

MUNICIPAL YEAR 2018/2019 REPORT NO. 133**MEETING TITLE AND DATE:**

Cabinet 23/01/19

REPORT OF:

Executive Director Place

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Agenda – Part: 1**Item: 7****Subject:** Strategic Property – Corporate
Property Investment Programme (CPIP)**Wards: All / Enfield Highway / Ponders
End****Key Decision No:** 4792**Cabinet Member consulted: Cllr
Oykener & Cllr Lemonides & Cllr
Cazimoglu & Cllr Maguire****1. EXECUTIVE SUMMARY**

- 1.1. This report is separated into Part 1 and Part 2 as it contains information that is exempt from disclosure. Releasing it would or would be likely to prejudice the commercial interests of the Council.
- 1.2. A new Strategic Property Framework including a Strategic Asset Management Plan (SAMP) is currently in production with an aim to present to Cabinet in early Summer 2019. The SAMP will set out the longer-term strategy for managing the Council's entire property portfolio. However, in the meantime, there is a need to address some immediate property issues and this report focuses on those only.
- 1.3. This report follows on from a recent review of operational buildings which mapped service needs with the aim of driving a more efficient portfolio.
- 1.4. It provides for the initiation of a Corporate Property Investment Programme (CPIP) for the Council. At present, Enfield has the Buildings Improvement Programme (BIP) - which is a capital funded, planned property maintenance programme that is driven from building condition survey data. The Council has not had an investment budget for a significant period. Both programmes will however complement each other.
- 1.5. This long-term capital programme will invest capital in the property portfolio, to achieve cost efficiencies as well as equality for all staff and customers in terms of standards, condition and safety.

1. EXECUTIVE SUMMARY – Cont'd

- 1.6. This report sets out proposals for early projects to address urgent needs, whilst the SAMP and longer-term CPIP come to fruition. These are to relocate the Integrated Learning Disabilities Services (ILDS) from St Andrews Court to Enfield Highway Carnegie Building; refurbishment of John Wilkes House and additional pre-construction services for future CPIP schemes such as the potential for consolidation of buildings into a specific number of “super-hubs” – see below for details.

- 1.7. Enfield Highway Carnegie Building is vacant, at risk of incursion and has recently been trespassed, which resulted in costly Court proceedings and removal of fly tipping. The property is Council owned and therefore, refurbishing the building, relocating ILDS from St. Andrew’s Court, which is a privately leased building, will ensure its security, act as a catalyst for the potential provision of other health related services from the building and deliver revenue savings on rent.

1.8.-1.11 See Part 2

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1. Agrees to establish a capital “Corporate Property Investment Programme” (CPIP) and gives approval for that to be incorporated into the Medium Term Financial Plan (MTFP) for 2019/20 onwards.
- 2.2. Notes that this is the first step towards the emerging Strategic Property Framework that includes the Strategic Asset Management Plan (SAMP) and that ongoing action is required to ensure Council services are not disrupted. In future, an annual CPIP update report will be submitted to Cabinet;
- 2.3. Agrees to the relocation of the Integrated Learning Disabilities Services (ILDS) from St Andrew’s Court, River Front, Enfield into a refurbished Enfield Highway Carnegie Building, 258 Hertford Rd, Enfield EN3 5BN;
- 2.4. Agrees to the additional capital funding required from Council resources for the 2019/20 “Corporate Property Investment Programme” (CPIP), which will be taken forward for Council approval as part of the MTFP budget setting process. This includes the initial projects to relocate the ILDS, refurbishment of John Wilkes House plus additional pre-construction services for other future (CPIP) schemes – **See Part 2 for details**;
- 2.5. Supports delegated authority to the Executive Director for Place in consultation with Director of Finance:
 - 2.5.1. Approval for the 2019/20 CPIP within the capital block budget allocation, including programme arrangements and operational resourcing including feasibility studies, planning pre-applications, submission of planning applications, cost estimates, budgets and spend for projects in advance of updates to the Capital Programme;
 - 2.5.2. Approval of the final proposals for relocation of the ILDS and integration of other health related facilities where appropriate into Enfield Highway Carnegie Building and improvements to John Wilkes House or other schemes identified in 2019/20;
 - 2.5.3. Conducting suitable procurement exercises and awarding contracts to successful consultants / contractors for any capital services / works required for the CPIP projects;
 - 2.5.4. The appropriate procurement routes for technical services and construction works for individual schemes;
 - 2.5.5. Approval of alternative schemes within the CPIP programme if schemes cannot be progressed subject to the available resources within the capital block budget allocation.
 - 2.5.6. – 2.5.7 **See Part 2**

