

Title: Relocation of Office Accommodation and the Provision of Public Facing Access to Council Services

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Portfolio Holder: Councillor J Matecki / Councillor J Tracy

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	23/01/2022	Cllr J Matecki / Cllr Jody Tracy
Finance	23/01/2022	Andrew Rollins
Legal Services	23/01/2022	Kathryn Tebbey
Chief Executive	23/01/2022	Chris Elliott
Head of Service(s)	23/01/2022	Steve Partner
Section 151 Officer	23/01/2022	Andrew Rollins
Monitoring Officer	23/01/2022	Andrew Jones
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Recommendation to Council	
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 Ref 1,325	
Accessibility Checked?	Yes/No	

Summary

To agree a project for the relocation of the Council's administrative offices and public facing access to services.

Recommendations

- (1) That following consideration of the options, Cabinet agrees that there is insufficient office space of the required quality and location within the Council's existing built assets to accommodate staff and to meet document and equipment storage needs, as part of stage one of the two-stage relocation approach agreed by Cabinet at its meeting of 29th September.
- (2) That Cabinet agrees to lease from Warwickshire County Council the Premises known as Saltisford One (Ground Floor) located in Warwick (CV34 4UL), on terms as set out in this report.
- (3) That Cabinet agrees to the use of the Ground Floor space at Royal Leamington Spa Town Hall as part of the office relocation strategy and recommends to Council that the Monitoring Officer is delegated authority amend the Constitution to replace Riverside House as the Council's formal Headquarters, with Royal Leamington Spa Town Hall, from the day the Council formally takes occupation of the office space in Warwick.
- (4) That Cabinet notes that alternative options for Civic and Council meetings were investigated and found not to be feasible.
- (5) That financial provision be made in 2022/23 from the Service Transformation Reserve in the sum of £98,000 as part of the one-off costs of moving to new offices, the balance of the estimated one-off costs of £396,500 to be funded from the reserve in 2023/24.
- (6) That a Customer Service Hub is created at the Royal Pump Rooms as a replacement and significant enhancement to the customer service provision currently operated at Riverside House.
- (7) That Crown Commercial Services be contracted through the Crown Hosting 2 Framework to provide a datacentre and space to allow ICT to relocate servers and other equipment currently located within Riverside House.
- (8) That Cabinet notes the report at Agenda Item 11 which provides the latest position on plans for the future use of the Riverside House site.
- (9) That Cabinet formally notifies Council of these decisions at its meeting in February so that it can endorse them.

1 Reasons for the Recommendations

- 1.1 At the meeting held on 29 September 2022, Cabinet considered an initial report on options for head office relocation including public facing access to services and approved the recommendations in that report.
- 1.2 This report sets out the recommendations following on from detailed negotiations with Warwickshire County Council in relation to offices owned by them and available for lease as an interim administrative base for this Council.
- 1.3 The Council is also required to designate a location as its legally recognised Headquarters for the making and receiving of documents and notices and for the delivery of mail etc. The current designated location within the Constitution is Riverside House and it is proposed that this be amended in the Constitution to be Royal Leamington Spa Town Hall.

1.3.1 **A move to other part(s) of the Council's estate or alternative locations**

