

* Name of proposal/policy	No 1 Angel Square asset exploitation	* Budget number	16-006-09
* Service area responsible	Place – Assets & Capital	* Cabinet meeting date	14 th February 2017
* Name of completing officer	Alison Parry	* Approved by Director / Assistant Director	Tony Ciaburro
* Version	1.0	* Date	2 February 2017

PART A

* Section 1a: Description of proposal under consideration/development	* Section 1b: Is this new or existing? Does it link to current provision?
<p>Saving and additional income through financial exploitation of newly completed and fully owned Public Services Hub.</p> <p>Work with strategic partners, finance and funding companies to redefine the funding model for Project Angel so it is effectively changed to a sale and lease back arrangement. This will bring in an immediate capital receipt which can be used to off-set other NCC capital funding and for revenue transformation purposes. It will also help ease revenue borrowing by removing the costs of borrowing and on-going maintenance for the Angel building which are substantial. It is expected that the funding model will be a long-term lease back arrangement after which the building would return to NCC ownership. The incentive for a third party to enter a re-financing arrangement is a</p>	<p>Currently the costs of borrowing and repayment for the Angel build are £2.3m per annum and the estimated annual maintenance/ management costs of Angel (excl. staff) being £1.8m (of which £1.1m are for business rates).</p> <p>Costs of Borrowing and repayment = 5% (£1m capital costs £50k) so a £30m capital receipt would save the Council £1.5m revenue per annum, plus the maintenance costs and associated staffing costs although there would be a lease charge. Exact sums to be determined by business case.</p>

guaranteed revenue return over a long term period from rent paid by NCC and others, which would exceed the up-front financing costs.

Discussions are already underway with the market who are keen and interested in this funding model. The saving is estimated at this stage and requires a business case for it to be confirmed.

*** Section 2: How does this align with the Council Plan/ corporate priorities/ partnership strategies and plans/ Next Generation Council?**

Delivers increased wellbeing and/or safeguarding by ensuring that...	✓
People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	
People have the information and support they need to make healthy choices and achieve wellbeing	
People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development	
Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure	
Resources are utilised effectively and efficiently, in coordination with partners and providers	✓

Does it align with any NCC/ partnership strategies and plans? (if so, please list below)
Asset Management Strategy

Does it support the transformation into a Next Generation Council? (if so, please explain below)
Yes – development of innovative funding mechanisms

*** Section 3: If this relates to a statutory duty, please give details of the relevant legislation below:**

N/A

Section 4: Have other alternatives been considered?

Alternative funding finance options considered as part of the development of a Business case.

*** Section 5: Financial / resource implications**

a) Costs (e.g. invest to save)

To be determined by detailed Business case.

b) Staffing implications

Not at this stage

c) Savings

£2m

Section 6: Has a similar initiative/proposal been implemented elsewhere? What were the benefits or risks? Are there lessons that can be learned?

Sale and lease-back is common in the market place.

THIS SECTION HAS REPLACED THE EQUALITY IMPACT ASSESSMENT FORM AND MUST BE COMPLETED TO DEMONSTRATE COMPLIANCE WITH THE EQUALITY DUTY

*** Section 7: Who will be affected by this proposal? (this may be service user data, or be based on a particular geographical area or more general population data depending on the proposal) Include demographic information where this is available e.g. breakdown by gender, age, ethnicity, disability etc. BIPI can support with the provision of data. You may include staff, partner organisations and any other stakeholders who might be affected by the proposal.**

Data Source (include link where published) and summary of what it tells us for example “X number of people use this service, X are male, Y are female etc”	Why is this relevant to the proposal?
N/A – costs associated with No 1 Angel Square are set out in Section 1b above.	

