

Office Accommodation - Integrated Learning Disability Service

RECOMMENDATIONS

- 1.1 To approve the lease of additional accommodation for the integrated Learning Disability Service at St Paul's/St Matthews, Stores Road, Derby
- 1.2 To approve a waiver to contract regulation C6 of the Council Constitution to enable the landlord to undertake the work required.
- 1.3 To approve a contribution from the proceeds of the sale of The Mount to cover the setting up of this project. The contribution required will be either £63,000 or £128,000, depending on whether a capital contribution is obtained from the NHS.

REASON FOR RECOMMENDATIONS

2. The Learning Disability Service in Derbyshire is in the process of achieving full integration, with the two Social Services organisations being the lead agencies.

An important factor within this integration is the achievement of integrated practice, process and skill at the point of service delivery. For this to be achieved, teams need to be co-located in appropriate accommodation. Across the county as a whole Derby is the only area where the Learning Disability teams are not co-located. In the case of the Health Team they are located at Temple Lodge, whilst the Social Services community team is located in the Mount. Neither of these buildings are DDA compliant nor do they have the sort of facilities required for a modern integrated Learning Disability service, e.g. neither has interviewing or reception facilities.

The integration accords with best practice and has already been agreed in principle by Cabinet and the Mental Health Trust. The process will deliver a more efficient joined-up service to the user and make best use of the skills of all the professional disciplines working in Learning Disabilities. The same integration has already been achieved in the Mental Health Service.

SUPPORTING INFORMATION

- 3.1 The preferred solution to this position is to co-locate the service at St. Paul's and St. Matthew's House, Stores Road, Derby. This option has a number of benefits:
- a) It would not only co-locate the existing teams, but would also be positioned alongside the staff within Learning Disability Assessment and Treatment Service and those formerly located at Aston Hall who are already housed there.
 - b) The accommodation itself is of the quality expected of a modern public service.
 - c) The cost of the accommodation is comparable with that of a similar type
 - d) It is sufficiently close to the City Centre to be accessible to services users.
- 3.2 The accommodation itself is being sought on a 10 year lease with a five year break clause being made available to the Council.
- 3.3 The set up costs of this new accommodation amount to £325,000 against which Social Services can contribute £197,000 from the Learning Disability Development Fund and Mental Health Capital Grant, whilst a £65,000 contribution is being pursued with the Health Service. This contribution is proportionate to the contribution Social Services made at St James's House for the Mental Health Service. The net requirement is therefore £63,000. The 2005/6 Social Services budget has no provision for this capital requirement.
- 3.4 In terms of on-going revenue costs, the costs of St Pauls /St Matthews will be £164,000 p.a. of which £19,000 is available from existing Social Services budgets, leaving a net requirement of up to £145,000 pa.
- 3.5 The rental costs, service charge and running costs of the proposed accommodation at Stores Rd, are equivalent to those of similar accommodation already being occupied by the Council. The annual rent per square foot at Stores Road, is £10 per square foot with an initial service charge of £1 per square foot, giving a combined annual charge of £11 per square foot. At Heritage Gate the equivalent annual costs are approximately £13 per square foot. The leases at Cardinal Square were taken out nearly three and a half years ago where the rental costs are £8 per square foot, but these costs are for the two leases of much larger areas of 12,764 and 6,436sq feet and current costs would be of the order of £14 per sq foot including service charge and electricity. Costs at St Peters House are cheaper, but those figures are historic, that accommodation is already fully occupied and it is for more space with very limited car parking. This accommodation at St Pauls and St Matthews has the added benefit of having car parking for field workers, nurses and social workers who need easy access to their cars for home visits. Car parking at any of the other sites is very limited. This and the proximity to other Mental Health Trust learning disabilities staff already in the building makes this an ideal location for these teams.

