

**Report of David Outram – Chief Officer – PPPU**

**Report to: Director Resources and Housing**

**Date: 11/07/2017**

**Subject: John Charles Sport Centre Office - Refurbishment**

**Capital Scheme Number:**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Beeston and Holbeck	<input checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input 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. The CtW programme aims to improve how we work across the organisation through co-ordinated activity around people, process, technology/information, and workplace. It supports the changes needed across the organisation so we can respond more effectively to our customer's needs and the significant challenges ahead. The 2016 refresh of the phase 1 business case has shown that the cost of changing the workplace in the city centre has reduced by £27M in cash and £15M NPV over the 25 year lifecycle from the 2012 business case, increasing the original business case cost saving to £27m NPV. £1.6million has already been saved through early release of buildings.
2. On 18th July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace (CtW) programme Phase 1 Stage 2. This project is part of the wider programme of work that will enable the Council to deliver improved services and make significant savings by rationalising Council buildings within the city centre and the localities.
3. Authority to Spend £131,566 from an existing budget provision (Capital Scheme no. 16256) is being sought. This spend is to enable the work to carry out a Changing the Workplace refurbishment to the current Sport and Active Lifestyle offices within

the John Charles Centre for Sport (JCCS). This report provides information on cost and funding arrangements for the proposed works.

The refurbishment works will enable the creation of a New Ways of Working office environment with 34 workstations (54 staff based on 6:10 desk/ staff ratios). To accommodate the current sports office plus the relocated staff from John Charles Centre for Sport (JCCS), Fearnville Leisure Centre and Middleton Leisure Centre. This will not only allow greater team synergies and boost morale, but the service may be able to develop commercial activities within the space freed up. This may contribute up to £40,000 to Sport and Active Lifestyle's internal revenue streams

4. The change in office environment will create a better working environment, provide shared workspaces and revised information management arrangements. Through New Ways of Working (NWoW) services/staff are empowered to improve outcomes through better management of their 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.

## **1.0 Recommendations**

The Director of Resource and Housing is requested to give Authority to Spend of £131,566 from existing budget provision (capital scheme no. 16256) for the refurbishment of John Charles Centre for Sport (JCCS) Offices that will enable creation of a New Ways of Working office environment with 34 workstations (54 staff based on 6:10 desk/ staff ratios) to be accommodated as part of the Changing the Workplace Programme. Teams can then be consolidated into this area allowing free space to be created for developing revenue streams.

## **2.0 Purpose of this report**

- 2.1 The purpose of this report is to seek authority to spend for the resources required to undertake the refurbishment of JCCS that will enable 34 workstations (54 staff based on 6:10 desk/ staff ratios) to be accommodated in line with the councils New Ways of Working (NWoW) principles.

## **3.0 Background information**

- 3.1 The CtW programme aims to improve how we work across the organisation through co-ordinated activity around people, process, technology/information, and workplace. It supports the changes needed across the organisation so we can respond more effectively to our customers' needs and the significant challenges ahead.
- 3.2 The CtW programme will deliver cashable benefits through integration of services and property release. Other benefits include increased staff productivity, improvements in health and wellbeing, improvements in service delivery, investment in people, technology and workplace.
- 3.3 The project will support a more agile workforce through the introduction of NWoW these significant council wide efficiencies will be delivered through the realignment and reduction of our localities work places.

- 3.4 The Authority to Spend is a Significant Operational decision in terms of taking the project forward and in terms of ensuring 54 Sport and Active Lifestyles staff move to NWoW.
- 3.5 As well as the physical move, a review of working patterns, continued use of ICT and remote -working potential will be undertaken to enable opportunities for more flexible working. The change to office accommodation will create a better working environment, provide shared workspaces and revised information management arrangements. Through NWoW services/staff are empowered to improve outcomes through better management of their work and delivery of service objectives. In turn, this has been shown to help improve staff wellbeing and morale and reduce levels of stress and sickness.

