

Report of Strategic Asset Management

Report to the Director of City Development

Date: 21 December 2018

Subject: Design and cost report for works required to vacate offices at Middleton Park Complex

Capital scheme number: 33049

| | | |
|--|---|--|
| Are specific electoral wards affected? If relevant, name(s) of ward(s): Middleton Park | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" 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. Since closing as a school in 1997 Middleton Park Complex has mainly been used to accommodate council staff and is currently occupied by Highways & Transportation alongside Leedswatch and two childcare tenants, Daisy Chain and South Leeds Family Childcare. There are over 300 staff based on site and approximately 80 children regularly attend childcare.
2. Following an extensive site search carried out by JLL for the ESFA using established government BB103 area guidelines for mainstream schools, Middleton Park Complex has been identified as the only site that is both in the identified geographical area of need and large enough to accommodate a new secondary school (2.5ha).
3. In September 2018 Executive Board approved the disposal of most of the site to the Ministry for Housing, Communities and Local Government to enable the new Laurence Calvert Academy Free School to be constructed on the site and the approval to spend £400k on the purchase and installation of the modular unit for the South Leeds family Childcare Unit.
4. To enable vacant possession to be delivered, a number of work areas need to be delivered, as follows:

- Relocation of circa 250 staff from Highways & Transportation into St George House in the city centre;
- Temporary relocation of the UTC control room into the Leedswatch area;
- Relocation of South Leeds Family Childcare into a newly erected modular building elsewhere in the ward;
- Rerouting of ICT cabling for Leedswatch;
- Removal and recycling of furniture, ICT equipment and cabling from the remainder of the complex;
- New furniture and ICT equipment to accommodate staff at St George House on Changing the Workplace principles;
- Upgrade of the fibre cabling into St George House to increase capacity sufficiently to accommodate additional staff in the building;
- Relocation of equipment from Middleton Park Complex to Knowsthorpe Gate.

5. Total quoted and estimated costs for the above are £750k.

Recommendations

The Director of City Development is recommended to approve the Authority to Spend of a further £350k from the existing capital programme to fund the works required to decant staff from Middleton Park Complex and make it ready for demolition works to commence.

1 Purpose of this report

- 1.1 The report seeks approval from the Director of City Development to Authority to Spend £350k from the existing capital programme to fund works to vacate offices at Middleton Park Complex and make the building ready for demolition works to commence.

2 Background information

- 2.1 Since closing as a school in 1997 Middleton Park Complex has mainly been used to accommodate council staff, primarily the Highways & Transportation service alongside LeedsWatch and two childcare tenants, Daisy Chain and South Leeds Family Childcare. Over 300 staff are based on site and approximately 80 children regularly attend childcare.
- 2.2 As is the case across the country, there is a significant pressure on new school places in Leeds caused by the rising birth rate across the city. Following an extensive site search carried out by JLL for the ESFA using established government BB103 area guidelines for mainstream schools, Middleton Park Complex has been identified as the only site that is both in the identified geographical area of need and large enough to accommodate a new secondary school (2.5ha). The site's location also provides additional benefit, being adjacent to Middleton Park playing fields and leisure centre, both of which offer the opportunity to accommodate the internal and external sporting requirements of a new secondary school to support curriculum delivery
- 2.3 In September 2018 Executive Board approved the disposal of most of the site to the Ministry for Housing, Communities and Local Government to enable the new Laurence Calvert Academy Free School to be constructed on the site. A price of £1.07m has been agreed for the freehold purchase, along with a £0.5m contribution towards relocation costs. Additionally, a capped fee of up to £1.35m has been agreed for the council to manage the demolition of the site, although those works are subject to further discussion and will require a separate approval in the future.
- 2.4 Part of the site will be retained to provide accommodation for the LeedsWatch service as well as the land occupied by Daisy Chain nursery.

3 Main issues

- 3.1 To enable vacant possession to be delivered, a number of work areas need to be delivered, as follows:
 - Relocation of circa 250 staff from Highways & Transportation into St George House in the city centre;
 - Temporary relocation of the UTC control room into the LeedsWatch area;
 - Relocation of South Leeds Family Childcare into a newly erected modular building elsewhere in the ward;
 - Rerouting of ICT cabling for LeedsWatch;
 - Removal and recycling of furniture, ICT equipment and cabling from the remainder of the complex;

- New furniture and ICT equipment to accommodate staff at St George House on Changing the Workplace principles;
- Upgrade of the fibre cabling into St George House to increase capacity sufficiently to accommodate additional staff in the building.
- Relocation of equipment from Middleton Park Complex to Knowsthorpe Gate.

