

**Culture, Tourism & Enterprise Overview and Scrutiny Committee
Briefing Note**

Subject:	<i>Jubilee Library PFI</i>		
Date of Meeting:	31 March 2011		
Report of:	<i>Director of Communities</i>		
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1. Background

- 1.1 The Jubilee Library development was part of a £60 million PFI regeneration scheme in central Brighton. This development transformed a large derelict site (1.75 hectares) into a vibrant space for contemporary urban living with a mixture of retail, leisure, hotel, office and residential facilities. The value of the library development itself is approximately £15 million. It is worth noting that Newcastle Library, the newest library to be developed through PFI cost around £45 million. It currently receives around 1.2 million visitors a year, only 200,000 more than Jubilee Library.
- 1.2 The Jubilee Library PFI contract is between Brighton & Hove City Council and Norwich Union Public Private Partnership Fund, which is a special purpose vehicle created for the project. The contract commenced in November 2004, and is for 25 years.

1.3 Financial details:

Current year details	2010-2011
Unitary payment to private sector	2,283,360
PFI contribution	128,000
Government PFI grant to council	-1,505,000
Net costs	906,360

The payment to the private sector partner covers:

- Capital costs of development
- Facilities management, covering maintenance, security, cleaning, waste management, utilities, grounds maintenance, and lifecycle replacement

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- Bibliographic services including libraries materials for all Brighton & Hove Libraries
- Contract management

1.4 Mill Asset Management is the private sector contract management company, and there are two main sub-contractors delivering the ongoing services for the contract.

- Kier Facilities Management
- Bertrams bibliographic services provider

1.5 The Jubilee Square is not part of the main PFI arrangements but is subject to the terms of the Square Management Agreement between the council and the Norwich Union Public Private Partnership Fund. The square is leased to a Square Management Company, and a management committee oversees the use of the square. The management committee has representation from all the businesses including the council that border onto the square.

2. Benefits and Achievements

2.1 Main Benefits

The Jubilee Library and the regeneration of the area around the library would never have happened without the PFI. At the time, it was the only viable option for the development of a new central library and related regeneration of this important city centre site. The economic benefits are clear in that the value for money that the Jubilee Library has enabled the Brighton & Hove Libraries to be the most cost effective of our CIPFA nearest neighbours. But most of all, the benefit for the library bookfund is most significant. At a time when many other authorities are cutting services and slashing bookfunds, its inclusion within the PFI arrangements has enabled us protect this funding and keep it index linked.

2.2 Social / Cultural

Jubilee Library provides high quality library services to the city, delivering cultural, educational and recreational resources, ICT facilities, learning centre, conference rooms and exhibition spaces. Success has been demonstrated by the continuing high level of use with nearly 1 million visitors a year and over half a million issues. Current use is 21% higher than when opened in 2005 following increases in opening hours in 2006

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and 2008 to enable seven day a week opening. This is also a 300% increase on the use of the previous building.

Jubilee remains the most successful library in the region, and is the 6th most popular in the country. Other evidence of benefits are the number and range of cultural and learning activities that take place, with over 9,000 people attending events last year. Jubilee Library regularly organises events and activities for children and adults, and also hosts exhibitions, conferences, awards ceremonies, literary and other events, and often appears in the media.

As well as being the central library for the city, with 50% of all library transactions and activity taking place here, Jubilee Library is also a community library for the people living and working in the area. The library provides free internet access, study space, and learning activities to support educational and personal development.

The retail offer and conference room hire have been successful commercial activities for the library, and achieve challenging income targets which more than cover their operational costs.

See appendix 1 for examples of successful activity.

2.3 Economic

The success of the Jubilee Library has meant that the delivery library services in Brighton & Hove has become one of the most cost effective services. Brighton & Hove Libraries has the lowest cost per head of population of all those in the CIPFA nearest neighbours group, where authorities are compared to 16 other similar authorities across the country. Our cost per head of population is £11.55, and the most expensive in the group is Bournemouth (another authority with a PFI library) with £25 per head.

The inclusion of bibliographic services in the contract has meant that the libraries services bookfund has been largely protected and actually receives an increase for inflation every year. This is in contrast with the cuts to library funding being experienced in many other authorities.

An economic impact study was carried out on phase one of the Jubilee site development.

The report concluded that the development would:

- Encourage increased visitor spend (£4.4m p.a.),
- Generate 500-700 sustainable full time jobs (£12.2 - £16.3m p.a.),

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- Increase household expenditure (£0.5m p.a.),
 - Prompt further upgrading to surrounding areas (£4.2m over next 5 yrs).
- It is estimated that in return for investing £1.6m p.a., the added value to the local economy will be worth £17 - £21m p.a. at current prices. This is a 10-13 fold return on our public sector investment. A further economic impact assessment is needed to establish how far these projected benefits were achieved.

