

Report of David Outram – Chief Officer – PPPU/PU

Report to Deputy Chief Executive

Date: 26th September 2014

Subject: Design & Cost Report for Changing the Workplace – Decant to Leeds Town Hall

Capital Scheme Number: 16256/DEC/TOH

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 cost and proposed funding arrangements for the refurbishment of an office space on the first floor within Leeds Town Hall in order to relocate a total of 52 staff from Childrens Services in Merrion House into this space.
3. As well as the physical move, all officers will be introduced to, and adopt 'New Ways of Working' as already determined by the Changing the Working (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 etc.
4. The group of staff identified by Childrens Services to be located in Leeds Town Hall has changed as has the target location. The initial work undertaken by the Project Team focused on relocating 95 staff across both the ground and first floors of Leeds Town Hall. Initial planning work was undertaken to ensure that the space could be configured to accommodate these staff and looked at the requirements for transforming both areas including space planning, initial works around costs for property, furniture and ICT. The service determined that these staff should be located together on one floor as opposed to the two floors identified in Leeds Town Hall and another location has been identified for these staff. Other alternative accommodation has been identified for this group of 95 staff at either Tribeca House or West Gate and the decision is currently with the Service to make.

5. Further work was undertaken with the service to identify an appropriate group of staff that would provide a better strategic “fit” into the space to ensure that there was no impact upon the requirement for a third party lease building as part of the Merrion Decant phase of the Programme. This work identified these 52 staff from the Strategy Performance & Commissioning, Safeguarding, Specialist & Targeted Services and Learning Skills & Universal Services functions of the Directorate. This means that alternative accommodation has been identified for all staff who were located within Merrion House without the requirement for a separate leased in property.

Recommendations

6. The Deputy Chief Executive is requested to give Authority to Spend of £143,157 in order to effect the partial refurbishment of the first floor of Leeds Town Hall and the relocation of 52 staff from Childrens Services from Merrion 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 authorises expenditure from the CtW Programme of £143,157 for the fit out works to accommodate 52 Childrens Services staff on the first floor of Leeds Town Hall.

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 facilitate the proposed refurbishment works, 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 minimise expenditure on temporary decant accommodation leased in from third party property owners. The Programme Board has previously agreed that the movement of staff from Merrion House to Leeds Town Hall can form part of this work.
- 2.5 This project will focus on the relocation of 52 Children's Services staff to a refurbished space on the first floor of Leeds Town Hall, these staff are currently based in Merrion 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 outlined this project will enable the relocation of 52 Childrens Services staff to Leeds Town Hall. As part of the project, 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. All newly procured storage will be re-used within the refurbished Merrion House as Leeds Town Hall is not a location that will be retained as office accommodation within the City Centre portfolio of buildings.
- 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. All newly procured furniture will be re-used within the refurbished Merrion House as Leeds Town Hall is not a location that will be retained as office accommodation within the City Centre portfolio of buildings.
- Property refurbishment to ensure that the office is fit for purpose. The works will be undertaken in-house by Civic Enterprise Leeds (CEL). The project management of the actual construction works will be undertaken by a surveyor from CEL who will report to the Property Workstream Lead on a weekly basis for the duration of the build (estimated at 4 - 8 weeks).

3.2 It should be noted that the area that the office space is subject to a Heritage Lottery Fund (HLF) Bid and the Director of City Development has advised of the potential implications of a successful HLF bid namely, there may be a need for the staff to relocate again if the programme for the HLF works requires vacant possession of that part of the Town Hall before a refurbished Merrion House is available and, there may be a need for intrusive survey works of the area to be undertaken to inform the design for the HLF funded works whilst the service remains in occupation

3.3 Project Delivery

3.3.1 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 – June 14
Stage 2 – Information Gathering and Change	Questionnaire and face-to-face interview Determine office/staff requirements Determine cost of project.	Feb 13 – September 14
Stage 3 – Initiation	Secure funding for move. Initiate communication and engagement activities	June 14 - October 14
Stage 4 – Delivery	Procurement stage Build and fit out office Delivery of ICT equipment Delivery of further engagement activities Completion of records review	October 14 – January 15
Stage 5 Switch Over and Go-live	Occupy building & floor-walking support	January 15
Stage 6 – Project Closure	Evaluate project Lessons learned Gain project closure approval	January 15 – February 15
Stage 7 – Post-project Evaluation	Final perception survey	April 15

3.4 Project Team Resources

- 3.4.1 There are approximately 500 Children’s Services staff (including partners e.g. finance, HR) that still 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.
- 3.4.2 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.
- 3.4.3 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.
- 3.4.4 To date, 11 office spaces, across 10 different buildings have been, or are scheduled to be, utilised for decant purposes.
- 3.4.5 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.

