

**Report of David Outram - Chief Officer – PPPU/PU**

**Report to Deputy Chief Executive**

**Date: 10th November 2014**

**Subject: Changing the Workplace- Proposed Refurbishment and Fit Out of First and Second Floor Tribeca House**

**Capital Scheme Number: 16256/DEC/TFS**

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. In July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace (CtW) Programme, including the capital funding required for the movement of staff out of Merrion House to enable refurbishment of the building.
2. This report provides information on the proposed cost and funding arrangements for the refurbishment and fit out of the first and second floors of Tribeca House in order to relocate a total of 47 Adults Social Care staff and 95 Children’s Services staff from Merrion House.
3. As well as the physical move, all these officers, plus a further 38 from Environments and Housing (PFI team) who already occupy part of these floors, will be introduced to, and adopt ‘New Ways of Working’ (NWoW). 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. introduction of shared workstations, revised document storage, etc.

## **Recommendations**

The Deputy Chief Executive is requested to:

- (i) Give Authority to Spend of £452,257 in order to effect the refurbishment of the 1<sup>st</sup> and 2<sup>nd</sup> floors in Tribeca House, the relocation of 142 staff from Merrion, and to provide refreshed ICT and training to these staff, plus the 38 already in situ, 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 £452,257 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 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 Council's 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 Tribeca House can form part of this work,
- 2.5 This project will focus on the relocation of total of 47 Adults Social Care staff and 95 Children's Services staff from Merrion House.
- 2.6 As well as the physical move, all these officers, plus a further 38 from Environments and Housing (PFI & Anti Social Behavioural Teams) who already occupy part of these floors, will be introduced to, and adopt 'New Ways of Working' (NWoW). 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. introduction of shared workstations, revised document storage, 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 142 staff from Merrion House to Tribeca House. As part of this project, these staff, plus those already in situ, 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.

- 3.1.3 It should be noted that Tribeca House will not be one of the four retained building in the City Centre. Tribeca is not owned by LCC, it's is leased in and that the lease expires on 1<sup>st</sup> February 2018. Therefore the degree, quality and cost of the refurbishment, will be kept to a minimum. The specification of which has been agreed with the Head of Asset Management. It has been agreed that Housing will pick up a proportion of the costs of any dilapidation works in 2018.

3.1.4 Recycling of existing furniture has been considered in order to minimise costs and this approach has been adopted where possible. However, the Council does not have the necessary size and style of furniture required to deliver the required office capacity and support New Ways of Working. For example, in order to accommodate the number of workstations required, it is necessary to use desks with a width of 1400mm and of a specific design that supports flexible working – however, existing desks are of the 1600mm and 1800mm variety and of a design that is not compatible with New Ways of Working. These desks are too large and would restrict the capacity of the building.

3.1.5 Instead, new furniture will be purchased through call-off from the Council's existing furniture framework, in effect creating a modern, fit-for-purpose, environment that is in line with the Council's Changing the Workplace standards. Furniture will be provided through the Council's furniture framework and therefore will be able to be re-used across the council including Merrion House.

3.1.6 A summary of the costs is given below:

• Property	£ 91,683
• Furniture	£165,172
• ICT	£164,281
• Fees (PM & ICT staffing costs & Legal fees)	£ 31,121

## 3.2 Project Delivery

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

Project Stage	Activities	Timescales and Status
Stage 1 – Project Start-up / Engagement	Identify staff in scope.	Dec 2012
Stage 2 – Information Gathering and Change- Baseline research	Questionnaire and face-to-face interviews Determine office/staff requirements	Dec 2012
Stage 3- Planning for Initiation Stage	Floor plan design Determine cost of project.	Commenced Oct 2014
Stage 4 – Initiation	Secure funding for move. Secure Landlords consent Initiate communication and engagement activities	Nov 2014 Late Nov 2014
Stage 5 – Delivery	Purchase furniture/ICT Build / refurbishment Furniture fit-out of office Delivery and installation of ICT equipment	Late Nov 2014- Feb 2015
Stage 6 - Switch Over and Go-live	Occupy building	Feb/ March 2015
Stage 7 – Project Closure	Evaluate project Lessons learned Gain project closure approval	April 2015
Stage 8 – Post-project Evaluation	Final perception survey	July 2015

## 3.3 Project Team Resources

3.3.1 There are circa. 256 Adult Social Care staff and 720 Children’s Services staff 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 The project teams have worked with the Adult Social Care Leadership Team (ASC DLT) and the Children’s Services Leadership Team (CSLT) to determine the most appropriate, strategic, locations for their staff that best support service delivery during the decant period. Planning for specific project initiation phase commenced October 2014.

