

# Design & Cost Report associated with the refurbishment of Unit 6 Waterside Road, Stourton for Assisted Living Leeds

Date: 12 February 2025

Report of: Director of City Development and Director of Adults & Health

Report to: Executive Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

Assisted Living Leeds (ALL) is currently based at 81 Clarence Road Leeds and delivers a complex 24/7 service that plays a vital role in supporting discharge from hospital and enables Leeds residents (adults and children) to live independently in their own homes. The aim of the service is to provide the mobility equipment quickly to customer to enable people to live inclusive lives. The service also provides a "return and reuse" service, which allows used equipment to be returned, decontaminated, and reissued, where appropriate.

On 20 March 2019 Executive Board approved the acquisition of Unit 6 Waterside Road Stourton Leeds (New Premises) for the relocation of ALL, along with the authority to spend £5.6m.

The content of this report details the additional funding required for the refurbishment works (circa £3.4m), bringing the total project budget to £9.0m inclusive of construction, furniture and equipment, fees, and contingency.

There is currently £9m allocated in the capital programme for this project.

The refurbishment works are required to be completed prior to ALL relocating to the New Premises in January 2026.

## Recommendations

Executive Board is recommended to:

- a) Approve authority to spend an additional £3.4m for the refurbishment of the New Premises.
- b) Note that Executive Board approved a previous authority to spend of £5.6m in March 2019, taking the overall project budget to £9m (inclusive of costs associated with purchasing the site, construction, fees, and contingency).
- c) Delegate authority to the Director of City Development to award the contract to the successful tenderer, in Spring 2025.
- d) Note the target programme dates in paragraph 12 of the report.

- e) Note the responsible officer for implementation is the Chief Officer Asset Management & Regeneration.

### **What is this report about?**

- 1 ALL is a complex 24/7 service that plays a vital role in supporting discharge from hospital and enables Leeds residents (adults and children) to live independently in their own homes. The service has two main roles, a 24/7 Telecare service and the provision of equipment to customers to enable people to live at home. The service also provides a “return and reuse” service, which allows used equipment to be returned, decontaminated, and reissued, where appropriate.
- 2 The service has recently been subject to a review by the Equipment Service Commissioners. A key finding was that the service is providing an essential service and has a long-term future, with additional funding from both the Council and the Integrated Commissioning Board to support the annually growing demand. It is also noted that the design and size of the site may facilitate customer pick-up and drop-off that will enable the service to operate more efficiently both in terms of speed of access to equipment for the people of Leeds and cost.
- 3 ALL currently occupy a 24,000 sq. ft unit at Clarence Road. This includes a 17,000 sq. ft warehouse and 7,000 sq. ft office accommodation. It is a c1960's building which now requires some significant maintenance works, particularly to the roof. ALL moved into the property on a temporary basis, as the service requirements developed, on the basis that the land at Clarence Road/Armouries Drive was earmarked for development within the Aire Valley Action Plan being prepared at the time.
- 4 The decision to acquire the new premises and relocate ALL was approved by Executive Board on 20 March 2019, noting that the site of the existing premises on land at Clarence Road and Armouries Drive is the focus of investment and development interest as part of emerging regeneration and growth plans for Hunslet Riverside.
- 5 The new premises will accommodate the requirements that ALL has identified, but also provides a potential opportunity for further development of flexible office accommodation, particularly for services with a clear synergy with ALL services, including the opportunity for collaboration spaces and partnership working. It provides a wider opportunity to provide potential office solution to support wider workspace rationalisation and delivery of changing the workplace within localities through the provision of locality office space and touch down space which could be allocated to specific services or used on a more flexible basis. The Flood Risk Management (FRM) team will be co-located with ALL and also has its compound on site which it will need access to throughout the construction works.
- 6 The proposed construction project is for the refurbishment of an existing warehouse to include areas for decontamination, clean and dirty equipment processing areas, equipment testing space, storage and equipment picking.
- 7 On this scheme the Council is intending to engage with nominated suppliers to provide specialist services or equipment. This includes Flexiform, Brysdale, JTM, Munters and Newsmiths. An extensive list was included in the tender package so contractors were aware there needs to be a co-ordinated approach on site and agreed timescales for when existing kit can be relocated and reinstalled prior to handover. This approach has been taken due to existing contracts or service level agreements being in place and only certain companies meeting the specification criteria.

