

**Proposed Decision to be taken by the  
Deputy Leader and the Portfolio Holder for Customers  
on or after 20<sup>th</sup> Sept 2013**

**Nuneaton and Bedworth Local Centres**

**Recommendations**

- 1) That the Portfolio Holder for Customers approve a virement of £725,000 from the Property Rationalisation Plan budget comprising:
  - (a) funding of £575,000 to upgrade 1014 Lancaster House (Exhall Grange School) and 1188 Hillary Road in Nuneaton; and
  - (b) funding of £150,000 to increase the total funding for upgrading 1242 Kings House in Bedworth to £675,000.
- 2) That the Deputy Leader approves the award of a contract for the three upgrade projects at a total cost of £1,250,000 via the Scape/Empa Minor Works Framework.

**1.0 Background**

- 1.1 Following a review carried out by Physical Assets and People Group, it has been agreed to reconfigure current service delivery locations into local centres and reduce the overall number of properties held by the authority in Nuneaton & Bedworth. Two local centres are to be provided in Nuneaton & Bedworth and these are to be based at Kings House and Lancaster House in Bedworth and Hilary Road in Nuneaton. Releasing Hillcrest Road, Beada House and the Bridgeway Centre.
- 1.2 Adaptation works to varying degrees are required at all three locations to accommodate People Group Teams. The timescale for commencing the service is limited and is expected to be functioning by October 2013 at Kings House and early 2014 at Hilary Road.
- 1.3 Delivery of the adaptation works is vital to ensure continued service delivery and compliance with the Council's Accommodation Standards.

**2.0 Proposal**

- 2.1 Scape framework contracts will be utilised as a main contract, and will employ various sub contract disciplines to complete the full range of works within the limited timescale. The total value of the three projects is £1,250,000, which means that the approval of the Deputy Leader is required to undertake the necessary procurement exercise. It is envisaged that works across all three

sites will be complete for October 2013.

Scape is a Local Authority controlled company wholly owned by Derby City, Derbyshire County, Gateshead, Nottingham City, Nottinghamshire County and Warwickshire County Councils in equal shares.

Scape was formed under section 95 of the 2003 Local Government Act and incorporated 21 December 2005; and began trading 1 April 2006. Scape acts as a Contracting Authority and Central Purchasing Body as defined in the EU Procurement Directives.

- 2.2 The project value including all fees and charges for the whole programme is estimated to be £1,250,000, the full cost of which will be met from the existing capital budget (11041000) Rationalisation of the Councils Property (PRP).

Current project estimates for the work are:

- Kings House £675,000
- Lancaster House £50,000
- Hilary Road £525,000

£525,000 funding has already been made available from the PRP budget (via Q1 review) for the works to Kings House and so approval is now required only for a £150,000 increase in the funding for that project. Another £575,000 is required for the Lancaster House and Hilary Road projects. This funding is made available by way of virement, which given the values requires the approval of the Portfolio Holder for Customers.

- 2.3 The Nuneaton & Bedworth Local Centres Options Appraisal is attached at **Appendix A**.

### 3.0 Background papers

- 3.1 Option appraisal and business case in respect of Local Centres at Nuneaton and Bedworth.

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**Proposed Decision to be taken by the  
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**Option appraisal and business case in respect of Local Centres at Nuneaton  
and Bedworth.**

**Background**

As part of the property rationalisation programme (PRP) the council is to create six centres supported by a small number of satellite buildings in order to provide office space, customer facing assessment spaces and touch down space for staff and partners working in each location. This type of service provision should bring teams together and hopefully provide a more joined up service delivery to customers.

In establishing these local centres a number of properties countywide will be released for disposal thus creating capital receipts and revenue savings which will contribute to the objectives of the PRP.

Both Nuneaton and Bedworth have been identified as locations for a local centre and whilst they are separate in terms of siting, staff relocated from buildings within Nuneaton and Bedworth will, for service needs, not necessarily move to the town from which they came. This means that savings on buildings cannot be attributed to a specific location.

For this reason whilst the rationale for choosing the location of the local centres has been combined, in preparing the business case the savings and costs have been considered together.

The choice of location for the local centres is informed by a number of factors

- Ability to accommodate the number of staff identified.
- Ability to accommodate the required ancillary accommodation including, break out areas, meeting and conference rooms and secure assessment space.
- Location and accessibility.
- The ability to incorporate the Council's adopted style of modern and flexible open plan working.
- Cost.

Where possible properties from the Council's existing estate have been selected.

## Selection

### Bedworth

The following properties were considered for the Local Centre.

