

Proposed Decision to be taken by the Deputy Leader on or after 21st November 2014

Adult Community Learning and Information Assets Development Service – Pound Lane Learning Centre

Recommendations

That the Deputy Leader:

- 1) Approves the addition to the Capital Programme of a project for the refurbishment of Pound Lane, Lillington including all professional fees and statutory charges at a total cost of £309,540.
- 2) Approves the funding of this project from a revenue contribution to capital using the insurance receipt for Bath Place. The earmarking of this insurance receipt to be used for costs relating to the property rationalisation programme was approved by Cabinet on 8th May 2014.

1.0 Background

1.1 Adult Community Learning (ACL) currently operates from three locations:

- Arden House, Stratford upon Avon
- Saltisford Building 3, Warwick
- Warwick House, Atherstone

1.2 In the ethos of Property Rationalisation, Physical Assets and People Group have reviewed current property arrangements from both an operational and financial perspective. It has been agreed to co-locate the teams in one location for the benefit of the service simultaneously rendering some properties available for disposal. For ACL, a single location will bring about more efficient working practices, improved relationships between management and staff, as well as a consistency of service to clients. A full range of facilities, including an ICT training suite, an art and craft room and a client facing reception to staff offices will be provided at Pound Lane.

1.3 Until 31st October 2014 corporate training facilities were provided at Wedgnock House, Warwick. This function was managed by the ICT Development service who were also based at the site. Wedgnock House cost the organisation £730K per annum in rent and running costs (£92,094 of which is apportioned to IA development service as defined in Appendix A1). The building was a combination of office and warehouse accommodation, housing a myriad of County Council services. All services are being relocated to alternative, existing properties. The final element of this relocation strategy is new corporate training facilities being provided at Pound Lane, Lillington to be known as Pound Lane Learning Centre

1.4 Pound Lane represents an ideal opportunity to re house both ACL and the training facilities. The site, a former Pupil Referral Centre, offers a series of classroom sized suites, together with office accommodation and welfare facilities suitable for staff and course delegates alike. Investment is required to support a refurbishment of the premises in advance of it being occupied. Part funding for mechanical, electrical and building fabric works is available through existing maintenance budgets, as set out within appendix A2.

2.0 Proposal

2.1 The capital cost will be funded from the revenue insurance receipt from Bath Place. Approval for this receipt to be added to the Physical Assets Reserve Service Savings Budget and earmarked for costs relating to the Property Rationalisation Programme (PRP) was given by Cabinet on 8th May 2014.

2.2 The total capital requirement for the refurbishment of the Pound Lane Learning Centre is £309,540.

2.3 The insurance receipt received for Bath Place was £713,290. The remaining £403,750 will be retained for future PRP requirements.

2.4 The final cost appraisal for Pound Lane Learning Centre is presented in Appendix A.

3.0 Supporting Papers

3.1 Appendix A Business case for use of Pound Lane for ACL and IA Development Service

Appendix A1 Financial Assessment (Revenue)

Appendix A2 Financial Assessment (Capital)

4.0 Background Papers

4.1 None

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Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

Programme:	Property Rationalisation Programme	Project:	Pound Lane refurbishment
Author:	Dan Smith	Date:	14 th October 2014
Version:	V.2	Sensitivity:	Not protectively marked

1 Executive Summary

This is to document the justification for the undertaking of a project, based on the budget costs (of development, implementation and incremental ongoing operations and maintenance costs) against the anticipated benefits to be gained and offset by any associated risks.

The PRP Team have been tasked with relocating a number of services as part of a combination of Service necessity and the Rationalisation Programme. The services associated with this project are the Adult Community Learning (ACL) team and the Information Assets (IA) Development Service.

ACL are currently spread over 3 separate locations (Arden House, Saltisford B3, Warwick House, Atherstone). The proposal is to centralise the function in order for it to operate from a more ideal location and assist in improving the delivery of the service.

The IA Development Service currently operates in and from Wedgnoek House. This building is earmarked for disposal and as a consequence, all teams and services need to be relocated. The IA Development Service is one such service and therefore requires relocation.

The former Round Oak School / PRU, now referred to as Pound Lane has been identified and recommended as an alternative location for both services, based on the user requirements. Key to the use of this building is:

- 1) Good public access.
- 2) The property is of limited capital value.
- 3) A standalone property
- 4) Layout offers flexibility in terms of use.
- 5) Good central location.
- 6) Location within Community supporting ACL delivery model.

2 Background & Business Requirement

- 2.1 The PRP Team have been tasked with relocating a number of services as part of a combination of Service necessity and the Property Rationalisation Project (PRP). The project involves assessing and sourcing accommodation for 2 new teams (see Section 4 below), as well as improving service delivery and PRP targets.

Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

2.2 It is proposed that the following teams are to be relocated from their existing premises:

- **Adult Community Learning Teams**

Upon the appointment of a new Service Manager (Alan Newbold), a new service delivery location was being reviewed in order to consolidate the teams and find more suitable accommodation. The service is currently situated in a number of inadequate locations for the delivery of ACL. These include Arden House, Saltisford Building 3 and Warwick House.

Ideally the service is seeking venues where there is space for 3 classrooms, an IA training suite, hall space for physical activity and an office for 10-12 administrative staff and visiting tutors.

- **Information Assets Development Service**

Wedgcock House has been highlighted as the primary premises to be disposed of under the Property Rationalisation Programme (PRP), by 31st October 2014. As such, all teams and services operating from the premises are under review for relocation, including the IA Development Service. This service offers an important function and needs to be re-provided elsewhere.

The service require a reception area, parking (for 40+ cars), a breakout/food area, some on-site storage, shared hall, 2 training rooms, 1 specialist training room (for Apple and Lego) and general welfare facilities.

3 Options

3.1 Adult Community Learning Team

- *OPTION 1 – Do nothing*

Leave ACL teams where they are (Arden House, Saltisford 3 and Warwick House). The impact of this is that the team remains dispersed around the County, unable to efficiently and effectively deliver their service from a single location.

- *OPTION 2 – Move within Stratford*

Relocate from 3 current locations (Arden House, Saltisford Building 3 and Warwick House) into one single location within Stratford. A number of properties have been investigated and a potential property was identified. However, end user requirements were identified as needing a more central location and so the impact of a move within Stratford would not fulfil this prerequisite.

- *OPTION 3 – Move to Pound Lane, Lillington*

Relocate from Arden House and Saltisford Building 3 into premises at Pound Lane, Lillington.

Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

Location ideal for service delivery and central to Leamington Spa, Warwick & Kenilworth. It has good public transport links. The service have expressed that this is their preferred location, due to the customer base in the locality.

3.2 IA Development Service

- *OPTION 1 – Do nothing*

Not a realistic option, due to the strategic priority to exit Wedgnock House by 31st October 2014.

- *OPTION 2 – Use of existing training venues*

Consideration of existing training and development facilities within Warwickshire that could be shared between ACL and IA Development Service. These options include private training provision, Warwickshire College, Warwick University or Coventry University for example. The venues have not been explored fully due to the availability of Option 3 below.

- *OPTION 3 – Move to Pound Lane, Lillington*

Relocate from Wedgnock House into Pound Lane. Pound Lane is more compact and an efficient use of space but still an acceptable size for the delivery of the service. The service has expressed interest in the premises as a favoured solution for them.

4 Objectives / Outcomes

4.1 Considering each service individually, the following objectives are proposed:

- **The Adult Community Learning Teams**

A number of new service delivery locations were first reviewed and then discounted. Further discussions then took place with the PRP Team and a Warwick / Leamington solution was explored. This resulted in the proposal to re-use the premises at **Pound Lane** as a new location for the Saltisford and Arden House teams.

The building fulfils the service requirements and the facilities would allow an expansion of both volume and range of provision. Room sizes would accommodate greater class size than at present and allow improvement in the quality of the learning environment.

This relocation offers an ideal opportunity to provide a single facility in the right location in order to serve high priority areas and achieve the services' ambition.

- **IA Development Service**

It is imperative that all services currently residing within Wedgnock are catered for and relocated in a timely manner.

Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

The right-hand side of the **Pound Lane** premises lends itself to re-providing this service in terms of space, layout and functional requirement.

Furthermore, Pound Lane is very close to the original Development Centre (Manor Hall) which was originally located in North Leamington. Therefore, from a customer perspective, the service would be relocating back to the area.

5 Benefits

- 5.1 Pound Lane is a blighted site in respect of its re-sale potential due to the installation of a flood alleviation scheme by Severn Trent, located to the rear of the school site. This severely impacts the opportunities available to potential purchasers of the site in terms of redevelopment, which in turn affects the resale value and eventual capital receipt to Warwickshire County Council. It is therefore deemed more beneficial to Warwickshire County Council to retain the site and make use of it under PRP.
- 5.2 Pound Lane is a single facility in a good location for both services and it has good accessibility for public transport. The existing playground can be re-used as a parking facility to assist service users travelling to the site via their own transport.
- 5.3 Utilising Pound Lane will assist in the vacation of both Wedgnoek House and Arden House, which will reduce and consolidate property revenue budget. This will help to generate savings under the existing PRP savings targets.
- 5.4 Bringing Pound Lane back into use will raise its priority in terms of cyclical maintenance in order to keep the building in good condition.
- 5.5 The premises will assist in centralising staff and training delivery.
- 5.6 It is an empty building, presenting an ideal time to carry out the works.
- 5.7 Co-location of two apparently diverse services provides an opportunity for collaboration.

