

Leicester
City Council

**WARDS AFFECTED:
CITY WIDE**

CABINET

25 JULY 2005

EFFICIENCY REVIEW OF PROPERTY (CLAB's)

Report of the Corporate Director, Resources, Access and Diversity

1. Purpose of Report

- 1.1 This report informs Cabinet of progress with the review currently being undertaken of Centrally Located Administrative Buildings (CLABS). It also seeks approval to the first phase of the implementation of the review and to the release of funding from the Capital Programme to facilitate the first phase.

2. Summary

- 2.1 As Members will recall, a detailed report on this accommodation review was submitted to Cabinet in October last year. Approval was given to, amongst other matters, further develop option 5 (See Appendix A) as the framework within which to plan accommodation moves to ensure the "best fit" for departments, whilst accepting that the allocation of buildings and floors may change as the review was implemented.
- 2.2 In addition, approval was given to the Council, taking a lease of a major part of Wellington House, on Wellington Street referred to in the report as Alternative Accommodation for a period of up to 15 years.
- 2.3 This report now advises Members of subsequent developments.
- 2.4 The key elements of Option 5, as outlined in the earlier report are set out in the attached Appendix A. At that time additional samples of the concrete, within New Walk Centre (NWC) were being obtained for analysis, following the unexpected results obtained from the first samples, which showed that the concrete was of a lower specification than in the original plans.
- 2.5 A survey further indicated that floor loadings were high in some areas of the building and that action was being taken to identify "hot spots" and reduce loadings, where practical. Except in a small number of areas these problems have now been resolved by the removal of files and cabinet's offsite, and the reduction in height of racking etc. to equal the load recommended for each floor.

- 2.6 The areas proving more difficult to resolve immediately are the computer suite B3, the plant room, ground floor B block, and A8 and A9 Development and Building Control, these areas are subject to ongoing monitoring to ensure safety.
- 2.7 As a result of the structural assessments, by our internal Structural Engineers and our appointed external Consultant Engineers, two options for strengthening of NWC are being considered: -

Option 1

To vacate entirely one block at a time, to remove all false ceilings and services which are contained within these ceiling voids, and to install a steel grid system to both the floor beams and main columns. Additional steel beams would be inserted between the floor beams to allow for the transfer of weight equally across the building.

Option 2

A more modern method for strengthening using polymer fibre, whose characteristic strength far outweighs that of steel. This method would necessitate adhering strips of polymer fibre to the floor beams and main columns to perform in composite action. Some steel girders would be used where the floors meet the main load bearing stairwells in the centre and at each end of the buildings.

- 2.8 Option 1 is a more traditional, tried and tested method of strengthening buildings, it would however, given the amount and type of work involved require a complete decant of one building at a time and would also be far more disruptive to the services contained within the ceiling voids including the IT infrastructure.
- 2.9 Option 2 is likely to be less disruptive, however, given that it is a less tried and tested method it is recommended that a trial is undertaken to identify if the majority of services could remain in place whilst the work is undertaken, and to the extent of the disruption, including that potentially caused by excessive noise levels and possible vibration.
- 2.10 Early indications suggest that the latter method is likely to be the most cost-effective.
- 2.11 The earlier report also gave initial indications as to the future location of services within the retained CLABs buildings, however given that proposals are currently being considered for the reconfiguration of Services in response to recent legislation regarding a Children Federation, it is now considered premature to further develop and bring forward a plan covering all services. Following consultation with the Project Team and Board, a number of moves have however been identified which will not be affected by those proposals and can therefore be progressed as the first phase, details of these are set out below:-

