Uses
- Vitalising District, Local and Neighbourhood Centres
- High Quality Shop Fronts and Advertisements
- Preserving the Borough's Cultural and Tourism Facilities
- Safeguarding Community Facilities

3.7 The pre-submission version of the Development Management Policies have changed significantly from those consulted upon in 2009 'preferred option' consultation paper. The changes reflect the introduction of the NPPF which has seen a dramatic change in policy at the national level which the Borough Council's plans must be in line with. The NPPF has placed a requirement on Council's to include policies in their plans that were not required before the change in national policy. Also the abolition of the East Midlands Regional Plan has had implications in terms of policy voids.

3.8 The Site Allocations and Development Management Policies DPD has the following benefits;

- Once adopted the council will have a secure 5 year housing land supply
- It will provide the Council with a strong case to refuse speculative planning applications
- The Green Wedge boundary has been reviewed to make it more robust and defensible in the future, this includes extensions to both of the green wedges.
- Identifies and safeguards three times as many open spaces as the 2001 Local Plan
- Identifies and safeguards three times as many Community Facilities as the 2001 Local Plan
- Identifies, safeguards and supports the provision of employment sites
- For the first time safeguards rural public houses from redevelopment to other uses
- For the first time identifies and safeguards Cultural and Tourism Facilities
- Settlement separation is for the first time a key consideration in the determination of all applications outside settlement boundaries and not just within specific areas
- For the first time shopping areas are categorised into a hierarchy of provision with tailored policies to each hierarchy
- Recognition and designation of the new Bilstone Conservation Area
- Recognition and designation of the extended Bosworth Battlefield
- For the first time protection is afforded to locally important heritage assets through the Local List
- Settlement boundaries have undergone a robust review and amendment more accurately reflected the built form of settlements
- County Highways Parking standards are for the first time applied as a minimum requirement

3.9 It is intended to consult on the pre-submission Site Allocations and development Management Policies DPD for a period of 6 weeks from **Monday 17 February 2014 to 5pm Monday 31 March 2014**. After this consultation period, a Government inspector will assess the document at a public examination to make sure that it has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it has passed the four tests of soundness. These four tests are contained within the National Planning Policy Framework (NPPF) and are to ensure that the plan is:

- **Positively prepared** - the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

When making representations on the Pre-submission document, the representations should focus on explaining in what way:

- The Council has not followed the correct legal procedures (e.g. been produced in line with the proper regulations); or,
- The Proposed Submission document has failed one or more of the tests of soundness. This could be one or more parts of the document and representations should identify the changes needed to make it sound.

#### 4. FINANCIAL IMPLICATIONS [KB]

4.1 The cost of the Site Allocations document is forecast to be approximately £90,000 in 2013/2014 and £200,000 for 2014/2015. At the time of producing this report, it is forecast that approximately £29,500 of the spend for the current year will be requested for carry forward at the year end.

4.2 The Council has in place an earmarked reserve to fund the costs associated with the production of all documents included in the Local Plan. Taking into account current forecasts, the balance on this reserve as at 31<sup>st</sup> March 2014 is forecast to be £373,500. Additional transfers to this reserve to fund the completion of all Local Plan documents was approved by Council in December 2013.

#### 5. LEGAL IMPLICATIONS [AB]

5.1 Contained in the body of the report

#### 6. CORPORATE PLAN IMPLICATIONS

6.1 The Site Allocations and development Management Policies DPD supports the following aims of the Corporate Plan 2013 – 2016:



- Creating a vibrant place to work and live
- Empowering communities
- Supporting individuals
- Providing value for money and pro-active services

