

REPORT TO: POLICY AND RESOURCES COMMITTEE - 24 JANUARY 2011

REPORT ON: WHITFIELD REGENERATION PROJECT: WHITFIELD LIFE SERVICES CENTRE

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 18-2011

1 PURPOSE OF REPORT

1.1 This report seeks Committee approval for proposals to develop the Whitfield Life Services Centre.

2 RECOMMENDATION

2.1 It is recommended that the Committee

- a approves the proposal to develop the Whitfield Life Services Centre to replace existing Leisure and Communities and Social Work Facilities in the area, and enhance health-care and shopping provision to the existing community and proposed new developments; and
- b remits the Chief Architectural Services Officer to finalise the design, submit a planning application for the development and procure an appropriate contractor through a competitive tender process.

3 FINANCIAL IMPLICATIONS

3.1 The total cost of the Life Services building is estimated at £5,988,000. Of this amount £2,117,000 will be met from funding from NHS Tayside. This funding will be in the form of an annual rental. Final and formal approval for this funding from NHS Tayside has not yet been received, but is expected in this financial year. The balance of £3,871,000 will be funded by the Council and is included in the Draft Capital Plan 2011/14.

4 BACKGROUND

4.1 Reference is made to Item XI of the meeting of the Policy and Resources Committee on 7 December 2009 when approval was given, in principle, to establish a combined Dundee City Council/NHS Tayside facility as part of the Whitfield Regeneration project.

4.2 The proposed building will be developed and owned by Dundee City Council. It will be occupied by Social Work, Leisure and Communities and NHS Tayside. Among the facilities to be provided will be a Library, meeting rooms, a General Practice, Social Work contact rooms, and other health treatment rooms. In addition, there will be an element of retail development to support the demands of both existing and proposed residential areas. A range of support services, including office accommodation, will be integrated into the new facility.

4.3 The proposed Life Services development has been informed by consultation with the local community over a long period. Issues highlighted early on during consultation on the wider Whitfield regeneration included the poor quality of the shopping

facilities, the unattractive environment surrounding the existing Centre and some concern regarding the range and quality of other community facilities. A major public exhibition took place in Whitfield in September 2009 attended by officers from Dundee City Council and NHS Tayside. Amongst other things, this exhibition provided an opportunity for residents to comment on the type of facilities and uses that they would wish to see provided in the Life Services development. As the proposals have developed, support for the Project has been expressed through discussions with the Whitfield Project Board and the Whitfield Development Group. NHS Tayside's Chief Executive and Assistant Director of Finance have also been consulted.

- 4.4 The proposal comprises 1125 square metres of retail floorspace and approximately 2600 square metres for Dundee City Council, NHS Tayside and community use in a 2 storey building. It is to be developed in a location at the centre of Whitfield, north of the new Primary School and accessible to those walking and cycling. The location north of the new street that is currently under construction will provide good accessibility for those using the building to public transport services. Approximately 130 car parking spaces are to be provided as part of the development, including disabled spaces.
- 4.5 The area between the new School and the Life Services Centre will be an attractive shared space, with high quality landscaping, providing for safe and easy pedestrian connection between the new developments.
- 4.6 The estimated cost of the building itself is £3.3m with a further £1.2m for external works including car parking, landscaping and other infrastructure. Allowing for preliminary works, fees and contingencies gives an estimated capital cost of £6m.
- 4.7 Extensive discussions have taken place between the Council and NHS Tayside to maximise the opportunities for sharing space and co-location of staff within the proposed Centre. In addition, the new facilities will offer resources for voluntary services and support joint initiatives with partners, such as the promotion of integrated services for children and young people through Joint Action Teams and Early Beginnings. It will offer scope for the expansion of new initiatives such as those around links with Job Centre plus and the Employability Framework, right in the heart of local communities.
- 4.8 It also offers facilities for a wide range of community and health services including General Practice, Oral Health Improvement, Community and School Nursing, and Community Pharmacy. The new facility will replace the existing Whitfield Health Centre.
- 4.9 The Social Work accommodation will replace the existing Social Work premises on Lothian Crescent. This site is suitable for redevelopment for housing as part of the wider Whitfield regeneration.
- 4.10 The Leisure and Communities accommodation will replace the existing Whitfield Community Centre, Library and cafe. In addition, Leisure and Communities staff currently based in the Whitfield Activity Complex will relocate to the new development. The redevelopment of these existing buildings for housing would again be appropriate, but the timing would be subject to the resolution matters in respect of lease arrangements.