- 8 The Offices will be reconfigured to incorporate additional WCs/showers, meeting, training and wellbeing rooms plus separate accommodation for wider Council Services.
- 9 Adults & Health has commissioned the Projects & Programmes team in City Development to deliver the project.
- 10 Four positive responses were received from the Expression of Interest in September 2024 via the Yorbuild Medium Works Framework (Lot 1 – projects over £4m and up to £10m) and those contractors were invited to tender on the basis of a price / quality separated approach as outlined in the Councils Contract Procedure Rule (CPR) 15.2(a) and as a single stage exercise based on design by NPS up to RIBA Stage 4.
- 11 The outcome of the tender process is that there is an affordable bid which can be managed within the £9m allocated in the capital programme. Following a robust tender review period the recommendation of Council's advisor NPS, is that LCC proceed to contract award due to the tender return successfully meeting the quality criteria set out in the tender documents and demonstrating value for money in the overall pricing. This report seeks approval to delegate contract award to the Director of City Development.
- 12 The key programme dates for this project are:
  - Tender return – 9 January 2025
  - Tender review period – concluded at the end of January 2025
  - Executive Board approval for full authority to spend– 12 February 2025
  - Contract award – March 2025
  - 4-week mobilisation period – April 2025
  - Start on site – May 2025
  - Handover – January 2026

### **What impact will this proposal have?**

- 13 It will provide good quality modern accommodation for ALL and offers the potential to improve the efficiency of service delivery and customer service/ experience.
- 14 The building configuration is a significant improvement on 81 Clarence Road as not only does it provide a purpose-built distribution warehouse it also has a separate large goods inward and a number of smaller more suitable goods outward bays more suitable for the ALL-distribution operation.
- 15 Moving to the Waterside site removes the risk associated with funding future large scale maintenance issues at Clarence Road such as roof replacement.
- 16 Given the size of the unit there is the opportunity to utilise space for wider Council requirements, including fleet parking/ storage and office accommodation, supporting the wider locality asset rationalisation agenda.
- 17 Vacant possession of 81 Clarence Road will also allow regeneration plans to be progressed for the wider site – the premises form part of a single low rise building that is partly in Council ownership and partly that of third parties. The Council has been in separate dialogue with those landowners and development interests and there is an opportunity through vacant possession of

ALL, for collaborative land assembly, which will enable the building to be redeveloped to a modern standard for residential purposes. This would realise a capital receipt for the Council and complement existing developments at the adjoining sites at Leeds Dock and the Climate Innovation District, in keeping with regeneration ambitions for this part of the growing city centre.

### How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 18 The range of services delivered through ALL support the Council's Health and Well Being Strategy by supporting people with health and social care needs to live healthy, productive, independent, and dignified lives, and to participate in education, employment, and civic life. Assistive technology can also delay or reduce the need for formal health and social care, including by reducing the demands on paid or unpaid care givers.
- 19 The work of Asset Management, including the acquisition of the new premises, supports the Best City Ambition and the outcomes of 'Health and Wellbeing,' and 'Inclusive Growth'. In addition, the acquisition of the Waterside site sought to support the delivery of the Inclusive Growth Strategy under the People, Place and Productivity themes.
- 20 The proposal also supports the Council's value of spending money wisely, through enabling the disposal of the Council's ownership at Clarence Road and investing in a fit for purpose, modern building that will have less overall maintenance over the next 20+ years than the current property. In addition, the acquisition supported the wider asset rationalisation programme by providing opportunities to reconfigure locality accommodation and change the way in which staff can undertake their work. There is a further opportunity enabled by the relocation of ALL to dispose of the current site and realise a capital receipt related to its development value and deliver new homes for the city.

### What consultation and engagement has taken place?

Wards affected: Hunslet & Riverside

Have ward members been consulted?

Yes

No

- 21 The Executive Member for Adult Social Care, Active Lifestyles & Culture was briefed on the 8<sup>th</sup> January 2025, and the Executive Member for Economy, Transport and Sustainable Development was briefed on 13<sup>th</sup> January 2025.
- 22 Ward Members were briefed on 22 January 2025 and will be updated at key stages throughout the programme.
- 23 Asset Management Board, ALL staff, and Trade Unions have all been consulted on the relocation to the New Premises.
- 24 Procurement and Commercial Services and Finance Services (PACS) have provided advice in the development of this report.
- 25 Adults & Health has been included in the design process as it moved through each of the RIBA stages and involved in all key decisions regarding the scope of works and refurbishment of the building.

## What are the resource implications?

26 The overall budget of £9m includes the purchase of the site , construction costs, furniture and equipment, fees and sufficient contingency to manage the risk of any unknowns when works commence on site.