## 7. CONSULTATION

- 7.1 The production of the Site Allocations and Development Management Policies document has been based on ongoing consultation with the local community and key stakeholders. A wide range of comments were received during the public consultation exercises in November 2003 to December 2003 on the LDF Issues Papers – ‘A vision for our future’ and ‘The Shape of Things to Come’ during summer 2005. In August-September 2007 the Site Allocations and Generic Development Control Policies Issues and Options Papers were consulted upon. These papers set out a number of issues and options for comment and respondents were also invited to submit further issues facing the Borough and additional sites.
- 7.2 In 2009 the Borough Council undertook an eight week public consultation on the Preferred Options version of the document which, at the time, was called the Site Allocations and Generic Development Control Policies DPD. Throughout this consultation period the Borough Council undertook many public consultation workshops and exhibitions to explain the proposals to members of the public and as a result the Council received 13,500 representations to the document. All of the representations received were reviewed and summarised in the Statement of Consultation Responses (July 2011) and have been taken into account while producing this pre-submission version.
- 7.3 The majority of the 13,500 representations related to the allocation of Gypsy and Traveller sites with the borough. As stated above the allocation of Gypsy and Traveller sites will be undertaken through a separate DPD. Below are some of the issues raised during the consultation period, please note that these do not represent all the comments raised these can be found in Appendix 6 of the Consultation Report which can be found on the Council’s web-site [www.hinckley-bosworth.gov.uk](http://www.hinckley-bosworth.gov.uk).
- Lack of facilities (including, for example; schools, GP Surgery’s, Dentists, Libraries, and community centres) development will put a strain on existing facilities
  - High concentration of Travellers
  - Impact of increased traffic, highway safety, access and capacity
  - Brownfield sites should be allocated and not Greenfield (or Green Belt) please note that Green Belt is a national designation and no land in the borough bestows this designation.
  - Concerns regarding flooding and drainage
  - Support for the railway station at Bagworth, but concerns raised about sufficient car parking provision
  - Concerns over Wildlife and habitat Impact
  - Employment sites have overtime been redeveloped for housing therefore why are additional employment sites required?
  - There is a lack of employment sites
  - Accessibility by public transport
  - Protection of allotments and green spaces is supported
  - Additional houses are required to support local facilities and services
  - Landscape and visual impact of proposals
  - Loss of countryside, green wedge, and open space
  - Loss of good quality agricultural land
  - Increase number of public open spaces required including sports pitches.

- Proposals would increase commuting and car use.

- 7.4 As a result of the consultation it emerged that the Borough Council needed to undertake further work to ensure that the document was 'sound'. Officers have now undertaken this work and the documents listed in paragraph 3.2 above are the result of this additional work.
- 7.5 Where housing allocations have been required to meet the residual housing requirement of settlements in the borough, Members have been invited to meet with Officers to discuss the background and reasoning for the specific allocations.
- 7.6 The draft Development Management Policies have been discussed with a cross party Member working group and informal consultation with statutory consultees and key stakeholders. All the comments and suggested changes made during this informal consultation have been incorporated into the policies.
- 7.7 All the previous consultations have helped inform the preparation of the Site Allocations and Development Management Policies pre-submission version.

## 8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Consultation not undertaken in conformity with the statutory requirements.	Ensure consultation is undertaken with the Statement of Community Involvement (SCI)	Policy and Regeneration Manager.
Publication of the DPD legally compliant and conforms to the 'Test of Soundness'.	Undertake legal compliance self-assessment prior to submission of the DPD to the Secretary of State.	Policy and Regeneration Manager.
Risk of speculative planning applications.	Proceed with the finalisation of the DPD in accordance with the recommendation of this report.	Policy and Regeneration Manager.

## 9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 The Site Allocations and Development Management Policies DPD addresses the needs of both urban and rural areas equally and is in conformity with the spatial strategy of the Core Strategy. The balance of green spaces has been considered and where deficits exist, whether rural or urban, this document seeks to secure provision for the future. The policies also aim to safeguard and preserve; community facilities, cultural and tourism facilities, the countryside, open space, sport and recreational facilities, natural and semi-natural open space. Policies also aim to support the provision of new employment within suitable locations which are defined within the

policy. There are policies relating to protecting and enhancing the Historic Environment and relating to heritage assets.

