

Report of Anthony Derbyshire

Report to Deputy Chief Executive

Date: 14th July 2014

Subject: Design & Cost Report for Changing the Workplace – Children’s Services decant to St George House

Capital Scheme Number: 16256 DEC SGH

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. On 18th July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace Programme, including the capital required for the movement of staff out of Merrion House to enable refurbishment of this building.
2. This report provides information on the cost, and proposed funding arrangement, of temporarily relocating 86 Children’s Services and 29 Resources Finance staff to the 3rd floor at St George House, as well as providing 6 additional workstations for ad-hoc use by Public Health and HR staff.
3. As well as the physical move, the officers will also be introduced to, and adopt, ‘New Ways of Working’, as already determined by the CtW Programme. This will involve a review of their working patterns, use of ICT and remote/home-working potential, as well as a change in the office environment, i.e. shared workstations, revised document storage facilities, etc.

Recommendations

4. The Deputy Chief Executive is requested to give Authority to Spend of £439,876 in order to effect the refurbishment to the 3rd floor of St George House and the temporary relocation of 86 Children’s Services and 29 Resources Finance staff to St George House in accordance with New Ways of Working.

1 Purpose of this report

- 1.1 The purpose of this report is to approve the expected costs and specification of the project.
- 1.2 The Deputy Chief Executive is asked to give Authority to Spend of £439,876 through delegated decision making powers so the project can progress to delivery.

2 Background information

- 2.1 The Changing the Workplace (CtW) Programme is a holistic programme of work delivering improved ways of working across the organisation, bringing four key areas of work together under people, process, technology / information, and workplace.
- 2.2 The programme has delivered cashable benefits to date by way of property release. Non cashable benefits have been delivered around productivity, health and wellbeing, improvements in service delivery, investment in people, technology and workplace. These benefits are currently measured through the use of comparative perception surveys that take place before and after CtW project delivery.
- 2.3 The programme is now delivering phase 1 (City Centre). The net space (space to be released less space to be created) to be released under phase 1 between 2011 and 2017 is in the order of 120,000sqft. This would equate to a total overall reduction in office space of circa 32% in the city centre.
- 2.4 One of the key outcomes of the CtW programme is the redevelopment and refurbishment of Merrion House to support new ways of working. For this to happen, staff currently based within Merrion House need to be relocated to alternative accommodation whilst the development work takes place. By relocating staff to other buildings within the councils' property portfolio, the council can reduce the amount spent on additional accommodation costs during this period. The Programme Board have agreed this project will form part of this work.
- 2.5 This project will focus on the temporary relocation of 86 Children's Services and 29 Resources Finance staff from Merrion House to 3rd floor at St George House.
- 2.6 As well as the physical move, the officers will also be introduced to, and adopt, New Ways of Working, as already determined by the CTW programme. This will involve a review of their working patterns, use of ICT and remote/home-working potential, as well as a change in the office environment, i.e. shared desks, revised document storage facilities, etc.
- 2.7 Benefits will be achieved by creating a better working environment, affording better access to records and improving staff work-life balance. The new ways of working afford staff increased trust and enable improved outcomes through better management of work and delivery of service objectives. In turn, this has been shown to help improve staff well-being and morale, and reduce levels of stress and sickness. Overall, Leeds City Council benefits from a more agile, efficient and flexible workforce which can be used to help meet customer expectations.

3 Main issues

3.1 Design Proposals and Full Scheme Description

3.1.1 As previously outlined, this project will enable the temporary relocation of 86 Children's Services and 29 Resources Finance staff from Merrion House to St George House. As part of this project, the staff will be trained in 'New Ways of Working'.

3.1.2 This project will include the following;

- Purchase of appropriate ICT equipment through call-off from existing corporate arrangements with ICT Services.
- Provision of appropriate project management resource.
- Provision of training and business change support for the project.
- Purchase of appropriate storage for information and knowledge management (IKM) through call-off from the Councils' existing furniture framework with Flexiform.
- Purchase of appropriate furniture to support 'New Ways of Working' in the new office through call-off from the Councils' existing furniture framework with Flexiform.
- Property refurbishment to ensure that the office is fit for purpose. The works will be undertaken in-house by Civic Enterprise Leeds (CEL). This will be managed on a day-to-day basis by a surveyor from Corporate Property Management (CPM) who will report directly to the CtW Project Manager on a fortnightly basis for the duration of the build (estimated at 8-10 weeks).

3.1.3 It should be noted that St George House will be one of the four retained building in the City Centre. This will be reflected in the degree, quality and cost of the refurbishment.

