

## Report of Director of City Development

### Report to Executive Board

Date: 18<sup>th</sup> April 2018

### Subject: Acquisition of Albion House, No1 Rawdon Park for council office accommodation

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Guiseley & Rawdon	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number: 10.4 (3) Appendix number: 3	

### Summary of main issues

1. This report is put forward in the context of the Best Council Plan 2015-20 (2017-18 update), specifically the ambition of being '*an efficient and enterprising organisation*', the outcome of '*living with dignity and stay independent for as long as possible*' and the priority of '*Child Friendly Leeds*'.
2. One of the key objectives of the Asset Management service is to make the council's estate more efficient and fit for purpose, whilst supporting delivery of service continuity and/or improvements. Asset Management has delivered a reduction in spend on council occupied property by over £7m since 2013/14.
3. Micklefield House and associated buildings have recently been marketed for sale following a gradual relocation of council staff/services to other premises over the past 4 years. Alternative office accommodation now needs to be secured within the locality for those staff who remain on site.
4. Micklefield House is a former private dwelling, of Grade II listed status. As such the property does not lend itself to easily or efficiently being adapted to fit for purpose, modern office accommodation, or befitting quality family contact space. Any refurbishment of the property to bring it up to a reasonable standard would require significant investment to provide space that could be more appropriately delivered at a purpose built accommodation. In addition, the former caretaker's house has been

in void management for a number of years, in its current condition it is not habitable and would require further significant investment to bring back into a usable state.

5. In 2013 a joint council and Leeds Community Health programme was set up to establish 13 integrated health and social care teams across the city, central to the programme was delivery of integrated office accommodation. The Holt Park team remains the only one of the 13 for which an accommodation solution has not been delivered, instead the team currently operates from multiple sites across their locality. This approach is not sustainable and the team need to have a single base in order that all the benefits of an integrated service be realised.
6. It is proposed to acquire Albion House, No1 Rawdon Park on a freehold basis, enabling vacant possession of Micklefield House to be secured. Albion House would provide the Children & Families' area social work team with fit for purpose, quality alternative accommodation and deliver the Holt Park integrated health and social care neighbourhood team with a single office base from which to operate.

## **Recommendations**

7. Executive Board is recommended to:

- i. Approve the acquisition of Albion House on the terms identified in the confidential appendix 3, including the financial business case set out therein;
- ii. Delegate authority to the Director of City Development to agree the final detailed terms of the acquisition;
- iii. Approve the injection of the sums identified in confidential appendix 3 into the capital programme and give authority to spend the monies as required; and
- iv. Note that the Head of Asset Management is responsible for the proposed acquisition.

## **1. Purpose of this report**

- 1.1 The purpose of this report is to seek Executive Board approval to acquire Albion House, No1 Rawdon Park to support the sale of Micklefield House plus associated buildings and to provide much needed fit for purpose office accommodation in the outer north-west of the city.

## **2. Background information**

- 2.1 Delivering vacant possession of Micklefield House has been a long standing challenge in the council's estate portfolio. Only part of the ground floor of the main house remains occupied, currently accommodating Children & Families' area social work staff. The first floor is already vacant, as is part of the ground floor that was formerly the Aireborough One Stop Centre before its relocation to Yeadon Library in 2015. The former caretaker's house has been in void management since 2010.
- 2.2 Micklefield House is a former private dwelling built in the mid-19<sup>th</sup> century, of Grade II listed status. The configuration and age of the building mean that it does not easily lend itself to conversion to modern accommodation. Providing good standard office accommodation and quality contact space for families would require significant investment. It would be especially challenging to deliver some inclusion and diversity aspects within the limitations of the building.
- 2.3 The associated buildings to the main house have been in void management since 2010 and are not usable in their current condition. They would require further significant investment, in addition to the main house, and have limited accommodation use to council services due to the nature of the buildings (i.e. originally stables and carriage house). It is viewed that it would not be financially prudent to refurbish these properties for council use.
- 2.4 Both the main house and the former caretaker's house were marketed for sale in late 2017, offers having now been received and successful bids accepted subject to contract.
- 2.5 In 2013 a joint council and Leeds Community Health programme to establish 13 integrated health and social care neighbourhood teams was set up. The programme has successfully delivered 12 integrated work bases but there remains one team, Holt Park, for whom a single site base has not been able to be delivered. This lack of a single office base has meant that this team has had to function across multiple sites. As a result the team has been unable to realise the full benefits of operating as an integrated service, unlike the other 12 neighbourhood teams.
- 2.6 Despite numerous searches over the past 4 years no solution in the outer north-west has ever presented itself in terms of offering suitable alternative accommodation for either, or both, the remaining staff at Micklefield House and the Holt Park integrated team.

## **3. Main issues**

- 3.1 Albion House is a two storey purpose built office building of 10,558 sq ft, just off the A65 in Rawdon, next to the council's Henshaw depot. Appendix 1 shows the location of Micklefield House and Albion House.
- 3.2 Albion House would provide 128 desks, the property would be refurbished to Changing the Workplace principles and staff would adopt New Ways of Working.