## 10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications – None arising from this report
- Environmental implications – Contained within the Sustainability Appraisal
- ICT implications – None arising from this report
- Asset Management implications – Contained within the DPD, Council owned land has been allocated for development.
- Human Resources implications – None arising from this report
- Planning Implications – Contained within the body of the report
- Voluntary Sector – None arising from this report.

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Background papers: Site Allocations and Development Management Policies DPD Pre-submission report  
Sustainability Appraisal  
Statement of Consultation Responses to the Site Allocations and Generic Development Control Policies DPD Preferred Options February 2009 – April 2009.  
Urban Areas Site Selection Justification Paper  
Rural Areas Site Selection Justification Paper  
Discounted Sites Paper  
Viability Testing of Site Allocations and Development Management Policies DPD  
Settlement Boundary Topic Paper

Further supporting evidence which has previously been approved by the Executive are available to view on the council's website.

Contact Officer: Sally Smith – Policy and Regeneration Manager (x5792)  
Executive Member: Councillor Stuart Bray

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**COUNCIL – 21 JANUARY 2014**

**BROADBAND CONTRIBUTION**  
**REPORT OF THE DEPUTY CHIEF EXECUTIVE (COMMUNITY**  
**DIRECTION)**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek Member's approval of £58,820 funding to extend fibre broadband coverage within Hinckley & Bosworth, invested through Leicestershire County Council's contract with BT. An amount of £18,820 has been set aside already from reserves, but Council approval is needed for the whole amount to be allocated - £58,820

2. **RECOMMENDATION**

- 2.1 That Council:

- i) approves the £40,000 capital budget for the rural Broad band Scheme.
- ii) approves the virement of £37,350 from the Grants to the Home Improvement Agency scheme budget.
- iii) approves a supplementary budget of £3,470 to fund the remainder of the project from general fund contributions.
- iv) delegates authority to the Chief Executive to sign the Collaboration Agreement between Hinckley & Bosworth Borough Council and Leicestershire County Council subject to agreement of the terms.

3. **BACKGROUND TO THE REPORT**

- 3.1 Super-fast fibre broadband will encourage economic growth and innovation, improve access to services and help transform the delivery of public services
- 3.2 Operators (e.g. BT and Virgin Media) have committed to deliver fibre broadband to 73.6% of residential and business premises in this Borough without public investment. Public investment is necessary to reduce the "Digital Divide" and help ensure all premises can access the benefits of fibre broadband.
- 3.3 It is estimated that total public investment in fibre broadband in Leicestershire will unlock economic growth of £92m by 2021.

4. **MATTERS FOR CONSIDERATION**

- 4.1 Super-fast broadband is a critically important infrastructure which will drive economic growth and innovation, improve access to services and help transform the delivery of public services. Within Hinckley & Bosworth, BT and Virgin Media have or will deliver to 73.6% of premises without the need for public investment. The Leicestershire average is 75%. Within Hinckley & Bosworth this includes, for example parts of Hinckley, Earl Shilton and Desford. Without public investment the remaining 26.4% of premises in the Borough, primarily in rural areas, will be stuck in the "slow lane" unable to access the benefits of super-fast fibre broadband.
- 4.2 Leicestershire County Council (LCC) is leading the Superfast Leicestershire partnership programme to reduce the "Digital Divide" and increase take-up of digital services. In August 2013 LCC awarded a £16.9m contract to BT to extend super-fast broadband coverage to 92.3% of Leicestershire business and residential premises.

Investment includes £4m (LCC), £1.2m (European Regional Development Fund), £3.3m (Department for Culture, Media and Sport (DCMS)) and £8.3m (BT). Within Hinckley & Bosworth it is expected that 9,121 premises will have access to super-fast broadband through the contract, increasing coverage to 92.2%. A map showing expected fibre broadband coverage across Leicestershire is available in Appendix 1. The first areas will Go Live in late September 2014 and it is anticipated the deployment will take 18 months. More information about the LCC-led programme is available at [www.leics.gov.uk/broadband](http://www.leics.gov.uk/broadband)

4.3 The Government's initial objective was to ensure 90% of UK premises have access to super-fast broadband by 2015, supported by investment of £0.5bn. Government has revised its objective to 95% coverage by 2017 supported by a further £250m. Under the contract all premises will receive a minimum of 2Mbit/s. In total there are c.40 County projects which are managed by DCMS through its agency Broadband Delivery UK (BDUK). DCMS established a national procurement Framework contract which included BT and Fujitsu. Only BT submitted a bid on any of the County-led contracts.

