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Report to: Overview and Scrutiny Committee

Date: 20 September 2017

Subject: WYCA Office Accommodation

1 Purpose

1.1 To update Overview and Scrutiny Committee (OSC) on the WYCA Head Office Accommodation Project on the scope of the work underway to assess the feasibility of refurbishing Wellington House in line with the decision made at the last meeting of WYCA.

2 Information

2.1 At its last meeting the Committee considered the report presented to WYCA setting out options for head office accommodation. It was noted that WYCA considered that refurbishing Wellington House appeared to offer on balance the best solution to WYCA's needs and approved the commencement of feasibility work. This work will provide full plans and costings and confirm that the required objectives can be met by a refurbishment programme. This Committee requested sight of the scope and parameters of the feasibility work and this report sets out that further information.

2.2 The previous report noted the reasons why WYCA accommodation needs immediate attention:

- The split site between Wellington House and City Exchange is hampering our ability to build a single culture because of the perpetuation of 'old' ways of working;
- The lease on City Exchange is coming to an end and a substantive new solution needs to be found for the staff there;
- Wellington House is in urgent need of investment – in the facilities (toilets, lifts, water supply, ICT), quality of the office environment and furniture, and entrance/meeting room quality;
- The shabby nature of Wellington House is contributing to perpetuation of old cultures;
- With an increasing number of external partnership meetings, the facilities in Wellington House (meeting room, webcasting, wifi, break out areas etc) radically need improving.

2.3 The report also set out the principles required to be met in the preferred option:

- Partnership: The WYCA site needs to be highly accessible to partners from across the city region and the north. Initial soundings from Members, stakeholders and staff indicates that this requires the public transport accessibility of central Leeds, close to the railway station. Leeds is the most accessible point on the public transport network, and works for both inter and intra-city region connections. Additionally the accommodation has to be 'owned' by all partners such that they should feel free to use it when they wish and have drop-in provision – an office in central Leeds would best fulfil this requirement.
- Cost minimisation: WYCA does not have any significant reserves that can be invested in buildings. However, on top of this the revenue costs of Wellington House, of £0.7m pa, are much less than the £2.5m pa that our property advisors indicate WYCA would have to pay to lease higher quality accommodation on another site in central Leeds.
- New culture: the accommodation should reflect the new values and culture of WYCA.
- Future proofed: an uncertain future means WYCA should avoid locking itself into overly constraining leasing or other arrangements. This also requires flexibility in the use of space, so that, for example, a Mayor's office could be created if required.

2.4 A preferred option of refurbish, sell later was endorsed by WYCA. This was based on initial feasibility work which suggested that the required workspace and meeting rooms could be accommodated within a refurbished Wellington House. Over the longer term this was felt to be the most cost-effective option, since the additional costs would eventually pay back through avoiding the costs of leasing space in City Exchange or elsewhere, and potentially more quickly if the market for commercial property in Leeds improves and values rise due to HS2.

2.5 The approval from WYCA was to progress to a detailed design, costs and plan to enable a final approval to be sought early in 2018 to commence works. The works are expected to cost up to £4m on a combined programme of refurbishment and dilapidations and will be completed by August 2019, in time for the next breakpoint opportunity in the City Exchange lease.

Progress to date on the Preferred Option

Project Scope

2.6 Work has been underway over the past couple of months to further define the project, taking into account the issues and principles set out above. The following scope has been agreed for the project:

- Provide office accommodation in Wellington House for all WYCA's Leeds based staff (including City Exchange but excluding Leeds Travel centre and Bus Station)

staff). The working assumption is the provision of 375 workstations, which on a flexible working and desk-sharing ratio of up to 7 workstations for every 10 people would enable us to base over 500 staff in Wellington House.

- Provide office accommodation that supports the changing culture of the organisation – a look and feel that is in line with WYCA’s values.
- Provide a highly accessible site to support partnership working.
- Future proof office accommodation to enable Wellington House to accommodate the future needs of the organisation in terms of the quantity of desks and facilities provided
- Support the approach to flexible working and provide standard meeting room facilities (including the ICT hardware)
- Provide a quality working environment that includes formal and informal meeting space
- Improve facilities, especially addressing the condition and capacity of toilets and kitchens / break out spaces and to support flexible working arrangements
- Refurbishment to Grade B standard on floors 1-4 (equivalent to the standard on 4th Floor) and to a higher standard for the ground floor meeting rooms suite to provide high quality spaces. Refurbishment of the building should facilitate the principles of flexible ways of working.