2.4 Environmental

The library building is a highly sustainable design, and when built was one of the most advanced energy-efficient public buildings in the UK. Its heating, cooling, ventilation and lighting systems have all been designed in accordance with environmentally sustainable principles. The entire architectural language of the design is a direct consequence of the environmental strategy, including the wind-towers, the internal concrete structures, the glazing and shading assemblies, the timber-clad "service wall" that surrounds the main space and so on.

3. Contract Management

The Jubilee Library has been recognised as a successful PFI contract with good documentation thoroughly prepared during the development phase by the internal and external project team members. During this phase, the project was lead by the Major Projects team in the council and supported by financial, legal and technical experts.

The management of the contract now sits with the Libraries management team, primarily the Head of Service, with day to day monitoring being carried out by senior managers as part of their other duties. There is no dedicated project management officer. The Libraries team are supported by legal and financial officers within the council, and advice is sought on an ad hoc basis for any other issues.

4. Facilities Management Contract

4.1 Scope

Kier facilities management covers all the aspect of running the building including cleaning, maintenance and life cycle replacement, waste management, utilities, security and grounds maintenance.

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A number of things are not covered by the contract. All furniture and equipment is covered but the maintenance and replacement of ICT equipment remains with the council. Maintenance to the art works has to be paid for separately, for instance the award winning 'Wall of a Thousand Stories' in the children's library regularly needs repainting.

Any out-of-hours activities or events incur additional costs, though these are to cover actual expenses and these are usually passed on to the event organisers.

4.2 Variations to Contract

Changes can be made through a variation to contract. Some variations only generate one-off charges, for instance if we want to add extra power and data. Increases to the unitary charge happen if the variation leads to ongoing costs or lifecycle replacement issues. Most of the changes we have instigated over the six years have been small ones related to furniture and equipment. There have been over 60 variations since the contract began.

4.3 Monitoring of Performance

Standards of performance are covered in detail in the contract. Daily issues are reported through the help desk. There are weekly and monthly project meetings, monthly and annual detailed reports which are discussed and agreed. A service improvement plan is produced each year.

A payment mechanism is in place which sets out appropriate penalties for failure to perform to the standards set in the output specification. These are very detailed and cover such things as cleaning standards, heating, ventilation and lighting levels, environmental standards, maintenance schedules, etc.

Areas of challenge include achieving the lighting levels agreed, and keeping the temperature in the IT rooms at an acceptable level. In the latter case, it was eventually agreed that air conditioning was needed, and this was installed in 2009.

There have been no penalties imposed on the FM services so far. Most of the issues that have been addressed were left over from the construction phase.

4.4 Value for Money

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Value for money is assessed through regular benchmarking of services (mainly every 5 years) to assess prices, and to set the costs for the next period. Charges are altered annually according to a formula taking account of inflation.

5. Bibliographic Services Contract

5.1 Context

The inclusion of bibliographic services in the PFI contract is unique, and was ahead of its time. There was little interest in contracting out the whole service to an external agent back in the early 2000s. Now the landscape is very different, and many authorities are looking at different ways of delivering these essential aspects of library services, through sharing units, contracting out to other authorities, or to the private sector. There are also moves in some authorities to extend the scope of bibliographic services to integrate the key systems with others to reduce backroom costs. This was particularly demonstrated recently when the contract was market tested, there were a significant number of other organisations bidding for the contract, where this would have been hard to imagine six years ago.

5.2 Scope

The bibliographic services contract covers all aspects of the supply of shelf ready library materials to all of the libraries in Brighton & Hove. This includes sourcing cost effective suppliers, acquisition, cataloguing and processing, and delivery of shelf ready items to the libraries.

The contract doesn't at this time include interlibrary loans, the supply of newspapers and some local history materials, or ad hoc subscriptions.

5.3 Variations to Contract

Changes can be made through a variation to contract. There have been very few of these since the contract began. The main changes have been to amend the output specification in advance of the market testing every three years to reflect our changing requirements based on experience of the operation of the contract.

5.4 Monitoring of Performance

Standards of performance are covered in detail in the contract. Daily monitoring is through the library management system (Spydus) and immediate issues are reported directly to Bertrams. Monthly and annual

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reports are produced measuring performance against the standards set in the output specification. Quarterly and annual review meetings are held to review and agree the reports. A service improvement plan is produced each year.

A payment mechanism is in place which sets out appropriate penalties for failure to perform to the standards set in the output specification. These are very detailed and cover such things as supply times, quality and accuracy of processing and cataloguing, level of discounts achieved, and delivery of financial information.

