

## Cabinet (Resources) Panel

20 March 2018

<b>Report title</b>	FutureSpace Update	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All wards	
<b>Accountable Director</b>	Tim Johnson, Strategic Director - Place	
<b>Originating service</b>	FutureSpace	
<b>Accountable employee</b>	Mark Bassett Tel Email	FutureSpace Programme Director 01902 558293 <a href="mailto:mark.bassett@wolverhampton.gov.uk">mark.bassett@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Place Leadership Team Strategic Executive Board	5 March 2018 6 March 2018

### Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the progress of the FutureSpace programme has been in line with the agreed mandate and intended outcomes.
2. That the activity remaining is on target to achieve the outcomes and benefits as set out in the original business case.
3. That the programme has been delivered using robust project and programme management consistent with the agreed corporate methodology.

## **1.0 Purpose**

- 1.1 To update on the FutureSpace programme; summarising progress to date and setting out the remaining activities to fulfil the agreed Business Case.

## **2.0 Background**

- 2.1 Cabinet (Resources) Panel and Council approved the FutureSpace programme in 30 June and 15 July 2015 respectively. The programme scope included the following critical factors in successfully delivering the Medium Term Financial Strategy objectives:
- Closing buildings we no longer need.
  - Making essential repairs to those we do.
  - Protecting our sources of income.
  - Running our property estate efficiently.
- 2.2 Ensuring continued use of our key corporate building – the Civic Centre – by addressing Health and Safety issues was a priority. If the Council did not act urgently building elements including the electrical, ventilation and fire alarm systems could have failed such that moving staff out of the building would be the only option resulting in an inability for Council services to be run from the building.
- 2.3 A forced relocation (even on a temporary basis) would negatively impact on services to residents and the city economy as the current occupiers and visitors to the building would no longer be city centre based. This would also have meant needing to rent space elsewhere at a cost to the Council, since there were no other suitable buildings owned by the Council available for use.
- 2.4 An intent to achieve efficiency through space saving sits at the core of the mandate. The programme addressed the significant financial risks outlined above; delivers net savings to the Council of over £500,000 per annum and in addition the following benefits:
- Managing risks related to business continuity of key Council services.
  - Protecting income to the Council from car parking charges and rental income.
  - Generating capital receipts by selling buildings we no longer need.
  - Enabling regeneration of the city.
  - Saving money from using less buildings.
- 2.5 An opportunity to transform the workplace was also taken to ensure that teams are enabled to work effectively and efficiently with more modern technology and improved productivity.
- 2.6 The work required to achieve the above objectives has been managed efficiently and co-ordinated to save money; manage risk and deliver the following outcomes at the earliest opportunity:
- 30% reduction in office space (Gross Internal Area).

- 15,000m<sup>2</sup> less office space in use (Gross Internal Area) – equivalent to over two football pitches.
- 16 fewer buildings (20 down to four).
- Around 2000 employees working from four buildings instead of 20.
- Reducing repairs liabilities by £2.4 million by coming out of surplus buildings.
- Generating additional rental income of £300,000 per year.
- Protecting existing car park income of £640,000 per annum.
- Total gross revenue savings of £1.0 million per annum.

2.7 FutureSpace is part of the overarching Confident Capable Council (C3) transformational programme structure, and alongside the other 'Future' programmes have progressed the corporate objective of being a Confident, Capable Council.

### **3.0 Progress, options, discussion, etc.**

3.1 The FutureSpace Programme is on target to achieve the objectives set out in the original business case.

3.2 Since works commenced in May 2016 two of three phases have been completed with the last phase nearing completion in March/ April 2018. The overall programme has been largely maintained even with the following occurring:

- Necessary revisions to scope for the works to 3rd and 4th Floors.
- Identifying (and removing) multiple instances of unforeseen asbestos during works.
- A significant flood from the construction site through partially completed areas.

3.3 The repair works to the Mezzanine are now the subject of discussions between loss adjusters appointed on behalf of respective parties including the Council and the contractor. The option to instruct these through the current contract is being actively explored as this presents an approach which would be more efficient whilst the contractor's infrastructure is on site.