3. BACKGROUND

3.1. Strategic Property Framework

- 3.1.1. A new Strategic Property Framework including a Strategic Asset Management Plan (SAMP) is currently in production with an aim to present to Cabinet in early Summer 2019. The SAMP will set out the longer-term strategy for effectively and efficiently managing the Council's non-housing property portfolio of operational and investment assets. One of the principles of the strategy is that the Council utilises its owned properties, as opposed to expensive and relatively short-term leases from private landlords.
- 3.1.2. For our commercial investment property (e.g not used by council services), the SAMP will aim to deliver best consideration in accordance with s.123 Local Government Act 1972; increase income, reduce expenditure and optimise assets to meet the Council's corporate objectives. Long term revenue streams will be aspired to cover one-off capital receipts.
- 3.1.3. For our operational (council-utilised) property portfolio, the SAMP will set the principles for provision of quality modern buildings, which will help the Council to deliver outstanding service to customers and attract and retain talented professional staff. Operational buildings should be efficient, attractive environments that are future-proofed, flexible and support agile working. The SAMP will introduce the principle of consolidating the operational estate into a smaller number of strategic hubs, releasing surplus operational estate for long-term revenue income and/or development potential. The SAMP will set the strategy for moving towards eliminating all leased-in buildings and only occupying owned buildings for operational purposes.

3.2. Corporate Property Investment Programme (CPIP)

- 3.2.1. The CPIP will be a long-term capital programme that intends to invest capital in the Council's own operational buildings, to ensure they are compliant, fit-for-purpose, sustainable and provide a quality environment for staff and customers. It will be the financial programme that supports the outcomes of the SAMP. There is recognition that currently there is an inequality between operational buildings, with some being much better maintained than others, and one of the CPIPs objectives is to address this inequality and ensure that all retained operational buildings are maintained to an appropriate level of quality.
- 3.2.2. At present, Enfield has the Buildings Improvement Programme (BIP) - which is a capital funded, planned property maintenance programme that is driven from building condition survey data. The Council has not had an investment budget for a significant period and CPIP looks to address that. Both programmes will however complement each other.

- 3.2.3. This report focuses on requesting funds for the priority projects identified for capital investment in the first year of the programme, namely Enfield Highway Carnegie Building and John Wilkes House – see below.
- 3.2.4. The report also requests capital to be allocated towards scoping, feasibility and design work on other projects that will underpin the future direction for the programme, for example, the concept of consolidating the operational estate into a smaller number of building ‘hubs’. During the first year of the programme, further areas of investment required will be identified, prioritised and programmed over a number of years, with the intention to return to Cabinet for further authorities as necessary.
- 3.2.5. Any capital requested will have to be approved via the Capital Finance Board prior to Cabinet and will go through rigorous evaluation against their investment criteria. This will ensure that all capital investment decisions are taken strategically, demonstrate viability and meet the Council’s Corporate Objectives. All requests for capital must be accompanied by a detailed business case, demonstrating the viability and rationale for investment. In order to ensure that sound investment decisions can be taken, officers will develop a methodology that considers factors such as the ownership status of the building (is it leased or owned outright by the Council) and the length of time the Council intends to retain the building, undertaking cost/benefit analysis to ensure buildings are invested in at a level appropriate to their status and length of planned use.

3.3. Operational Buildings Review – Initial Projects

- 3.3.1. In July 2018 Property Services carried out a high-level, research-based operational buildings review around a specific list of existing operational buildings that were identified as needing immediate attention. This culminated in the creation of a short term/immediate property options appraisal for Executive Management Board (EMT) steer and approval in principle to the recommendations.
- 3.3.2. The recommendations agreed by EMT that specifically affect this report are:
- The relocation of Integrated Learning Disabilities Services (ILDS) from St. Andrew’s Court, River Front to a suitably altered Enfield Highway Carnegie Building, 258 Hertford Road, previously known as Enfield Highway Library;
 - Consolidation of operational estate into a small number of strategic hubs. Quality not quantity;
 - Carrying out reasonable refurbishment works at John Wilkes House, 79 High Street, Ponders End whilst keeping staff and services in situ pending further investigation around the strategic hubs.