2.7 These works will include:

- Addressing building condition issues that are affordable within the cost envelope. These will be prioritised on an urgency/ opportunity basis as part of the feasibility works and provide a forward plan for addressing outstanding issues.
- Upgrading reception and the ground floor into a much more welcoming environment for our partners, visitors and public meetings.
- Improving facilities to ensure full disabled accessibility.
- Adding kitchen and informal meeting areas to each floor of office accommodation.
- Improving the quality and quantity of toilet facilities.
- Improving the quality and quantity of kitchen facilities.
- Upgrading facilities throughout the building such as the ventilation system, lighting, the lifts, and re-decorating and re-carpeting.
- Improving cycling and shower facilities.
- Adequate and improved meeting facilities for both external and internal meetings, with standardised facilities and ICT hardware to include informal meeting space on each floor.

- Adequate individual and team storage facilities which make most efficient use of the space available and reflect the Storage Strategy.
- Utilising the basement in the refurbishment design, whilst retaining 4 (TBC) parking spaces.
- All furniture required for the building refurbishment and flexible ways of working.
- All network and cabling ICT works required as part of the building refurbishment, i.e. ICT infrastructure.
- All works involved with decanting and temporarily accommodation staff during construction works, including accommodating Committee and Boards which currently take place in Committee Room A.
- Provision of a Members Lounge and 3 offices for Members/WYCA's Managing Director.
- Provision of a Contemplation Room.
- Accommodation of Urban Transport Group and Unison.
- Minimise costs as far is reasonable based on these objectives up to a cost envelope of £4m for all works including development, design, furniture, project management and WYCA staffing costs which are identified within scope.
- Complete project in time for all City Exchange Staff to be accommodated within Wellington House before the City Exchange lease expires in August 2019.
- Have regard to the public sector equality duty.

2.8 The scope is intended to deliver the following outcomes for WYCA:

- Better integrated organisation.
- Office accommodation that reflects the values and culture of WYCA and provides a comfortable place for people to come to work in.
- Meeting Room accommodation that is highly accessible of a high quality and is felt to be 'owned' by all WYCA partners.
- Office accommodation that is flexible and that has been future proofed to meet the changing demand of WYCA.
- Increased property value of Wellington House.
- Better utilisation of office accommodation.
- Flexible ways of working have been realised.

Project Interdependencies

2.9 The Wellington House Accommodation Project is part of the One Organisation Programme. This programme also contains a project looking at flexible ways of

working in a programme of business change improving the way the organisation works, including for example hot-desking or working in other locations. This work will be key to the Wellington House Accommodation Project delivering its outcomes and making best use of its new accommodation. The dependencies between the two projects have been identified and the business change requirements will be a key consideration of the Feasibility Study.

Procurement of a Project Designer

- 2.10 The Project Team is in the process of procuring a Designer to deliver the design of the scope outlined above. The procurement will engage design expertise for the full life of the project, with the option of break clauses at the end of each design stage. The designer is being procured through the YORconsult Framework, which is used by local authorities and other public sector organisations and registered charities in the Yorkshire & Humber region to access construction related consultants. It is intended that the design consultant will be appointed in early October 2017.

Next Steps for the Project

- 2.11 Following the appointment of the Designer, the Feasibility will be progressed to be completed in early December. The feasibility study will confirm the deliverability of the scope within the maximum budget of £4m, it will also provide high level designs identifying:
- The number of workstations that will be created and options for locating teams throughout the building
 - The achievable improvement to the accessibility of the building
 - Design and capacity of the ground floor reception and meeting room suite.
 - Schedule of the structural and building condition issues works that will be delivered as part of the project.
 - Number and location of toilet, kitchen and showering facilities
 - Provision of informal meeting and breakout space throughout the building
- 2.12 These designs will then be shared with both external and internal stakeholders.
- 2.13 Going forward, the project will be appraised and assured in line WYCA's Assurance Framework. Once completed, the Feasibility Study will inform the project's Outline Business Case. This will be considered for recommendation by WYCA's programme Appraisal Team, before seeking Decision Point 3 (Outline Business Case) approval from WYCA on 1st February. At this point WYCA can consider based on the information provided (including a forecast outturn cost) whether the project should proceed and whether any additional development funding should be released.

- 2.14 In the interim, if members of the Overview and Scrutiny Committee feel that a site visit of Wellington House would be beneficial to their understanding of the project this can be arranged to take place at the end of the meeting.

3 Financial Implications

- 3.1 None as a result of this report. The project has received a £0.1m approval in order to progress a Feasibility study and Outline Business Case.

4 Legal Implications

- 4.1 None.

5 Staffing Implications

- 5.1 The project will be managed by internal staff resources.

6 External Consultees

- 6.1 As part of the project's engagement plan, external stakeholders will be contacted for their views on the designs.

7 Recommendations

- 7.1 That Members consider the information provided in this report and advise if any further update is required.

8 Background Documents

- 8.1 None.