

Report of Head of Asset Management

Report to Director of Resources and Housing

Date: 9th December 2019

Subject: Seacroft Ring Road Depot Refurbishment

Capital Scheme Number: 16256

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, name(s) of ward(s): Hunslet & Riverside, Killingbeck & Seacroft, Little London & Woodhouse		
Has consultation been carried out?	<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
Will the decision be open for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:		
Appendix number:		

Summary

1. Main issues

- On the 18th July 2012, Executive Board approved injection of the full capital budget for the Changing the Workplace (CtW) programme Phase 1 Stage 2. The initial programme of works included the rationalisation of the city centre estate following the refurbishment of the retained city centre properties.
- The CtW programme aims to improve how we work throughout the organisation with a focus on three workstreams; people; place and process. It supports the change needed to provide a fit for purpose, good quality and a well maintained office estate.
- Authority to spend £466,034 from existing budget provision (Capital Scheme no. 16256 is being sought. The spend is to deliver refurbishment works at Seacroft Depot to enable Resources and Housing staff to relocate from Navigation House. .
- Navigation House is a leased in property which is scheduled to be handed back to the landlord on the 31 March 2020.

- The 5 year revenue saving the Council will achieve from handing back Navigation House is £2,244,465.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Leeds' Best Council Ambition is to be an efficient, enterprising and healthy organisation. The project will provide fit for purpose, good quality, and flexible CtW office accommodation. The refurbishment of Seacroft Ring Road Depot will provide 194 work stations to support 240 staff to work to CtW principles which will enable them to work flexibility, efficiently and productively across the estate.
- Reduction in CO2 emissions from Council buildings. This project will enable the Council to handback Navigation House and relocate the Resourcing and Housing staff within the existing office accommodation portfolio.

3. Resource Implications

- The 2018/19 annual revenue costs for Navigation House were £448,893.
- Navigation House has been scheduled to be handed back to the landlord on the 31st March 2020. The 5 year revenue saving the Council will achieve from handing back Navigation House is £2,244,465.
- There is capacity within the Council's existing office estate to accommodate the Resourcing and Housing staff located at Navigation House. To achieve this Seacroft Depot must be refurbished and staff must work to CtW principles.
- The refurbishment costs Seacroft Ring Road Depot is £466,034.

Recommendations

- a) The Director of Resources and Housing is requested to give authority to spend £466,034 from existing budget provision (Capital Scheme no. 16256). The spend is to deliver refurbishment works at Seacroft Ring Road Depot to enable Resources and Housing staff to relocate from Navigation House and the property to be handed back to the landlord on the 31 March 2020.

1. Purpose of this report

- 1.1 The purpose of this report is to seek authority to spend the required resources to refurbish Seacroft Ring Road Depot. The refurbishment of the site will enable Resources and Housing Staff to work to CtW principles and enable staff to relocate from Navigation House and for the property to be handed back to the landlord with vacant possession by the 31 March 2020.

2. Background information

- 2.1 Navigation House is located on George Mann Road, LS10 1DJ. The property is leased to Leeds City Council from a private landlord. The 2018/19 annual revenue costs for the property including rent and running costs were £448,893. The lease for Navigation House expired on the 6th September 2019. A short extension to the lease was negotiated with the landlord to the 31st March 2020.
- 2.2 The 5 year revenue saving the Council will achieve from handing back Navigation House is £2,244,465.

- 2.3 Over the past 5 years, where possible, the Council has been handing back leased in properties at lease events such as break points or expiry. It has for some time been the intention to handback Navigation House as the building does not meet the Council's standards adopted in its city centre estate, in particular around Diversity and Inclusion and welfare facilities and would cost a significant amount to deliver improved facilities.
- 2.4 Navigation House is a two storey property occupied by Resources and Housing staff. On the ground floor Housing Management and on the 1st floor Property and Contracts.
- 2.5 Property and Contracts, Leeds Building Services (LBS) is based at Seacroft Ring Road Depot. In addition to the workshops and trades areas it has a large open plan office which is not fitted out to CtW standards and as such the office is at capacity as the staff are not working to new ways of working principles.
- 2.6 The refurbishment works to Seacroft Ring Road Depot is critical to provide the accommodation required to relocate the staff from Navigation House in order to handback the property to the landlord by the required date.

3. Main issues

- 3.1 The Resources and Housing teams based in Navigation House (Housing Management and Property & Contracts) can fit into the existing office estate but will require all staff to adopt new ways of working principles.
- 3.2 Housing Management and Property & Contracts have been through different degrees of CtW in that some members of staff work flexibly across a number of office locations or from home but the large majority work on a 1 to 1 desk ratio and are fixed to a specific location.
- 3.3 The refurbishment will deliver 194 workstations but will only work if new ways of working to CtW principles is adopted. This means flexible working, clear desk policy, no individual offices and desk sharing which is not 1 to 1 desk ratio. Once refurbished there will be 240 staff in Property and Contracts (excluding operatives and trades people) based at Seacroft Ring Road Depot.
- 3.4 All the staff based at Navigation House and Seacroft Ring Road Depot will go through CtW fundamentals training and will be provided with equipment to enable them to work flexibly. HR will provide the training and any support required to staff and management.
- 3.5 Records Management will audit all the paper records at both sites to ensure what is required is retained and archived using the Council's approved system everything else will be destroyed.
- 3.6 The refurbishments works will be delivered by LBS who have confirmed they can complete the works within the timescales required to relocate the staff from Navigation House in time to hand the property back to the landlord.