## **4.0 Main issues**

### **4.1 Design proposals and full scheme description**

- 4.1.1 The CtW scheme will provide a New Ways of Working environment and deliver this within realistic timescales in order to realise the programme cost savings through the timely release of office assets in the city centre and other locality sites at Middleton Leisure Centre, Fearnville Leisure Centre and within the JCCS, the release of these areas can then be used for generating income which will contribute towards offsetting the cost of the service
- 4.1.2 The property works will be undertaken in-house by Leeds Building Services (LBS). The refurbishment works will provide fit-for-purpose working environments.

On 21<sup>st</sup> September 2016 Executive Board approved the Council's revised approach to Inclusion and Diversity in council owned buildings. As a result there are a number of additional Inclusion and Diversity works (non-statutory) that have been included in the CtW works which are over and above the original scope for the building in the Access Audit of 2013. The new kitchen has been designed to be accessible for a range of users including disabled people. The main office door to the offices is already actuated with a spur being placed on the inner door to allow easy actuation if required. These costs are accounted for in the quote for Building Works.

### **4.2 Project delivery**

- 4.2.1 In order to achieve objectives, the project will;

- Establish current ways of working for the staff in scope.
- Facilitate the development of NWoW in accordance with the defined and corporately agreed CtW principles.
- Ensure current ICT is adequate to support new ways of working. Provide dedicated Engagement and Change expertise to support this service through the change process and help embed these new ways of working.
- Refurbish the current sports office and carry out any works required to meet DSE, Health and Safety regulations.
- To meet Inclusion and Diversity guidelines.

4.2.2 The following illustrates the key deliverables and timescales:

Gateway	Activities	Combined Timescales	Complete
Gateway 0 – Need identified	Identify areas in scope Complete project brief	February 2017	Complete
Gateway 1 – Feasibility & Options Appraisal	Update project brief Assess feasibility, scope and specification	March 2017	Complete
Gateway 2 – Outline Design and feasibility options appraisal	Detailed design and cost	April 2016	Complete
Gateway 3 – Detailed Design & Procurement	Determine office/staff requirements Secure funding for project Procurement stage	May – October 2017	
Gateway 4 – Mobilisation & Delivery	Refurbishment of Office	9 <sup>th</sup> October 2017	
Gateway 5 – Handover	Handover to business as usual activities Snagging	8 <sup>th</sup> December 2017	
Gateway 6 – Benefits realisation	Evaluate project Lessons learned Gain project closure approval Final perception survey	January - June 2018	

### 4.3 Project team resources

4.3.1 The PPPU approved work packages, clearly set out the roles and responsibilities of the project team.

4.3.2 A Project Manager from PPPU has been allocated the responsibility for the day to day delivery and management of the project and will be the key contact.

4.3.3 As part of the overall project management of the project, the CtW project team will oversee and coordinate the following activities to deliver the project and support the transition of staff to bring about the cultural and behavioural improvements needed for the successful implementation of NWoW:

- The delivery and integration of NWoW policies and procedures, as specified in the CtW principles, and engagement and change sessions tailored to meet business needs.
- The provision of fit for purpose accommodation, furniture and equipment, including ICT, to meet both the business needs and CtW principles.

- The relocation of staff and their appropriate belongings and personal equipment.
- Provision for staff from other centres work flexibly at JCCS helping to increase team synergies across the service

#### **4.25.0 Corporate considerations**

### **5.1 Consultation and engagement**

- 5.1.1 Consultation regarding this Design and Cost Report has taken place with the Head of Service for Sport and Active Lifestyles,
- 5.1.2 During the stages of the project so far consultations with the Sport and Active Lifestyles Senior Management have been at regular intervals.

### **6.0 Equality and diversity / cohesion and integration**

- 6.1 The CtW programme Equality Impact Assessment undertook specific consultation with both staff and groups representative of protected groups. This is available on request.
- 6.2 The project has a process in place that assesses any specific needs for staff and/or customers in relation to equality, diversity and cohesion. These will be addressed and where any issues are not addressed, 'fair and reasonable' action will be taken.
- 6.3 The scope of the project has been revised to incorporate works to support the council's recently approved inclusion and diversity requirements for staff and public access buildings.