3.2 Project Delivery

3.2.1 The following illustrates the key deliverables and timescales with regards to the project.

Project Stage	Activities	Timescales and Status
Stage 1 – Project Start-up / Engagement	Identify staff in scope.	Dec 12 – Jan 13
Stage 2 – Information Gathering and Change	Questionnaire and face-to-face interview Determine office/staff requirements & floor plan design Determine cost of project.	Feb 13 – March 14
Stage 3 – Initiation	Secure funding for move. Initiate communication and engagement activities	April 14 – August 14
Stage 4 – Delivery	Purchase furniture/ICT Build / refurbishment Furniture fit-out of office Delivery and installation of ICT equipment Delivery of further engagement activities Completion of records review	August 14 – Nov/Dec 14
Stage 5 Switch Over and Go-live	Occupy building & floor-walking support	Jan 15
Stage 6 – Project Closure	Evaluate project Lessons learned Gain project closure approval	Jan 15 – Feb 15
Stage 7 – Post-project Evaluation	Final perception survey	April 15

3.3 Project Team Resources

3.3.1 There are circa. 720 Children’s Services staff (including partners) that require decanting from Merrion House and taking through the CtW process in order to embed New Ways of Working. These staff are being relocated across existing LCC office space both in and out of the city centre.

3.3.2 In 2012, a project team from PPPU, comprising of a Project Manager, Senior Project Officer and a Project Officer, was allocated the responsibility for decanting all Children’s Services staff from Merrion House and facilitating their journey through CtW. This team manage the delivery of this project in accordance with the above timetable.

3.3.3 The project team has worked with the Children’s Services Leadership Team (CSLT) since December 2012 to determine the most appropriate, strategic, locations for their staff that best support service delivery during the decant period.

3.3.4 To date, 11 office spaces, across 10 different buildings have been, or are scheduled to be, utilised for decant purposes.

3.3.5 This allocation of staff is the subject of a constant, on-going review with regular changes frequently being required due to;

- Changes in staffing numbers
- Changes in roles/responsibilities
- Changes in how services are delivered
- New decant space becoming available

The project team manage these changes across the various related projects in conjunction with CSLT.

3.3.6 Once locations are confirmed, a significant amount of time is required to establish the actual building requirements, layout and design themselves prior to the build being commissioned, in order to ensure the finished building provides the correct environment to support both the service and New Ways of Working,. The build period itself, whilst not insignificant in terms of time and cost, only forms a small part of the overall project and does not require extensive resource from the project team (as it will be managed by CEL).

3.3.7 Alongside this, project team resources are also required to co-ordinate the furniture and ICT fit-out of the building. In addition, they will also support the business engagement and change activities necessary to bring about the cultural and behavioural improvements needed for the successful implementation of New Ways of Working.

3.3.8 Overall, the project team provide a wide degree of business engagement and support to CSLT, and Children's Services as a whole, as well as pure project management. Whilst resources can, in the main, be planned for known activities, a degree of fluctuation has to be accounted for given the amount of engagement activity required and experienced to date. This is reflected within the staffing fees for this project, with significant resources required outside of the delivery phases in order to achieve the required outcomes for the project and programme.

3.3.9 The project management costs are a maximum cost: a review of resources required will take place as the project progresses.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The project has consulted with Children's Services Leadership Team in order to identify the most appropriate staff for relocation.
- 4.1.2 The Director of City Development has been consulted and is supportive in principle of the recommendation contained in the report, subject to the Council's Head of Asset Management being consulted and agreeing that the precise nature of the proposed works to be undertaken afford value for money to the Council.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality, diversity and cohesion issues have been fully considered and an Equality, Diversity, Cohesion and Integration Screening Form has been completed.
- 4.2.2 The Changing the Workplace Programme Equality Impact Assessment undertook specific consultation with both staff and groups representative of protected groups. The Programme equality impact assessment is available [here](#).
- 4.2.3 The project has a process in place that assesses any specific needs for staff and/or customers in relation to equality, diversity and cohesion.
- 4.2.4 Through the project current arrangements these will be addressed and where any issues are not addressed 'fair and reasonable' action will be taken.

4.3 Council policies and City Priorities

4.3.1 This project will;

- Create a fit-for-purpose working environment in line with CtW standards.
- Provide the appropriate technology and systems to support New Ways of Working
- Achieve efficiencies in the use of accommodation and resources through;
 - the introduction of New Ways of Working in order to deliver services effectively and efficiently, and provide staff with a greater opportunity for work-life balance
 - the rationalisation of the councils' operational property portfolio
- Contribute to the overall outcomes defined for the Business Improvement Portfolio and CtW Programme in particular.

4.3.2 In order to achieve these objectives, the project will;

- establish children's services current ways of working.
- facilitate the development new ways of working in accordance with the defined and corporately agreed CtW principles.
- establish and deliver the ICT necessary to support these new ways of working.