4.4 BT's preferred super-fast deployment solution is Fibre to the Cabinet (FTTC). This involves deploying fibre cable from or through the telephone exchange to the green on-street Cabinet. The connection then travels through the existing copper wires to the premises. In part, broadband speeds are increased by reducing copper cabling in the network and moving the exchange infrastructure closer to premises. Download speeds of up to 80Mbit/s can be achieved through this technology. In a very small number of instances Fibre to the Premises (FTTP) may be deployed whereby fibre is deployed right to the premise. This will deliver speeds of up to 330Mbit/s. More information is available at <http://www.superfast-openreach.co.uk/the-big-build/>.

4.5 LCC's procurement documents and contract identified that District Councils in Leicestershire have, in principle, allocated c.£1.15m of additional potential investment to extend coverage into the so-called "Final 10%". A breakdown of investment by District is identified below:

- Blaby District Council	£50,000
- Charnwood Borough Council	£100,000
- Harborough District Council	£530,000
- Hinckley and Bosworth Borough Council	£58,820
- Melton Borough Council	£360,000
- North West Leicestershire	£54,000
- Oadby and Wigston Borough Council	£0

4.6 The "Final 10%" is the area which is currently not expected to receive super-fast broadband through either the commercial rollout or the LCC/BT Contract, as outlined in paragraphs 4.1 and 4.2 respectively. The BT/LCC contract has a Final 8%, totalling c.22,500 premises.

4.7 The LCC/BT Contract includes an agreed mechanism to make changes, including the incorporation of additional investment, subject to legal and state aid considerations. In November 2013 LCC issued a Change Request to BT, seeking re-modelling to identify the extent and location of additional coverage as a result of the District investment. The following key points were agreed by all parties:

*Finance*

- BT will identify the level of commercial investment it would make against the £1.15m. This will be consistent with the current BT/LCC Contract.
- District funding cannot be ring-fenced to respective Districts. It is not possible to identify full invoiced costs by District area.
- Districts will be able to compare coverage for all Districts to help assess value for money.

- District Councils and LCC will agree a payments schedule. This will align to the phasing within the deployment timetable.
- **It is not possible to amend the District contribution without undertaking full remodelling at cost.**

#### Coverage

- The Speed Coverage Template (SCT), submitted by BT, will identify additional premises connected and the expected implementation phasing.
- Coverage is subject to an on-site survey of BT's infrastructure to confirm deliverability. If issues are identified during the planning process then discussions will be held between LCC, BT and the affected District. Coverage may be reduced or additional investment may be required.
- It is not possible to "cherry-pick" preferred communities. Modelling is based on the most economic deployment to secure the highest coverage
- The deployment will be undertaken as part of existing phasing within the BT/LCC Contract.

#### Legal

- Funding will not be formally committed until the Collaboration Agreement, to be signed collectively by District Councils with LCC, is executed by BT and LCC signing the Change Authorisation.
- Provision of additional funding does not represent a risk to the BT/LCC Contract. Additional potential funding was identified in the tendering documents and the BT/LCC Contract.
- The Change Authorisation will be signed by LCC and BT at the end of January 2014.

#### Governance

- All District Councils will need to secure political approval to formally commit investment. Some Districts have awarded delegated authority.
- Funding District Councils will collectively be represented in the BT contract governance structure.