1. Kings House – a six storey building within the Town Centre. The building was acquired by the Council approximately eight years ago on a lease which now has approximately seven years left to run.
2. Beada House – owned freehold by the Council but rejected as too small to accommodate all of the service requirements and being unsuitable for MFW due to its cellular layout.
3. Bridgeway Centre – A single storey former day centre (no longer used) owned freehold. The site was rejected following a budget cost assessment in which financial investment required at Bridgeway was calculated to be higher than that needed at Kings House.
4. Lancaster House (part of the Exhall Grange School site) – considered an inappropriate location for the local centre being on the very edge of the County boundary. In addition, the property has poor communication and transport links. Notwithstanding this the retention of this accommodation, with the availability of assessment space in the school, is appropriate to cater for clients to the south of Bedworth. Moreover, there are strong links with NHS and other agencies working from this site and the impact of retention on costs / savings is minimal.

### Assessment Space

Beada House currently provides assessment space. However, retaining this site and converting into a local centre was rejected due to constraints of the building footprint and cellular layout. Likewise Lancaster House was rejected based on the limited space in the property and its locality. The proposal to use either Kings House or Bridgeway Centre will result in the need to create additional space; this can be achieved with relative ease in either property.

An initial proposal to vacate Lancaster House meant that further assessment space would be required in addition to that which shall be provided at Kings House. However the final selection of the preferred option negates this requirement.

If the Bridgeway Centre were to be selected as the local centre then assessment space could be accommodated on site. However, through a feasibility study it was found that the necessary conversion and refurbishment involved a greater capital commitment than the recommended option.

### Recommendation

Kings House is centrally located making access for customers without private transport straightforward; similarly some staff may be encouraged to use public rather than private transport.

Peoples Group have indicated that the retention of Lancaster House would be advantageous to support their strong collaboration with both the school and the NHS services on site. Financially the impact of retaining this accommodation is neutral as the school is a County School and it would not be feasible to dispose of it in isolation.

People Group personnel will remain at Lancaster House and a new team relocated. As a consequence of this recommended strategy, there will be sufficient space at Kings House for additional assessment space to serve the Bedworth client base.

Kings House is held on lease expiring September 2020 at a rental of £172,500 p.a. The Council are locked into this lease until September 2015 when there is a break option. When acquired approximately 6 years ago considerable expenditure was incurred in respect of fitting out works including works to increase electrical capacity.

At present the building is considered underutilised

The recommendation therefore is to utilise Kings House as the Local Centre comprising offices, meeting and conference rooms, touchdown and self-contained assessment space. This will be supported by Lancaster House with offices, touchdown, limited meeting room space and links to the school for assessment space.

A graphical representation of People Group staff in Nuneaton & Bedworth is included in Appendix A2, this identifies the staff moves at high level.

A schedule of costs and savings is given at Appendix A1.

## Nuneaton

The following properties were considered for the local centre.

1. The Hilary Road Centre. Owned freehold by the Council and presently used by Peoples Group as offices, assessment space, meeting and training facility.
2. Freeway Centre. Owned freehold by the Council and recently vacated by Peoples Group. Previously used as a day centre but could be converted to offices subject to planning permission.  
Ultimately rejected as being too small and in an unsuitable location.
3. Powell House. This building does not form part of the Council estate at present and would therefore need to be acquired if it is presently being marketed on a freehold basis of an (optimistic) asking price of £460k. The building is located in the town centre next to the library and is in poor condition.  
The Building was rejected due to the likely cost of acquisition and refurbishment.
4. Manor Park School rejected due to other Council proposals and could not be made available within the necessary timescale.
5. Ramsden Centre identified as possibly surplus but following review Peoples Group took the decision to retain the building for a complex needs centre.
6. 119 Hillcrest Rd is a Council owned freehold property recently vacated on lease expiry by a third party. There is no further service requirement for this property. The financial investment required to provide, what would be, relatively minimal office, meeting and assessment space is not considered a long term cost effective solution. The future of the property is unknown as it is situated within the Camp Hill redevelopment site. With this uncertainty surrounding the site and the extent of works required, the site has been rejected.

## Assessment space

Based upon the site by site review presented above, the preferred location for the local centre is Hilary Road as a single site in Nuneaton. In view of the intensification in use, it will be necessary create additional assessment space in the main building and annex to serve the Nuneaton client base. In addition to this, the following elements of work will also be required to support the service:

- Extend and improve the reception and waiting area.
- Introduce the principle of modern and flexible working throughout.
- Provide a modular unit at the rear of the site to provide additional office space.

The Council has no other suitable property available within the estate and whilst a number of options to acquire property have been examined all would prove to be more expensive than the proposal.