* Section 8: Based on the above information, will this proposal have an impact on the following? ✓ the relevant box for each line and then expand on the reasons why in Section 9				
	Positive	Negative	Neutral	Unsure
Age			✓	
Disability			✓	
Gender reassignment			✓	
Marriage and civil partnership			✓	
Pregnancy and Maternity			✓	
Race			✓	
Religion or Belief (or No Belief)			✓	
Sex			✓	
Sexual orientation			✓	

* Section 9: Initial impact	
* Section 9a: From your analysis in section 8 above, please explain the positive implications	
N/A	
* Section 9b: From your analysis in section 8 above, please explain why you have categorised any of the implications as neutral	
The way that No 1 Angel Square is funded has no impact upon customers, service users or staff.	
* Section 9c: From your analysis above, please explain the negative implications	* Section 9d: What actions have you identified to mitigate any negative implications?
N/A	N/A
* Section 9e: From your analysis above, please explain the areas where you are unsure of the impact	* Section 9f: What actions have you identified to fill gaps in information?
N/A	N/A

* Section 10: Internal considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Staff	X	
Financial (NCC)	✓	This will provide an estimated £2m saving for NCC. This is a technical adjustment.
Legal	X	
NCC Policy	X	
Performance	X	
Data quality / information security	X	
IT	X	
Strategic assets	✓	Project Angel will effectively be changed to a sale and lease back arrangement. This will bring in an immediate capital receipt which can be used to off-set other NCC capital funding and for revenue transformation purposes. It will also help ease revenue borrowing by removing the costs of borrowing and on-going maintenance for the Angel building which are substantial. It is expected that the funding model will be a long-term lease back arrangement after which the building would return to NCC ownership. Discussions are already underway with the market who are keen and interested in this funding model.
LGSS / federated bodies	✓	All federated bodies will be situated in Project Angel.
Procurement	X	
Project support	X	
Other (if appropriate)	X	

* Section 11: External considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
<u>Community impact</u>	X	
<u>Impact on the consumer (e.g. communication needs, access, rurality, complaints)</u>	X	
<u>Reputation</u>	X	
<u>Political</u>	X	
<u>Partners</u>	X	
<u>Human Rights</u>	X	
<u>Health impact – individual</u>	X	
<u>Health impact – wider community</u>	X	
<u>Economic impact - individual</u>	X	
<u>Economic impact – wider community</u>	X	
<u>Community Safety impact</u>	X	
<u>Environmental impact</u>	X	
<u>Consultation</u>	X	
<u>Other (if appropriate)</u>	X	

Based on the impacts and considerations above, please identify the RAG status

RAG Status	Overall RAG	Time	Proposal Delivery	Cash Saving	Risk	Issue	Dependency

* Section 12a: What are the risks associated with NOT implementing the proposal? (tick if applicable)	✓	* Section 12b: What actions have you identified to mitigate the risks? Will anything in the current arrangements need to be changed to acknowledge this risk? Is implementing the proposal the only way to mitigate the risks?
Non-compliance with legislation or NCC policy		n/a
Financial		If the saving is not found from this proposal it will need to be found from alternative areas, which may directly impact upon front-line service delivery
Change in performance/ data quality/ information security		n/a
Reputational/ Political		n/a
Increase in complaints and/ or legal challenge		n/a
Other		n/a

* Section 13: Budget Delivery Programme Highlight Report information – total amount allocated to savings proposal 2017-18 through to 2020-2021; profiled budget; 2017-18 action plan extended savings narrative; cost code information				
Total amount allocated to savings proposal 2017-18				
2017-18 (£000)		2,000		
Impact of saving within the budget profile				
Q1		Q2		Q3
				2,000
Q4				

	Milestone	Owner	By when
1	Undertake detailed business case	I Boll	31 st May 2017
2	Approach the Market to determine appetite for the financing	T Ciaburro & D Lawrenson	31 st March 2017

*** Section 14: Do you need to undertake further work (e.g. consultation, further proposal development, further equality analysis) based on the impact and actions identified above? If yes, set this out below and then carry out the work and complete Part B:**

This proposal will form part of the overall budget consultation process. Any feedback received (as well as any further intelligence gathered in the course of developing the project) will inform a final analysis of the impact of the proposal which will be considered by Cabinet and Council in February when taking a final decision on the budget. The EqIA will be updated accordingly.

PART B

Section 15: Consultation, follow up data and information gathered from actions identified above

	What does this information tell us?
This proposal formed part of the overall budget consultation process.	We received no comments specifically on this proposal.

Section 16: Final impact analysis (taking the findings from Part B into account) – including review date if required

The final impact has been assessed as neutral, as the way that No 1 Angel Square is funded has no impact upon customers, service users or staff.