Capital funding and cashflow table – see details below

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2024 £000's	FORECAST				
			2024/25	2025/26	2026/27	2027/28	2028 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	2639.4	2639.4	0.0	0.0	0.0	0.0	0.0
CONSTRUCTION (3)	2401.5	35.4	266.1	2100.0	0.0	0.0	0.0
FURN & EQPT (5)	1.2	1.2	0.0	0.0	0.0	0.0	0.0
INTERNAL DESIGN FEES (6)	94.2	78.4	15.8	0.0	0.0	0.0	0.0
OTHER FEES / COSTS (7)	463.7	365.1	98.6	0.0	0.0	0.0	0.0
<b>TOTALS</b>	<b>5600.0</b>	<b>3119.5</b>	<b>380.5</b>	<b>2100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2024 £000's	FORECAST				
			2024/25	2025/26	2026/27	2027/28	2028 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CONSTRUCTION (3)	2000.0	0.0	0.0	1900.0	100.0	0.0	0.0
FURN & EQPT (5)	100.0	0.0	0.0	100.0	0.0	0.0	0.0
INTERNAL DESIGN FEES (6)	125.0	0.0	0.0	100.0	25.0	0.0	0.0
OTHER FEES / COSTS (7)	1175.0	0.0	0.0	900.0	275.0	0.0	0.0
<b>TOTALS</b>	<b>3400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3000.0</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2024 £000's	FORECAST				
			2024/25	2025/26	2026/27	2027/28	2028 on
			£000's	£000's	£000's	£000's	£000's
LCC Corporate Borrowing	3311.5	3119.5	192.0				
Departmental Borrowing	5688.5	0.0	188.5	5100.0	400.0		
Any other income (specify)	0.0	0.0					
<b>Total Funding</b>	<b>9000.0</b>	<b>3119.5</b>	<b>380.5</b>	<b>5100.0</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## What are the key risks and how are they being managed?

27 It is vital all refurbishment works are completed, and ALL is relocated by the end of January 2026 to avoid any significant disruption to the service.

28 Should a January 2026 handover not be met it will impact on the timescales associated with the capital receipt for 81 Clarence Road and the savings that can be achieved for the next financial year.

29 A project risk log has been created which will be discussed in bi-weekly progress meetings and updated to ensure it reflects the current level of risk and appropriate mitigation measures. A risk workshop will be set up with the contractor following contract award.

- 30 One of the main risks is the placing of direct orders by LCC to statutory bodies such as Northern Power Grid to allow the work to be planned in at the appropriate time. This has been reflected on the programme and quotes have been obtained to allow orders to be placed.
- 31 The targeted programme dates remain a risk until the contract has been awarded to the successful bidder. A full programme review will take place with the contractor following their appointment.
- 32 An asbestos refurbishment survey will be required prior to commencement on site. This will be programmed in early and carried out by the Councils internal provider.

### **What are the legal implications?**

- 33 This is a key decision which is subject to call-in as the value of the decision is greater than £500,000. A notice has been published on the List of Forthcoming Key Decisions dated 14 January 2025.
- 34 The procurement of the refurbishment works project was carried out in line with The Public Contracts Regulations 2015 and the Council's CPRs. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 35 Subsequent decisions arising from this report, such as the awarding of the contract upon completion of the tender exercise, will be treated as a consequence of this Key Decision and, regardless of value, will therefore be treated as a Publishable Administrative Decision, which will not be subject to call-in.
- 36 The information provided in the finance table shows the build-up of the project budget and allowances for land/build purchase, construction, fees, decant and contingency, however it does not publicise details of the tender return which would be deemed commercially sensitive under Access for Information Rule 10.4(3) Therefore a confidential appendix is not required and therefore has not been submitted as part of this decision process.

### **Options, timescales and measuring success.**

#### **What other options were considered?**

- 37 A number of alternative sites were explored and discounted and the Waterside site was purchased in 2019.
- 38 As stated in paragraph 2, the service has recently undergone a service review, performed by the commissioners of the service. It has been determined that the service provides a valuable function in preventing and/or delaying access to social care and hospital admissions and has a long-term future. In recognition of both the increasing demand and value of the service provided additional ongoing funding has been awarded. The move to Clarence Road was only on a temporary basis and Waterside will provide good quality modern accommodation for ALL and offers the potential to improve the efficiency of service delivery and customer service/ experience.

#### **How will success be measured?**

- 39 Success will be measured by delivering the project in line with the programme and targeted completion for the end of January 2026.

#### **What is the timetable and who will be responsible for implementation?**

- 40 It is anticipated the contract will be awarded to the successful contractor by the end of March 2025 to enable a 4-week mobilisation period in April, followed by commencement on site in May 2025.

41 The Chief Officer Asset Management & Regeneration is responsible for implementation.

### **Appendices**

- Equality, Diversity, Cohesion and Integration (EDCI) screening.

### **Background papers**

- None.