3.3.3. **See Part 2**

3.4. St Andrew’s Court, River Front, Enfield (SAC)

- 3.4.1. The building is leased and currently occupied by LBE ILDS; LBE Occupational Health Team (OHT) and BEHMHT Multi-Disciplinary Team (primarily SAFE). The current lease is due to expire on 23rd June 2019 and Enfield does not benefit from protected rights, meaning it does not have an automatic right to request an extension to the lease. Property Services has requested a lease extension and is in the process of discussions and negotiations with the landlord. BEHMHT are planning to vacate as part of their own property strategy.
- 3.4.2. The ILDS is a specialist integrated health and social care service for people with learning disabilities and their carers. The service offers a one stop shop as well as a specialist consultation service to other health & social care professionals. They operate an open-door policy with a duty system available throughout the working week. The service also operates out-patient clinics as well as a number of drop-ins. In addition, the service does, from time to time, provide a secure place of safety whilst emergency arrangements for treatment or specialist care can be made.
- 3.4.3. ILDS offers a varied range of specialist services to residents with learning disabilities such as:
- medical, nursing, psychological, therapeutic (Occupational Therapy, Speech and Language Therapy, Art Therapy), employment and social care services
 - STAY – a psychological/Positive Behaviour Support service to young people under 18+ with learning disabilities who are at risk of family breakdown and at risk of admission to hospital or out of borough placements
 - Learning Disabilities Health Drop-ins – the ILDS community nurses run a number of Drop-Ins for people with learning disabilities, covering blood pressure, weight management, diabetes management/blood glucose etc. This supports access to healthcare for this disadvantaged group. The proposed site will enable us to increase this offer to this part of the Borough
 - GP Learning Disabilities Annual Health Checks – People with learning disabilities have poorer health outcomes and shorter life expectancy. They should receive an annual health check from their GP, although there is a need to increase take up.
- 3.4.4. The Service is commissioned by the Council and the Enfield Clinical Commissioning Group (CCG) and NHS staff are seconded from NHS organisations. As the service is commissioned from the Council and not local NHS organisations, responsibility and funding of appropriate accommodation sits with the local authority alone.
- 3.4.5. The success of the service largely stems from the benefit of integrated working between the different disciplines within the ILDS. Co-location and

the opportunity for multi-disciplinary cross fertilisation has been key to this success.

3.4.6. ILDS deal with a high volume of vulnerable and high-risk clients and it is key that consideration is given to their characteristics and behaviour when considering any relocation, mixing client groups and the type and location of accommodation.

3.4.7. – 3.4.12 **See Part 2**

3.5. Enfield Highway Carnegie Building (EHCB)

3.5.1. The building has been previously known as Enfield Highway Library, is owned by Enfield Council and is currently vacant following the relocation of the library in 2017. In addition to Library Services, Connexions and some of Youth Offending Services were located there.

3.5.2. The building itself has been under much discussion and political interest and has recently been the subject of a public consultation, delivered by Enfield and CCG in February 2018, as to its preferred use. From the 334 responses, use of the building for health and wellbeing facilities is the most popular option. A facility that enables some space to be utilised by the community for a variety of purposes, as well as a form of GP service and other medical services, may appeal to the majority of those in the local area. Refurbishment of the building and relocating ILDS here would meet some of these requirements and act as a catalyst for the potential inclusion of other health related services in the building. **Appendix 1 Consultation on the building that was Enfield Highway Library – report**

3.5.3. The building is a very good alternative to delivering the services currently delivered from St. Andrew's Court and is the preferred option of the Director of Health & Adult Social Care and the service managers.

3.5.4. Although the full and final redesign is yet to be carried out, officers are confident that ILDS can be effectively delivered from the location and the aspiration to consider additional front facing community use such as additional GP Health Services, a community café run by people with learning disabilities and weekend use of the building will be fully explored through the design process. **Appendix 2 – ILDS Provided Services.**

3.5.5. It should be noted that all future design proposals will be subject to appropriate planning permissions. EHCB is on the Local Heritage List indicating it is a site of special local interest and therefore the conservation of the building (mainly the front façade) will be a material consideration when deciding on any planning application. The Planning Team has been consulted and early indications are positive.

3.5.6. – 3.5.7 **See Part 2**

3.6. John Wilkes House, Ponders End (JWH)

3.6.1. The building is owned by LBE and occupied by Housing Assessments and Allocations Team, Homelessness and Prevention Team; Homeless and Immigration Team (Children's & Families) and Temporary Accommodation Procurement Team.

3.6.2. In September 2018 EMT adopted the principles of a number of super-hubs in the borough and this will be included as part of the longer term SAMP and CPIP. However, as the SAMP and its delivery are some way off, it is recognised that there needs to be suitable repairs/refurbishment to JWH so that staff can remain in situ for approximately a further 5 years.