Areas of challenge include achieving the supply rate standards, keeping the discount levels low, accuracy of processing and cataloguing, and providing adequate financial information on a regular basis.

The bibliographic services provider has incurred a number of penalties over the years.

5.5 Value for Money

Value for money is assessed through regular market testing of services (every three years) to compare the current provider with competitors, and to award the contract to the successful bidder. Charges are altered annually according to a formula taking account of inflation.

The first market testing resulted in the current provider delivering an additional £130,000 of purchasing power for the library service. The second market testing was hotly contested, and resulted in the existing contractor being reappointed on the basis of best price.

6. Conclusions

The development of a new central library for Brighton through the PFI route was the only viable choice at the time for the council, and it has proved to be one of the more successful PFI contracts. The thoroughness of the contract that was put in place has meant that a high quality library was built and high quality services have been delivered through it.

The standard of the facilities management has been high. The library is being used much more than originally estimated by the developer, yet the FM company have maintained the quality of the environment, so it looks fresh even after nearly six million people have been through the doors.

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The bibliographic services contract has been more challenging, largely as a result of the arrangements being ahead of their time, and with the national framework for libraries services shifting radically since the contract began.

There have been significant benefits to having the bibliographic services in the PFI contract. While many other library authorities are suffering cuts to their bookfunds, hitting at the very heart of what library users value, Brighton & Hove have not only maintained the bookfund, but it continues to rise with inflation.

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Appendix 1: Successful Activity at Jubilee Library

Cultural Events – some highlights:

The Rice Pavilion- a five metre model of the Pavilion constructed from vacuum packed rice blocks, with a range of related activities, with the rice distributed to children worldwide at the end of the event.

Bridgetown to Brighton, a free art installation, exhibition and workshop programme based around a scale model of a Barbadian Chattel house.

White Night the all night city wide cultural festival, held on the day the clocks go back. Jubilee Library has been an integral part of White Night since it started three years ago staging a range of different cultural activities whilst offering a range of standard library services. The 2010 event was the most successful yet with an estimated 4,300 people visiting the library.

Brighton & Hove Pride 2010- Jubilee Library was a location for ' Glee Flash mob- an impromptu dance routine to help kick off the festival.

Future key events include:

World Book Night celebration, coinciding with Jubilee Library's 6th anniversary on March 5; 8pm-12.30am the most ambitious and far-reaching celebration of adult books and reading ever attempted in the UK involving book gifting and a wide range of activities from local groups, authors and performers

Youth Arts Festival launch performance and award ceremony .This follows partnership work with the Arts Express Forum. a collective of practitioners working throughout Brighton and Hove to ensure better communication and more effective use of resources.

Mosaic 20th Anniversary Black History Photo project and related activities- a Lottery funded celebratory activity based around a 20 year archive of photos/footage documenting the lives and contributions of local Black & mixed parentage families

Media profile 2005 to February 2011:

Totals **24 Radio 26 TV**

Television Radio Subject

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2005	2	5	Radio Covering opening of Jubilee Library& related events
	2		Opening of Jubilee Library HRH Princess Anne
		3	Various exhibitions Chattel House/Rice Pavilion
2006	1	1	Stirling Prize filming architecture award ceremony
	1		Brighton & Hove MP visits Children's Library
	1		Deputy Prime Minister John Prescott cultural visit
2007		1	Design award
	2	1	HRH Her Majesty The Queen
	1		Travellers Association Gypsy Children
	1		Prime Minister Tony Blair cultural visit
2008	1		Art For Babies Meridian
			Dame Vera Lynn promotes WW 1& 2Poetry publication
	1		Sunday opening
		1	World Book Day Top 10 books read
2009		1	Top Ten Books
	1		BBC Blast cultural young persons event
	1	1	White Night
		1	Michael Rosen Poetry Event
		1	BHM Mary Seacole talk and interview
2010	1		HRH Duke of Gloucester architectural visit
	1		Children's Event
	1		Flash mob impromptu dance & song
	1		White Night
	1		Holocaust Memorial Photographic Exhibition
		1	Jubilee in Top 5 libraries in UK
		1	Homework Club
		1	Men's Network Conference & events
		1	New Encyclopaedia Of Brighton
		1	City Reads James Bond
		1	Live Streaming Democracy Day Debate
			Thumbs Up TV Video
		1	News article Homeless man uses IT facilities to job hunt
	1		
		1	NACRO Art Exhibition
		1	LGBT Police Surgery

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	1	Living Library Victims of domestic violence
2011	1	LGBT photographic exhibition
	1	BBC Children Learning
	1	World Book Night/Day interview