- 3.6 This development was identified in the revenue budget planning process for 2005/2006, but it was agreed at that time, that this would be dealt with outside the 2005/2006 budget process as detailed costs were not known at that stage. In the case of both the capital and revenue requirements, the annual Social Services budget report identified that this initiative would require funding over and above that contained within the 2005/2006 budget.
- 3.7 Although, this is modern office accommodation, fit for purpose, the set up costs to bring the accommodation into service amounts to £325,000. These costs represent a combination of the new service requirements for IT, hardware and networking, electrical and cabling work, space saving furniture etc. The requirement for fitting reflects the extremely poor quality of current furniture and fittings for both teams and the need to maximise the space to allow for over 80 staff to be accommodated.
- 3.8 We have considered whether the service is the subject of a mobile working/home working/hot desking project as a way of saving costs. However, whilst the Council will soon make progress towards this as part of designing the replacement to the Council House, this service is not suitable for a major move in this direction in the near future as the first requirement is to integrate two sets of staff from very different cultures and organisations with a single new service and it will not be advisable to begin the new service by requiring staff to become predominantly home based.
- 3.9 The set up costs were reviewed for possible economies before arriving at the £325,000.00 figure. This involved assessing the original set up costs estimated by the Council's Commercial Services Department against that of the Landlord of St Paul's/St Matthews. This assessment highlighted the Landlords costs to be significantly lower, as the landlord can incorporate some of the required work into his completion costs, for this reason that Members are asked to waive standing orders requiring a tendering process to take place. (See Appendix 2 for set up costs).
- 3.10 The Mental Health Trust currently funds the running costs of St James House, where the Social Services Mental Health staff are based. We are discussing with the Mental Health Trust the transfer of the running costs of Temple Lodge as a contribution towards the increased running costs associated with St Pauls and St Matthews House. These discussions have still to be completed.
- 3.11 Sales of the premises vacated by Social Services Department have recently generated significant capital receipts from the sale of 126 Osmaston Road (£225,000) and Elmhurst (£565,000). The Mount is likely to generate a further capital receipt of circa £500,000 for the Council as it is in prime location for housing development. The report recommends that part of this be made available from the net capital costs of the move.

OTHER OPTIONS CONSIDERED

4. The option to “do nothing” was considered and discounted because of the state of the current accommodation and the need to move forward with the agreed integration process. This property is considered to be the best option from those looked at in the process.

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Background papers:	None		
List of appendices:	Appendix 1 – Implications		
	Appendix 2 – Building and Infrastructure Set Up Costs		
	Appendix 3 – 2005/06 Capital Funding		
	Appendix 4 – Revenue Running Costs		

IMPLICATIONS

Financial

- 1.1 Details of the set up costs of this project are contained within Appendix 2. Details of the contributions towards this sum are contained within Appendix 3.
- 1.2 A Corporate contribution of either £128,000 or £63,000 from the sale of the Mount is required to fund the building set up costs. The latter figure will apply if a £65,000 contribution from Health is received. See Appendix 3.
- 1.3 The estimated on-going revenue costs are £164,000, see Appendix 4. These costs are comparable with other accommodation bases. The current budget for the Mount will be used to off-set these costs leaving a shortfall of £145,000. Discussions are taking place with the Mental Health Trust about an NHS contribution to these running costs and there will be further review of the learning disability base budget to see if there is any potential for a further contribution towards this. It will be the intention to contain the 2005/06 part year costs from within the Learning Disabilities budgets. The funding of the net on-going costs will need to be built into the 2006/2007 budget setting process.

Legal

2. The Chief Estates Officer will lead on the property transactions associated with both the lease on St. Paul's/St. Matthews and the sale of the Mount.

Personnel

3. It is anticipated that 37 Local Authority staff will initially transfer from the Mount into St. Paul's/St. Matthews. Similar numbers of staff will transfer from Health. The new accommodation allows for 83 staff in total. This provides for some marginal growth on existing staff numbers.

Equalities impact

4. The development of more integrated services will provide more effective

Corporate objectives and priorities for change

5. This accords with the Council's objective of health, safe and independent communities and furthers the priority of modernising adult social care.

Appendix 2

St Paul's & St Matthew's House Accommodation for Integrated Community Learning Disability Team	
Building and Infrastructure Set Up Costs	
General - Builders	£62,822
Alterations	£75,553
Fees	£13,438
Fixtures and Fittings	£177,529
Total	£325,342

2005/06 Capital Funding

	Option A	Option B
Total Project Cost	325,000	325,000
Learning Disabilities Development Fund/Mental Health	197,000	197,000
Net required	128,000	128,000
Mental Health Trust Contribution	65,000	-
Shortfall – funding by City Council	63,000	128,000

Option A Shows the shortfall if the Mental Health Trust make a contribution of £65,000.00.

Option B Shows the shortfall if the Mental Health Trust make no contribution.

Revenue Running Costs

Area	St Paul's / St Matthew's 874.5m ²	Norman House 1047.3m ²	St James' 1403m ²
Rent	£87,285	£90,000) £171,828
Service Charge	£16,000	£42,374)
Rates	£30,000	£26,000	£53,830
Cleaning	£8,000	£9,000	Ass. In Service Charge
Telephones	£3,000	£5,000	£14,809
Heat / Light	£5,000	£10,500	£5,461
Contingency	£14,929		
Total	£164,214	£182,274	£245,928

Cost per m ²			
Including Contingency	188	174	175
Excludiing Contingency	170	174	175