- 4.8 BT modelling has identified that £58,820 investment will extend coverage of super-fast broadband (greater than 24Mbit/s) to an additional 572 premises in Hinckley & Bosworth. This represents an increase in coverage to 93.3% within this area, leaving 3,289 premises (6.7%) without super-fast broadband. Atkins, LCC's technical support, has conducted a value for money review. Evidence from this is included in the companion Exempt Report, containing commercially sensitive information.
- 4.9 If the allocation of District investment is approved then the Council is expected to sign a Collaboration Agreement with LCC as soon as possible, subject to the agreement of terms. This partnership document outlines responsibilities, liabilities, assumptions, confidentiality, FOIA, governance and the investment timetable.
- 4.10 LCC is working with partners to further extend superfast broadband coverage to premises within the Final 8%. This could involve a range of technological solutions. DCMS is current exploring deployment and funding options as part of its Superfast Extension Programme. Further information is expected in February/March 2014.
- 4.11 In February 2014, LCC will launch a demand campaign to support the Superfast Leicestershire deployment programme, including a new website. This will encourage take up and articulate the benefits of fibre broadband to businesses and communities. All communications will be co-ordinated by LCC, in partnership with BT and other local partners.

## 5 Investment Requirement.

5.1 Investment of £58,820 is to extend super-fast broadband coverage within the District. Coverage is subject to survey of BT's infrastructure. Additional investment may be required to ensure coverage. LCC and BT will discuss any requirement for further investment with the District Council if this emerges as an issue. Options could include deferral, funding from incurred savings, or additional funding. In additional funding is required then public partners will discuss how this will be funded.

5.2 The BT/LCC Contract contains the following value for money controls. These would apply to the District funding if committed:

- State aid clawback to prevent over-subsidy
- Investment ratio to ensure supplier investment
- Contracted reporting and audit
- On-site verification of infrastructure and deployment
- Supplier payment by results
- Detailed evidence required to support payment claims
- Supplier assurance of costs
- LCC contracted technical and commercial support (Atkins)

If approved, LCC will require District investment at an appropriate time prior to LCC incurring costs for District coverage under the Contract. The timetable will be included in the Collaboration Agreement

## 6. FINANCIAL IMPLICATIONS [IB]

The gross cost will is estimated to be £58,820. An amount of £18,000 has already been set aside for the provision of project.

From the £40,000 requested £37,350 can be funded from savings from the Home Improvement Agency budget. Due to changes in how home improvement grants are administered through the Papworth Trust. This budget is no longer required.

The balance of £3,470 can be met from in year contributions from the general fund.

## 7. COUNTY COUNCIL LEGAL IMPLICATIONS

The following legal implications have been drafted by an officer of the County Council. The Borough Council's Legal Service has not had sight of the contract between LCC and BT and is unable to comment on its terms:

- It is proposed that District investment is invested via the LCC/BT Contract. Additional potential funding from Districts was identified in the tender and the contract to reduce the risk of a material challenge.
- The Collaboration Agreement is legally binding and formally commits District investment. The Collaboration Agreement, even once signed by District Councils, is not executed until LCC and BT sign a Change Authorisation to the BT/LCC Contract at the end of January 2014. All District Council legal advisors have supported the development of the Collaboration Agreement.
- Under the terms of the BT/LCC Contract, once the infrastructure has been built there are no on-going liabilities on public funding bodies.
- Currently, the BT/LCC Contract and DCMS Framework Contract is the only legal



mechanism, under EU State Aid rules, for public agencies to invest in super-fast broadband. A separate procurement would be required to allocate investment.

### HBBC LEGAL IMPLICATIONS (AB)

With regard to the Collaboration Agreement between the County Council and the District Councils the Legal Implications are as follows.

The agreement provides for an initial outlay of £58,820 by Hinckley and Bosworth Borough Council. This will be for the provision of extra works within the borough beyond those in the main contract.

