

Board of Directors – Public

SUMMARY REPORT

Meeting Date: 26 January 2022

Agenda Item: 13

Report Title:	Relocation of Trust HQ – Revised Full Business Case (FBC)	
Author(s):	Greg Boyd Project Manager; Ambreen Mahmood, Finance Transformation Lead	
Accountable Director:	Pat Keeling, Director of Special Projects (Strategy)	
Other Meetings presented to or previously agreed at:	Committee/Group:	Finance & Performance Committee
	Date:	13 January 2022
Key Points recommendations to or previously agreed at:	<p>The revised FBC was supported in principle pending the final lease costs. Agreement was given to progress the 2 lease agreements.</p> <p>The FBC to be amended to include the Green Plan contribution.</p>	

Summary of key points in report

The key points in the revised FBC are as follows:

Following the identification of a further HQ site in early December, followed by the staff group consultation, also in December 2021, the preferred option is to consolidate the remaining circa 250 corporate staff (236 named individuals) onto one site at Atlas Way.

The two adjacent office properties located on one site Atlas Way are within six miles of Fulwood House:

- **Location 1: Centre Court** which will accommodate 60 seats with training rooms and with minimal alteration before occupation.
- **Location 2: Distington House (2nd Floor, 2 wings)** which will accommodate circa 120 seats in open plan accommodation and require some refurbishment and the installation of partitions to form some meeting rooms and offices, prior to occupation.

For the leasing and alteration of these two properties, the business case identifies the following costs:

- I&E cost savings (when compared to current budgets) of **£229,158 over 5 year or an average of £45,832 per annum. The previous FBC offered £52,000 saving per annum but split over 3 different sites.**
- Capital requirement – **£488k including VAT.** There is a funding gap when compared to the capital plan. **The funding gap is £88k is across two years, £38k in year 1 and £50k in year 2. The previous FBC had a capital cost £400,000 over two years.**

Clinical teams based at Fulwood House who require a base with consulting rooms, will now be accommodated through the Community Facilities Programme).

The Atlas Road location identified in this FBC provides 180 seats (72% on-site occupancy for 250 staff agile working). On-site occupancy rates across existing teams based at Fulwood House range from 20% to 90%. Most teams have expressed a preference for 50% to 60% future on-site occupancy.

The new HQ will provide training rooms for statutory and mandatory training (where this has to be provided on a face to face basis), medical education and some meetings rooms. Further meeting rooms are available at Presidents Park estates and facilities offices (also located on Atlas Way) and Wardsend Road.

The new HQ implementation timeline is as follows

- Business case approval (OBC) – September 2021 (completed)
- Business case approval in principle (FBC) – October 2021 (completed)
- Business case approval (FBC update) – January 2022
- Complete staff individual consultation – 18 March 2022
- Complete staff engagement – March 2022
- Move into Centre Court – April / May 2022
- Move into Distington House - May/June 2022
- Post project review – December 2022.

Key risks include:

- any delay to the design and partitions for Distington House
- the cultural change required for SHSC to embrace new agile ways of working, open plan office accommodation and reduced on-site parking
- relocation of the Community Forensic clinical team based at Fulwood House
- **the capital accounting impact if leases are agreed after 31 March 2022**

This option will have the following benefits:

- Respond to staff concerns regarding the SYHA location and lack of car parking
- Respond to staff feedback to use the second wing at Distington House
- Respond to staff feedback to co-locate all the services remaining at Fulwood House
- Reduce the overall space requirement for New HQ as clinical staff will be accommodated with clinical services.
- Reduce the corporate footprint from the current 9,796 m² at Fulwood House to 3,007 m² (Wardsend Road 1,057 m² + Atlas Way, 3 buildings 1,950 m²)
- Improve the energy efficiency of our corporate estate through leasing modern buildings
- Align with our strategic aim to Create A Great Place To Work
- Contribute to the SHSC Green Plan through a shift from a D energy rating to a C. In addition, the new location is adjacent to the Sustrans national cycle Route 6 and has access to public transport links, all of which have been identified in the New HQ at Atlas Way Staff Handbook.
- Keep the final FBC within the Fulwood House revenue budget and deliver a cost saving – which may be required to purchase flexible use space e.g., for training or meetings in the city centre.

This location also has potential strategic benefits in that it can provide flexibility for the future given the agents advice that this area of Sheffield is more likely to gain support for health planning use. Therefore, SHSC could potentially use this site for community clinical services at a point in the future, should the buildings become underutilised.

There is also an opportunity to further rationalise the corporate estate should there eventually be surplus space requirements due to new ways of working.