- 4.11 An Option Appraisal has been undertaken and is attached as an Appendix to this report.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.
- a Sustainability: the proposed Life Services Facility will be developed on a brownfield land in a location accessible to pedestrians and cyclists and well served by proposed public transport routes. The reduction of energy use during the life of the building has been a key consideration in the design of the building.
 - b Strategic Environmental Assessment: the Report does not raise any issues.
 - c Anti-Poverty: the Report does not raise any issues.
 - d Equality Impact Assessment: the Report is not believed to have an effect on equal opportunities.
 - e Risk Management: the Draft Brief has no implications on Risk Management.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and Assistant Chief Executive have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 Whitfield Planning Framework 2010

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Director of City Development

MPG/GH/ES

12 January 2011

Dundee City Council
Tayside House
Dundee

WHITFIELD LIFE SERVICES CENTRE

OPTION APPRAISAL

1 STRATEGIC BACKGROUND

- 1.1 The on-going regeneration of Whitfield will result in an enlarged community. The Social Work and Leisure & Communities Departments and NHS Tayside partners have been considering and assessing the increased facilities which will need to be provided in order to support the enlarged community.
- 1.2 Discussions have also been on-going with NHS Tayside to consider the needs of the new Whitfield community. As part of these discussions the possibility of a joint Dundee City Council/NHS Tayside facility has been explored.
- 1.3 Report 564-2009 to the Policy & Resources Committee 7 December 2009 recommended the establishment of a Life Services facility in Whitfield.

2 THE NEED FOR THE PROJECT

- 2.1 Both the Social Work and Leisure & Communities Departments will need to expand their service provision in Whitfield if they are to provide the services required by the new larger community.
- 2.2 Central to the regeneration of Whitfield is the development of a 'centre' for the community. The new Whitfield Primary School is being developed as part of this strategy. The present Social Work and Leisure & Communities facilities are not currently located at the new centre of Whitfield.
- 2.3 The current shopping facilities in Whitfield are very unattractive, run down and not located in the new centre of Whitfield. It is considered that the provision of new shopping facilities located in the centre of Whitfield, and accessible to all areas, will further strengthen the regeneration of Whitfield.
- 2.4 The proposed Life Services Centre will provide much needed accommodation for the voluntary services in Whitfield.
- 2.5 The Life Services Centre will allow NHS Tayside to continue to plan, develop and deliver a range of services in conjunction with those of Dundee City Council, to meet the needs of the local community.
- 2.6 The provision of all community facilities in the new centre is considered to be key to the regeneration of Whitfield. Co-locating all such facilities provides a one-stop shop approach which will be of considerable benefit to the community in Whitfield.

3 THE OBJECTIVES OF, AND CONSTRAINTS ON, THE PROJECT

3.1 Objectives

- The provision of enhanced and extended Social Work and Leisure & Communities facilities in Whitfield.
- The provision of improved shopping facilities in Whitfield.
- The provision of accommodation for voluntary services in Whitfield.

- The creation of a 'centre' for Whitfield where all community services, including those provided by the NHS Tayside are located together.

3.2 Constraints

- 3.3 The existing Social Work and Leisure & Communities facilities are not suitable either in terms of size or location to provide the modern central facilities required for the regeneration of Whitfield. The existing Health Centre is no longer suitable in terms of size or location.
- 3.4 There are no existing buildings which could be used to provide the new facility.
- 3.5 The new road through Whitfield and the new Primary School are both currently under construction. In order to provide all community facilities together and create the new 'centre' for Whitfield, the Life Services building must be located close to the new school.

4 OPTIONS

4.1 Option 1 - Do Nothing

Under Option 1 service provision would remain as it is in Whitfield. This would mean that provision would not be adequate for the new population of Whitfield. Existing service provision would not be sufficient to meet the needs of the new population in terms of quality, capacity and location. The benefits of 'joined up' service provision would also not be realised. Under this option there would be no improvement in shopping facilities in Whitfield.

4.2 Option 2 - Provide new, but separate facilities for Social Work, Leisure & Communities and the voluntary services. Provide a new shopping parade. NHS Tayside would also provide their own separate facilities.

Under Option 2 service provision would be increased by providing new larger facilities. These facilities would meet the needs of the new population of Whitfield in terms of demand, but would not provide the benefits of 'joined up' service provision. The benefits of 'joined up' service provision are two-fold. There are obvious benefits to service users in only having to access one building for a number of services, but there are also significant financial benefits in the savings to be realised from sharing premises.

4.3 Option 3 - Create a new Life Services Centre which is capable of providing all the new facilities required in one building at the heart of Whitfield.