3.7 Seacroft Ring Road Depot

- 3.7.1 Seacroft Ring Road Depot is occupied by LBS staff including operatives, trades people and officers. The refurbishment will provide a large CtW office with 194 workstations but also improved welfare facilities, additional toilets, break out space, touch down desks, first aid room, contemplation room and a welfare and kitchen area for the operatives.

3.8 Project Delivery

3.8.1 Asset Management will oversee the programme management of the project. A multi-disciplinary project team has been established with workstream leads including:

- Resources and Housing Service Lead
- HR – staff engagement and Trade Union lead, CtW fundamentals, Inclusion and Diversity
- Corporate Property Management – design and refurbishment lead with LBS
- DIS – Accommodation moves, devices, infrastructure
- DIS – Record Management
- DIS – Process Change and technology

3.8.2 The Project will continue to report to the CtW Programme Board until complete and Navigation House is handed back to the landlord.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation regarding the relocation of staff from Navigation House and the refurbishment of Seacroft Ring Road Depot has taken place with colleagues in City Development, Resources and Housing and the Trade Unions through HR.

4.1.2 The Executive Member for Communities and Executive Member for Resources have both been briefed on the proposals and are supportive of the proposed approach.

4.1.3 Regular update reports have been reported to the CtW Programme Board.

4.2 Equality and diversity / cohesion and integration

4.2.1 The CtW programme Equality Impact Assessment undertook specific consultation with both staff and groups representative of protected groups. This is available on request.

4.2.2 The project has a process in place that assesses any specific needs for staff 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. The scheme will be developed taking into account the inclusion and diversity approach by Executive Board.

4.3 Council policies and the Best Council Plan

4.3.1 The project meets the Leeds City Council policy Best Council Plan 2015-2020 as follows:

- Fulfilling our Best Council ambitions by making better use of our resources, enabling the Council to adopt a more inclusive approach whilst improving our services to customers and wellbeing of staff. The Council will become a more agile, resilient, productive and efficient organisation.
- One of the Councils objectives is to take all Council staff through CtW. This project will enable 240 staff to work flexibly across the estate increasing productivity and efficiency as well as supporting employee wellbeing.

Climate Emergency

4.3.2 Through the rationalisation of our estate, the Council is reducing its carbon footprint. Equally, through the adoption of new ways of working principles and the increased flexibility provided to staff allowing them to work from a variety of locations can reduce travel demand providing further carbon footprint reductions for the organisation.

4.4 Resources, procurement and value for money

4.4.1 Parent Scheme: 16256

Title: Seacroft Ring Road Depot Refurbishment

4.4.2 Capital Funding and Cash Flow

	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0							
CONSTRUCTION (3)	0.0							
FURNITURE (5)	0.0							
DIS COSTS (5)	0.0							
OTHER COSTS (7)	0.0							
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH 2019	FORECAST					
	£000's	£000's	2019/20	2020/21	2021/22	2022/23	2023 on	
			£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0							
CONSTRUCTION (3)	466.0		466.0					
FURNITURE (5)	0.0							
DIS COSTS (5)	0.0							
OTHER COSTS (7)	0.0							
TOTALS	466.0	0.0	466.0	0.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH 2019	FORECAST					
	£000's	£000's	2019/20	2020/21	2021/22	2022/23	2023 on	
			£000's	£000's	£000's	£000's	£000's	£000's
Leeds City Council funded	466.0		466.0					
Total Funding	466.0	0.0	466.0	0.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

4.5.1 There are no legal implications to this project.

4.5.2 The original business case approved in 2012 was a Key Decision and subject to call in.

4.5.3 The Authority to Spend is a Significant Operational Decision delegated to the Director of Resources & Housing.

4.6 Risk management

4.6.1 A project risk register has been developed and managed through the Project Team. The key risk at present is:

- Completion of the refurbishments in time to vacate Navigation House. LBS has confirmed this can be completed but weekly meetings will be held to ensure the refurbishments are being delivered to plan.

5. Conclusions

- 5.1 The handback of Navigation House will achieve £2,244,465 revenue saving in 5 years. The Resources and Housing staff must relocate from Navigation House by the 31st March 2020 in order for the Council to realise these savings.
- 5.2 The Resources and Housing staff can be accommodated in the Council's office estate portfolio. To achieve this refurbishment works are needed at Seacroft Ring Road Depot and staff must work to CtW principles.
- 5.3 240 Resources and Housing staff will be supported through CtW ways of working and will be provided with fit for purpose office accommodation which will enable them to work flexibly, efficiently and productively across the estate.
- 5.4 Authority to spend is a critical decision to achieve vacant possession and handback Navigation House to the landlord by the 31st March 2020.

6. Recommendations

- 6.1 The Director of Resources and Housing is requested to give authority to spend £466,034 from existing budget provision (Capital Scheme no. 16256). The spend is to deliver refurbishment works at Seacroft Ring Road Depot to enable Resources and Housing staff to relocate from Navigation House and the property to be handed back to the landlord on the 31 March 2020.

7. Background documents¹

- 7.1 None.

¹ 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.