

Leicester
City Council

**WARDS AFFECTED
CITY WIDE**

CABINET

13 MARCH 2006

EFFICIENCY REVIEW OF PROPERTY (CLABs)

Report of the Corporate Director of Resources, Access and Diversity

1. Purpose of Report

- 1.1 This report seeks approval to the release of funding from the Capital Programme to facilitate the relocation of the council's corporate computer suite and supporting functions from their existing location at 'B' Block, New Walk Centre to another Council owned building in the locality.

2. Summary

- 2.1 As Members will recall, a detailed report on the accommodation review of CLABs was submitted to Cabinet in July last year and approval was given to the first phase of the implementation of the review.
- 2.2 Mindful that the day-to-day activities of the council depend on continuity of services within the computer suite, the location of this service – currently 3rd floor B block, NWC - has been given particular attention within the overall CLABs planning framework.
- 2.3 Members are aware that the options under review for NWC involve either its refurbishment or the relocation of staff to other offices. Following detailed investigations and third party advice it is considered unacceptably high risk too refurbish 'around' the existing computer suite.
- 2.4 Furthermore the computer suite is taking up office accommodation and has the ability to be provided from less expensive accommodation. A permanent move is therefore recommended. Moving a computer suite, particularly one of the scale and complexity as the City Council's, with no or minimal service disruption is a major undertaking with significant lead times. Therefore it is recommended that this work begins as soon as possible.

- 2.5 The Council own a suitable site close to New Walk Centre which could be altered to accommodate this service, thereby retaining good links with New Walk Centre or other City Centre locations if that option is chosen.
- 2.6 Enquiries with regard to the financial cost of out-of-town office/industrial units to house the ICT function have indicated that this site is the most cost effective way of providing accommodation for this service. The current cost of the proposed site is approximately £4 per sq. foot per year plus business rates as opposed to an average of out-of-town sites at approximately £12 per sq. foot per year plus business rates.
- 2.7 Members will also be aware that the current Support Services review includes a fundamental review of the Council's ICT arrangements. It is considered unlikely that this review will recommend the wholesale outsourcing of the ICT function, and even if that were the case there would still be the need for a local data centre (computer room) to service to needs of the Council, however the project activities will be scheduled to ensure that contracts are not entered into that would compromise delivery of the review's recommendations, which are due during March.

3. Recommendations

It is recommended that Cabinet approve:

- i) The relocation of the ICT & CA functions to another Council owned site within the City Centre.
- ii) Authorisation of expenditure of up to £1 million as detailed in the report, subject to approval by Council. This expenditure to be part of the provision for CLABs of £29.696 million approved in the Corporate Capital Programme to be phased over 3 years.

4. Financial and legal Implications

Financial Implications

This report seeks approval from Cabinet to approve expenditure of up to £1 million to facilitate the relocation of the computer suite and supporting functions from their existing location at B Block NWC to another Council owned site within the City Centre. This expenditure can be met from within the capital programme provision for CLABs of £29.676 million which was approved by Council on 31st march 2005 subject to further approval by Cabinet with regard to the detailed implementation of the scheme.

Of the total approved budget of £29.676 million, it is estimated that £765,000 will have been spent by the end of the 2005/06 financial year. The capital financing costs of the Prudential borrowing of the £1 million expenditure proposed are estimated at a maximum of £95,000 in the first full year and then to decline slowly thereafter for 25 years. These costs have already been incorporated within the capital financing element of the Council's revenue budget.

The loss of rent from letting of the preferred site for the new data centre would be a maximum of £75,500 per annum. It has been agreed that ICT would fund any loss up to this amount for a period of 2 years. After 2 years the position of the building housing the data centre would be reviewed as part of a general review of CLABs charges whereby it is planned that any increase in net costs for the building should be off-set by savings from the disposal or transfer to the investment property portfolio of other CLABs building.

Legal Implications

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:-

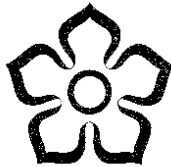
1. Where premises are occupied/used by service users as part of a service provided through the exercise of the Council's functions. In such cases care needs to be taken to assess whether any contractual, public law or Human Rights Act issues arise. For example, if a service user has a legitimate expectation 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. 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	
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

**WARDS AFFECTED
CITY WIDE**

CABINET

13 MARCH 2006

EFFICIENCY REVIEW OF PROPERTY (CLABs)

Report of the Corporate Director of Resources, Access and Diversity

SUPPORTING INFORMATION

1. Report

1.1 The hub for all Council ICT operations is within the Computer Suite sited on the 3rd Floor, "B" Block, New Walk Centre. This suite of converted Office space holds the vast majority of Servers for the delivery of Council e-services to the Public and the management of all other services together with the key data and voice communication nodes for whole wide area network.

