

Title: Office accommodation strategy and the provision of public facing access to Council services

Lead Officer: Steve Partner (01926 456048)

Steve.Partner@warwickdc.gov.uk

Portfolio Holder: Councillor Matecki

Wards of the District directly affected: All

Summary

To agree an approach to the relocation of the Council's headquarters and public facing access to services.

Recommendation(s)

- (1) That Cabinet notes the latest Medium Term Financial Strategy (MTFS) position as detailed in another item on this agenda; that a major contributor to the cost reduction strategy of the Council is the relocation of the Council's staff to enable the Council vacating Riverside House; and notes the current financial liabilities and ongoing costs of the building.
 - (2) That Cabinet considers the commercial difficulties in relocating to a new building and therefore agrees to a two-stage approach to office relocation with stage 1 a move to other part(s) of the Council's estate or alternative locations and stage 2 a permanent move to long-term office accommodation.
 - (3) That subject to agreeing recommendation 2, Cabinet considers the strategy for temporary relocation as set out in this report and provides feedback so that officers can undertake further detailed investigation and report to the November Cabinet meeting with a final recommendation.
 - (4) That subject to agreeing recommendation 2, Cabinet agrees that public access to a face-to-face Council enquiry service should be based in or close to Leamington town centre; does not need to be near the "back-office"; and agrees to a recommended option being reported at the November Cabinet meeting.
 - (5) That Cabinet agrees to consider alternative options to the use of Leamington Town Hall for Civic and Council meetings and if alternatives are to be considered, that options are reported at the November Cabinet meeting.
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1 Background/Information

1.1 Current Position

- 1.1.1 The Council's Medium Term Financial Strategy (MTFS) currently assumes significant savings from the running costs of corporate office accommodation, principally Riverside House (RSH), these assumed savings being £250,000 per year ongoing. This may well be an under-estimate of the savings that could be achieved from relocation. A breakdown of the costs for the financial years 2020/21 and 2021/22 shows an average cost of c£575k per year and whilst a new building would bring its own costs, they should be considerably lower than those of RSH.
- 1.1.2 The Council has primarily operated from Riverside House (RSH) since its purchase in 2000 with the Council chamber and civic suite being located at Leamington Town Hall. RSH consists of some 60,000 sq. ft of office space with 194 car parking spaces. Prior to the pandemic, around 350 staff daily used the offices. However, even before the pandemic it was evident that Riverside House was larger than the Council needed and there was a proposal to relocate its offices to Covent Garden; though this had been discontinued in 2019.
- 1.1.3 However, from March 2020 due to the impact of Covid-19 which necessitated a radical change to working, most staff have been operating from home. Whilst there will always be occasions when working in a physical environment is advantageous, the benefits of agile working have been realised in many ways thereby reducing the need for office accommodation of the size of RSH.
- 1.1.4 RSH continues to be sparsely used with a daily average of around 35-40 staff using the premises either as a base from which to work, or for team / collaborative working in meeting rooms. Many of these rooms have been adapted with screens and cameras for hybrid meetings using Microsoft Teams. These rooms can be booked in advance using an on-line booking system.
- 1.1.5 As part of ongoing monitoring of office requirements, meeting room bookings and office attendance are recorded to enable a further review of accommodation need and size.
- 1.1.6 There are two existing tenancies at RSH: Kids Run Free and Bowls England (BE). Should Members agree to the recommended approach in this report then discussions will need to take place with those organisations to source alternative accommodation. Bowls England is a key partner and so the Deputy Chief Executive has already commenced the conversation with the BE Chief Executive.
- 1.1.7 Riverside House also serves as the ICT location for the team and associated infrastructure and equipment, and the Head of ICT agrees that a 2 stage relocation is possible, but much work would need to be done to ensure that it is deliverable. However, agreement to the general approach is needed before that detailed analysis begins.

1.2 A two-step approach

- 1.2.1 When the Council was previously marketing the RSH site, one of the main obstacles it encountered was not being able to give the market any certainty about a timeline for vacation of the site. For developers to formulate building programmes and thereby have certainty about the cost of development, there is

a need to understand when the land will come into their possession. Without this certainty it is not possible to make a firm offer and enter a contractual relationship with the Council.

1.2.2 Despite the Council's agreed objective to relocate, it does not have a new home to go to and although a future report will shortly propose a long-term solution, if the Council is to help address the significant financial challenge it has over the life of the MTFs, relieving itself of the cost of RSH will make a large contribution to this objective.

1.2.3 Considering the above, officers are proposing that relocation takes place in two stages with a temporary decant, albeit of potentially up to three years, to offices/buildings in the Council's current estate followed by a final move to a permanent new home.

1.3 **Options available within the Council's existing ownership and elsewhere.**

1.3.1 Officers have undertaken an analysis of existing Council-owned assets against a set of criteria and this assessment strongly suggests that there is scope to provide desk spaces and meeting rooms at locations in the Council's ownership. Members should note, however, that this would result in work locations being somewhat dispersed across the district at Stage One rather than being collocated in one place as now. Should Members agree to this approach then a detailed assessment of each of the options will be provided as part of the next report so that a decision is made by reference to comprehensive information.

