

Report of Lee Hemsworth – Chief Officer – Customer Access

Report to Deputy Chief Executive

Date: 26th November 2014

Subject: Design & Cost Report for West Gate 4th Floor Expansion Project

Capital Scheme Number: 32222

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 6th August 2014, Deputy Chief Executive approved the proposal to lease the 4th floor of the West Gate building to facilitate the expansion of the Council's Corporate Contact Centre.
2. This report provides information on cost and proposed funding arrangements for the partial building works required to make the space suitable for the delivery of a Centre of Excellence around Health and Wellbeing; the installation of an ICT infrastructure; the procurement of furniture; and in order to co-locate a total of 181 staff from Customer Access, Childrens Services, Adult Social Care, West Yorkshire Police and Public Health in Merrion House and the Ground Floor of the Westgate building into this space.
3. The establishment of the Centre of Excellence approach cannot be achieved within the existing space occupied by the Council in the Westgate building and the Council has negotiated the additional lease of the 4th Floor and will extend the lease on the existing floors to December 2018
4. This project is part of a programme of work to establish centres of excellence on the fifth and sixth floors of the West Gate Building for Benefits and Revenues; and Environment and Community. These separate centres of excellence are being delivered by the Contact Centre and involve just the internal movements of staff within the building between the ground, fifth and sixth floors.

5. The Council is also delivering another programme of work which is looking to rationalise the City Centre property portfolio and On 18th July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace (CtW) Programme, including the capital required for the movement of staff out of Merrion House to enable refurbishment of this building.
6. Following the establishment of the Centre of Excellence within the Westgate building these staff will be moving into the refurbished Merrion House in 2017/2018. The furniture and ICT equipment purchased as part of this West Gate Expansion Project will be re-used within the new Merrion House.

Recommendations

7. The Deputy Chief Executive is requested to approve an injection of £157,600 into the capital programme in order to effect the partial refurbishment of the fourth floor of the West Gate Building and the co-location of 181 staff from Customer Access, Childrens Services, Adult Social Care, West Yorkshire Police and Public Health from the Ground Floor of this building and third floor Great George Street.
8. The project will also provide furniture and ICT equipment on the 4th floor of West Gate which will be procured from the Changing the Workplace Programme budget to the sum of £149,700. The Deputy Chief Executive is requested to give Authority to Spend of £307,300 for the full amount of both the £157,600 injected and the contribution of £149,700 from the Changing the Workplace capital programme budget.

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 requested to approve an injection of £157,600 into the capital programme in order to effect the partial refurbishment of the fourth floor of the West Gate Building and the co-location of 181 staff from Customer Access, Childrens Services, Adult Social Care, West Yorkshire Police and Public Health from the Ground Floor of this building and third floor Great George Street.
- 1.3 The project will also provide furniture and ICT equipment on the 4th floor of West Gate which will be procured from the Changing the Workplace Programme budget to the sum of £149,700. The Deputy Chief Executive is requested to give Authority to Spend of £307,300 being the sum injected and the existing Changing the Workplace capital programme budget.

2 Background information

- 2.1 A key objective for the Council's Citizens@Leeds agenda is to deliver local solutions that truly integrate council and partner service delivery so as to provide greater resolution for individuals and their families of increasingly more complex issues at the first point of contact.
- 2.2 The Integrated and Accessible Services proposition within the Citizens@Leeds agenda establishes a new approach focussed on delivering true service integration across the three main channels of Face to Face (Community Hubs), Telephone (Corporate Contact Centre) and Digital Access (Leeds.gov.uk).
- 2.3 This is needed as the content of citizen contact is becoming more complex and multi-faceted in its nature, due in no small part to the changing social and economic environment which is causing significant hardship to individuals and families across the city.
- 2.4 A significant proportion of the Council's front-line customer access to services is mediated through the Corporate Contact Centre. From a telephony perspective, the service answers over 1.3 million calls a year and is contacted on an annual basis by more than 50% of the citizens of Leeds. Over the past two years it has delivered consistently high performance and service to those citizens that have telephoned the Council.
- 2.5 The Centre provides front-line access for all high-volume Council services (Environmental Services, Housing and Council Tax and Benefits) and also provides services for both Adult Social Care, Children's Services and partners including Leeds Community Health through the Single Point of Urgent Referral services (to become the Gateway).
- 2.6 However, there is still much more that can be done through further transition of services into the Contact Centre, further process changes to ensure that more customer issues can be dealt with at the first point of contact and deeper integration between services in the centre to ensure an integrated response is in place to manage complex demand in-line with the Citizens@Leeds approach