- The lease of the Alternative Accommodation (Wellington House) has been completed, and fitting out of the building has taken place. The Housing Benefits and Local Taxation Service currently located in Welford House and Phoenix House have relocated to the 1st, 2nd, 3rd and 4th floor link block, of Wellington House.
- The relocation of Members, Members Services, Committee Secretariat and the Committee meeting rooms from New Walk Centre to the Town Hall will release space in B Block, New Walk Centre on the ground, 1st and 8th floor. Combined with the recent relocation of the Registration Service to the Town Hall this will significantly increase the overall utilisation of this building by bringing virtually all of the building back into use, and will see the Town Hall becoming once again, the civic heart of the city.
- The relocation of Debt Recovery from Phoenix House, initially into decant accommodation and ultimately, into Alliance House or other suitable accommodation, will enable the combined Housing and Advice Services to be accommodated in Phoenix House (see below) and could allow the Energy advice to relocate to Alliance House.
- The co-location of Housing Options and Advice Services into Phoenix House, will release space in A Block, New Walk Centre ground floor, and Alliance House.
- The co-location of the front of House Services of the Housing Benefits and Local Taxation Services. In order to improve service delivery to those who require to access, these services it is proposed to co-locate these with Customer Services into a new Customer Service Centre (location still to be decided). In the interim, it is proposed to use Welford House for these services.
- The co-location of the Property Services Division to 16 New Walk and the implementation of the CLABs Review rests to a large extent with staff in the Property Division. It is important therefore, to avoid moving these staff once implementation of the main programme is underway. The move will also assist with the integration of this relatively recently formed division. In addition, this move will enable a number of staff from Social Care and Health to move from 16 New Walk to Sovereign House, they will join their colleagues involved in undertaking the review of adults and children services, which would assist with the development of these services.
- It is proposed to retain 1-3 Greyfriars and refurbish the property.
- The most likely occupier will be the front of house service for the new Children's Department. The IT and telephone system require upgrading to allow for improved service delivery and for the staff to have confidence in the technology, networks.

3. Recommendations

Cabinet are asked to approve: -

- 3.1 The undertaking of a trial of the polymer fibre method of strengthening New Walk Centre.
- 3.2 The initial number of moves as set out in 2.2, 2.6, 2.10, 2.14, 2.16 and 2.20 of Supporting Information of this Report.
- 3.3 The authorisation of expenditure of up to £4.395 million as detailed in the report, to be funded by prudential borrowing, subject to approval by Council. This expenditure to be part of the provision for CLABS of £29.676 million approved in the corporate capital programme to be phased over 3 years.

4. Financial and legal Implications

Financial Implications (Nick Booth)

The corporate capital programme, which was approved by Council on 31st March 2005, included a provision of £29.676 million for the CLABS Review, subject to a further approval by Cabinet with regard to the detailed implementation of the scheme. This report outlines proposals for stage one of the review. Details of further stages will be reported later.

The total cost of the stage one proposals is £4.395 million. The detailed breakdown of these is shown in the table below:

Capital Costs	2005/06 £'000s	2006/07 £'000s	Total £'000s
Town Hall relocation	400	2,000	2,400
Greyfriars	250		250
Wellington House – fit out (net)	285		285
Wellington House - IT	250		250
16 New Walk	100		100
Alliance House	60		60
Phoenix House	500		500
NWC Design Costs	250		250
Project Management	100		100
Contingency	100	100	200
Total	2,295	2,100	4,395

The estimated cost of fitting out Wellington House of £285,000 is net of a contribution for furniture of £40,000 from existing housing department budgets.

Prudential borrowing costs of the whole of the estimated total cost of £4.395 million, assuming a mid year spend and interest rate of 5.5% would be £63,100 p.a. in 2005/06, £275,800 in 2006/07 and £412,500 in 2007/08 declining slowly thereafter. These costs have already been incorporated within the Council's capital financing budget.

Provision of £300,000 in 2005/06, £500,000 in 2006/07 and £600,000 in 2007/08 has already been included in the Council's revenue budget for the rent and running costs of Wellington House.

Legal Implications (John McIvor)

When considering the transfer of staff to other properties and the provision of services from alternative premises, the Council will need to take into account the following factors:-

1. Where premises are occupied/used by service users as part of a service provided through the exercise of the Council's functions. In such cases care needs to be taken to assess whether any contractual, public law or Human Rights Act issues arise. For example, if a service user has a legitimate expectation that the accommodation will remain available for the service user whenever it is needed.
2. Where the property is currently being used by Council employees there may be contractual implications as a result of relocation, for example if a car parking space is provided as part of the contract of employment.
3. The Race Relations (Amendment) Act 2002 requires councils to have regards to the need to eliminate unlawful discrimination to promote equality of opportunity and good race relations, and to assess the impact of their proposed policies on race equality. If there is an adverse impact the Council must consider measures that will meet the duty to promote race equality: what measures would remedy the adverse impact or whether the Council's aims could be met in a different way. The report identifies several functions undertaken by the Council from or in connection with the various properties. It may be the case that a specific assessment may need to be undertaken as part of the emerging policy on property review. This must also include consultation with affected groups.
4. The Council is also subject to the provisions of the Disability Discrimination Act (in particular about access to its buildings and services) and duties under the Health and Safety at Work etc Act 1974, which relates to both employees and to visitors.
5. With regard to any proposed disposal of surplus property, The Council has power to dispose of any of its property, or any interest in any of its property (subject as below) and also to acquire property as accommodation for the purposes of the discharges of any of its functions. There are various notice/consent requirements where special forms of property are concerned, namely open space, playing fields, school land and allotments. These requirements will have to be met before any disposals can take place.
6. Any disposal will be subject to the requirement to obtain "best consideration" (this would usually be in terms of the price obtained) for the disposal. Where disposals are being proposed in this report the recommendation from the report author is for the marketing of the property for sale and (subject to the valuation advice on the best method of disposal and the likely proceeds of the disposal) this method can safely be used to meet the duty to obtain best consideration.