3.4 The phase completion dates are as below:

Car Park	August 2016 (Actual)
Phase 1	March 2017 (Actual)
Phase 2	September 2017 (Actual)
Phase 3	April 2018 (Projected)

3.5 In addition to the necessary repairs to heating and cooling; data and electrical infrastructure the following benefits have also been realised through the FutureSpace programme:

#### **A. Clearer signage and wayfinding**

- Building zoned on each floor
- Different colours per floor
- Physical signs and digital information

#### **B. Improved access to the building**

- Informed by consultation with representative groups
- Changing places facility on Ground Floor
- Split level reception counters
- Additional automatic sliding doors in main concourse
- Additional hearing loops
- Tonal contrast throughout the design
- Additional accessible toilets in office areas
- Better and more appropriate lighting

#### **C. Civic Centre customer/ visitor experience**

- New Customer Service Centre supporting new service delivery model
- New Café which includes more healthy options/ wider product range

#### **D. Fire safety**

- A single fire alarm system
- Additional fire compartmentation
- New staircase lobbies and refuges
- New fire protected lift lobbies
- Updated Fire Risk Assessments

#### **E. Asbestos removal/ management**

- All asbestos in the construction areas has been removed
- Asbestos Management Plan updated
- It is normal to find asbestos in buildings of this age.
- Asbestos specialists have confirmed there is no risk, nor has there ever been a risk to public health

3.6 The FutureSpace programme has been used to demonstrate the ways in which a significant council project can also deliver on City Charter objectives:

#### **A. Develop and grow a skilled workforce**

- A combination of Apprentices, Trainees and Graduates have reached the agreed target number.
- Speller Metcalfe attended the North East Wolverhampton Academy in January 2018 and delivered a Network Year 8 pupils and Guess My Job event with Year 7 pupils.
- Work experience is arranged for a University Technical College student starting 12 March 2018

- Practice interviews with 50 pupils will take place.
- Work experience for two unemployed residents completed in December 2017
  - one has progressed into full time position in construction
  - one has progressed into the Women into Construction programme.

## **B. Encourage healthy lifestyles**

- Contractor teams have engaged consistently in the “Healthy Fruit Fridays”
- Contractor employees have engaged and took part in a running club, and signed up to sporting events and cycle to work
- Speller Metcalfe employees are increasingly using WV Active facilities

## **C. Support businesses to develop and grow**

- The percentage of labour working on the project from within 15 miles of the City Centre is 62%
- The percentage of contractors and suppliers based within 15 miles of the City Centre is 40%

## **D. Skills and Training**

- Four people have completed Site Supervisor safety training courses
- Seven people have carried out Site Managers safety training courses
- At least 12-15 people have completed first aid at work training
- Many other courses have been completed over the course of the project including
  - Asbestos Awareness
  - Working at Height
  - Manual Handling
  - PASMA Training (for those working at height on tower scaffolds)
  - Scaffold inspection
  - Temporary works
  - Construction Skills Certification Scheme (CSCS) training

## **Asset rationalisation and disposals of surplus assets**

- 3.7 The disposals programme has continued to progress in order to generate revenue savings and capital receipts from the in-scope assets which contribute to the business case.
- 3.8 Of the 20 buildings within the scope of the programme, only four have outstanding actions to be completed owing to the timing of availability of space in the Civic Centre; and engagement with occupying services to ensure service requirements are fully understood and factored into future accommodation needs.
- 3.9 The rationalisation of assets remains on target to deliver the financial business case. The full list is included within Appendix 1 of this report.

- 3.10 Retained assets would be subject to an on-going review of the life-cycle maintenance requirements (under the leadership of Corporate Landlord) to ensure the value and condition of the corporate estate is maintained.

### **Programme delivery**

- 3.11 The FutureSpace programme has been delivered using robust project and programme management wholly consistent with the agreed corporate methodology. The programme has been reviewed by Internal Audit and referenced by the Projects and Programmes team to others as an example of how the governance and reporting should take place using the corporate systems including Verto.

## **4.0 Evaluation of alternative options**

- 4.1 The long-term occupation of the Civic Centre could not be guaranteed due to the failing M&E systems of a 37-year-old building. The substantial risk of failure of building systems was too high to do nothing. An options appraisal was undertaken and the “Do Minimum” option was progressed.
- 4.2 Capital investment identified for the main Civic Centre building, had a clear and direct dependency with other project works. These dependencies were managed successfully within the overall programme governance structure:
- The Civic Centre Car Park structural and M&E repairs
  - The Urban Traffic Control (UTC) relocation from Heantun House

## **5.0 Reasons for decisions:**

- 5.1 The presentation of this report is to provide assurance that the approved FutureSpace programme has to date, and will continue to deliver its mandate.