Under Option 3 the new Life Services Centre will provide the level of service provision needed for the new population of Whitfield. The one-stop approach of the Centre will provide the advantages of joint working by service providers and ensure that a broadened and integrated range of health and social care services are provided at the heart of the community. A suitable site has been identified for the new facility at the 'centre' of the regenerated Whitfield.

5 EXPENDITURE FOR EACH OPTION

- 5.1 The capital expenditure, to be funded by Dundee City Council, for each option is as follows:

£000	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
Option 1	-	-	-	-	-	-
Option 2	70	3265	1269	68	-	4672
Option 3	58	2705	1052	56	-	3871

- 5.2 The annual revenue property costs, to be funded by Dundee City Council, for each option at 2010/2011 prices are as follows:

£000	Option1	Option 2	Option 3
Rates	37	53	48
Property Maintenance	17	19	18
Property Insurance	1	1	1
Energy Costs	35	46	41
Cleaning	4	34	31
Security	3	10	9
Total	97	163	148

6 NET PRESENT VALUE

- 6.1 The Net Present Values for each option over a period of 40 years at a discount rate of 3.5% are as follows:

Option 1	£1,679,000
Option 2	£7,356,000
Option 3	£6,319,000

- 6.2 Spreadsheets detailing the calculation of the Net Present Values are attached at appendix 1 to this report.

7 THE NON-MONETARY COSTS AND BENEFITS OF EACH OPTION

7.1 Option 1 - Do Nothing

Costs: It will not be possible to provide adequate service provision in Whitfield given the increased population following regeneration. It will further not be possible to provide services at the 'centre' of the community. Service provision will remain fragmented and geographically spread out.

Benefits: The only non-monetary benefit of this option is that service location will not be changed so there will be an element of familiarity for current service users. This is a very small benefit give the other options available.

7.2 Option 2 - Provide new, but separate facilities for Social Work, Leisure & Communities and the voluntary services. Provide a new shopping parade. NHS Tayside would also provide their own separate facilities.

Costs: It will not necessarily be possible to provide all services at the 'centre' of the community. Service provision will remain fragmented and possibly geographically spread out.

Benefits: Service provision should meet the demands of the new population although it will be provided on a fragmented basis.

7.3 Option 3 - Create a new Life Services Centre which is capable of providing all the new facilities required in one building at the heart of Whitfield.

Costs: There may be some very minor short term issues with relocation of services and unfamiliarity issues for service users.

Benefits: The new Life Services Centre will provide the level of service provision needed for the new population of Whitfield. The one-stop approach of the Centre will provide the advantages of joint working by service providers and ensure that a broadened and integrated range of health and social care services are provided at the heart of the community.

7.4 The table below shows, in summary, how each option 'scores' against the non-monetary objectives for the project:

		Option 1	Option 2	Option 3
1	Provision of Extended Services	No	Yes	Yes
2	Provision of New Shopping Facilities	No	Yes	Yes
3	Provision of Accommodation for Voluntary Services	No	Yes	Yes
4	Co-location of all Services in Whitfield	No	No	Yes

8 CONCLUSION

8.1 Option 1 produces the lowest NPV but meets none of the non-monetary objectives. Overall it is not a viable option.

8.2 Option 2 produces the highest NPV and only meets three out of the four non-monetary objectives. Overall, given its cost, it is not a viable option.

8.3 Option 3 produces a lower NPV than option 2 and meets all of the non-monetary objectives. Option 3 is therefore the preferred option.

WHITFIELD LIFE SERVICES BUILDING

Appendix 1

NET PRESENT VALUE CALCULATION**OPTION 1**

Year	Construction Costs £000	Risk Allowance £000	Maintenance and Running Costs £000	Risk Allowance £000	Total Costs £000
1	0	0	97	5	102
2	0	0	97	5	102
3	0	0	97	5	102
4	0	0	97	5	102
5	0	0	97	5	102
6 - 25	0	0	1843	92	1935

NET PRESENT VALUE**1,679****OPTION 2**

Year	Construction Costs £000	Risk Allowance £000	Maintenance and Running Costs £000	Risk Allowance £000	Total Costs £000
1	70	4	163	8	245
2	3265	163	163	8	3599
3	1269	63	163	8	1504
4	68	3	163	8	243
5	0	0	163	8	171
6 - 25	0	0	3230	162	3392

NET PRESENT VALUE**7,356****OPTION 3**

Year	Construction Costs £000	Risk Allowance £000	Maintenance and Running Costs £000	Risk Allowance £000	Total Costs £000
1	58	3	148	7	216
2	2705	135	148	7	2996
3	1052	53	148	7	1260
4	56	3	148	7	214
5	0	0	148	7	155
6 - 25	0	0	2812	141	2953

NET PRESENT VALUE**6,319**