3.3.3 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 spaces becoming available

The project teams manage these changes across the various related projects in conjunction with ASC DLT and CSLT.

3.3.4 Once locations are confirmed, a significant amount of time is required to establish the actual building requirements, layout and design 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.

3.3.5 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.

3.3.6 Overall, the project team provide a wide degree of business engagement and support to ASC DLT, CSLT and their directorates 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.

3.3.7 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 Adult Social Care Leadership Team and the Children's Leadership Team in order to identify the most appropriate staff for relocation.
- 4.1.2 The Director of City Development has been consulted with regard to the property/construction element of the proposed works to fit out the first and second floor of Tribeca House and is supportive of the recommendation contained in the report.
- 4.1.3 The Head of Asset Management has been consulted with regard to property works required to fit out the first and second floor of Tribeca House and with regard to the wider LCC asset management strategy.

### **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 as a result of which property works also include a new accessible WC and improved accessibility into the building.
- 4.2.4 Through the project's current arrangements, specific needs will be addressed and where any issues are not resolved, '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 Council's 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 CtW programme and this project will:

- establish current ways of working in Adults Social Care and Children's Services
- facilitate the development of 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 Council's 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 158 staff through New Ways of Working.

#### **4.4 Resources and value for money**

4.4.1 The estimated costs which form the subject of this report for the project are £452,257. The estimate comprises elements from CEL, ICT and the Furniture Framework contract.

4.4.2 The Head of Asset Management has considered this project within the wider LCC asset management strategy.

4.4.3 The revenue budget that will be required for next year is reflected in the LCC budget strategy

4.4.4 It has been agreed that the Housing Revenue Account will fund 40% of the dilapidation costs required for Tribeca House. The Deputy Chief Executive should note that, at the date of report, preparation discussions have yet to commence with the landlord regarding the extent of the dilapidation works that will be required when the Council's lease of the building expires in February 2018. CtW will be submitting a separate DCR for dilapidation works to cover a number of LCC leased buildings utilised during the decant from Merrion House including Tribeca House.



#### 4.4.5 Capital Funding and Cash Flow

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			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)	91.7		91.7				
FURN & EQPT (5)	329.5		329.5				
DESIGN FEES (6)	26.1	0.0	26.1				
OTHER COSTS (7)	5.0		5.0				
<b>TOTALS</b>	<b>452.3</b>	<b>0.0</b>	<b>452.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LCC Unsupported Borrowing	452.3	0.0	452.3				
Total Funding	452.3	0.0	452.3	0.0	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent Scheme Number : 16256

Title : Changing the Workplace

#### Revenue Effects

4.4.6 The revenue cost of this project is shown below.

REVENUE EFFECTS	2013/14	2014/15 £000's	2015/16 and SUBSEQUENT YEARS £000'S
EMPLOYEES	0	13.6	
PREMISES COSTS			
SUPPLIES & SERVICES	0	10.8	
EXTERNAL INCOME GENERATED			

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

4.4.8 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.

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

4.4.10 The Deputy Chief Executive is asked to note these costs.

## **5 Legal Implications, Access to Information and Call In**

- 5.1 LCC is required to secure the landlord's consent for the proposed internal works particularly in respect of the addition of a new accessible toilet on the 2<sup>nd</sup> floor.
- 5.2 This project meets the requirements of the Equality Act; compliance has previously been outlined in section 4.2.
- 5.3 This decision is not a key decision but a Significant Operational one and is, therefore, not subject to call in.
- 5.4 The Deputy Chief Executive has the authority to make this decision under powers granted under Part 3 of the Council's constitution.

## **6. Risk Management**

7. The project has an established risk register and this is being managed through the Project Manager and Project Board. Key risks at present are;
  - That there are a number of large CtW project planned for delivery during the final 2 quarters within the merrion decant timescale deadlines. There is therefore a pressure on LCC partners delivering the ICT, BEC, IKM Workstream packages to resource and deliver within these timescales. This programme wide issue may affect this project.

## **6 Conclusions**

- 6.1 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.
- 6.2 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.

## **7 Recommendations**

- 7.1 The Deputy Chief Executive is requested to give Authority to Spend of £452,257 in order to effect the refurbishment of the 1<sup>st</sup> and 2<sup>nd</sup> floors in Tribeca House, the relocation of 142 staff from Merrion, and to provide refreshed ICT and training to these staff, plus the 38 already in situ, in accordance with New Ways of Working.

## **8 Background documents**

- 8.1 None