## **6.0 Financial implications**

- 6.1 The capital investment in the Civic Centre has enabled the building to remain operational and support the transfer of staff from other buildings either owned or rented by the Council. This has generated revenue savings and allowed surplus buildings to be either disposed of or rented out, generating a capital receipt or additional income. The original business case estimated that over the period to 2021 capital receipts of £8.2 million would be achieved through disposal of assets and there would be estimated revenue savings of approximately £1.0 million per annum.
- 6.2 As part of this update report on the Future Space programme a review of both the budget and delivery against the original financial business case has taken place. The scheme is currently in delivery phase however over the medium term it is evident that the savings will be delivered, subject to the remaining assets being released for sale or being made available for commercial rent.

- 6.3 The current budget position is that the project is on target to deliver the programme of works in line with approved budgets; however, work is still ongoing and therefore at this stage outturn on the project cannot be confirmed.
- 6.4 During the period of the project there have been changes to the scope of works and discovery of asbestos, which have been managed and delivered within the programme. At this stage the implications of the flood to the Mezzanine area, which was partially completed, is not fully understood, however it is considered that all costs associated with these works would be recoverable under insurance policies.  
[HM/09032018/N]

## **7.0 Legal implications**

- 7.1 There are no immediate legal implications arising from this report. The refurbishment and construction work has complied with building regulations and all other legislative requirements.  
[RB/05032018/G]

## **8.0 Equalities implications**

- 8.1 Equality screening assessments were undertaken as part of the business case development in conjunction with the Equality Team. The equality screening assessment has continued throughout the programme with the support of the Equalities Team. Consultation with representative groups has also taken place to inform the design and future operation of the Civic Centre.

## **9.0 Environmental implications**

- 9.1 Through the design development work the environmental implications were assessed to understand the impact on the building's performance and energy consumption. The capital investment in the refurbishment of the Civic Centre will result in improved environmental efficiency. Through a reduction in the Council's office estate a reduced carbon footprint will be achieved.
- 9.2 New energy efficient lighting has been installed in all scoped areas. New external wall insulation has been installed in scope areas. Product choice has been influenced and informed by environmental factors. The waste and recycling arrangements put in place by the contractor has responsibly disposed of waste from the site.

## **10.0 Human resources implications**

- 10.1 There are no direct human resource implications with this report.

## **11.0 Corporate landlord implications**

- 11.1 Colleagues from the Corporate Landlord function remain actively involved in the programme. The business case for the Future Space programme was developed in consultation upon with Corporate Landlord colleagues.

- 11.2 An outcome of the capital investment and asset rationalisation will be the reduction in backlog maintenance of corporate assets and an improvement in the quality of the work environment for employees and accommodation and facilities for visitors and customers.
- 11.3 The ongoing asset rationalisation activity will be led by Corporate Landlord and integrated into the wider work on asset strategy and disposals.

## **12.0 Schedule of background papers**

- 12.1 FutureSpace - Cabinet (Resources) Panel Meeting 30 June 2015
- 12.2 FutureSpace - Meeting of the City Council 15 July 2015

## **13.0 Appendices**

- 13.1 Appendix 1 – In-scope Asset List and Current Status



## Appendix 1

### In-scope Asset List and Current Status

In scope Assets	
Asset	Current Position (March 2018)
<b>Disposals</b>	
Compton Grange	Completed sale
Jennie Lee Centre	Completed sale
Heantun House	Conditional sale
10 King Street	Lease to be ended (with the Council vacating)
Offices 1st Floor Sainsburys (St George's)	Lease terminated
Bramerton	Completed sale
Beckminster	Operational
Beldray	Operational
St Jude's	Completed sale
Initial Assessment Team	Completed sale
Oxley Moor House	Vacant awaiting sale
22 Queen Street	Lease terminated
Mander House	Lease terminated
Parkfields Centre	Operational
The Maltings	Operational
Corner House	Completed sale
<b>Retained</b>	-
Bond House	Operational
Red Lion Street (Magistrates)	Operational
Ryefields (1st floor)	Operational
Civic Centre	Operational