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PROCEDURE RULE 10.4.(3)

Report of the Director of Adult Social Services

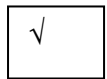
Executive Board

Date: 17 June 2009

Subject: Roundhay Road Relocation Project

Electoral Wards Affected:

Chapel Allerton – Roundhay Road Site
Chapel Allerton - Technorth
Killingbeck and Seacroft – Killingbeck
Court
Beeston - Westland Road: Beeston &
Holbeck
Headingley - Burley Housing Office
City & Hunslet – Moorend ATC
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

This report provides an update to Executive Board on the Roundhay Road project and seeks approval for the authority to spend to enable the solutions now identified to be implemented.

Executive Board previously approved a report in March 2008¹ proposing the relocation of Adult and Children’s teams to ‘Digital and Dunbar Houses’. This move was not progressed due to a significant risk being identified of flooding issues at the site.

The search for alternative locations have continued and have resulted in suitable accommodation being identified within Technorth for Children’s Social Care and at Killingbeck Business Park for Adult Social Care. Whilst this current proposal requires a significantly lower capital outlay than previous proposals, the major downturn in the economy has also resulted in a much lower valuation of the existing Roundhay Road site.

The project has been very difficult to manage, and sustaining stakeholder involvement over such a protracted period of time has been problematic, however, the services have continued to signal their readiness to move largely due to the poor condition of their current

¹ Executive Board Report ‘Roundhay Road Relocation Project’ 12th March 2008

accommodation. In response, the project board and project team, with the support of the Corporate Asset Management Board, have sought to propose a way forward to support relocation. This report details the proposed solutions identified for the remaining services on site (see Appendix 1), together with the current anticipated costs of those proposals (see Confidential Appendix 2), and notes that, on this basis, The Director of Resources has approved the injection of this scheme back into the funded capital programme.

1.0 Purpose of the Report

- 1.1 To update Executive Board on the proposed accommodation solutions in place and the costs associated with the implementation of these to support the relocation of remaining services from the Roundhay Road site to alternative 'fit for purpose' accommodation. In addition the reports sets out the rationale behind the proposals and seeks Executive Board approval to progress relocation of those services.

2.0 Background Information

- 2.1 A project was initiated in September 2005 to relocate in excess of 25 teams (including 279 members of staff and 25 service users) from the Roundhay Road site into alternative accommodation. To support the relocations Executive Board received a report on 12th March 2008 proposing that the full anticipated capital receipt from the sale of the Roundhay Road site be used to fund the relocation of all services from that site into 'fit for purpose' accommodation. It was noted within that report that there was a substantial backlog maintenance liability associated with the current site, in the region of £1.2 million back in the year 2000 and that the site provided poor and unsuitable accommodation for many of the service who were located there.
- 2.2 Staff have regularly reported directly through line management and more widely throughout social care, within the staff survey, that the accommodation provided on the Roundhay Road site, and in some other office environments vested within adult social care, are generally unsuitable for a modern organisation. Due to budget pressures within the adult social care service and the requirements for investment in front-line service provision the level of investment in the asset infrastructure has not been sufficient to bring office accommodation into line with office accommodation provided within other parts of the Council.
- 2.3 Adult Social Care over the past few years has made significant progress in developing an asset strategy and approach (directorate asset management plan, asset based investment strategy, service asset management plans and suitability surveys of all buildings) that supports major service transformation and the Council's aspirations to implement new ways of working through the 'Changing the Workplace' programme. The Roundhay Road project follows the principles established as part of that programme and is being considered as a pilot site within the corporate programme.
- 2.4 At the Executive Board meeting in March 2008, approval was given to inject the full anticipated capital receipt into the capital programme with £2m set aside to facilitate the move of both adult and children's area based teams into Digital and Dunbar Houses. Executive Board also agreed that in the event of a deal to acquire Digital and Dunbar not progressing the allocation could be used to acquire alternative accommodation, subject to consultation between the Director of City Development, Director of Adult Social Care and the relevant Executive Members. The proposed move to Digital and Dunbar was aborted as a result of the flooding issues identified being assessed as too significant a risk for the Council.

- 2.5 Extensive consultation has been undertaken with service users, elected members and other stakeholders to ensure that the project and its objective remain real and significant. A summary of Consultations and Communications with Service Users, Members and Trade Union's are included within Appendix 3 attached. The most significant of these relate to the consultations held some time ago in relation to the relocation of Clifford Brooke, Roundhay Road Day Centre and Moorend ISA. Members and staff have also been kept up to date with progress and an update has been prepared for both staff and members in relation to the proposals within this report. The service has worked with corporate asset management in the search for suitable accommodation to service their main catchment areas based on analysis of service users: where possible council owned options have been prioritised where these have been available and fit for purpose.
- 2.6 There had been little opportunity for existing fit for purpose council owned options to be progressed for the two main office teams due to the location and size of space needed. A fit for purpose solution has however now been identified for the Children's area teams at Tech North and was supported at the Jan 09 Asset Management Board. After careful consideration of a number of accommodation options, adult area teams put forward Killingbeck as their preferred and only currently available option to meet their service needs. The solution to purchase a suitable unit at Killingbeck Court was supported by Asset Management Board in April 2009.
- 2.7 Asset Management Board have reviewed and scrutinised the solutions proposed and throughout the course of 2008/09 have signaled their support for the accommodation solutions proposed as indicated in Appendix 1. It should be noted that the anticipated costs to relocate the services off site have reduced since March 2008 in part due to underutilised capacity at Technorth emerging as a viable solution for children's services.
- 2.8 The total cost of the relocations also includes provision already included within the capital programme of £497k in relation to the reprovision of the Roundhay Road Day Centre at Lovell Park². The net requirement for the relocation all other outstanding services is within the current anticipated value of the capital receipt for the Roundhay Road Site. It should, however, be noted that this proposal also includes solutions for meeting the accommodation requirements of two functions not currently located at Roundhay Road: the Community Support Service and the Adult Reviewing Team.