If this part of the works is subject to an overspend the Collaboration Agreement provides that HBBC will be liable for that overspend. This has been negotiated with the County Council on the basis that the overspend will only relate to the additional works covered by our funding and was supported by an assurance from the project lead at the County Council that:

“The Call-Off Contract (clause 31) sets out various options in respect of dealing with any increased costs. These in brief are as follows; (1) absorbed within existing Milestone Payment arrangements; (2) agree amendments to Milestones (providing they don't exceed Milestone Payments agreed at Effective Date); (3) amend Service Requirements, Supplier Solution; (4) Supplier bears increased costs; (5) in **exceptional** (her emphasis) circumstances Authority provides additional funds.”

It is requirement of the Collaboration Agreement that any overspend will be subject to separate specific agreement between the County Council and the Borough Council.

### 7. CORPORATE PLAN IMPLICATIONS

The report has synergy with the Corporate Plan's aim of 'Creating a vibrant place to live and work' and the priority within this to 'sustain economic growth'.

### 8. CONSULTATION

A broadband survey was conducted when LCC initiated their Superfast Leicestershire programme in 2012. A summary of the findings are available at <http://www.leics.gov.uk/broadband>

As part of the BT/LCC Contract procurement a state aid compliant public consultation was undertaken to confirm coverage of commercially delivered superfast broadband. This identified the area which is not eligible for state aid. DCMS has delegated authority from the EU to monitor state aid compliance.

### 9. RISK IMPLICATIONS

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owners
Contractual arrangements	Under the proposal of this report District investment will be allocated within the BT/LCC Contract. The Contract was part of a national Framework contract managed by DCMS. This contract has EU State Aid approval.	Both County Council and Leicestershire Districts

Funding and Legal commitments	District funding is not legally committed until LCC and BT jointly sign the Change Authorisation to the BT/LCC contract at the end of January 2013. In advance of this District Councils will collectively sign a Collaboration Agreement which outlines terms under which the funding is made.	Both County Council and Leicestershire Districts
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10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

LCC is undertaking an Equality Impact Assessment on the programme. This will consider the impact of the deployment and communications.

The outcome of the Borough Council contributing funding towards broadband provision will help enable effective broadband to an increased number of householders and businesses.

It is expected that deployment of super-fast broadband within the Final 8% will require a range of options including, fibre deployment using the LCC/BT Contract and community-led solutions. A range of technologies may also be required.

11. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications: None
- Environmental implications: None
- ICT implications: None
- Asset Management implications: None
- Human Resources implications: None
- Planning Implications: None
- Voluntary Sector: None

12. Appendix 1 (see separate sheet)

Map of expected fibre broadband coverage in Leicestershire through LCC/BT contract.

Background papers: None

Contact Officer: Judith Sturley, Senior Economic Regeneration Officer, ext. 5855

Executive Member: Councillor David Gould

**APPENDIX 1 – Map of expected fibre broadband coverage in Leicestershire through LCC/BT contract**

**Expected deployment of fibre broadband by 2018 in Leicester and Leicestershire**



**Purpose and notices**

This map shows an overview of the expected rollout of fibre broadband to around 95% of residential and business premises in Leicestershire by the end of March 2016.

This rollout includes deployment by private companies (e.g. BT and Virgin Media) by 2016 (shaded grey) and as a result of investment made by the County Council, Government, EU and BT through the County Council led project. This will be delivered by the end of March 2016 (shaded dark green and light green).

This map is high-level only. It is not accurate to premise or postcode level and should not be interpreted as such. Detailed planning is currently underway. The first Exchange areas will be announced in the New Year and an updated version of this map is expected to be published in spring 2014. This will be followed by more detailed information as each rollout phase is confirmed. Communities will be notified in advance of fibre-broadband being available in their area. This map will be reviewed on a regular basis.

Further investment is planned by the County Council, Government and District Councils for areas due to be addressed by 2018 (shaded light yellow).

Maps, announcements and responses to frequently asked questions will be available at [www.leics.gov.uk/broadband](http://www.leics.gov.uk/broadband).

