

PLYMOUTH CITY COUNCIL

Subject: Windsor House Co-location with Health
Committee: Cabinet
Date: 15 January 2013
Cabinet Member: Cllr Lowry & Cllr McDonald
CMT Member: Adam Broome (Director for Corporate Services)
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Ref:
Key Decision: Yes
Part: I

Purpose of the report:

To gain authorisation for the council to deliver co-location at Windsor House with the health western locality Client Commissioning Group.

Corporate Plan 2012-2015:

Level 1 Long-Term Outcome Measures:

Provide value for communities: Increase customer satisfaction with all public services offering VFM

Level 2 Medium-Term Outcome Measures:

Deliver Growth: Number of affordable homes delivered (gross); Net additional homes provided.

Reduce Inequality: Access to services and opportunities – ease of transport access.

Provide value for communities: Increase in the value of commissioned goods and services

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The total capital cost to the council would be £1.269m although there would be a revenue surplus of £0.175m. The majority of the capital expenditure is to secure control of existing health accommodation which has strategic value to the council in the wider context of development at Derriford. This could allow the council to generate capital sums significantly in excess of this amount in the future. In the short term the capital expenditure could be funded by unsupported borrowing which would have an estimated revenue cost of £0.09m per annum which could be met in part from the surplus on the health annual contribution. This could be further mitigated if the Derriford buildings are let out, however in the short term this may be a pressure on the capital financing budget if this cannot be achieved.

There is also an estimated value of potential rent forgone from health of £0.15m, however it is felt that the non financial benefits of improved operations between health and the council offset this.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

Improvement in sharing of information – across health, social care, education to deliver better outcomes and value for money.

Implementation of the Health and Social Care Act through opportunities for integration where appropriate.

Recommendations & Reasons for recommended action:

1. To recommend that Council approve the additional capital resources required to implement co-location at Windsor House with the western locality Client Commissioning Group and amend the Capital Programme accordingly.
2. The report is required to be treated as urgent due to the need to conclude the purchase of buildings 1 and 2 prior to the transfer of all health assets into the NHS property services company.

Alternative options considered and reasons for recommended action:

To not pursue the co-location option and fill the workstations with city council staff from the Civic Centre. This would miss the opportunity to integrate with partners from health and lose the benefits and efficiencies that would bring to the citizens of Plymouth.

Background papers:

Sign off:

Fin	DJN12 13.027	Leg	1657 4/DV S	HR	MG1213 01/001	Corp Prop	CJT/110/ 141212	IT	MCI21 3.026	Strat Proc	N/A
Originating SMT Member Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

- 1.1 Plymouth City Council (PCC) operates from a number of offices and buildings in order to deliver a wide range of services throughout the Council. These properties form a mixture of freehold and leasehold premises. Considerable savings have been made through the rationalisation of the corporate estate, establishing 3 main corporate buildings: The Civic Centre, Midland House and Windsor House. The Civic Centre in part and Midland House have been remodelled, the Civic Centre as an interim solution pending results of the current procurement exercise to dispose of the freehold of the building. Works have been on-going to remodel Windsor House to support flexible ways of working and are due to complete in February 2013.
- 1.2 Representatives from the Western Locality of NEW Devon Clinical Commissioning Group (CCG) and TRAC (the new GP referral service) have reviewed the available space and a plan has been produced that would see the organisations working under one roof to enable major changes for health and social care to happen.
- 1.3 The possible co-location has involved agreement between both organisations on the following;
 - Sharing an ICT system
 - Utilisation of available parking
 - Heads of Terms for the occupation of the building by health staff
 - The future of Buildings 1, 2 & 6B at Derriford business park where health staff currently operate from
 - Level of refurbishment as part of re-modelling
 - Financial implications to both parties

2.0 ICT Implications

- 2.1 The ICT design is the most critical element for health to either transfer to a PCC hosted integrated system allowing total flexibility and access for NHS Plymouth and PCC staff throughout the building and take out a shared service with PCC. This would dramatically move forward the collaborative agenda between teams, whilst making PCC a national path finder
- 2.2 Discussions have taken place regarding the way in which the newly co-located staff would like to work, with whom they share data, and what enhancements they would benefit from. Following an independent evaluation by technical consultants it was concluded that the PCC proposal delivered the best solution and offered considerable advantages to support this new way of working.
- 2.3 The proposal would see PCC hosting the New Devon CCG staff on our ICT infrastructure, allowing them to work flexibly throughout the building, utilise Lync to make their telephone calls and video conference. They will also be able to benefit from the 'Presence' technology allowing them multiple ways to communicate with their own as well as our staff. Furthermore PCC would host their Microsoft SQL data bases and will work with them to consolidate these into our new IBM equipped environment over time. They will need access to health specific applications such as the national applications such as 'Choose & Book' and 'Summary Care Record' and locally (Derriford) hosted applications such as Epex for mental health.

- 2.4 This will require the Council to utilise existing link to Derriford hospital and gain N3 access through this route. This is still to be confirmed by the current NHS ICT provider. We are still working with the Cabinet Office and Department of Health to arrive at a final solution for access to the N3 network over the PSN. This would mean Plymouth would be an early adopter of this solution which will be rolled out across the country.
- 2.5 Revenue implications are that New Devon CCG and TRAC CIC users will be charged £1000 per year per user for the provision of ICT services. There is a one off capital transition cost of £0.220m. This is to provide new replacement PCs and laptops, as many are unsuitable for Windows 7 and newer software. We will also be providing Lync handsets and headsets. The provision of an N3 connection is to cost circa £0.020m but this will be required to as part of the transfer of Public Health to the Council.