3.6.3. Recent welfare and housing legislative changes are driving an increase in service demand requiring an immediate review of the service delivery models including accommodation and IT requirements, which could impact on the accommodation need but this will be identified as part of the wider stakeholder engagement and programme of works

3.6.4. Initial priority areas for refurbishment identified in a recent condition survey will be carried out under the existing BIP. The available monies in the BIP are insufficient to complete all condition works and additional service delivery remodelling requirements. Therefore, the required additional capital funding will be requested as part of the CPIP and the Council's 2019/20 budget setting process.

3.6.5. – 3.6.6 **see Part 2**

3.7. See Part 2

3.8. Governance and Project Structure

3.8.1. The budgets, briefs, programming of these projects will be the responsibility of the Director of Property and Economy as the Senior Responsible Officer. However, specific governance details and project structures will be set out as part of the individual projects, will include key client/stakeholder roles and responsibilities and maintain a balance between technical and specialist input.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. A detailed options appraisal was discussed at EMT predominantly around a) The Lease Expiry at St. Andrew's Court (see 3.4 above) and b) John Wilkes House refurbishment (see 3.6 above). There were several options for each issue with some being immediately discounted but the below are the key alternatives that were considered.

4.2. **St Andrews Court** - The main alternative location for the ILDS considered was to move the service to Charles Babbage House (CBH). This property

could not accommodate the whole service thereby requiring other accommodation to be identified . Extensive alterations would be required to CBH to accommodate ILDS. Key risks, such as safeguarding, and the mix of vulnerable adults and vulnerable children type services, could not be mitigated by building design and therefore it was discounted. The proposal would also not secure refurbishment of the Enfield Highway Carnegie Building and provide a catalyst for provision of Health related services from that building.

- 4.3. John Wilkes House** – The main consideration around refurbishment of JWH was the overall life of the building and associated investment. Should the longer-term property strategy not include hubs, then a complete “21st Century” refurbishment of JWH would be undertaken. However, to achieve this, the staff and services would need to be decanted into a suitably redesigned and altered building on the Claverings Industrial Estate (costing upwards of £1m), whilst JWH was refurbished (costing a further £2m). This was discounted until the long term strategy is known.

5. REASONS FOR RECOMMENDATIONS

- 5.1.** It was agreed that the above offers the best and most cost-effective resolutions to the immediate programme priorities whilst the longer term SAMP and CPIP are being developed and delivered.
- 5.2.** Relocating ILDS from St. Andrew’s Court to EHCB ensures that the Council is utilising its owned properties as opposed to expensive and relatively short-term leases with no guarantee of stability. Once St Andrews Court becomes vacant and the lease comes to an end, the Council will no longer be required to pay rent to a third-party landlord, which will result in savings.
- 5.3.** EHCB is vacant, at risk of incursion and has recently been trespassed, which resulted in costly Court proceedings and removal of fly tipping. Relocating ILDS to this building will prevent further similar episodes.
- 5.4.** It is essential that work is carried out at JWH whilst staff remain in-situ to prevent a decant to an alternative building which would in turn, due to the nature of the frontline services, require a costly and lengthy alterations programme.
- 5.5.** The Council has a statutory duty to provide the services affected by these property projects.

5.6. – 5.11 See Part 2

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 – 6.1.8 **See Part 2**

6.1.9 The required budgets will be requested as part of the Council's Budget Setting process – **Refer to Part 2 Report paragraph 3.7**

6.2 Legal Implications

6.2.1 The ILDS is a specialist integrated health and social care service for people with learning disabilities and their carers. The service works with people with learning disabilities aged 16+ who are eligible for statutory services under the Care Act 2014 or who require specialist secondary health services.

6.2.2 The services based at John Wilkes House work with homeless people pursuant to statutory duties under the Housing Act 1996 (as amended by the Homelessness Reduction Act 2017). Broadly speaking the local authority has a duty to house vulnerable people or homeless families with children.

6.2.3 Completion of refurbishment works will further support a working environment that complies with Health and Safety at Work etc Act 1974 and other relevant legislation.

6.2.4 Where Planning Permission is required in respect of any project that proceeds beyond feasibility, considerations will be in accordance with the Town and Country Planning Act 1990 (as amended). The planning process requires statutory and public consultation. Works should not commence until such time as approval is given and any pre-commencement conditions (if required) by the planning permissions are discharged.

6.2.5 Once planning permission is gained Building Regulations will need to be adhered to as part of the enabling and construction works.