### **7.0 Council policies**

- 7.1 The project meets the Leeds City Council policies as follows;
- Fulfilling our Best Council ambitions by making better use of our resources, enabling the Council to save money whilst improving our services to customers and the well-being of staff. The Council will become a more agile, resilient, productive and efficient organisation.
  - Improving the environment through reduced carbon emissions as part of our Best City for Business Plan. Reducing the amount of travel time for staff will help to reduce carbon emissions.
- 7.2 In relation to the Best Council Business Plan 2015-2020 the project meets the following outcome;
- One of the Council's objectives is to take all Council staff through NWoW. This project will enable a further 54 staff to undertake new ways of flexible working.

## 8.0 Resources and value for money

### 8.1 Capital funding and cash flow

Funding Approval :	Capital Section Reference Num				
Previous total Authority to Spend on this scheme	TOTAL	TO MARCH 2017	2017/18	2018/19	2020on
	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0	0.0			
CONSTRUCTION (3)	0.0	0.0			
FURN & EQPT (5)	0.0	0.0			
INTERNAL FEES (6)	0.0	0.0			
OTHER COSTS (7)	0.0	0.0			
TOTALS	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH 2017	2017/18	2018/19	2020on
	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0	0.0			
CONSTRUCTION (3)	73.0	0	73.0		
FURN & EQPT (5)	45.6	0	45.6		
INTERNAL FEES (6)	13.0	0	13.0		
OTHER COSTS (7)	0.0	0.0			
TOTALS	131.6	0.0	131.6	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH 2017	2017/18	2018/19	2020on
	£000's	£000's	£000's	£000's	£000's
LCC Supported Borrowing	131.6	0.0	131.6	0.0	
Total Funding	131.6		131.6	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>

**Parent scheme number:** 16256

**Title:** Changing the Workplace

### 8.2 Revenue effects

The following table illustrates minimal one off costs to Facilities Management revenue budgets to enable the removal of furniture.

REVENUE EFFECTS	2016/17	2017/18 and SUBSEQUENT YEARS
	£000's	£000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	2.0	2.0
EXTERNAL INCOME GENERATED		

## 9.0 Legal Implications, access to information and call in

9.1 There are no legal implications to this project other than meeting the Equality Act; compliance has previously been outlined in section 5.

9.2 This is a Significant Operational Decision and not subject to publication or call-in. This project is funded from the Changing the Workplace budget which was approved by Executive Board in July 2012.

## **10.0 Risk management**

9.1 A project risk register will be developed and managed throughout the project lifecycle by the Senior Project Officer. The key risks at present are:

- CtW project budget put under pressure due to escalating project costs. This can be mitigated through monthly budget monitoring and reporting to CtW Board.
- Delays in securing funding for this project will impact on timely project delivery. This can be mitigated through a rapid resolution to the DCR process.
- Changes in the project scope could be requested following start on site due to requests from service these will be managed through a formal change management approach

## **11.0 Conclusions**

11.1 This project has a clear synergy with the objective of Leeds City Council. Its savings in the longer-term will be realised through the 32% reduction in floor space that the overall CtW programme will deliver. In the short-term, it will improve workforce productivity and service delivery through better working practice and technology utilisation. This particular project will realise the following benefits:

- Adoption of new ways of flexible working for 54 staff located in John Charles Stadium
- Increased productivity as a result of more flexible working, reduced travelling time and improved work-life balance.
- Improved work environment to meet DSE, Diversity and Inclusion also Health and Safety regulations.
- Allow greater synergy between teams within the service to increase efficiency and boost morale while creating the opportunity of income generation from freed up space.
- Creation of flexible work spaces to allow cross council partnership working.

11.2 The Authority to Spend is a Significant Operational decision in terms of taking the project forward and in terms of ensuring 54 Sport and Active Lifestyle Staff are transferred to NWoW at the refurbished location as soon as possible to meet the wider Phase 1 Stage 2 and Phase 2 programme milestones.

## **12.0 Recommendations**

The Director of Resources and Housing is requested to give Authority to Spend of £131,566 from existing budget provision (capital scheme no. 16256) for the refurbishment of John Charles Centre for Sport offices that will enable 34 workstations (54 staff based on 6:10 desk/ staff ratios) to be accommodated as part of the Changing the Workplace Programme.

### **13.0 Background documents**

1. Executive Board CtW programme report, July 2012.
2. Asset Management Board report 23 February 2017