1.2 The Cabinet report of July 2005 outlined that an invasive structural survey had been undertaken on New Walk Centre showing that the quality of concrete within the samples taken was below that specified in the original plans.

Work with consultant structural engineers has continued to confirm that potential problems exist within the buildings.

1.3 At its meeting on 18 October 2004, Cabinet considered a report on the future of office accommodation for the Council and in the light of the issues surrounding NWC approved the further development of options around refurbishment of NWC or if this was not cost effective, alternative accommodation of similar size in total.

1.4 A further report will shortly be taken to Cabinet which outlines progress with these options and it is clear that all options will be based upon the majority or all office accommodation being located in the City Centre.

1.5 Concern has been expressed both by officers from within the City Council and from external consultants specifically engaged to advise on the future of the Computer Suite on B3. The viability for business continuity of Data and Voice Services is in doubt if the decision to strengthen and refurbish NWC is made.

The main concerns are:-

- Disruption to service delivery from a lack of power.
- Possible disruption of data and/or voice network access.
- Possible damage being caused to sensitive equipment from working above, below and in the Computer Suite.
- The distinct possibility that whilst full dust protection precautions would be taken, any slight accident or breach of the controlled environment would have major implications.

If one of the other options rather than refurbishment is chosen the Computer Suite and supporting functions will need to be relocated to an alternative site. Discussions have therefore commenced on relocating this service. A property search was undertaken to source a suitable building and the outcome was that this building met the criteria listed for this service. Further discussions with the staff from ICT have lead us to the recommendation this building be the first consideration.

This alternative site is the preferred location for ICT Services as:

- It is owned by the City Council
- Space is available to meet present and assessed future requirements for the core Computer Suite
- Suitable space is available for the provision of Uninterruptible Power Supplies (UPS) and emergency power generation.
- It can provide a permanent base for ICT services irrespective of which option is chosen for the Head Quarters of the City Council and provide service delivery resilience prior to and during any move or refurbishment
- Its relative proximity to NWC and other City Centre locations would allow for low relocation costs, thus allowing for short runs for cable lengths and also the possibility of introducing wireless technology.

The number of Units currently available within the building precludes the move of all ICT services but does permit the move of the following key, linked, operational elements of ICT & CA:

- Computer Suite and Operations Staff and other Technical Support Staff
- Customer Service Line
- Single Non-Emergency Number (SNEN) Project Help Line

Staff numbers involved are:

Team	Staff Numbers
Computer Suite, Operations Staff and Technical Support staff	64
Customer Service Line	26
Single Non-Emergency Number (SNEN) Project Help Line	22
Total	112

Co-located development of these elements allows for the shared exploitation of essential services, in particular emergency power and resilient data and voice networking access delivery points. It also gives the Council the basis of effective joint Data and Call Centres properly resourced to support delivery of not only internal services to the Council but as importantly, delivery of Voice and Data e-Services to the Public.

These moves would make space available within office accommodation and will help the Council achieve its objective of better utilisation of space. As a minimum, one floor of 'B' Block NWC, approximately 935 sq. m., will be made available. As the transfer of the service progresses, it is hoped to identify other supporting functions, which could also transfer from NWC.

2.0 Consultation

- 2.1 Consultation has taken place with the Project Team, officers from the ICT & CA section in Resources, Access and Diversity and external ICT Risk consultants. All concerned support the move as a way of guaranteeing business continuity before and during any major changes are undertaken.

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	NO		
Policy	YES	1.2	
Sustainable and Environmental	NO		
Crime and Disorder	NO		
Human Rights Act	NO		
Elderly/People on Low Income	NO		

4. RISK ASSESSMENT ANALYSIS

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)
1. Loss of business continuity.	M	H	Proposed relocation as outlined in the report.
2. Cost over run.	M	M	<ul style="list-style-type: none"> • Undertake design • Prepare detailed estimates • Tender work • Keep within budget • Undertake regular monitoring
3			
4			
5			
6 etc			

5. Background Papers – Local Government Act 1972

None.

6. Consultations

Strategic Resources Group – John Doyle - ICT (RAD)

Nick Booth – Financial Services

John McIvor – Legal Services

7. Officer to contact:

Lynn Cave

Service Director (Property)

Extn. 5000