

MEETING:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	29 NOVEMBER 2010
TITLE OF REPORT:	UPDATE ON ACCOMMODATION PROGRAMME
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To advise Committee of the current progress in bringing forward the proposed joint office accommodation strategy for the Council and NHS Herefordshire.

Recommendation(s)

That the Committee notes the contents of the report.

Alternative Options

1 No other alternative has been provided as this is an information report.

Reasons for Recommendations

2 This is an information report

Key Points Summary

- Plough Lane was acquired in December 2009.
- The Joint Corporate Property Strategy was approved by Cabinet and PCT Board in December 2009.
- Following an EU approved Framework tendering process, the Council appointed EC Harris on 23rd August to manage the programme of works.
- EC Harris has begun the stakeholder engagement process.
- EC Harris confirm the consolidation onto a single site at Plough Lane remains viable and that a reduced space requirement is now appropriate.

Introduction and Background

- 3 On 7th May 2009, Cabinet approved the office accommodation strategy options appraisal report.
- 4 Cabinet gave the Chief Executive delegated authority to proceed with the preparation of a detailed design specification, subject to a satisfactory business case, and the development thereafter of shared office accommodation at Plough Lane.
- 5 Plough Lane office and four acres of land was acquired from Heineken on 4th December 2009. Vacant possession of the whole site is given 15 months from the date of acquisition (4th March 2011).
- 6 Cabinet and NHS Herefordshire Board approved the Joint Corporate Property Strategy in December 2009. This strategy outlined the “hub and spoke” model of service delivery for joint office accommodation in the County, based around a new headquarters at Plough Lane.

Key Considerations

- 7 In order to manage the programme of works arising from the strategy, approval was given to commission a programme team to manage the work. This was commissioned through the use of the EU approved government Buying Solutions framework in July this year. Following evaluation of 11 tenders received, a shortlist of three companies was invited for interview. EC Harris were unanimously chosen by the assessment panel and were appointed on 23rd August.
- 8 The commission is in two phases. The first phase reviews the work done to date and begins the stakeholder engagement process to scope the extent of accommodation needed, including submission of an outline planning application for the Plough Lane HQ. Phase 2 will procure and manage the programme of construction projects to provide the preferred property solutions.
- 9 The first phase is in two parts and Phase 1A was completed by 31st October 2010. This required that the requirements are confirmed and the Accommodation Board agreed the scope at its meeting of 28th September 2010.
- 10 The second part of Phase 1 will scope the associated projects and the interdependencies between them. This part (Phase 1B) is due to complete by 31st December 2010.
- 11 The design team for the new Plough Lane headquarters is already formed and three design meetings have been held.
- 12 Phase 2, which will take forward the design and procurement processes, has a target date of December 2013 for the completion of the headquarters and transfer of staff to the new building. The appendix indicates the deliverables from these phases.
- 13 Stakeholder engagement is a vital part of the process to ensure that we provide the appropriate accommodation in the future. This is particularly relevant in the rapidly changing public sector landscape.
- 14 Within Phase 1A of the programme EC Harris held a number of meetings with senior management, members, the chair of the NHSH board and officers in both organisations.
- 15 Phase 1A provided a robust business and benefits case to take the programme forward. This will then move to Phase 1B which will scope the extent of the other projects

- 16 As part of the enabling works for the new headquarters development, the Council submitted a detailed planning application on 20th August 2010 for the creation of a new car park at Plough Lane and a new access to the car park from Yazor Road. Discussions are ongoing with the planning authority with respect to technical details of the application.
- 17 The programme of works encompasses the hub and scope model of office provision outlined in the Joint Corporate Property Strategy and is estimated to run until December 2013.
- 18 EC Harris will have a lead role in managing the programme which will include:
 - a. the Plough Lane headquarters;
 - b. a replacement for Garrick House, which is intended to provide accommodation for the Council, NHS Herefordshire, West Mercia Constabulary and HM Revenues and Customs;
 - c. locality offices based around the locations identified by the Localities Task Group led by the Director of Sustainable Communities;
 - d. a replacement for the Archive;
 - e. a replacement for the modern records office;
 - f. a replacement for the Thorn Data Centre; and
 - g. improvement works to the Shire Hall and Town Hall.
- 19 The decision to base the future accommodation at the Plough Lane facility not only produces property benefits but also enables some wider organisational benefits to be delivered. There are five streams of wider organisational benefits that can be delivered in conjunction with the property transformation. The five wider benefits are as follows;
 - a. Co-location driven opportunities;
 - b. Amplification of any current initiatives;
 - c. Increased service delivery through directorates working more closely together;
 - d. Reduced travel as sites are consolidated; and
 - e. Reduction in carbon impact.
- 20 The work to date is challenging a number of areas in order to deliver the project. This includes the current culture of “desk ownership” that sees one desk per employee. The current position also includes a culture best described as one of “in attendance” that places an emphasis on staff being present rather than working flexibility to support the delivery of outcomes.
- 21 During December a workshop will be held to explore how best to procure the new facility. It is clear that various procurement routes are available and the workshop will select the most appropriate route.
- 22 The work to date has considered how best to deliver the design and construction programme whilst ensuring services continue to function. This has included the minimisation of the number of moves for staff and the arrangements at Plough Lane during the construction phase because the existing building will be refurbished after the completion of the new build.

- 23 The engagement of EC Harris has allowed the original assumptions for property consolidation to be tested. It confirms the original work conducted by Knight Frank was thorough but correctly notes that the public sector landscape has changed. In effect EC Harris were asked to conduct a peer review of Knight Frank's work and the outcome concluded:
- a. The analysis that selected Plough Lane as the location for the administrative hub was sound and reasonable;
 - b. The size of the previous building was based on different assumptions about requirements; and the space requirement has reduced due to a change in desk sharing ratios.
- 24 The work to date has clearly indicated that consolidation into a single administrative hub located at Plough Lane is financially viable. This has been further emphasised by the reduction of the space requirement at Plough Lane that will include a reduced new build of 3,200m² compared with 8,400m² of the original Knight Frank report.

Community Impact

- 25 The programme will provide more effective services to local communities, delivered at the appropriate point of contact.

Financial Implications

- 26 There are no direct financial implications with respect to this report.

Legal Implications

- 27 There are no direct legal implications with respect to this report.

Risk Management

- 28 The Accommodation Board, chaired by the Director of Resources (Herefordshire Council) will monitor and review the progress of the programme on a regular basis.

Consultees

29. None identified.

Appendices

- Phase 1 Summary September 2010

Background Papers

- None identified

Appendix A

PHASE 1A

- Confirm scope and focus
- Confirm requirements
- Validate concept
- Provide benefit

DECISION GATEWAY

PHASE 1B

- Confirm Strategy
- Validate option and plan
- Create full benefits case
- Create space budget
- Develop design solutions
- Integrate with transformation activities