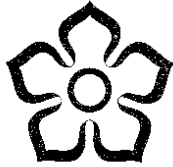
7. Unless specific reference is given the assumptions as to value and marketability have not been subject to a legal diligence exercise and this will, of course, be undertaken prior to any disposal. For example some of our ownerships are on a leasehold basis and the provisions of the lease may constrict marketability and value. Currently occupied buildings are assumed to be valued and proposed for sale with vacant possession. Where there is third party occupancy this would need to be resolved.
8. Any appointment of or tender for external suppliers of goods and services will need to comply with the Council's Contract Procedure Rules and relevant Parts of the Constitution.

5. Officer to contact:

Lynn Cave
 Service Director (Property)
 Extn. 5000

DECISION STATUS

Key Decision	Yes
Reason	Capital Expenditure over £1 million
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



EFFICIENCY REVIEW OF PROPERTY (CLAB's)

Report of the Corporate Director, Resources, Access and Diversity

SUPPORTING INFORMATION

1. Report

1. New Walk Centre – Structural Repairs

- 1.1 The building is 30 years old and aspects of the services have reached the end of their operational life. A survey of the building has highlighted concerns with the heating and ventilation, the concrete and steel, the floor loadings, poor quality toilet provision, ageing lift cages, and problems with the piazza which leaks into the underground car park. New Walk Centre was constructed as an open plan design but many individual offices have been created throughout the building which has both created problems with regard to the circulation of air from the heating and ventilation system and the full and efficient use of the space within the building. In addition, the building has poor entrance and exit arrangements leading to security problems and poor reception layout, aggravated by the location of the catering outlets.
- 1.2 An invasive structural survey was undertaken using samples of concrete from within the supporting pillars and floor plates. Analysis showed that the quality of concrete within these samples was below that specified in the original plans. In view of the unexpected results a more comprehensive sampling regime was adopted. The samples were sent to an independent testing company and verified by a further independent consulting engineer. The results from this sample confirmed the original findings.
- 1.3 As a result of the structural assessments, by our internal Structural Engineers and our appointed external Consultant Engineers, two options for strengthening are being considered: -

Option 1

- 1.3.1 To vacate entirely one Block at a time; to remove all false ceilings, and services, which are contained within the ceiling void; and to install a steel grid system to both the floor beams and main columns. Additional steel beams would be inserted between the floor beams to allow for the transfer of weight equally across the building.

Option 2

- 1.3.2 A more modern method for strengthening using polymer fibre, whose characteristic strength far outweighs that of steel. This method would generally necessitate adhering strips of polymer fibre to the floor beams and main columns to perform in composite action. Some steel girders would be used where the floors meet the main load bearing stairwells in the centre and at each end of the buildings.
- 1.3.3 Option 1 is a more traditional, tried and tested method of strengthening buildings, it would however, given the amount and type of work involved require a complete decant of one building at a time and would also be far more disruptive to the services contained within the ceiling voids including the IT infrastructure.
- 1.3.4 Option 2 is likely to be less disruptive, however, given that it is a less tried and tested method it is recommended that a trial is undertaken to identify: -
- Any problems associated with the method of application
 - The likely level of any disruption to services e.g. IT and phones
 - Potential nuisance caused by excessive noise levels and possible vibration which could have a detrimental effect on the staff
 - Issues with access for contractors their staff and materials
 - Potential Health and Safety issues
 - Security issues

It is also proposed to liaise throughout the trial with our insurers.