Recommendation for the Board/Committee to consider:						
Consider for Action		Approval	X	Assurance	X	Information
Recommendation: The Board is asked to APPROVE this FBC (full document previously circulated) and support progression of the lease agreements with Centre Court and Distington House.						

Please identify which strategic priorities will be impacted by this report:				
Covid-19 Getting through safely	Yes		No	✓
CQC Getting Back to Good	Yes		No	✓
Transformation – Changing things that will make a difference	Yes	✓	No	
Partnerships – working together to make a bigger impact	Yes	✓	No	

Is this report relevant to compliance with any key standards ?	State specific standard			
Care Quality Commission	Yes		No	✓
IG Governance Toolkit	Yes		No	✓

Have these areas been considered ?	YES/NO			If Yes, what are the implications or the impact? If no, please explain why
Patient Safety and Experience	Yes	✓	No	Access for visitors and service users will be addressed as all facilities have a lift. Reception facilities will be part of the design.
Financial (revenue & capital)	Yes	✓	No	Capital and revenue costs are included in the FBC.
OD/Workforce	Yes	✓	No	OD and workforce are within the scope.
Equality, Diversity & Inclusion	Yes	✓	No	A QEIA will be conducted.
Legal	Yes	✓	No	Legal considerations are set out in the FBC.

Title	Relocation of the Trust HQ
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Section 1: Analysis and supporting detail

1.1 The current Trust HQ is located at Fulwood House, Sheffield. There are approximately 250 staff at Fulwood House (excluding finance and IMST, who have now relocated to Wardsend Road) who undertake corporate services roles for the Trust and will be relocating to the new HQ office accommodation. There are also some small clinical teams requiring relocation.

1.2 This FBC recommends that the Trust moves forward with the following option called **Alternative A**, comprising two leased offices and training rooms, all on the same site at Atlas Way (see photograph on the front cover of the revised FBC):

- **Location 1: Centre Court** which will accommodate 60 seats with training rooms and with minimal alterations before occupation.
- **Location 2: Distington House (2nd Floor, 2 wings)** which will accommodate circa 120 seats in open plan accommodation and require some refurbishment and the installation of partitions to form meeting rooms and offices prior to occupation.

1.3 The business case identifies that the following costs will be funded by internal Trust resources (see Appendix 2).

- I&E cost savings when compared to current budgets of **£229,158 over 5 year or average £45,832k per annum. The previous FBC offered £52,000 saving per annum but on split 3 different sites.**
- Capital requirement – **£488k including VAT.** There is a funding gap when compared to the capital plan. **The funding gap is £88k is across two years, £38k in year 1 and £50k in year 2. The previous FBC had a capital cost £400,000 over two**

1.4 Currently the estimated number of staff to relocate is 250 (excluding clinical teams based at Fulwood House). The two locations identified in this revised FBC provide for 180 seats (72% occupancy). Occupancy rates across existing teams based at Fulwood House range from 20% to 90%. Most teams have expressed a preference for 50% to 60% future occupancy.

The new HQ will also provide training rooms for statutory and mandatory training (where this has to be provided on a face to face basis), medical education and meetings rooms.

1.5 The new HQ implementation timeline is as follows

- Business case approval (OBC) – September 2021 (completed)
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- Post project review – December 2022.

Section 2: Risks

2.1 Key risks include:

- any delay to the design and partitions for Distington House
- the cultural change required for SHSC to embrace new agile ways of working, open plan office accommodation and reduced on-site parking
- relocation of the Community Forensic clinical team based at Fulwood House
- **the capital accounting impact if leases are agreed after 31 March 202**

Section 3: Assurance

3.1 Critical success factors and sensitivity analysis has been conducted.

Section 4: Implications

Strategic Aims and Board Assurance Framework

4.1 The new HQ fits with our strategic aims to improve the environment, use resources more efficiently, provide staff with an improved experience and be inclusive.

Equalities, diversity and inclusion

4.2 The HQ project will consider cultural transformation and Quality and Equality Impact Assessments are to be completed to ensure equal access and opportunity for all.

Culture and People

4.3 All SHSC transformation programmes and projects consider the cultural transformation and workforce agenda. For this project the cultural challenge will be for SHSC to embrace new agile ways of working, open plan office accommodation and reduced on-site parking

Integration and system thinking

4.4 The adjacency to the police HQ may offer further partnership opportunities.

Financial

4.6 The capital costs are over budget by **£88,000** and there is there is a potential revenue cost saving of **£45,832 per annum** over the next five years.

Compliance - Legal/Regulatory

4.7 Legal advice has been engaged for the two lease arrangements.

Section 5: List of Appendices

none