6 Scope

- 6.1 The primary aim of the scope of work is to bring the building back into functional and operational use in connection with the individual team requirements needed to run the service.
- 6.2 A Mechanical and Electrical upgrade will be carried out ahead of the fabric refurbishment. This is being funded separately from the non-schools maintenance budget.
- 6.3 It is expected that works to the building shall be carried out in 2 phases:

Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

Phase 1 – Proposed to accommodate the ACL service

Phase 2 – Proposed to accommodate the IA Development Service

6.4 Procurement of the scheme shall be managed through the WCC Intend system.

7 Constraints & Dependencies

7.1 **Asbestos** – The building contains ACMs and the extent of removal works centres around the old school kitchen. Removal will need to be carried out if the kitchen is to be converted and this will have to be factored into the master programme. However, the space is self-contained and this will assist in getting the removal completed whilst other trades are on site.

7.2 **Works Programme** – A number of separate contracts will be running on site. The overall master programme therefore becomes dependent on the running of the individual programmes to ensure the milestone dates below are achieved. Both installations need to be managed effectively.

7.3 **New PSN Virgin Link** – This is crucial to ensure the site have network capability. The new line has been ordered.

7.4 **Time** – The Pound Lane project has a number of milestone dates to consider as it forms a solution for a number of different services:

- **Vacation of Arden House by 12th September 2014 (date of termination of lease).**
- **Vacation of Wedgnock House by 31st October 2014** – To contribute to the £730K savings that is generated by leaving the property (£92,094 of this saving is apportioned to Information Assets and their relocation to Pound Lane as defined in Appendix A1).
- **Provision and continuity of the ACL Training service from 5th September 2014.**
- **Provision and continuity of IA Development Service from February 2015.**
From 31st October 2014 (when Wedgnock House is vacated) to launch of the new facilities at Pound Lane, training has been deployed to other properties on a temporary basis.

7.5 **Budget** – Building and services budgets need to be made available for entire Project (Phase 1 & 2).

8 Assumptions

8.1 Additional investment into the asset will be required in the medium-term which will need to be factored into the non-schools maintenance budget based on post-completion condition survey.

8.2 Some of the capital spend items may be expended over the cyclical maintenance period of the property and not necessarily within current year.

Business Case for use of Pound Lane for Adult Community Learning & Information Assets Development Service.

TOTAL PROPOSED REVENUE SPEND: £ 68,000.00

TOTAL ANNUAL REVENUE SAVING: £117,714.00

10 Critical Success Factors

- 10.1 ACL Team must be fully operational by 1st September 2014. All internal works to be completed by these timescales.
- 10.2 IA Development Service must have moved into the building and be fully operational before 31st October 2014. All internal works to be completed by these timescales.
- 10.3 There must be continuity of works between Phases 1 & 2. There is potential for overlap of programmes of work in order to accelerate the master programme; however this will need to be confirmed.
- 10.4 Both services to work collaboratively, particularly within the shared spaces created by the Project.

11 Risks

- 11.1 Refer to Project Risk Register. All risks associated with the Project will be formally documented as part of the Pre-construction Information Pack and they will be managed throughout.
- 11.2 Also see Section 7.

12 Timescales

- 12.1 Refer to 7.4.

Appendix A1 Financial Assessment Property Revenue Costs

	Arden House (4317)		Wedgnock House (5372)		Saltisford 3 (5384)		Warwick House (2184)		Pound Lane (5097)		Commentry
	Leasehold		Leasehold		Freehold		Leasehold		Freehold		
	Cost (£)	Saving (£)	Cost (£)	Saving (£)	Cost (£)	Saving (£)	Cost (£)	Saving (£)	Cost (£)	Saving (£)	
Tenure:-											
Current Capital:	0	0	0	0	0	0	0	0	0	0	
TOTAL CURRENT CAPITAL											£0.00
Current Revenue:											
<i>Ave running costs</i>	-66989	0	-92094	0	0	0	-12600	0	-14031	0	Costs for Wednock & Saltisford are prorated to reflect the occupancy of the services/teams involved in the move.
TOTAL CURRENT REVENUE											
Proposed Capital:											
<i>Fit out works (see below breakdown)</i>	0	0	0	0	0	0	0	0	-807500		See Appendix A2. This initial cost assessment includes for Phases 1 & 2 (Pound Lane) and also includes all M&E items (covered under a separate budget) this was the budget setting figure. A2 reflects an update based on actual figures.
TOTAL PROPOSED CAPITAL											
Proposed Revenues:											
<i>Ave running costs</i>	0	66989	0	92094	0	0	0	12600	-68000	0	Figure for Pound Lane based on forecast from previous years consumption.
TOTAL PROPOSED REVENUE											

TOTAL ANNUAL REVENUE BUDGET SAVINGS -£117,714.00

= properties to be vacated
 = retained properties

Exclusions:	
1	Dilapidations costs (Wedgnock House, Arden House & Warwick House)
2	Removal Costs
3	Disposal Costs & Fees
4	Security Costs
5	Decant/Temp accommodation (if required)
6	Optimism Bias
7	Staff expenses
8	other?