3.2 Total quoted and estimated costs for the above are £750k. The September 2018 Executive Board approval included the release of £400k which has been spent on a newly erected modular unit for South Leeds Family Childcare and associated works. An additional £350k is required to cover the costs associated with:

- Temporarily relocating the UTC control room into the Leedswatch area of the retained building, which requires new cabling and works in the Leedswatch server room;
- The cabling for Leedswatch runs through the part of the building to be demolished and disposed of and therefore requires rerouting;
- There is a significant amount of furniture, ICT equipment and cabling in the building which requires moving, recycling/disposal;
- The working environment at Middleton Park Complex has not been upgraded to Changing the Workplace standards or principles. New furniture and ICT equipment is required to accommodate the staff on such principles at St George House;
- The fibre cabling into St George House requires upgrading to accommodate the significant additional number of staff in in the building following the relocation;
- A significant amount of technical equipment, samples and records stored in Middleton Park Complex which cannot be accommodated at St George House requires removal and relocation into space identified in Knowsthorpe Gate.

3.3 The site will be cleared of equipment and ICT infrastructure and be totally vacant by 31st March 2019.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 The Executive Members for Children & Families, Learning Skills and Employment, Transport, Regeneration and Planning and Middleton Park ward members have been informed of the proposals for the new school and are supportive.

4.1.2 Staff in the Highways & Transportation Service have been consulted and their views taken on board.

4.1.3 The trade unions have been consulted with support and involvement from Human Resources throughout.

4.2 Equality and diversity / cohesion and integration

4.2.1 In the context of this report there is no expected impact on the protected characteristics and therefore it is not applicable for an EDCl impact screening form to be completed at this time.

4.3 Council policies and the best council plan

4.3.1 Working with Government to enable the new Laurence Calvert Academy Free School to be built on the site of the current Middleton Park Complex and thereby provide education for secondary school age children in Inner South Leeds in a purpose built, modern school is in line with the Best Council Plan 2018/19-2020/21 priorities of “improving educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes” and “helping young people into adulthood, to develop life skills and be ready for work.”

4.4 Resources and value for money

4.4.1 The total estimated costs to have Middleton Park Complex ready for vacant possession to be given are £750k.

4.4.2 Capital funding and cash flow.

| Previous total Authority to Spend on this scheme | TOTAL £000's | TO MARCH 2018 £000's | FORECAST | | | | |
|---|-----------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | 2022 on £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 400.0 | | 400.0 | | | | |
| FURN & EQPT (5) | 0.0 | | | | | | |
| DESIGN FEES (6) | 0.0 | | | | | | |
| OTHER COSTS (7) | 0.0 | | | | | | |
| TOTALS | 400.0 | 0.0 | 400.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Estimated Capital Expenditure by type | TOTAL £000's | TO MARCH 2018 £000's | FORECAST | | | | |
| | | | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | 2022/23 £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 47.0 | | 47.0 | | | | |
| FURN & EQPT (5) | 127.0 | | 127.0 | | | | |
| DESIGN FEES (6) | 36.0 | | 36.0 | | | | |
| OTHER COSTS (7) | 140.0 | | 140.0 | | | | |
| TOTALS | 350.0 | 0.0 | 350.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total overall Funding (As per latest Capital Programme) | TOTAL £000's | TO MARCH 2018 £000's | FORECAST | | | | |
| | | | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021/22 £000's | 2022/23 £000's |
| LCC Supported Borrowing | 750.0 | | 750.0 | | | | |
| Any Other Income (Specify) | 0.0 | | | | | | |
| Total Funding | 750.0 | 0.0 | 750.0 | 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 : 33049

Title : Middleton Park Complex Relocation

4.4.3 Revenue effects

The new and ongoing revenue costs of supporting Highways in St Georges House and UTMC and LeedsWatch in their current location will be funded by the current net managed budget for Middleton Park of £237k.

4.5 Legal implications, access to information and call-in

4.5.1 The proposal contained in this report constitutes a Key Decision and is therefore subject to Call In.

4.6 Risk management

4.6.1 There is a risk that contract negotiations for the disposal of Middleton Park Complex break down and the disposal of the site is not completed. In such circumstances there would be no funding forthcoming from central government and the costs detailed in this report would be unfunded. Although the impact would be high, the likelihood is considered low due to the approach that has been taken with the project to date. We have brought to the ESFA and DfE's attention the issues that could compromise the site's suitability and they have responded that those risks are acceptable to them and decided to proceed. Terms have been agreed for the disposal. All parties are committed to delivering a school on the site at the earliest opportunity to ensure the need for secondary school places in South Leeds is met.

4.6.2 Although the risk of the transaction failing to complete is low, if that situation does arise then there will still be a requirement to deliver a secondary school in South Leeds and it will be the council's statutory duty to ensure it is delivered. As identified by property searches carried out by the council and DfE's LocatEd agency, the only suitable property that could be made available is Middleton Park complex so the staff based there would need to relocate anyway.

5 Conclusions

5.1 There is a requirement for a new secondary school in South Leeds and the only suitable site that could be made available is Middleton Park Complex. A price has been agreed for disposal of the freehold of £1.07m plus £0.5m towards relocation costs. The works detailed in this report are required to give vacant possession of the Middleton Park complex and make it ready for demolition.

6 Recommendations

6.1 The Director of City Development is recommended to approve the Authority to Spend of a further £350k from the existing capital programme to fund the works required to decant staff from Middleton Park Complex and make it ready for demolition works to commence.

7 Background documents¹

7.1 None.

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