- establish and deliver Information and Knowledge Management (IKM) facilities, processes and procedures necessary to support these new ways of working.
- provide dedicated Business Engagement and Change expertise to support this Service through the change process and help embed these new ways of working.

4.3.3 This project will be controlled by a Project Manager from PPPU and will be delivered in line with the Councils' Delivering Successful Change (DSC) methodology.

4.3.4 The project meets the Leeds City Council policies and the City Priority Plans as follows;

- Best City for Business - Improve the environment through reduced carbon emissions – reduce carbon emissions by reducing the amount of travelling time for staff.

4.3.5 In relation to the Leeds City Council Business Plan 2011-2015 the project meets the following outcome;

- Increase the number of employees using flexible ways of working – by facilitating a further 115 Children's Services staff through New Ways of Working.

5 Resources and value for money

5.1 Full scheme estimate

5.1.1 The costs for the project are £439,876 as provided by Civic Enterprise Leeds, and Flexiform.

Capital Funding and Cash Flow

Funding Approval :	Capital Section Reference Number :-						
Previous total Authority to Spend on this scheme	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	212.7		212.7				
FURN & EQPT (5)	186.8		186.8				
DESIGN FEES (6)	40.4	18.3	22.1				
OTHER COSTS (7)	0.0						
TOTALS	439.9	18.3	421.6	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LCC Supported Borrowing	0.0						
Total Funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 16256

Title : Changing the Workplace

Note that approximately £2.5k of project fees has already been spent in the first quarter of 2014/15.

5.2 Revenue Effects

5.2.1 The following table illustrates the alterations which will be necessary to the department's revenue budget:

REVENUE EFFECTS	2013/14	2014/15	2015 and SUBSEQUENT YEARS
	£000's		£000'S
EMPLOYEES	13.7	14.5	
PREMISES COSTS			
SUPPLIES & SERVICES		9.0	
EXTERNAL INCOME GENERATED			

Note that approximately £0.6k of project fees has already been spent in the first quarter of 2014/15.

5.2.2 As this project spans two financial years, revenue costs for both years are shown. However, the 2013/14 figure is for information only as the revenue for that year has already been settled.

5.2.3 These costs only relate to revenue expenditure necessary to deliver this project and that will be incurred during the life of the project.

5.2.4 All project revenue costs have been accounted for and profiled within existing approved budgeting arrangements. These costs are monitored monthly by the Business Support Team and reported to the CtW Programme Manager.

5.2.5 Any and all revenue expenditure associated with the day-to-day running of the building (i.e. post project) will be met by Children's Services. Children's Services will also meet ongoing revenue costs associated with NWOW, e.g. telephony, etc. These costs do not form part of this report.

5.2.6 The Deputy Chief Executive is asked note these costs.

6 Legal Implications, Access to Information and Call In

6.1 There are no legal implications to this project other than meeting the Equality Act, compliance has previously been outlined in section 4.2.

6.2 This decision is a Significant Operational one but not subject to Call In.

6.3 The Deputy Chief Executive has the authority to make this decision under powers granted under Part 3 of the Council's constitution.

7 Risk Management

7.1 The project has an established risk register and this is being managed through the Project Manager and Project Board. Key risks at present are;

- There are indications that an Ofsted inspection may be close to taking place. Should this occur, the project acknowledges that Children's Services resource priority will be given to supporting the inspection. The impact on the project will entirely depend upon the timing of the inspection and whether this clashes with any project event. In any case, the risk can only be acknowledged and tolerated at this stage – any mitigating action will need to be determined should the risk materialise.
- Ongoing delays in securing funding for this project will impact on timely project delivery as well as incurring unnecessary project management fees. This can obviously be mitigated through a rapid resolution to the DCR process.
- Construction is now scheduled for the summer period which, traditionally, is a busy period for Property Maintenance. As a result of the delays in securing the realignment of the construction budget, the project is still awaiting confirmation of the revised construction timescales but there is a risk of delay if resources are not available.

8 Conclusions

8.1 This project has a clear synergy with the objective of Leeds City Council and the City Priority Plans. Its savings in the longer-term will be realised through the 32% reduction in floor space the wider CTW programme will deliver. In the short-term it will improve workforce productivity and service delivery through better working practice and technology utilisation.

8.2 The Authority to Spend is a critical decision in terms of taking the project forward and in terms of ensuring the service is transferred to the new location as soon as possible.

9 Recommendations

9.1 The Deputy Chief Executive is requested to give Authority to Spend of £439,876 in order to effect the refurbishment to the 3rd floor of St George House and the temporary relocation of 86 Children's Services and 29 Resources Finance staff to St George House in accordance with New Ways of Working.

10 Background documents

10.1 None.