3.0 Main Issues

- 3.1 Given the current economic climate there is clearly uncertainty around the future value of any capital receipt for the current Roundhay Road site, even though interest has already been shown in relation to the commercial potential for the site. The project has therefore been faced with scenarios that include dealing with a significantly reduced capital receipt and potentially a nil receipt in the foreseeable future. In order for the project to continue and to realise the benefits of improved accommodation for the services affected it has been necessary to look at other potential funding options.
- 3.2 If the options shown in Appendix 1 do not progress, the Roundhay Road buildings would need to be retained. To assess the urgent issues on the building a condition survey would be required at a cost of £5,000. It has already been shown in previous reports that the building itself has nominal value and is potentially a liability. This is supported by the maintenance information from the 2000 condition survey. Essential repair and maintenance

² Design and Cost Reports for 'Lovell Park', 'Work Development Unit', 'Greenhill' and 'Whole Project'

over £500,000, with desirable over £700,000, had been estimated. Given the time lapse and lack of investment, much of the desirable is now likely to be in the essential category. This information did not include a roof survey which may have further cost implications.

- 3.3 On a like for like basis, the additional capital cost for relocating the current occupants of Roundhay Road is estimated at less than £0.4m. This clearly represents a significantly cheaper option than the potential maintenance costs associated with bringing Roundhay Road up to acceptable standards, estimated at well in excess of £1.2m. In addition, it has been recognised for some time that the Roundhay Road buildings do not form part of the Council's long term requirements, whereas the purchase of purpose built accommodation at Killingbeck can be seen as an investment for the future. In essence, the continuation with Roundhay Road as a future office base would represent 'throwing good money after bad'.
- 3.4 On the basis that a 'do nothing' option does not represent a value for money solution, officers have looked at a funding option involving the use of unsecured prudential borrowing.
- 3.5 The unsecured borrowing can be funded within existing revenue budget provision. Almost half of the cost can be met from savings in running costs identified as a result of moving from Roundhay Road into a modern energy efficient office facility. Those services who will occupy Killingbeck, but who are not currently located at Roundhay Road, have existing budget provision to contribute, and the Adult Services Access & Inclusion function has earmarked a small contribution as part of its plans to prepare the service for the personalisation agenda. This funding package is detailed in Confidential Appendix 2 of this report. This remains confidential under Access to Information Rule 10.4 (3) on the grounds that it contains detailed sensitive information about the financial position of the Council and in the circumstances it is considered that the public interest in maintaining confidentiality outweighs the public interest in disclosing the information. Release of this information at this time could prejudice the ongoing negotiations with the vendor.
- 3.6 In summary, the site at Killingbeck can meet the identified business need within the services to not only provide 'fit for purpose' staff accommodation (that supports the Council's objective to change the way we work), but more importantly to ensure the continued effective delivery of adult social care services to citizens' within their communities. Detailed building and suitability surveys have been commissioned and are being assessed prior to the completion of the acquisition. The proposals agreed by the Director of Resources not only represent an affordable and value for money solution for the project, but they also enable the Council to be flexible in relation to the timing of the disposal of the site, together with the achievement of a significant reduction in backlog maintenance in relation to the current Roundhay Road site.

4.0 Implications for Council Policy and Governance

- 4.1 The project is governed by a project board and is run in accordance with DSC project methodology.

5.0 Legal and Resource Implications

- 5.1 The resource implications are outlined within the body of the report

6.0 Conclusions

- 6.1 Services who are currently based at Roundhay Road have continued to express a readiness to relocate their services into more suitable accommodation that will support not only the wider Council aspiration of changed ways of working, but that also supports the services themselves to better deliver their services to the communities who use them.
- 6.2 The choice that exists is between:
- maintaining occupation within the Roundhay Road site that has been deemed unsuitable and has a significant liability associated with continued occupation over the short to medium-term or
 - approving the funding solution that will support the relocation of existing services into fit for purpose medium to long-term accommodation solutions.
- 6.3 On the basis of the proposals contained within the confidential Appendix 2 of this report the Director of Resources has injected this scheme back into the funded capital programme.

7.0 Recommendations

- 7.1 That Executive Board note the contents of the report and the proposed accommodations solutions outlined in Appendix 1.
- 7.2 That Executive Board approve the expenditure of £1.1m on this scheme as outlined in the confidential Appendix 2 to this report.
- 7.3 That Executive Board declare the Roundhay Road site surplus to requirements subject to the completion of the acquisition of the property at Killingbeck.
- 7.4 That Executive Board approve the demolition of the building subject to the completion of the appropriate option appraisal taking into account both the potential impact on the asset value and the ongoing costs of security.

Background Documents

Executive Board Report 'Roundhay Road Relocation Project' 12th March 2008
Design and Cost Reports for 'Lovell Park', 'Work Development Unit', 'Greenhill' and 'Whole Project'