- 1.3.5 Early indications suggest that the latter method is likely to be the most cost-effective.
- 1.3.6 A survey of the NWC further indicated that floor loadings were high in some areas and at the time of the last Cabinet report action was being taken to identify “hot spots” and reduce loadings, where practical. Except in a small number of areas these problems have now been resolved by the removal of files and cabinet’s offsite, and the reduction in height of racking etc. to equal the load recommended for each floor.
- 1.3.7 The areas proving more difficult to resolve immediately are the computer suite B3, the plant room, ground floor B block, and A8 and A9 Development and Building Control these areas are subject to ongoing monitoring to ensure safety.

2. First Phase of the Implementation of the Review

- 2.1 The original intention was to produce an overall Project Plan for Members approval, however, given that proposals are currently being considered for the reconfiguration of Services in response to recent legislation regarding a Children Federation, it is considered premature to bring forward a plan covering all services. Following consultation with the Project Team and Board a number of moves have been identified which will not be affected by those proposals and can therefore be progressed as the first phase, details of these are set out below.
- 2.2 Members' Relocation to Town Hall
- 2.3 Given the reason for the Review and terms of reference (See Appendix B), and the buildings to be retained, consideration has been given to relocating Members, Members Services, Committee Secretariat and the Committee meeting rooms from New Walk Centre to the Town Hall. This would release space in B Block, New Walk Centre on the ground, first and 8th floor, providing in particular a possible location for the new integrated Customer Services Centre (if NWC is retained). Together with the recent relocation of the Registration Service to the Town Hall this would significantly increase its overall utilisation bringing virtually all of the building back into use.
- 2.4 Locating Members and providing accommodation for Cabinet and Scrutiny meetings would see the Town Hall becoming once again the civic heart of the city.
- 2.5 The Town Hall is a listed building and English Heritage will need to be consulted on any structural changes proposed. All of the structural changes involve improving disabled access and compliance with DDA legislation.
- 2.6 Debt Recovery Relocation to Alliance House
- 2.7 It is proposed to relocate Debt Recovery from Phoenix House initially into decant accommodation and ultimately, into Alliance House or alternative suitable accommodation. This property in Bishop Street meets all of the requirements of this team of 25 staff. However, consideration is being given to the relocation of the Energy Advice Service to relocate to Alliance House, if suitable accommodation for Debt recovery can be found.
- 2.8 The relocation of Debt Recovery from Phoenix will enable the combined Housing and Advice Services to be accommodated in this building (see para. 2.11 to 2.14 below).
- 2.9 Temporary accommodation is being identified for the service to move to whilst Alliance House is being refurbished after Housing Advice move out.

2.10 Housing Options & Advice Relocation to Phoenix House

2.11 These services are currently provided from two locations (ground floor B Block New Walk Centre and Alliance House, Bishop Street). As a result of an external best value review, it was recommended that these services should be co-located to allow for maximum efficiency and ease of access for the public.

2.12 Phoenix House has been identified as a suitable location for these services. Architects have therefore, been engaged to undertake preliminary work on new reception and interviewing facilities.

2.13 The co-location of Housing Options and Advice Services into Phoenix House will release space in A Block, New Walk Centre ground floor, and Alliance House.

2.14 Housing Benefits and Local Taxation Services. Welford House

2.15 In order to improve service delivery for customers who require access to these services it is proposed to co-locate them with Customer Services into a new Customer Service Centre (location still to be decided). In the interim, it is proposed to use Welford House for these services.

2.16 Property Services Division – Relocation to 16 New Walk

2.17 This relatively recently formed division is currently split mainly between 16 New Walk and Sovereign House.

2.18 To improve the efficiency and integration of the Division it is proposed to co-locate the service into 16 New Walk. This will also enable a number of staff from Social Care and Health (SC&H) to move from 16 New Walk to Sovereign House who will join their colleagues involved in undertaking the review of adult and children services.

2.19 The implementation of the CLABs Review rests to a large extent with staff in the Property Division. It is important therefore, due to the nature of the work being undertaken, to avoid the upheaval of a move once implementation of the main programme is underway. To this end it is suggested that any move to 16 New Walk be completed prior to the commencement of the implementation of the major parts of the Review.

2.20 1-3 Greyfriars

To improve the efficiency and integration of the new Children's Department, it is proposed to upgrade the internal IT links, and replace the telephone system which has reached the end of its natural life.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications (Nick Booth)

These are set out in paragraph 4 of the Summary Report.