- 1.3.2 The Council's Medium Term Financial Strategy (MTFS) currently assumes significant savings from the running costs of corporate office accommodation, principally Riverside House with these assumed savings being £250,000 per year ongoing from 2023/24. It is possible that additional savings could be achieved from relocation over the medium term, and these are outlined later in this report but there will be one-off costs associated with the move to be met from the Service Transformation Reserve.
- 1.3.3 Riverside House in its current configuration provides around 140 desks which are available for those staff who cannot work from home and for staff who need to work from an office for all or part of the week. Meeting rooms and collaborative space can also be booked at Riverside House.
- 1.3.4 Riverside House public reception has reopened following the pandemic enforced enclosure and around 250 members of the public are now attending in a typical week. Proposals for continued provision of public facing services is set out elsewhere in this report.
- 1.3.5 For the period January to December 2022, the peak demand for desks on any one day was around 70 and substantially less in the summer period. Whilst there was initially some evidence of a gradual increase in numbers using Riverside House over the preceding three months, these figures have largely levelled out and are still well within the capacity for desks available.
- 1.3.6 In addition to desk and meeting room space, vacating Riverside House would mean that new storage space would be needed for election and other equipment and for service delivery linked to printing and other facilities as well as for the deed and document store, PACE room and other storage needs. A location is also needed for the Corporate Support Team, Homelessness reception and for private interview facilities.
- 1.3.7 These services would be assisted by creating a new Customer facing facility to replace the Riverside House Reception, as set out below as well as moving deed and document storage to Royal Leamington Spa Town Hall and, potentially moving ICT server equipment off-site to a managed location.
- 1.3.8 The space currently occupied by the University of Warwick at Royal Leamington Spa Town Hall will need to be retained for use by WDC when the current lease expires at the end of May 2023. Whilst this will result in a loss of rental income to the Council of circa £26,000 p.a., there may be options to generate some new income and it will also retain a significant administrative presence for WDC within Royal Leamington Spa.
- 1.3.9 As part of further work undertaken in developing options, the Council's existing assets have been considered in more detail to establish which, and to what extent these could be used to provide office accommodation, albeit on a dispersed basis, as part of a stage one approach. Apart from the continued use of Royal Leamington Spa Town Hall, these do not provide a viable option from which to deliver joined-up administrative functions as they would require significant investment to enable use as fully operational offices whilst dispersing services across several locations and losing potential benefits of co-location.

1.3.10 Discussions and Negotiations for alternative premises

- 1.3.11 Work was initially commissioned in September 2022 through Savills to establish potential availability of private sector office accommodation available for rent to give a baseline of likely costs for options comparison.
- 1.3.12 This showed that there were at that time several good quality premises available, and these were at that time all located within the Warwick town area and surrounds. This is of course a dynamic situation and availability changes by the day but was intended to give a comparison of costs against other options.
- 1.3.13 Except for one, none of those available were likely to generate the required savings required from leaving Riverside House, particularly on a short-term lease basis. The one that may have been viable no longer appears to be on the market.
- 1.3.14 Alongside this exercise, contact was made with Warwickshire County Council as it is also undertaking a review of its own office accommodation needs post-pandemic and with the move to agile working.
- 1.3.15 Officers were made aware that WCC offices at Saltisford, Warwick were included in that review and site visits were arranged to look at several options. The mid-range option of ground floor accommodation at Saltisford One was considered to be the best fit and more detailed discussions around draft Heads of Terms commenced in December.
- 1.3.16 Saltisford One is a modern, brick-built building constructed in 2006, and is in a complex of three similar WCC buildings, accessed off Ansell Way, Warwick. It has a EPC rating of D (comparison for Riverside House also being D) and has the benefit of solar panels being installed on the roof although these may not have been reflected in the current EPC rating and we await a revised EPC from the County Council. It has available a set number of parking (including disabled) spaces with other spaces potentially available on a first come, first served basis each day. There are existing WDC public car parks within reasonable proximity to provide additional parking for staff and Members through using the issued car parking passes and green travel options will be promoted.
- 1.3.17 Saltisford One is accessed via an entrance lobby shared with the occupant of the first-floor space. The first floor is currently vacant although WCC is also in advanced discussions with a prospective commercial tenant. It is not intended that the building will facilitate public access, this will be elsewhere in more appropriate locations.
- 1.3.18 The building can provide a mix of good quality open-plan desk space, a variety of meeting rooms of different sizes and capacities and kitchen and casual meeting spaces. An indicative layout is attached as an appendix to this report.
- 1.3.19 A key criterion was to provide a short to medium term option to allow for the disposal of Riverside House and associated cost savings over a period, and to allow WDC to then look at options for a permanent replacement for its office accommodation and other service needs.
- 1.3.20 On that assumption, discussions with WCC have been based on a 6-year lease but with a break clause after 3 years with 6 months' notice thereafter

to allow all parties the necessary certainty and flexibility after the initial 3-year period.

- 1.3.21 The lease would be based on inclusive costs including maintenance and repair, energy/ services costs (subject to an annual year end reconciliation of actual expenditure) and certain facilities management services. There is an option to retain WCC cleaning services which requires further discussion with the existing WDC cleaning contractor or alternatively WDC can buy in to the WCC cleaning contract, subject to procurement and employment compliance.
- 1.3.22 Other facilities include bicycle racks and a staff shower, linked to a green transport plan to minimise the transport related climate change impact, and a Faith room, these to be within the complex of buildings if not immediately available at Saltisford One itself.
- 1.3.23 An outline comparison of costs is shown at paragraph 2.1.5. It must be pointed out though that there will be some one-off costs associated with vacating Riverside House, including deed/ document stores and ICT operations, public reception facilities, relocation or ending of contracts on the large capacity printers in Riverside House as well as the actual removals themselves and there are also many contracts associated with Riverside House which will either need ending or varying and there may be costs with these although they are not expected to be significant. For that reason, a contingency sum for unknown factors has been included.
- 1.3.24 There are discussions ongoing with WCC around including existing desk and storage equipment to be included as part of the proposed lease and this may reduce WDC costs in providing or transporting desks and other equipment.