### **Recommendation**

The recommendation is that Hilary Road is adapted, enhanced and extended to form the sole delivery location for Nuneaton.

A schedule of costs and savings is given at appendix A1.

### Principal Buildings Affected.

1. The Hilary Road Centre, Nuneaton.
2. 119 Hillcrest Road, Nuneaton.
3. Warwick House, Nuneaton.
4. Kings House, Bedworth.
5. Lancaster House, Bedworth.
6. Beada House, Bedworth.
7. Bridgeway Centre, Bedworth.
8. Park House, Nuneaton

Some staff will be relocating from other County Council and Partner buildings however these have not been included in the above schedule as they will not generate any additional costs or savings.

While these arrangements don't fully represent an integrated Local Centre they do achieve property savings and business needs in the medium term. As the organisation continues to change there will be further opportunities to create fully integrated accommodation.

Appendix A1 Financial Assessment

Appendix 1 - Nuneaton and Bedworth Local Centres - Business Case																																			
	Hilary Road (1188)		119 Hillcrest Road (1193)		Kings House (1242)		Lancaster House (1026)		Warwick House (1086)		Beadra House (1063)		Bridgeway Centre (1061)		Park House (1132)		Commentary																		
	Cost	Saving	Cost	Saving	Cost	Saving	Cost	Saving	Cost		Cost		Cost		Cost																				
Current position	Capital																																		
	Maintenance																																		
	<b>TOTAL CURRENT CAPITAL</b>		£0		£0		£0		£0		£0		£0		£0																				
	Revenue																																		
	Rent																																		
	Ave Running Cost Rates																																		
	<b>TOTAL CURRENT REVENUE</b>		-£18,357		£0		-£15,000		£0		-£525,199		£0		-£111,312		£0		-£213,436		£0		-£48,818		£0		-£40,627		£0		-£18,514		£0		All based on 12-13 budget except 119, JSH guess
FM Version Net Budget	-£18,374		-£1,032		-£412,860		-£111,603		-£210,831		-£49,003		-£16,403		-£18,514																				
Following moves	Capital																																		
	Disposal																																		
	Maintenance																																		
	Reverse premium																																		
	strip out/dilapidations																																		
	fit out / works																																		
	<b>TOTAL CAPITAL INVESTMENT</b>		-£525,000		£0		£0		£100,000		-£675,000		£0		-£50,000		£0		-£130,400		£0		-£10,000		£250,000		£0		£150,000		£0		£400,000		Capital Receipts Forecast
	Revenue																																		
	Rent																																		
	Ave Running Cost rates																																		
	<b>TOTAL POST MOVE REVENUE</b>		-£28,357		£0		-£15,000		£0		-£600,199		£0		-£111,312		£0		£0		£213,436		£0		£48,818		£0		£40,627		£0		£18,514		
FM Net Budget 13-14 v1	-£32,598		-£8,414		-£440,717		-£131,615		-£44,583		-£10,042		-£36,466		-£20,025																				
FM Net Budget 13-14 v2 (020113)	-£45,349		-£8,414		-£440,717		-£72,232		-£44,583		-£10,042		-£49,216		-£20,025																				Lancaster House Revenue overstated by c20k
	retained properties		properties for disposal																																
<b>JSH Reconciliation</b>	V1		V2		Var		3 Centre Option																												
Total Current Revenue	-£991,263		-£991,263		£0		-£991,263																												
Total Post Move Revenue Retained	-£613,344		-£566,712		-£46,632		-£558,298																												
Total Capital Investment	-£1,250,000		-£1,250,000		£0		-£1,250,000																												
Funding from Existing Budget	£900,000		£900,000		£0		£900,000																												
Funding Gap	-£350,000		-£350,000		£0		-£350,000																												
<b>Annual Revenue Saving (Full Year Impact)</b>	<b>-£377,919</b>		<b>-£424,551</b>		<b>£46,632</b>		<b>-£432,965</b>																												
Capital Disposal	£800,000		£800,000		£0		£900,000																												
Earmark	-£350,000		-£350,000		£0		-£350,000																												
<b>Exclusions</b>																																			
1	ICT Costs at Warwick House																																		
2	Removal Costs																																		
3	WCC ICT Fit out costs																																		
4	Storage / Filing / Racking at Hilary Road																																		
5	Upgrade incoming Utilities																																		
6	Disposal Costs & Fees																																		
7	Optimism Bias																																		
8	Decant / Temp Acc																																		
9	Staff Expenses																																		
10	Other?																																		



Appendix A2 Diagrammatic Representation

Nuneaton & Bedworth 3 Base Solution