- 3.3 In addition to the Children & Families and Adults & Health space requirements, the acquisition of Albion House would also enable the co-location of Aireborough School's Cluster which would deliver synergies through closer working with the area social work team.
- 3.4 There would be some capacity (16 desks) in the building which could be used as hot desking facilities, or in the future be used to accommodate another small team.
- 3.5 The property would therefore provide office accommodation as follows:

<b>Team</b>	<b>No. Staff</b>	<b>No. Desks</b>
Children & Families	24	24
Adults & Health	127	80
Aireborough Cluster	8	8
Hot Desks/capacity	-	16
<b>Total</b>	<b>159</b>	<b>128</b>

- 3.6 Asset Management has been searching for suitable properties within this locality for a number of years. Albion House is the first available property which is in the correct locality, available to purchase freehold and meets service requirements.
- 3.7 The benefits that would be achieved through acquiring Albion House are:
- i. Vacant possession of Micklefield House would be secured and the disposal of the site progressed.
  - ii. It would provide good quality, improved contact space for families in the area who have their children in care, or are receiving social care intervention.
  - iii. It would provide modern, fit for purpose office accommodation for council staff and enable Changing the Workplace principles to be applied.
  - iv. It would deliver a long searched for accommodation solution for the Holt Park neighbourhood team, which has faced challenges to functioning as an integrated service due to the lack of availability of a single office base.
  - v. It would provide a modern, fit for purpose asset to add to the council's operational estate portfolio in an area of the city where this type of office accommodation is currently lacking.
  - vi. The freehold of the property can be purchased as oppose to leasehold (it is the first office property in 4 years available to purchase in the locality).

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Executive Member for Regeneration, Transport & Planning has been consulted on the acquisition detailed in this report and is supportive of the proposal.
- 4.1.2 Asset Management Board has been consulted (21<sup>st</sup> March 2018) and has given its support to the proposed acquisition.
- 4.1.3 Guiseley & Rawdon Ward Members have been consulted on the disposal of Micklefield House and are supportive of both the site's disposal and the uses being proposed under the accepted offers.

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

- 4.2.1 An equality screening exercise has been carried out and the outcome is that a full impact assessment is not required as there are no impacts on equality for the approvals requested. The screening document is attached at appendix 2.
- 4.2.2 An Inclusion & Diversity in the Built Environment audit will be undertaken on the property as part of the scope of works assessment. An estimated allowance has been made for carrying out required works within the financial business case detailed in confidential appendix 3.

## **4.3 Council policies and best council plan**

- 4.3.1 The work of Asset Management, including the acquisition of Albion House, supports the Best Council Plan 2015-20 ambition of being '*an efficient and enterprising organisation*'.
- 4.3.2 The proposed acquisition of Albion House further supports the Best Council Plan 2017/18 priorities of:
- Child Friendly City – in particular '*keeping children safe and supporting families*' by provision of quality space within which social care family services can be delivered
  - Better Lives – '*giving people with care and support needs the right care and support at the right time*' by providing the Holt Park integrated health and social care team a single office base from where staff from both the council and Leeds Community Health can effectively co-locate, functioning efficiently as one team to deliver community health and social care services.
- 4.3.3 The proposal also supports the council's value of spending money wisely, through enabling the disposal of Micklefield House and investing in a fit for purpose, modern building that will have less overall maintenance over the next 20+ years than Micklefield House.
- 4.3.4 The proposal is also in line with Leeds' involvement in the One Public Estate programme, working across public sector partners to make more efficient use of the public estate through supporting co-location and integrated services.
- 4.3.5 In addition the acquisition will contribute towards the council's aim of having a modern and fit for purpose estate, with Changing the Workplace principles to be applied throughout.

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

- 4.4.1 Details of the proposed acquisition costs are provided in confidential appendix 3.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 The Executive Board has authority to discharge any function in relation to the management of land, (including valuation, acquisition, appropriation, disposal and any other dealings with land or interest in land) and Asset Management.
- 4.5.2 The information in confidential appendix 3 attached to this report relates to the financial or business affairs of a particular person and the council. This information

is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information relates to a financial offer that the council has submitted to purchase the property in a one to one negotiation it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

- 4.5.3 The Head of Land & Property confirms that in his opinion the figure offered is a fair market value for this freehold interest.

## **4.6 Risk management**

- 4.6.1 The sale of Micklefield House is dependent on the council securing vacant possession of the property. As Albion House is currently the only solution to deliver this should the proposed acquisition not go ahead then the sale of Micklefield House would not be able to progress.
- 4.6.2 If Albion House is not purchased and Micklefield House retained, significant investment would be needed to refurbish the property. However, the layout of the Grade II listed building does not lend itself to modern fit for purpose office accommodation, and specifically aspects of inclusion and diversity.
- 4.6.3 Albion House is the only solution to deliver the Holt Park integrated neighbourhood team a single site base, as has been achieved with the other 12 neighbourhood teams across the city. If a single office base cannot be secured for the team it will continue to be unable to realise the full benefits of delivering an integrated service.

## **5. Conclusions**

- 5.1 Micklefield House has been marketed for sale, offers have been received and accepted. Alternative accommodation needs to be secured, as a matter of priority, for the Children & Families' area social work team which is currently based there.
- 5.2 Albion House would provide fit for purpose office accommodation and good quality family contact space for the clients of the area social work team currently based at Micklefield House.
- 5.3 The Holt Park integrated health and social care team work across multiple sites which has restricted their full development of joint working. Albion House would provide them with office accommodation, in their locality, large enough for the whole team to be based from.
- 5.4 Albion House would be a modern, fit for purpose asset sitting within the council's office accommodation portfolio.

5.5 Albion House can be purchased on a freehold basis as oppose to leasehold, it is the first property in 4 years which is available to purchase on this basis in this specific locality.

## **6. Recommendations**

6.1 Executive Board is recommended to:

- i. Approve the acquisition of Albion House on the terms identified in the confidential appendix 3, including the financial business case set out therein;
- ii. Delegate authority to the Director of City Development to agree the final detailed terms of the acquisition;
- iii. Approve the injection of the sums identified in confidential appendix 3 into the capital programme and give authority to spend the monies as required; and
- iv. Note that the Head of Asset Management is responsible for the proposed acquisition.

## **7. Background documents<sup>1</sup>**

7.1 None

---

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.