- 2.7 The Citizens@Leeds agenda is driving customer services to explore fully the range of options open to the Council to further exploit the investment made in our contact centre infrastructure to ensure that as far as possible, customer issues are resolved at the first point of contact.
- 2.8 Plans are being developed to fundamentally redesign the centre to meet these ambitions. The Service integration strand focuses on the integration of telephone contact and teams within the centre around more outcome-based activity; e.g. welfare and benefits, Health and Well-being and safeguarding etc. rather than the current, more traditional approach which sees telephone access managed on a service by service basis.
- 2.9 The Changing the Workplace (CtW) Programme is a holistic programme of work delivering improved ways of working across the organisation and as such links with the a key objective for the Council's Citizens@Leeds agenda to deliver local solutions that truly integrate council and partner service delivery so as to provide greater resolution for individuals and their families of increasingly more complex issues at the first point of contact.

3 Main issues

3.1 Design Proposals and Full Scheme Description

- 3.2 A significant barrier to delivering this new approach within the corporate contact centre is space. The centre is currently fully occupied and seats 355 staff across 3 floors of the Westgate building, Ground, 5th & 6th floors.
- 3.3 However, as an example, known demand for the delivery of the Strategic Front Door for health and social care (including growth of the Gateway) means that a further 40-50 staff may be required which would be impossible to accommodate within the existing space. Likewise work within Citizens and Communities directorate on the integration of the design of a new Council Tax service may further increase the demand for space within the Corporate Contact Centre.
- 3.4 Given this, analysis has been undertaken on securing the 4th floor at Westgate (to December 2018) with a view to consolidate contact centre operations on the 4th, 5th and 6th floors of the Westgate building, with the ground floor being released at the end of the current lease term which is July 2015.
- 3.5 It is estimated that obtaining the 4th floor will create an additional 100 spaces within the Contact Centre (net of the 85 needed to relocate people from the ground floor). These additional 100 spaces would provide the capacity to deliver the centres of excellence model being proposed for the contact centre.
- 3.6 Further to this, the lease for the existing space is due to expire in July 2015 and will therefore need renewing. It is proposed that this renewal is for a period of 3.5 years to expire in December 2018, on a floor by floor basis. At the end of the lease Merrion House will be available to house the corporate contact centre and the Westgate building vacated as per the Changing the Workplace Business Case. Should Merrion House be available earlier than this then the new lease arrangements include rolling breaks from the end of September 2017 on the provision of 6 months prior written notice.
- 3.7 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
- 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 the West Gate building is not a location that will be retained as office accommodation within the City Centre portfolio of buildings.
- Purchase of appropriate furniture to support the delivery of a 'Centre of Excellence' Contact Centre 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 the West Gate building 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 Project Manager on a weekly basis for the duration of the build (estimated at 4 - 6 weeks).

3.8 Project Delivery

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

3.9 Project Team Resources

- 3.9.1 In 2014, a Project Team from PPPU, comprising of a Project Manager, a Project Officer, and a Project Leader with specific ICT skills and knowledge were allocated the responsibility for managing the co-location of 181 staff from Customer Access, Children's Services, Adult Social Care, West Yorkshire Police and Public Health staff from the ground floor of the West Gate Building and third floor Great George Street.
- 3.9.2 The Project Team has worked with the Senior Officers from within Customer Access, Children's Services, Adult Social Care, West Yorkshire Police and Public Health since September 2014 to determine the requirements for the delivery of a Centre of Excellence.
- 3.9.3 Since the locations has been 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 a Centre of Excellence. 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).
- 3.9.4 Alongside this, Project Team resources are also required to co-ordinate the furniture and ICT fit-out of the building with significant resources required from the Service itself. 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 stakeholders in order to identify the most appropriate staff for relocation into the fourth floor.
- 4.1.2 The Head of Business Improvement has been consulted upon this proposal and agreed that finance for the provision of furniture can be allocated from the Changing the Workplace capital budget (16256) on the provision that all furniture is re-used in the Contact Centre space within the "new" Merrion House design.
- 4.1.3 Consultation with regard to the creation of the Centre Of Excellence Hubs has been undertaken with CLT.
- 4.1.4 Consultation regarding the content of this Design and Costs Report has taken place with colleagues in Civic Enterprise Leeds, Resources and Strategy (Finance), Resources and Strategy (Business Improvement) and Citizens and Communities (Customer Access).