- 3.4.6 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).
- 3.4.7 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.
- 3.4.8 Overall, the project team provide a wide degree of business engagement and support to CSLT, and Children's Services as a whole, as well 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. The level and costs of project resource will be reviewed throughout the project and the cost shown is a maximum figure.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The project has and will continue to consult with the Childrens Services' Leadership Team in order to identify the most appropriate staff for relocation into the first floor.
- 4.1.2 Consultation regarding the content of this Design and Costs Report has taken place with colleagues in City Development, Civic Enterprise Leeds and PPPU.
- 4.1.3 The Director of City Development has been consulted on the proposed property/construction elements of the project and is supportive of the recommendation contained in the report.

5 Equality and Diversity / Cohesion and Integration

- 5.1.1 Equality, diversity and cohesion issues have been fully considered and an Equality, Diversity, Cohesion and Integration Screening Form has been completed.
- 5.1.2 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](#).
- 5.1.3 The project has a process in place that assesses any specific needs for staff and/or customers in relation to equality, diversity and cohesion.

5.1.4 Through the project current arrangements these will be addressed and where any issues are not addressed 'fair and reasonable' action will be taken.

6 Council policies and City Priorities.

6.1 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.

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

- Establish the Childrens 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.

6.1.2 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.

6.1.3 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.

6.1.4 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 52 staff through New Ways of Working.

7 Resources and value for money

7.1 Full scheme estimate

- The estimated costs for the project are £143,157

7.1.2 Capital Funding and Cash Flow

Funding Approval :	Capital Section Reference Number :-		16256/DEC/TOH				
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)	48.4		48.4				
FURN & EQPT (5)	72.1		72.1				
DESIGN FEES (6)	22.7	1.0	21.7				
OTHER COSTS (7)	0.0						
TOTALS	143.2	1.0	142.2	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	143.2	1.0	142.2				
Total Funding	143.2	1.0	142.2	0.0	0.0	0.0	0.0

Parent Scheme Number : 16256

Title : Changing the Workplace

7.1.3 The design fees included above refer directly to Project delivery resources. The roles of the Project Team include project management and also encompass the management of four separate work streams (property, business change, information technology and information governance), procurement and leading business change.

7.1.4 The design fees also include the associated estimated ICT staff costs.

7.1.5 Please note that approximately £1,000 of project fees have been spent in the last financial year and £3,000 in the first quarter of 2014/2015.

7.1.6 Revenue Effects

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

REVENUE EFFECTS	2013/14	2014/15	2015/16 and SUBSEQUENT YEARS
		£000's	£000'S
EMPLOYEES		1.0	
PREMISES COSTS			
SUPPLIES & SERVICES		8.2	
EXTERNAL INCOME GENERATED			

Please note that approximately £200 of project fees have already been spent in the first quarter of 2014/2015.

7.1.7 As this project spans two financial years, but no revenue costs have been incurred in the 2013/2014 financial year.

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

7.1.9 All revenue costs have been accounted for, profiled, and will be met from within the relevant revenue budget.

- Staffing costs come from the existing budget that sits within PPPU/PU, and
- non-staff related costs sit within the Programme budget.

7.1.10 Any post project revenue expenditure associated by the day-to-day running of the building post project will be met by Children's Services, these costs do not form part of this report.

7.1.11 The Deputy Chief Executive is asked to note these costs. These will be met from agreed existing revenue budgets.

7.2 Additional financial benefits

7.2.1 This project will see 52 staff, currently based at Merrion House, relocated to Leeds Town Hall. These staff would have otherwise needed decanting from Merrion House (to enable its refurbishment) to a privately leased third party building as part of the Changing the Workplace programme.

7.2.2 Had the opportunity to relocate these staff to Leeds Town Hall not arisen, the estimated rental costs for placing this number of staff in a privately leased third party building within the city centre would have amounted to circa. £126,000 per year¹.

7.2.3 Assuming a decant period of 30 months, the cost of such a decant would be £315,000 and would have had to have been met from within the CtW programme budget.

8 Legal Implications, Access to Information and Call In

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

8.1.1 This decision is not a Key Decision but a significant operational one and is, therefore, not subject to Call In.

¹ Based on 100 sq. ft. of space per officer at a cost of £35 per sq. ft as advised by Property Services (CPM) in April 2014 calculated on 36 workstations using a 7:10 desk ratio.

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

9 Risk Management

9.1 The project will establish a risk register and this will be managed throughout the lifetime of the project by the Project Manager and Project Board. The key risks at present are;

- The possibility of an Ofsted inspection taking place should be anticipated. 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.
- 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 a period where there are a number of Changing the Workplace Projects, this will be 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.
- Changes in the project scope will impact on timely project delivery as well as incurring unnecessary project management fees and abortive costs.

10 Conclusions

10.1 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.

10.2 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.

11 Recommendations

11.1 The Deputy Chief Executive is requested to give Authority to Spend of £143,157 in order to effect the partial refurbishment of the first floor of Leeds Town Hall and the relocation of 52 staff from Childrens Services from Merrion House in accordance with New Ways of Working.

12 Background documents

None.