

Report of Chief Officer PPPU

Report to Director of Resources and Housing

Date: 14th September 2017

Subject: Changing the Workplace – Provision of Furniture, Equipment and White Goods for Merrion House

Capital Scheme Number: [REDACTED]

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City & Hunslet	<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 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. The Changing the Workplace (CtW) Programme delivers improved ways of working across the organisation by bringing together four key areas of work - people, process, technology / information, and workplace.
2. The programme will deliver cashable and non-cashable benefits such as property release, productivity, health and wellbeing, improvements in service delivery, investment in people, technology and workplace.
3. The programme is currently in phase 1 of delivery with the focus on premises and people situated within Leeds City Centre. The development of Merrion House is key to successful delivery of this programme, with the building scheduled to achieve practical completion on 29th January 2018.
4. This report is seeking Authority to Spend of £4.406m capital for furnishing Merrion House with furniture, IT equipment, FFE items and white goods, plus removals costs associated with decanting staff from other locations.

Recommendations

The Director of Resources and Housing is requested to:

- (i) Give Authority to Spend of £4.406m capital in order to furnish Merrion House with the necessary furniture, IT equipment, FFE items and white goods, plus associated removals costs to accommodate 2,196 staff in accordance with New Ways of Working.

1 Purpose of this report

- 1.1 The Director of Resources and Housing is asked to give Authority to Spend from the CtW programme of £4.406m capital in order to furnish Merrion House with the necessary furniture, IT equipment, FFE items and white goods, plus associated removals costs to accommodate 2,196 staff in accordance with New Ways of Working.

2 Background information

- 2.1 The Changing the Workplace (CtW) Programme delivers improved ways of working across the organisation by bringing together four key areas of work - people, process, technology / information, and workplace. The programme will deliver cashable and non-cashable benefits such as property release, productivity, health and wellbeing, improvements in service delivery, investment in people, technology and workplace. These benefits are articulated in the benefits plan.
- 2.2 On 18th July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace (CtW) programme. This project is part of the wider programme of work that will enable the Council to deliver improved services and make significant savings by reducing Council office buildings within the city centre to a maximum of four, anticipated to be Merrion House, Enterprise House, Civic Hall and St George House.
- 2.3 The 2016 refresh of the phase 1 business case has shown that the cost of delivering Changing the Workplace in the city centre over the 25 year lifecycle is projected to reduce. This is being achieved by improving how we work across the programme, ongoing challenge of costs of delivery and using existing buildings more effectively. This, together with future release of additional buildings, has resulted in an anticipated total net present value (NPV) saving for phase 1 of £27M based on 2016 figures, an increase of £12M compared to the £15M total saving estimated in 2012. These savings figures are taken against the original baseline used: that is if the council had continued without introducing Changing the Workplace principles and continuing with Merrion House under the old lease terms.
- 2.4 As part of this programme annual revenue saving have already been achieved of £1.6m through early release of properties and this is to be increased by the termination of Belgrave House lease from September 2017, Evolution House notice has been served with the building being handed back in December 2017 and 3 floors of Westgate will be released in Summer 2018.
- 2.5 The relocation to Merrion house will then allow the significant capital receipt to be achieved from the disposal of Leonardo building, Thoresby House and 2 Great George street office buildings, terms have already been agreed and it is anticipated to hand the buildings over to a developer in August 2018. The redevelopment proposed for the complex will see further private sector investment in the City Centre from the end of 2018.
- 2.6 The CtW programme is presently in phase 1 of delivery. The scope of this phase is delivery of new ways of working to Leeds City Council staff situated within Leeds city centre. A key element of this is the redeveloped Merrion House which will house 2,196 staff.

- 2.7 The appointed contractor (BAM) currently envisages practical completion for Merrion House will be reached on 29th January 2018. Early access has been negotiated with the appointed contractor (BAM) and the building owner/landlord (the Merrion House LLP) which will allow Leeds City Council to deliver and fit furniture and equipment from 2nd November 2017 onwards for the refurbished element of the building. Occupation will commence from February 2018 onwards under a phased programme of delivery.
- 2.8 As well as physical moves, a programme of change will be delivered under 'New Ways of Working'. This will involve a review of staff 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). HR Business Partners are delivering a staff engagement programme to all affected staff to support smooth transition to new ways of working. The fit out, furniture and ICT solutions installed as part of this roll out are specifically designed around maximising the utilisation of space to provide an efficient working environment that allows the overall footprint occupied by the Authority to shrink and release the capital and revenue savings targeted by this programme of work.
- 2.9 This report is seeking Authority to Spend for the office areas and meeting room suite within the refurbished and newly built elements of Merrion House. This request is for draw down of funds from the previously approved Changing the Workplace budget. This Design Cost Report excludes the One Stop Shop – a separate report will be prepared for this.

3 Main issues

3.1 Design Proposals and Full Scheme Description

- 3.1.1 This project will enable the relocation of 2,196 Leeds City Council staff to Merrion House. New Ways of Working training will be provided to those who have yet to receive it, and refresher training offered to those who have received it previously.
- 3.1.2 The scope of this request for draw down of funds is to provide a furnished building ready for occupation and is limited to the following elements:
- The purchase of FFE (furniture fittings and equipment) and white goods through existing supplier contracts for various items (e.g. evac chairs, noticeboards and non-statutory signage). A summary of FFE equipment is detailed at Appendix A;
 - The purchase of associated information technology infrastructure equipment through call-off from existing corporate arrangements with ICT Services. IT infrastructure equipment comprises switches and cables. A summary of IT infrastructure requirements is detailed at Appendix B;
 - The provision of removals services (including crate hire) through the appointed internal service provider Civic Enterprise. Civic Enterprise will also be setting-up IT equipment on desks and undertaking associated cabling. A summary of these activities is detailed at Appendix C;
 - The purchase of furniture will be conducted through call-off from the Council's existing furniture framework with Flexiform. Merrion House will be furnished with a combination of new and existing furniture. New furniture will comprise of chairs, desks, monitor arms, tambour units, lockers and furniture for meeting and break out areas. A summary of furniture requirements is detailed at Appendix D;
 - The purchase of laptops will be undertaken through existing coproate arrangements with ICT Services. This will provide those staff currently using tower units with laptop computers which will facilitate the move to new ways of working. A summary of the laptops to be purchased can be found at Appendix E;

- The purchase of audio-visual and collaboration equipment for use in meeting rooms across Merrion House. This will comprise Microsoft Surface hubs (84” and 55”) and Polycon units (65”) which is summarised at Appendix F. Please note, these numbers are indicative pending the outcome of an ongoing pilot;
- The purchase of specialist desktop equipment as identified through a health and safety assessments (e.g. document bridge);
- The provision of appropriate project management resource

3.2 Project Delivery

3.2.1 The following illustrates the associated key activities and timescales:

Activities	Timescales
Obtain specialist requirements for Directorates (e.g. fixed desk set-up)	August 2017
Finalise order for submission to the appointed furniture provider	Week commencing 4 th September 2017
Seek approval from the Director of Resources and Housing for draw down of funds	Week commencing 11 th September 2017
Place order with the appointed furniture provider	Week commencing 11 th September 2017
Early access to refurbished element of Merrion House for supply and fit of furniture and installation of I.T infrastructure equipment	2 nd November 2017
Practical completion – Merrion House	29 th January 2018
Supply and fit of I.T desktop equipment	Mid January 2018
Supply and fit of furniture to new build element of Merrion House (annexe)	February 2018
Commence decant of LCC staff into Merrion House	Mid February 2018

3.3 Project Team Resources

3.3.1 A multi-disciplinary project team has been established to deliver the Changing the Workplace programme. This comprises personnel from PPPU (Projects Programmes and Procurements Unit) and Asset Management. A dedicated representative from the project team has been assigned against each respective Directorate. Working with their Directorate counterparts, these representatives will collate individual and service requirements to ensure needs are addressed within Merrion House.

3.3.2 A Project Officer from PPPU has responsibility, under supervision from a Senior Technical Manager, for engaging with the appointed furniture provider. This includes preparing and placing the furniture order as per the identified requirements.

3.3.3 The CtW Project Team has developed a programme for the phasing of furniture installation and decant of staff into Merrion House, to ensure a smooth transition into operations.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The CtW Project Team has consulted with the Executive Member (Cllr James Lewis) and the Director for Resources and Housing who are supportive of the proposals. Directorate representatives have been consulted to capture service requirements. The CtW Programme Board has been consulted and has provided a forum to liaise with Directorate representatives at a strategic level.

4.1.2 A series of engagement sessions have taken place within Directorates with HR Business Partners as part of the proposed moves to Merrion House.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Equality, diversity and cohesion issues have been fully considered by the CtW Project Team. The corporate Equality Team has been consulted concerning the suitability and colour contrast of the identified furniture solutions.

4.2.2 Health and safety assessments have taken place with staff where requested to identify solutions and adaptations in advance of the occupation of Merrion House.

4.2.3 Drop in sessions for staff to see the new furniture and workstation set ups and speak to health and safety, HR and DSN representatives will be set up in the Civic Hall.

4.2.4 An accessibility group will be established from members of the Disabled Staff Network (DSN) to review requirements and ensure concerns are raised and addressed.

4.2.5 Progress updates are provided to the Inclusion and Diversity Steering Group on a monthly basis and recommendations incorporated in the scheme as agreed.

4.2.6 Consultation has been undertaken with the Deputy Leader who has confirmed his support for the programme.

5 Council policies and City Priorities

5.1 Approval to release the identified funds will deliver the following outcomes:

- 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.

5.2 In order to achieve these outcome, the project will;

- Ensure service and business continuity
- Establish and deliver the furniture and ICT solutions necessary to support New Ways of Working.

6.3 Revenue Effects

6.3.1 The revenue cost is shown below:

Revenue Effects	2017/18 £000's	2018/19 £000's	2019/2020 and Subsequent Years £000's
Employees	-	-	-
Premises cost	-	-	-
Supplies and services		-	-
FFE items	£3.9		
Cabling	£6.0		
Crate hire and removal of belongings / storage to Merrion	£15.0		
Legal costs	£5.0		
External income generated	-	-	-

6.3.2 These costs will be met from agreed existing revenue budgets and included for information.

7 Legal Implications, Access to Information and Call In

7.1 The proposed furniture and equipment solutions meet the requirements of the Equality Act; as outlined in section 4.2.

7.2 This decision is not a key decision but a Significant Operational one and is, therefore, not subject to call in.

7.3 The Director of Resources and Housing has the authority to make this decision under powers granted under Part 3 of the Council's constitution.

8 Risk Management

8.1 The CtW programme has an established risk register. This is managed by the Project Manager and reported at the CtW Programme Board. The key risks at present are:

- Failure to implement improvements in information management preventing agile working and file rationalisation to be mitigated through implementation of the Digitisation and records management plans and appointment of temporary resource which has made significant progress in the rationalisation;
- Inclusion and Diversity requirements not clearly defined at a detailed level leading to delays in specifications and additional costs in redesign – to be mitigated through early discussions with staff networks and adherence to the policy approved by Executive Board;
- Failure by appointed contractor (BAM) to reach practical completion by the identified date impacts of phased programme of occupation. This is being actively monitored and being mitigated through dialogue with the contractor;
- Damage to LCC equipment which occurs in advance of practical completion and as a consequence of early occupation.

9 Conclusions

9.1 The purchase, supply and fit of furniture, IT equipment, FFE items and white goods is essential to business continuity and effective service delivery following decant of staff into Merrion House.

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

10 Recommendations

The Director of Resources and Housing is requested to:

10.1 Authorise Authority to Spend of £4.406m capital to furnish Merrion House with the necessary furniture, IT equipment, FFE items and white goods, plus associated removals costs to accommodate 2,196 staff in accordance with New Ways of Working

11 Background documents

11.1 Appendix A – FFE Schedule (Merrion House)

11.2 Appendix B – New Merrion Extra-TCS ICT Budget

11.3 Appendix C – Merrion House Removal Costs

11.4 Appendix D – Furniture Requirements (Merrion House)

11.5 Appendix E - IT Equipment Requirements List

11.6 Appendix F – Audio Visual / Collaboration Solution

Appendix A – FFE Schedule (Merrion House)

	Room	Item	Group	Capital / Revenue	Who	Comments	Supplier	Estimate
Group 2 Items								
General items applicable throughout	All	Pinboards / noticeboards	2	capital	FM		Lyreco	£25,000
Group 3 Items								
General items applicable throughout	All	cleaning equipment	3	capital	FM		various	£14,000
General items applicable throughout	All	catering equipment	3	capital	FM		various	£37,500
		general FM equipment	3	capital	FM	pc sum to cover FM items	various	£2,000
Lower Ground Floor (LGF)	14	Nappy disposal unit.	3	revenue	FM		PHS	0
General items applicable throughout	All	first aid kits	3	capital	FM	35 units required	Arco	£1,100
General items applicable throughout	All	Waste bins	3	capital	FM		Trevor lles	£2,000
General items applicable throughout	All	Non statutory signage	3	capital	FM	Directional , wayfinding , etc. City Signs	City Signs	£25,000
General items applicable throughout	Circulation	Evac Chairs	3	capital	FM	50 units @ £1500	Churches Fire	£75,000
General items applicable throughout	All	Fire Extinguishers	3	capital	FM	100 units @ £50 - initial purchase	Churches Fire	£5,000
General	All	Clocks	3	capital	FM	100 units	Lyreco	£2,500

Appendix B – New Merrion Extra-TCS ICT Budget

	Item	Part No.	Unit Cost	Quantity	Total Cost
	Network Equipment				
1	Cisco WS-C3850-48TS	Network switch	£5,000.00	12	£60,000.00
2	10Gb-SR-SFP	Switch connectors	£250.00	60	£15,000.00
3	Cisco 6807-XL	Catalyst switch	£40,000.00	2	£80,000.00
4	10Gb Xenpak LR	10 base interface module	£1,000.00	2	£2,000.00
5	10Gb-LR-SFP	Switch connectors	£1,000.00	2	£2,000.00
6	WS-C2960+24TC-L	Network switch	£500.00	89	£44,500.00
7	WS-C2960+24PC-L 10-100POE (Switch)	POE Network switch	£900.00	48	£43,200.00
8	Cisco WLC 5508	Wireless LAN Controllers	£25,000.00	2	£50,000.00
9	Patch cables & miscellaneous (1.5m patch cables)	Cables	£0.70	8500	£5,950.00
10	Wireless - AIR-AP2802I-E-K9 (WAP)	Access Point	£500.00	351	£175,500.00
11	Upgrade of Wireless LAN Controllers	Upgrade	£4,037.50	1	£4,037.50
12	Radio links-Licenced; E-Link 1000q (band e) 1Gbps	Microwave link	£13,158.05	1	£13,158.05
13	Femtocells - O2 Large Office Boostbox	Mobile network boosters.	£300.00	7	£2,100.00
	Cabling				
14	New 4" Pipe & Draw-box installation from Civic Hall to Merrion	New duct (Blue)	£112,000.00	1	£112,000.00
15	Repair collapsed sections of existing ducts	Red duct repairs.	£9,999.00	1	£9,999.00
16	Install 1 x 32 core multimode and 1 x 32 core monomode fibre cable from Civic Hall Basement to the refurbished Merrion Centre along the existing pipe and draw-pit route.	Fibres for Red duct.	£6,187.50	1	£6,187.50
17	Install 1 x 32 core multimode and 1 x 32 core monomode fibre cable from Civic Hall Basement to the refurbished Merrion Centre along the new pipe and draw-pit route.	Fibres for Blue duct.	£7,012.50	1	£7,012.50
	Labour				
18	Configuration of network switches	Charge is £240.00 per switch.	£240.00	137	£32,880.00
19	Config of Wi-Fi access points	Charge is £30.60 per	£30.60	351	£10,740.60

		AP.			
20	"Configuration of the core switch infrastructure				
21	"	148 hours (20 days) at £60 per hour	£60.00	148	£8,880.00
22	Accommodation Moves installation charges	£60 per hr, (x2).	£120.00	20	£2,400.00
23	Professional services - design/configuration	5 days @ £1,000per day	£1,000.00	5	£5,000.00
	TOTAL				£692,545.15

Appendix C – Merrion House Removal Costs

	Item Description	Capital	Revenue	Comments
1.	Set-up of IT Equipment on Desks	£85,000		Includes clearance of buildings
2.	Cabling	£5,930		£5 per every new and repurposed desk (1,186)
3.	Crate hire and removal of belongings / storage to Merrion		£15,000	

Appendix D – Furniture Requirements (Merrion House)



Office furniture
order form Merrion

Appendix E - IT Equipment Requirements List

Purchase of laptops for staff situated at the following buildings which currently use desktop machines and require laptops to facilitate New Ways of Working:

Building	Number of Laptops Required	Cost
Adams Court	56	£34,653.92
Civic Hall	55	£34,035.10
2 Great George Street	48	£29,703.36
Westgate	210	£129,952.20
TOTAL	369	£228,344.58

NB. This is based on the Win 10 HP 450 i5 G4 model which is priced at £618.82 per unit. This is exclusive of the software bundle on the assumption the majority of staff will be existing LCC employees and already have licenses assigned, which will transfer across once desktops are surrendered.

Appendix F – Audio Visual / Collaboration Solution

Item	Price (Per Unit)	Quantity Required	Cost
84" Microsoft Surface Hub	£25,000	2	£50,000
55" Microsoft Surface Hub	£9,500	20	£190,000
65" Polycon Units	£3,000	20	£60,000
TOTAL		42	£300,000

NB. The quantities listed above are indicative pending the outcome of an audio-visual / collaboration pilot which is presently being conducted at St George House.