2. Legal Implications (John McIvor)

These are set out in paragraph 4 of the Summary Report.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes	The whole report concerns improving accessibility to services for all members of the community	
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	Yes	2.4 and 2.16	

4. RISK ASSESSMENT ANALYSIS

Listed below are the highest from the top of the risk list. These are the primary six of seventy eight – the remainder being considered as medium or low risk.

This only needs to be included if appropriate with regard to the Council's Risk Management Strategy

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
Lift capacity/reliability and/or contractor availability will be affected.	H	H	Have lifts serviced before start of contract. No overloading of lifts or holding doors open.
Noise levels make working conditions difficult/impossible.	H	H	Contractors make noise at agreed times Decant staff more than once Good information Risk assess
Refurbishment causes interruption to IT/comms service.	H	H	Good early planning Move computer room from high risk area Special engineering risk review

Technical solution not "totally" proven in similar sized buildings	H	H	Run a pilot in part of A or B block See reference site(s) and speak to previous clients See process being carried out
Major disruption to service departments	H	H	Plan for essential front line services and ensure priority clients
Departments' lack of preparation for move causes delays and problems	H	H	Good communication/organisation with checklists, specialist help and advice, planned logistics, everyone involved, use best practice from previous moves Who does what and how

5. Background Papers – Local Government Act 1972

Cabinet report 18 October 2004.

6. Consultations

Strategic Resources Group
Nick Booth – Financial Services
John McIvor – Legal Services

7. Officer to contact:

Lynn Cave
Service Director (Property)
Extn. 5000

Tom Stephenson
Corporate Director of Resources, Access and Diversity

OPTION 5

ELLL	The AA
R&C	NWC
Housing (Benefits, Local Taxation)	NWC, Phoenix House
RAD	NWC, Sovereign House, Phoenix House, Town Hall
SC&H	NWC, 16 New Walk, 1-3 Greyfriars, Eagle House

Could release

Marlborough House
Collegiate House
Collegiate Annex
Rowans
York Road
Welford House
Conway Building
St Martins
New Street

- * Customer Service Centre
- * Training Chancery Street
- * Corporate Meeting Rooms

Would leave space in

Town Hall
Market Centre

CLABs

The AA
NWC A/B
Phoenix House
Sovereign House
16 New Walk
1-3 Greyfriars
Eagle House
Chancery Street

The detailed consideration of Option 5 is set out below. If this Option is adopted it would result in:-

- The retention of New Walk Centre undertaking the structural repairs and a phased refurbishment (or the provision of a new Headquarters if this proves to be more cost effective).
- Taking the lease of the newly refurbished accommodation in the AA;
- Co-location of services for a number of Departments;
- Retention of 1-3 Greyfriars, which will possibly become the base for the new Children's Federation. It also retains staff security and car parking and is the preference of the staff involved and trades unions.
- The vacation of Welford House and its retention, basically in its present condition, until the end of the lease in 2008 during which time it would be available for temporary decant purposes as part of the implementation of the review. (The accommodation is of an adequate standard for temporary decant occupation by staff).

- The disposal of a number of properties, which are considered expensive to maintain and manage and, because of DDA legislation, would not be practical to adapt.
- 10 York Road to be returned to the Non-Operational Investment portfolio.
- The CLABs providing a safe, attractive and flexible working environment from which to deliver services and of a standard appropriate for the delivery of a high quality service for at least the next 10 –15 years.
- A framework within which to plan accommodation moves to ensure the ‘best fit’ for departments. The current allocation of buildings and floors may change as the review is implemented.

Reasons for the Review

The review is being undertaken for a number of reasons:-

- By way of an accommodation audit, to assess the quality and efficiency of the working environment.
- To identify wasteful or costly accommodation.
- To respond to external influences principally from recent and emerging legislation such as the Children's Federation, e-government, disabled access and other changes that may arise in respect of how services are to be delivered.

Terms of Reference

The Service Director (Property) produced a Project Brief for the setting up of a Corporate Accommodation Working Group.

The Working Group consists of officers representing each of the Departments within the City Council. These officers already have, in some way, responsibility for accommodation in their day-to-day role as managers.

Since April 2004 the Group has met every 2 weeks to audit the existing CLABs, and develop ideas.