1.3.2 Although, the preferred option is to move elsewhere in the Council's estate, discussions are also underway with Warwickshire County Council (WCC) to see if there are any opportunities for shared / vacant WCC locations. Whilst this would not bring the full cost saving there may be service benefits that Members consider more important than maximising the savings opportunity.

1.3.3 Finally, Savills Estate Agents has been commissioned to undertake a high-level assessment of the private office market to see what might be available in a range of floor areas and indicative costs. This work is being undertaken in case the public authority options outlined above prove to be undeliverable.

1.4 **Access to face-to-face services**

1.4.1 RHS provides a public reception desk and access to revenue and benefits, housing, planning and other face-to-face services which fully reopened on 12th September. Many customers have found alternative and perhaps more convenient ways to access Council services but there are some, particularly the more vulnerable members of the Community, who need access to face-to-face advice.

1.4.2 Notwithstanding the above, there is no necessity for the "front-desk" to be co-located with the back-office. Technology enables communication between officers and between officers and customers to take place with no physical relationship between the back and the front office. Cabinet is therefore asked to agree that public access to a face-to-face Council enquiry service should be based in or close to Leamington town centre but does not need to be close to the back-office.

1.5 Alternative venues for meetings

- 1.5.1 An option for the temporary relocation of the Council's offices could be the Town Hall in Leamington. All Council meetings and some civic events currently operate from this building, but should Members agree to the two-stage approach proposed then it may be that officers propose that Town Hall is used, at least in part for office accommodation. If there was a view to consider alternative locations, then the vacated space could be used as collaborative space or enhance the commercial viability of the Town Hall potentially allowing a significant commercial income. Officers therefore need to understand whether Members would be willing to hold their meetings in an alternative venue.
- 1.5.2 If Members are comfortable with considering alternatives, then full details of the options will be submitted to the November Cabinet meeting for consideration.

2 Alternative Options available to Cabinet.

- 2.1.1 It has long been the objective to leave RHS, with this focus becoming even sharper following the changes to ways of working. There is currently an adopted design brief to facilitate disposal and redevelopment of the site.
- 2.1.2 The building requires significant capital investment, not least to move towards meeting climate emergency policies including roof, windows, insulation, and lighting upgrades.
- 2.1.3 Whilst costs can be contained if occupation is to be for a short period, medium to longer term investment is probably considerably more than £1m particularly to meet climate emergency objectives.
- 2.1.4 It is understood that given the existing condition of the offices, it is unlikely that there would be significant interest from the market in which a reasonable commercial return could be achieved in the letting of vacant space.

3 Consultation and Member's comments

- 3.1 None at time of writing.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 An Equality Impact Assessment (EIA) has not been carried out at this stage but as it leads to more specific proposals then EIAs will become more important.

4.2 Financial

- 4.2.1 The net revenue operating costs for Riverside House were £567,139 for 2020/21 and £586,756 for 2021/22. This excludes significant Planned and Preventative Maintenance (PPM) costs projected over the next 5 years including roofing, windows, and climate emergency works. These PPM costs are estimated at a minimum of £1.25m within 5 years and ongoing costs into future years.
- 4.2.2 More detailed estimates of capital costs of maintenance and upgrades are included within the report.
- 4.2.3 The MTFs assumes required revenue savings of £250,000 for 2023/24 with recurring savings thereafter.
- 4.2.4 The full financial implications of options in this report requires further investigation depending on decisions made and would be subject to a future report.

4.3 **Council Plan**

4.3.1 The Council's FFF Strategy is designed to deliver the Vision for the District making it a great place to live, work and visit. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found on the Council's website. The section below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.4 **Environmental/Climate Change Implications**

4.5 A key consideration in this exercise will be the Climate Emergency declaration made by this Council.

4.6 Any decisions relating to office relocation will be taken through the strategy with tackling climate change as being an overarching objective.

4.7 **Analysis of the effects on Equality**

4.8 There are no equality impacts associated with the proposals in this report.

4.9 **Data Protection**

4.10 There are no Data Protection implications associated with the proposals in this report.

4.11 **Health and Wellbeing**

4.12 The proposals in this report consider how employees and our communities can be best served, including through minimising and sustainable travel. Well-designed and planned facilities and service locations as well as new ways of working can also have positive impacts upon health and wellbeing.

5 **Risk Assessment**

5.1 At this stage the most significant risk is around the failure to meet required savings within the MTFS and a failure to provide accessible and appropriate public access to services.

Background papers:

1. Approved design brief for disposal and development of the building and site at Riverside House.

Supporting documents:

None

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	21 st September 2022	
Title of report	Office accommodation strategy and the provision of public facing access to Council services	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Portfolio Holder WDC	05/09/22	Cllr Matecki
Chief Executive(s)	05/09/22	Chris Elliott
Head of Service(s)	05/09/22	Steve Partner
Section 151 Officer	05/09/22	Andrew Rollins
Monitoring Officer	05/09/22	Andrew Jones
Leadership Co-ordination Group (WDC)	05/09/22	All Group Leaders and Cabinet
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to: Cabinet
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		Yes, Forward Plan item – scheduled for 21 st September 2022
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility