



APPENDICES 1 & 3 NOT FOR PUBLICATION

Exempt / Confidential under Rule 10.4 (3)

Report of the Director of Adult and Director of Children Services

Executive Board

Date: 12th March 08

Subject: Roundhay Road Relocation Project

Electoral Wards Affected:

Chapel Allerton – Roundhay Road site
Hyde Park & Woodhouse – Lovell Park
All – service users

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

1. A joint report between Development Services and the former Social Services Department was taken to the Sept 2005 Executive Board to consider relocation of twenty five services off the Roundhay Road site due to the poor suitability and condition of the buildings. Agreement was given to the relocation costs being supported by release of the site for disposal together with use of the existing Social Services revenue budget.
2. The report and appendices provide a summary of the current position for the relocation of the twenty five Services from the Roundhay Road site with solutions identified for fifteen team relocations. Agreement is sought to progress the options identified.
3. It is estimated that all relocation costs will be contained within the anticipated receipt for Roundhay Road. Approval is requested for funds to be released equivalent to the anticipated capital receipt from Roundhay Road to support the relocation of services. Anticipated receipt and cost estimates are shown in **confidential appendix 1**. This Appendix is confidential under Access to Information Rule 10.4.3 because publication could prejudice the City Council's commercial interests as they include financial

information relating to land and property that if published could influence negotiations between the Council and private property owners. In these circumstances it is considered that the public interest in not disclosing this commercial information outweighs the interests of disclosure. The estimated revenue costs for each of the relocations are currently anticipated to be contained within the existing budget for Roundhay Road. This however would not support the borrowing costs associated with the project proposals.

4. It is anticipated that the site could be vacated and closed down subject to agreement of options and finance by Dec 09 in line with the current project plan. A site development brief could be drafted during 2008/9 in anticipation of this and the site marketed prior to closure to minimise delay in disposal.
5. Extensive consultation has been undertaken with service users as appropriate, with elected members and other stakeholders being kept informed of progress throughout. Meetings have also been planned with the Unions and staff issues are being addressed by Heads of Service and HR representatives on the project.
6. The proposals contained within this report have already been considered and supported at Asset Management Group prior to the Executive Board report

1.0 Purpose Of This Report

- 1.1 To seek approval to the anticipated requirement for a level of funding equal to the full capital receipt and service budget from Roundhay Road to support the relocation costs of all the teams and services from the site. To seek injection of funds into the capital programme to enable the identified schemes to progress. To seek approval to the relocation proposals identified.

2.0 Background Information

- 2.1 Social Care Services occupies and manages a range of facilities at the site at Roundhay Road, Leeds. A plan detailing the location of the site is attached at **Appendix 2**. The site extends to 1.5 hectares in size (3.7 acres) including the former nursery at Frankland Place.
- 2.2 A number of Social Care Services' functions take place at Roundhay Road including:
 - Area management office accommodation for Adult and Children Social Care teams
 - Mental Health and Learning Disability Day Centres
 - Community Meals Service (previously known as 'Catering Service')
 - LCES Equipment Store (previously known as 'Joint Equipment Store')
- 2.3 A full schedule of the twenty five services which operate from Roundhay Road is attached at **Appendix 1**.
- 2.4 The former Department of Social Services assessed the suitability of the accommodation at Roundhay Road, in consultation with the Council's Asset Management Unit. In addition, condition surveys of the premises were undertaken as part of the Council's rolling programme of surveys. The condition surveys identified backlog maintenance of £907,000 excluding fees and contingencies. The

buildings have only been maintained to a basic Health and Safety level since 2005 in anticipation of the relocations.

- 2.5 Overall the Roundhay Road site offers very poor suitability for the former Social Services Department. In most cases, the range of services that are provided from the site have no reason to be co-located and in a number of instances the existing uses do not complement each other and this makes the management of the site difficult.
- 2.6 In Sept 2005 Executive Board agreed to:-
- note that the site will be declared surplus to Social Services' operational requirements.
 - the Council vacating the Roundhay Road site.
 - officers developing detailed proposals for the relocation of the existing services on the site via the establishment of a Project Board.
 - the site of the former Frankland Place Nursery be held as a possible solution for one or more services at the Roundhay Road site.
 - the Roundhay Road site being added to the Council's Capital Receipts Programme.
- 2.7 Due to the complexity of relocating 25 teams off a single site there have been some inevitable challenges to progress
- 2.8 Previously the Area office based teams were to be accommodated in the Chapeltown LIFT facility however due to Council affordability issues and site constraints, Asset Management Group could no longer support this proposal moving forward. Since March 2007 a search and option appraisal process has been ongoing to secure an alternative facility for these teams. In January 2008 Asset Management Group supported further consideration of an option to purchase Digital and Dunbar Houses at Sheepscar. At the Feb 1st meeting the provisional terms and costs were supported subject to Executive Board approval and final terms being acceptable.
- 2.9 The Mental Health day centre and Community Alternatives Team identified a former nursery building Lovell Park, LS7 as a suitable site for relocation of this facility. This was supported at Asset Management Group in 2007 and more recently at the 1st Feb 08 meeting. Consultation has been undertaken with Ward Councillors, Executive Member for Adult Social Care Services, service users and staff on the proposals.
- 2.10 Since 2005 options have been considered for each of the relocations and where appropriate these have been progressed with required support through Asset Management Group. £51,500 has been released to undertake appraisals on some schemes. The majority of teams now have an identified future location with cost estimates to provide a more complete picture. Provisional release of monies to progress 4 of the options through more detailed appraisals was supported by AMG in Aug 2007 and Director of Resources in Sept 07. The Directors of Adult and Children's Services now seek Executive Board approval to progress the relocations identified, specifically in respect of the Adults'/Children's Area Teams and Mental Health Day Centre and Community Alternatives Team re-provision.

3.0 Main Issues

- 3.1 Relocation options have now been identified for the majority of teams however some are still at the option appraisal stage and therefore cost estimates have been attributed based on currently available information. Please see **Appendix 1** for more detail. There are two significant approvals for spend being sought from Executive Board in respect of the relocations of the Area Teams and the Mental Health Day Centre and Community Alternatives Team
- 3.2 Digital and Dunbar Houses are adjacent properties owned separately by third parties. They are modern office units located on a small business park in Sheepscar. A lease option was not supported by Asset Management Group based on value for money, pressures on the revenue budget, the costs of supported borrowing being more cost effective and the opportunity to secure an additional capital asset. Following an option appraisal exercise to consider 4 proposals, Asset Management Group supported initial negotiations being undertaken with the owners of Digital and Dunbar Houses for the purchase of these properties for the Adult and Children's Area teams subject to Executive Board approval. Please see **confidential Appendix 3**. This Appendix is confidential under Access to Information Rule 10.4.3 because publication could prejudice the City Council's commercial interests as they include financial information relating to land and property that if published could influence negotiations between the Council and private property owners. In these circumstances it is considered that the public interest in not disclosing this commercial information outweighs the interests of disclosure
- 3.3 The purchase price indicated by the two owners of Digital and Dunbar Houses falls within the valuation range for the properties considered appropriate by Property Services. The current position is that the costs including fit out, IT, fees along with other project costs will be contained within the capital cost detailed in **Appendix 1** and this can be accommodated within the overall capital budget for Roundhay Road based on current capital receipt valuations.
- 3.4 The two properties need to be purchased together to accommodate all the teams and provide economies of scale for shared meeting / reception areas. The owner of Digital House is keen for the property to be purchased when the ALMO's lease expires at the end of March 2008. Dunbar House is currently being refurbished by the owners and is due for completion in March 08.
- 3.5 Heads of Service for the teams support this option and other service managers have visited the buildings. Heads of Service are communicating with their staff so that any issues can be identified and managed effectively. Basic layouts show that the two buildings can accommodate the required staff numbers based on Working Without Walls principles previously adopted within the Services.
- 3.6 Recent site investigations have highlighted a potential issue at the Sheepscar site related to flooding risk. The level of risk is currently being investigated through the Environment Agency before progressing further on this option. Subject to outcomes an alternative solution may be required however it is anticipated that costs for any alternative office facility would be similar to the option identified. Title investigations are also ongoing.
- 3.7 Mental Health Day Centre re-provision and Community Alternatives Team relocation to Lovell Park has involved significant consultation with service users with the majority of users being satisfied with the proposals. Elected ward and cabinet

members have received briefings on progress. Final design plans have now been drawn up and costs confirmed by the Strategic Design Alliance. The proposal, subject to Executive Board approval, would progress to tender and refurbish stage with anticipated completion of Summer 09. These service users have high support needs and any delay on progress in the relocation project does result in significantly increased anxiety levels.

- 3.7 A best estimate has been included in respect of the re-provision for the Moorend ISA Learning Disabilities day services facility. Due to the changes required within the service highlighted by recent government guidance on 'Valuing People' there is now a greater emphasis on an independent support approach and this has resulted in some delay on identifying suitable alternative sites for provision. This is now in progress and the service is considering four potential options all of which are Council owned. The estimated figure for re-provision has been based on the Lovell Park re-provision. Service users again have high support needs and care needs to be taken to progress this relocation in consultation with carers and service user at appropriate stages in the process.
- 3.8 The LCES Equipment store is a jointly provided service between Health and Social Care Services. An interim solution has been identified at Roseville if required in order to vacate the Roundhay Road site. However the service is considering a number of options for re-providing the service in the longer term in line with the individualised budgets agenda.
- 3.9 Other relocation proposals and current position statements are outlined in **appendix 1** together with cost estimates and approximate timescales
- 3.10 The majority of sites to be used for the relocations are already in Council ownership. Where possible best use is being made of existing assets where they meet the suitability and sufficiency criteria through refurbishment. Where there is no existing suitable Council owned property such as the area office facility, 3rd party property has been identified for re-provision.
- 3.11 The project team has endeavoured to look at efficiencies in re-provision whilst ensuring fit for purpose facilities are provided. In terms of the office re-provision the Services have adopted a Working Without Walls policy which is resulting in reduced space requirements due to shared workstations for mobile staff with shared meeting and quiet space to complement open plan working. The day services re-provision is based on a changing service model where service users access other community facilities for a wide range of activities with Council facilities providing a base for those users with greatest service need. Where appropriate and complementary, other teams have been identified to share space within the facility.
- 3.12 Consultation and communication with a wide group of stakeholders is critical to the success of this project. Stakeholder meetings are held between the Project Team and in house service stakeholders with Stakeholder Updates circulated to all in house stakeholders. Unions were consulted at the commencement of the project and in principle agreement reached with the JCC. A further meeting to discuss Roundhay Road relocation issues has been attended by the Project Sponsor and Project Manager in March 08.
- 3.13 Ward Councillors receive personal briefings from the service together with regular updates on relocations affecting service users. Where individual queries are raised these have been addressed separately in consultation with the Ward Councillor.

Executive Members have been briefed together with Service Management Teams and Asset Management Group as required.

- 3.14 Service user meetings at the Mental Health Day Centre have been attended by a member of the project team to update service users on progress. A separate meeting was held in Dec 07 to consult on the proposed plans for Lovell Park, with service users and staff comments/feedback being addressed within the proposed layouts. Other issues arising have been dealt with either directly with the service/ service users or through written answers posted up with the layout plans in the day centre.
- 3.15 The project has identified that the estimated total capital costs involved in the relocations will be in the order of the estimated capital receipt for the site.
- 3.16 This is a complex project which has been running for some time. It is comprised of many varied accommodation elements for the different services involved and not all of these are at the same stage, with some accommodation solutions yet to be identified. To ensure that the outstanding accommodation requirements are appraised in a corporate context, it is proposed that the Strategic Asset Management Service (SAMS) manage the site/property selection process including the initial capacity studies against approved standards. This is of particular relevance to the Moorend ISA and the LCES Equipment Store where the future shape of the service is not yet certain.
- 3.17 Once each accommodation solution, including the level of any necessary fit-out works, and the necessary financial arrangements have been approved, the responsibility for detailed implementation of each element would be taken by the Corporate Property Management Service (CPMS). Additionally, SAMS would continue to take responsibility for the phased handover of the Roundhay Road site to City Development and retain the services of CPMS for the management of the site prior to marketing. SAMS would also take responsibility for the co-ordination of the work on the planning brief and the detailed marketing arrangements.
- 3.18 Although the workload involved for the Strategic Asset Management Service would vary during the running life of the project, it is estimated that it will equate to one week per month for a PO3 Project Officer for around 20 months. This proposal would assist in ensuring a high degree of continuity between earlier work and any unresolved issues. The cost of this work is estimated at £26,800 and it is proposed that this should be a charge against the capital receipt achieved from the disposal of the Roundhay Road/Frankland Place sites.

4.0 Implications For Council Policy And Governance

- 4.1 The project is governed by a project board with service and asset management representatives and is using the Delivering Successful Change methodology. Project Assurance is undertaking Health Checks periodically and maintaining an overview, regularly attending Board meetings.
- 4.2 A project team with service, support service, asset management and corporate property management representatives progresses the day to day running of the project with the project manager reporting through to the board. It is a complex project to manage with 25 teams being relocated from the site alongside service delivery change requirements and with this in mind risk management has become an essential part of the process.

- 4.3 Risk workshops have therefore been undertaken to engage the board and key service and support service managers in the risk management process. A number of high-level risks have been identified and are being managed by the board including:-
- 4.3.1 **Cost Control** – it is important to ensure that the project is delivered within the limits of the existing resources identified. The Project Board are monitoring the decant costs on a regular basis. In addition, the Project Board provides the challenge to any replacement proposals to ensure that they take account of opportunities for service efficiencies where possible.
 - 4.3.2 **Capital Receipt** – There is a risk that the final capital receipt obtained might be less than the original forecast. To ensure that the project keeps within the budget parameters set, it is important to ascertain an accurate capital receipt forecast for the site. In order to ensure that an accurate forecast is made, a more formal Planning Brief for the site needs to be commissioned to identify the scope and nature of future development activity that can take place once the site is vacated.
 - 4.3.3 **Service Continuity** – Given the nature of the activities undertaken on the Roundhay Road site it will be essential to ensure service continuity during the implementation of the decant arrangements. The Project Board will take responsibility for monitoring the arrangements put in place and Service managers will be developing their own move plans in consultation with the project manager and board.
 - 4.3.4 **Stakeholder management** – the nature of the service users, service issues and member involvement require that stakeholders are clearly identified and communicated/ consulted with throughout the process. This is a resource intensive task but essential to this project's success. Stakeholder meetings are held with regular stakeholder updates sent out.

To ensure the complexities and interdependencies of the project are considered, risks are also being identified and managed at an individual team level

- 4.4 Consultation is undertaken within the Services, with service users and elected members as appropriate. Stakeholder analysis and communication plans form part of the DSC process for the project.
- 4.5 The proposal outlined in this report will contribute to the achievement of a number of Corporate Priorities.
- a. Creating better neighbourhoods and more confident communities
 - b. Competing in a global economy - The disposal of the Roundhay Road site will result in third party investment into the City.
 - c. Looking after the environment – This proposal will lead to the redevelopment of a 1.5 hectare brownfield site.

5.0 Legal And Resource Implications

- 5.1 To facilitate the vacation of the site it is proposed that the costs will be met from three sources as outlined below:

- 5.1.1 It is highly likely that funding to the level of the anticipated capital receipt will be required to support the capital relocation costs identified.
 - 5.1.2 Social Care Services currently incurs revenue costs associated with the management of the Roundhay Road site. The full use of these funds will be required to support future revenue expenditure for the Roundhay Road teams. This indicates that there will be no service surplus to support the revenue costs for any required supported borrowing payments.
 - 5.1.3 Officers have sought to link service requirements to external funding streams to limit the call on internal financial resources, however in the majority of cases such funding is unlikely to be available.
- 5.2 Once vacant possession is achieved it is proposed that the site forms part of the capital receipts programme. As a large land holding occupying a prominent position on the corner of Barrack Road and Roundhay Road, the site will not only form an important part of the Capital Receipts Programme, but will also support regeneration activity in the local area. On this basis, a planning brief will be commissioned to inform the future development of the site.
- 5.3 As a consequence of moving forward with the vacation of the site there may be cash flow implications for the Capital Programme, which are being addressed in consultation with the Director of Resources. There is an anticipated need for capital expenditure in the order of £2.4million in 2008/9 and £0.6million for 2009/10 in respect of the relocation costs. Subject to resolution of outstanding issues, acquisition of Digital/ Dunbar is likely to be required in early April 2008. This is due to the threat of withdrawal from negotiations by the current owner of Digital House if delays are encountered resulting in his potential loss of income on the property. Due to this time pressure the report has been flagged as not eligible for call in as this may delay the acquisition of the properties
- 5.4 The SAMS Project Officer would cost in the order of £26,800 for the period of the project and would need to be paid out of the capital receipt

6.0 Conclusions

- 6.1 The project has reached a stage that requires further formal board approval to proceed with the relocations outlined within the cost and timescale estimates provided. Due to the sensitivities around service users together with time scales being provided by 3rd party owners, approval is now essential to progress this project within the plan timescales.

7.0 Recommendations

Executive Board is asked to:

- 7.1 Agree to the relocation proposals set out in **appendix 1**, particularly in respect of the Mental Health Day Centre and Community Alternatives Team and office facility for Area Teams.
- 7.2 Agree to funds equal to the capital receipt from Roundhay Road to support the capital requirements of the Social Care Services relocations, plus site disposal costs and resource costs

- 7.3 Approve the injection of £3,298,500 into the capital programme for acquisition of Digital/Dunbar, refurbishment of Lovell Park plus the other identified schemes in **appendix 1** plus associated site and project costs.
- 7.4 Approve the spend indicated in **appendix 1** for the acquisition and fit out of Digital and Dunbar Houses subject to a satisfactory evaluation and mitigation of identified risk by the Director of Resources.
- 7.5 In the event of an alternative office facility being required to authorise the Director of Resources to approve equivalent expenditure for purchase up to the level identified in paragraph 7.4. Any such facility to be subject to a suitability assessment with the service.
- 7.6 To agree to the current revenue budget for Roundhay Road being retained within the service to meet relocation revenue requirements
- 7.7 Agree to the drawing up of a planning brief and marketing strategy in preparation for the site disposal
- 7.8 Agree to the cost of the Strategic Asset Management PO3 Project Officer being funded from the capital receipt