3.0 Parking provision at Windsor House

- 3.1 Car parking has been a key issue in co-location at Windsor House. Although there is a significant parking provision around Windsor House, this is not sufficient to meet the requirements from the NHS coming into the building. Additional parking has been identified that would meet health's needs and the council's. However this will require parking to be limited to staff that require a vehicle to carry out their role (mobile workers) in accordance with the other main corporate buildings. The cost of works to develop the additional car parking is a one off capital requirement is £0.065m and an ongoing revenue cost of £0.030m. Requirements and options for both organisations are set out below.

3.2 Requirement

- 3.2.1 PCC have 386 mobile workers, 350.5 FTE. On an 8:10 desk ratio, the Council requires 280 spaces
- 3.2.2 NHS Plymouth have 135 staff and require 84 spaces
- 3.2.3 Public Health have 35 staff and require 12 spaces.
- 3.3 PCC would have a sufficient number of spaces if NHS Plymouth were not to co-locate at Windsor House. An area of parking close to the building on Sendells Way has been identified to provide an additional 140 spaces, but at the costs identified in 3.1.

4.0 Buildings 1, 2 & 6B

- 4.1 NHS Plymouth are currently located at Derriford Business Park in Buildings 1, 2 and 6B. These buildings would become free if the NHS Plymouth were to move to Windsor House. NHS Plymouth do not have the budget to meet the on-going costs of these buildings and have looked to the council to assist with removing this liability.
- 4.2 The council recently acquired from the RDA the freehold of the business park due to its strategic value given the plans in the Derriford Area Action Plan. The majority of the site is let commercially on short term leases, including building 6B, however buildings 1 & 2 are let on long leases. Due to the prominent position of the buildings on the site they could restrict future development plans and income if they are not within council control. To this end discussions have been on going with health around the possibility of buying health out of the remaining leases, prior to them transferring to the national NHS property services company in April 2013. There is the opportunity to purchase at

open market value the two buildings for £0.9m. The purchase would include an overage provision to cover the first few years post transfer but negotiations are on-going to agree a satisfactory position for the council.

4.3 Alternative interim uses for these buildings have been explored:

- 4.3.1 Plymouth University were approached about their space requirements but have confirmed this is required in the City Centre.
- 4.3.2 The potential ICT shared service would require a HQ and building 1 would be suitable for this
- 4.3.3 The Schools Library Service could take Building 2 as a suitable location to move to from Chaucer Way, freeing up a Capital Receipt and offering a short term solution for the library service.

5.0 Financial Implications

Capital	£000	£000	
Total cost of co-location, including ICT	569		
Amount available from health as contribution	200		
Shortfall		369	
Cost to purchase Buildings 1 & 2		<u>900</u>	
TOTAL ADDITIONAL CAPITAL REQUIREMENT			1269
Revenue (per annum)		£000	£000
Running costs of Windsor covered by existing budgets			
Additional cost of car parking	30		
Rates & Utilities for buildings 1 & 2	86		
Rates & Utilities for building 6B	<u>44</u>		
		160	
Contribution from health		(219)	
Direct revenue costs of ICT provision to health	38		
Contribution from health (excl. VAT)	<u>(155)</u>		
		<u>(116)</u>	
Net Annual Revenue implication cost to PCC			(175)

The current estimated annual revenue implication to the Council of Health co-location is a surplus of £0.175m, this could be increased further if the costs of buildings 1, 2 & 6B could be offset by commercial lets or other PCC use which generates a revenue saving elsewhere. However the £0.116m revenue surplus from providing the ICT service to health staff forms part of a separate delivery plan. This leaves only £0.059m revenue

surplus, unless buildings 1, 2 or 6B are re-let, available to meet the cost of borrowing required to fund the £1.269m capital cost, estimated at £0.09m per annum.

- 5.1 The workstations occupied by health staff at Windsor House mean that additional space is required elsewhere for PCC staff, potentially in a leased back Civic Centre, although these have been factored into the evaluation of that project. The additional rental cost of this could be between £100K to £150K, although if building 1 and 2 remain unlet they could be used to accommodate these staff and remove this pressure.

6.0 Non- financial benefits

The Health and Social Care Act contains a number of provisions to encourage and enable the NHS, Local Government and other sections to improve patient outcomes through far more effective co-ordinated working. The Act provides the basis for better collaboration, partnership working and integration across Local Government and the NHS at all levels.

This proposal will facilitate this across the Plymouth City Council and Health partners. In particular through:-

1. Creating significant opportunities for closer and joint working across health and individual directorates within the Local Authority, especially adult and children's social care, education, learning and family support, Office of Director for Public Health and Homes and Communities.
2. Facilitating joint and lead commissioning arrangement across Health, Local Authority and other agencies.
3. Creating efficiencies across support functions e.g. finance and ICT.
4. Enabling the sharing of information across health, social care and education through a shared ICT platform to deliver better outcomes for our customers and improved value for money.
5. A more efficient use of time due to a reduction in travel time and better use of joint meeting facilities including access to large meeting rooms with video conferencing facilities.
6. Longer term opportunities will be explored around integration of services where appropriate and shared services and whole systems reviews leading to leaner and more efficient working practices.
7. The sharing of reception, administration, ICT platform, call handling and records will all be explored to achieve efficiencies for both organisations.
8. A youth organisational development plan will be introduced to consider shared ways of working, communications, learning and development.
9. Opportunities to further develop and build on the Adult Social Care Transformation and the pilot for Rapid Response and Reablement will be considered to deliver better outcomes for customers.

7.0 Conclusion

- 7.1 The Council has a major opportunity to enter a joined up accommodation solution with health. This will have a financial impact for the Council, which needs to be considered carefully in the context of the significant non-financial benefits over time.