6.2.6 All procurements of goods/services/works will be in accordance with the Councils Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015. In particular, the Council is able to utilise a range of EU compliant frameworks to engage the services of construction contractors or technical support staff such as architects or quantity surveyors in full compliance with the CPRs. Any use of a framework must be in accordance with the framework terms.

6.2.7 The title of Enfield Highway Carnegie Building is registered, and the register is clear of covenants and restrictions.

6.3 Property Implications

6.3.1 Ultimately, these are pilot property projects as an immediate solution to the urgent issues around St. Andrew's Court and John Wilkes House. It should be considered as the first phase of the much-needed longer term and

holistic Strategic Property Framework including the Civic Centre, which is currently in production, and a further report around the framework including the Strategic Asset Management Plan will be produced with an aim to present to Cabinet in Spring/Summer of 2019.

7. KEY RISKS

7.1 – 7.3 See Part 2

7.4 John Wilkes House in its current condition does not provide a reasonable environment for staff and customers – **see paragraph 3.6 above**

7.5 Risk assessments are an intrinsic part of property refurbishment and building projects and will be completed as part of the programme process as necessary.

7.6 It is important that there is a real understanding of the difference between actual risk and perceived issues, concerns and desires of the resident teams of each building. Although it is paramount that staff are listened to, lessons are learnt and where possible, desires are incorporated into any options, it is key that there is an acceptance by the Council that not all conflicting requirements can be satisfied, especially as there is a need to reduce the current costs of property assets. It will be necessary to make compromises across services especially if real risks are to be mitigated.

7.7 We aim to mitigate real risks where possible and manage concerns through compromise and communication. Alongside the project management arrangements, further stakeholder engagement will be undertaken.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The refurbishment of JWH itself will predominantly provide an enhanced working environment for staff. However, by improving the external appearance of this prominent building in a deprived area, it will support the Council's continuing approach to regenerating the Borough.

8.2 Sustain strong and healthy communities

Further improvement and investment in the EHCB will potentially provide greater opportunities for enhanced community use. The very nature of the services to be delivered from here will continue to provide support and health facilities to some of Enfield's most vulnerable residents.

The services delivered from JWH continue to support some of the Council's vulnerable customers. Providing a safe and pleasant environment to both work and visit will further enable the Council in its delivery of one of its key priorities to reduce homelessness.

8.3 Build our local economy to create a thriving place

Utilising the currently vacant EHCB to deliver a busy customer service and office for 80+ staff will bring additional footfall to the area, supporting the local shops and businesses.

Providing a reasonable work environment for our staff will enable them to better deliver the essential services they provide to our customers. In turn this will enhance people's ability to reach their full potential by accessing opportunity and encouraging them to reach their potential.

9. EQUALITIES IMPACT IMPLICATIONS

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when designing and changing services or budgets so that our decisions do not unduly or disproportionately affect access by some groups more than others.

Corporate advice has been sought in regard to equalities and agreement has been reached that an equalities impact assessment will need to be carried out by the Project Leader and staff from the service centres as part of the full design phase of the pilot projects to ensure that the council meets its duties.

10. PERFORMANCE AND DATA IMPLICATIONS

The programme management arrangements will be established which will provide the mechanism for both programme and project monitoring to ensure objectives are met. The overall programme cost and the amount included on the Capital Programme will be reviewed as part of an annual programme review.

Costs for each established project will be managed through the project and programme management governance arrangements and be subject to the Council's usual due diligence and value for money tests. Changes in estimated costs, established budgets and the spend profile will be managed through the Capital Programme via the quarterly Capital Monitor updates.

11. HEALTH AND SAFETY IMPLICATIONS

As all of the refurbishment works will involve contractors, the Council will ensure that contractors provide the highest level of Health and Safety on site and meet Disclosure and Barring Service (DBS) requirements if necessary.

Completion of refurbishment works will further support a working environment that complies with Health and Safety at Work etc Act 1974 and other relevant legislation.

12. HR IMPLICATIONS

Staff will be consulted as part of the initial project development and updated as the project progresses. As the work will be completed out of hours, it is anticipated that there will be minimum disruption to staff.

13. PUBLIC HEALTH IMPLICATIONS

If residents are to feel valued, this needs to be reflected in the services and buildings they use. The pilot projects above, relocating ILDS and the refurbishment of John Wilkes House, will contribute to this.

The public health implications of this report will result from actions facilitated by the financial instruments proposed rather than this report itself.

Background Papers

Appendix 1 – Enfield Highway Library Public Consultation

Appendix 2 – Aspirations for Future Use

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