Existing and expected commercial coverage up to 2016

Private Operators

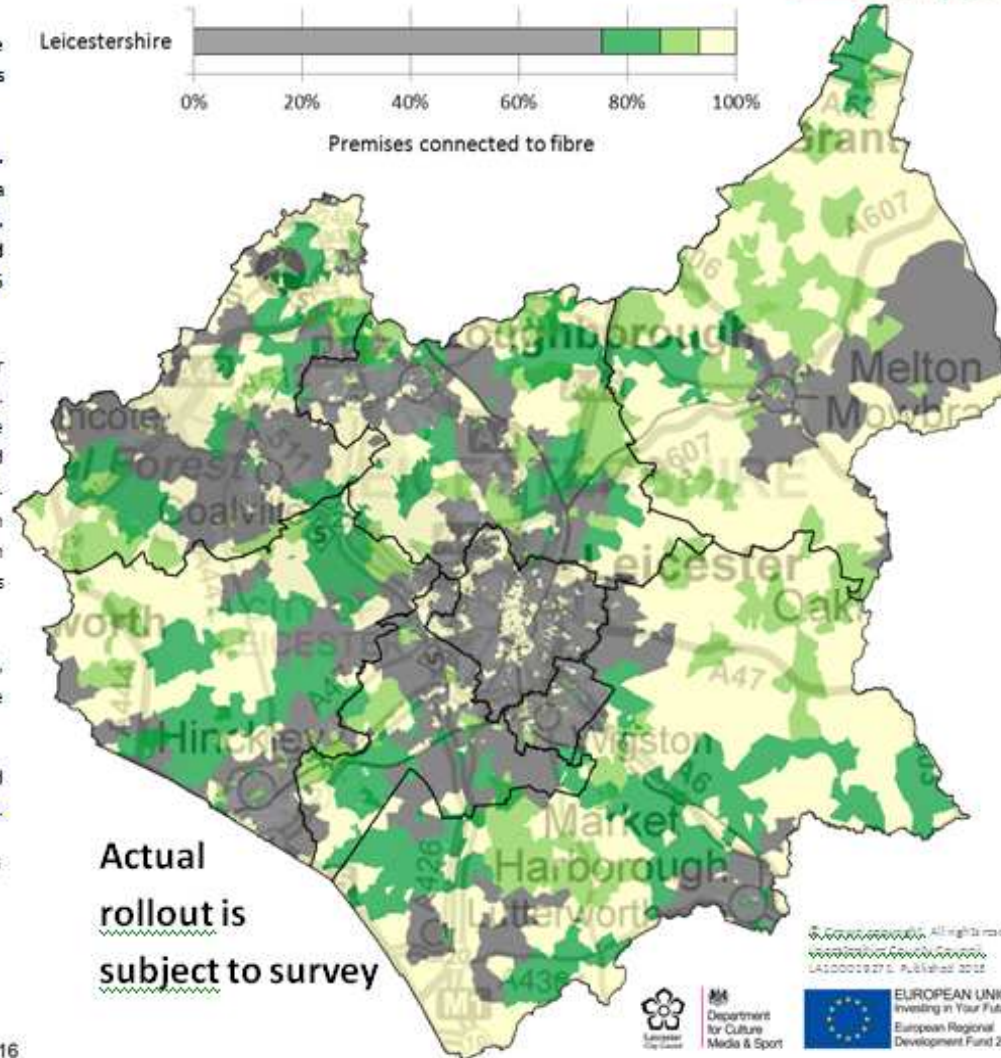
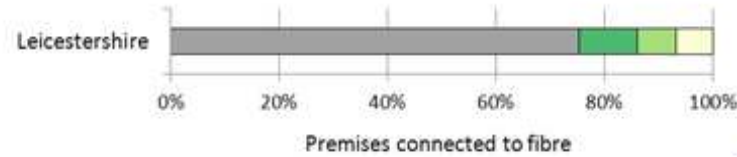
Broadband Leicestershire Contract

Expected deployment from summer 2014

Expected deployment from summer 2015

Further Investment - Target Completion by 2018

With all areas receiving a minimum 2Mbit/s by summer 2016



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