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 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 Centre of Excellence standards.
- Provide the appropriate technology and systems to support the Contact Centre
- The potential benefits that will accrue from delivering this model within the Contact Centre are both strategic and operational in nature. Some of these are:
 - **Strategic Benefits**
 - § Outcome based service delivery provision based on a single-view of the customer.
 - § More integrated service delivery at first point of contact around a 'circle of need' framework.
 - § Opportunity to address greater complexity with regard to customer issues over the telephone.
 - § Opportunity to integrate external partners.
 - **Operational Benefits**
 - § Ability to have more 'experts' as the first point of contact.
 - § Deeper integration between front and back office driving greater resolution at first point of contact.
 - § Streamline processes around common customer demands, irrespective of service (e.g. one process for payments).
 - § Opportunity to maximise the flexibility of contact centre staff.
- Alongside the strategic and operational benefits outlined above, a key opportunity that this model provides is for different customer service approaches to be delivered dependent on the centre of excellence. For example, it may be appropriate in the Health and Well-being centre of excellence, a more risk-based approach based on intervention may provide the basis for the customer service approach developed.
- With regard to the establishment of the Centres of Excellence, early work has started on the development of the Health and Well-being centre of excellence in-line with the work being done on the development of a strategic front door and partnership safeguarding hub for health and social care across adult and children's Services, the Public Health and West Yorkshire Police. Development of this model will provide a framework for developing the 2 further centres of excellence within the centre

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

- Establish the Contact Centres current ways of working
- Establish and deliver the ICT necessary to support the current way of working
- Establish and deliver Information and Knowledge Management (IKM) facilities, processes and procedures necessary to support these 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 In relation to the Leeds City Council Business Plan 2011-2015 the project meets the following outcome;

- Supporting communities and tackling poverty – involving people in shaping their city and tackling the challenges of poverty, deprivation and inequality. With a focus on:
 - Supporting healthy lifestyles and getting people active
 - Tackling domestic violence and abuse
 - Providing accessible and integrated services
- Building a child-friendly city – *improving outcomes for children and families*. With a focus on
 - Ensuring the best start in life
 - Reducing the number of looked after children
- Delivering the Better Lives programme – *helping local people with care and support needs to enjoy better lives*. With a focus on:
 - Helping people to stay living at home
 - Joining up health and social care services

7 Resources and value for money

7.1 Full scheme estimate

- The estimated capital costs for the project are £307,300 with additional revenue costs of £3,500. Of the total sum required £149,700 will come from the existing Changing the Workplace funding for furniture and equipment which supports this programme of work, specifically when the Contact Centre re-locates to Merrion House

7.1.2 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	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)	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 £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)	93.7		93.7				
FURN & EQPT (5)	149.7		149.7				
DESIGN FEES (6)	63.9		63.9				
OTHER COSTS (7)	0.0						
TOTALS	307.3	0.0	307.3	0.0	0.0	0.0	0.0
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
Unsupported Borrowing	159.7		159.7				
Prudential Borrowing	147.6		147.6				
Total Funding	307.3	0.0	307.3	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 32222
Title : Westgate 4th Floor Expansion

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 the separate work streams, procurement and leading business change.

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

7.1.5 The costs exclude;

- Ongoing rental costs for the 4th Floor of West Gate
- Provision of ICT equipment (telephones, licences, laptops, desktop PCs, monitors, keyboards, mice) for the additional SPUR/Gateway staff and Police staff who will be joining the Teams on the 4th floor. This is because;
 - There is a separate budget to equip the expansion of the SPUR to Gateway
 - The Police have a separate business case to equip those staff joining the Centre of Excellence

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			
PREMISES COSTS		121.0	258.2
SUPPLIES & SERVICES		3.5	
PRUDENTIAL BORROWING			35.9
EXTERNAL INCOME GENERATED		-72.0	-131.7

The cost of the 4th floor lease is offset partly by income received from community health and revenue shortfall of £52.5k in 2014/15 and £162.4k in 2015/16 will be met from a combination of budget savings and staffing reductions. There may also be scope to offset some of the costs to partners (Police and Probation Service) and this could be as much as £40k.

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 a significant operational one and is, therefore, not subject to Call In.

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 upgrade of the Avaya telephony system is due to take place in early 2015 and this will have an impact upon the resources required to deliver the ICT functions within this project.
- 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.

11 Recommendations

- 12 The Deputy Chief Executive is requested to approve an injection of £157,600 into the capital programme in order to effect the partial refurbishment of the fourth floor of the West Gate Building and the co-location of 181 staff from Customer Access, Childrens Services, Adult Social Care, West Yorkshire Police and Public Health from the Ground Floor of this building and third floor Great George Street.
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14 Background documents

- 14.1 None.