2 Main elements of proposed Heads of Terms are as follows:

- 2.1 Lease: Six-year lease contracted out of the Landlord and Tenant Act 1954 from date TBC.
- 2.2 Break Clause: Either the Landlord or Tenant can break the lease by giving not less than 6 months' prior written notice on or at any time after the first 36 months of the lease.
- 2.3 Rent Review: The lease will be subject to a CPI increase after the third year.
- 2.4 Rent: To be agreed based on rent per annum of the agreed Net Internal Area. VAT excluded. To be paid quarterly in advance.
- 2.5 Service Charge: The service charge payable to be agreed based on cost per sq. ft per annum of the agreed Net Internal Area to be paid quarterly in advance.
- 2.6 The service charge to be reconciled annually based on actual costs and on a proportional floor area basis. The landlord's services include but not limited to heating, electricity, water, business rates, maintenance and repair of common area services within the building, external maintenance and repairs, common area cleaning, maintenance and cleaning of all windows (internal/external) and building insurance.
- 2.7 Repair: Tenant to keep the internal fabric of the building in good tenantable repair and condition including both sides of the internal access doors to the demise subject to a photographic schedule of condition.
- 2.8 Annual contribution towards a sinking fund for cost of proportionate long-term liabilities of building fabric repairs. The exact amount of this has still to be determined by Warwickshire County Council. At this stage an assumed sum has been included in cost estimates within this report and may be subject to change as negotiations progress.
- 2.9 Internal walls to be redecorated prior to occupation.

2.10 Cost implications of moving from RSH to Saltisford One / Leamington Town Hall

- 2.11 There would be significant one-off costs associated with moving away from Riverside House, some of which can be quantified now, and some will require a best estimate at this stage. There would also be significant consequential savings (not including any potential recipients from the sale/ disposal of the Riverside House site) in future years.
- 2.12 Below is a high-level assessment based on best current information of costs of moving away from Riverside House and future year costs of Saltisford One/ Royal Leamington Town Hall combination.
- 2.13 A portion of the one-off costs of the move will fall in 2022/23, for example works to enable moving the deed store to Royal Leamington Town Hall and the relocation of the Server Room by ICT. Accordingly, it is recommended that financial provision be made in 2022/23 from the Service Transformation Reserve in the sum of £98,000 as part of the one-off costs of moving to new offices, the balance of one-off costs estimated at £396,000 to be similarly funded in 2023/24.
- 2.14 Cabinet should be aware however that, if the Riverside House site is not disposed of by March 2024, then ongoing business rates and other liabilities will extinguish any projected savings on this project.
- 2.15 Royal Leamington Town Hall will be used for several functions, exact details to be decided but may include desk space for those wishing to remain working within Leamington, meeting space and possible use by external organisations with whom we currently work.

2.16 Cost comparison and illustrative savings

	Current Yr. 2022/ 23	Year 1 2023/ 24	Year 2 2024/ 25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29
Current Accommodation (RH)	£0	£748,000	£748,000	£618,000	£622,900	£627,900	£632,900
Current Accommodation Costs	£0	£748,000	£748,000	£618,000	£622,900	£627,900	£632,900
Ongoing Current Accommodation (RH)	£0	£249,300	£0	£0	£0	£0	£0
Proposed Accommodation (SO)	£0	£293,300	£366,000	£356,000	£348,100	£349,000	£349,900
One Off Costs	£98,000	£396,500	£0	£0	£0	£0	£0
Proposed Accommodation Costs	£98,000	£939,100	£366,000	£356,000	£348,100	£349,000	£349,900
Savings	£98,000	£191,100	£382,000	£262,000	£-274,800	£-278,900	£-283,000
Cumulative Savings			£92,900	£354,900	£-629,700	£-908,600	£-1,191,600

Notes

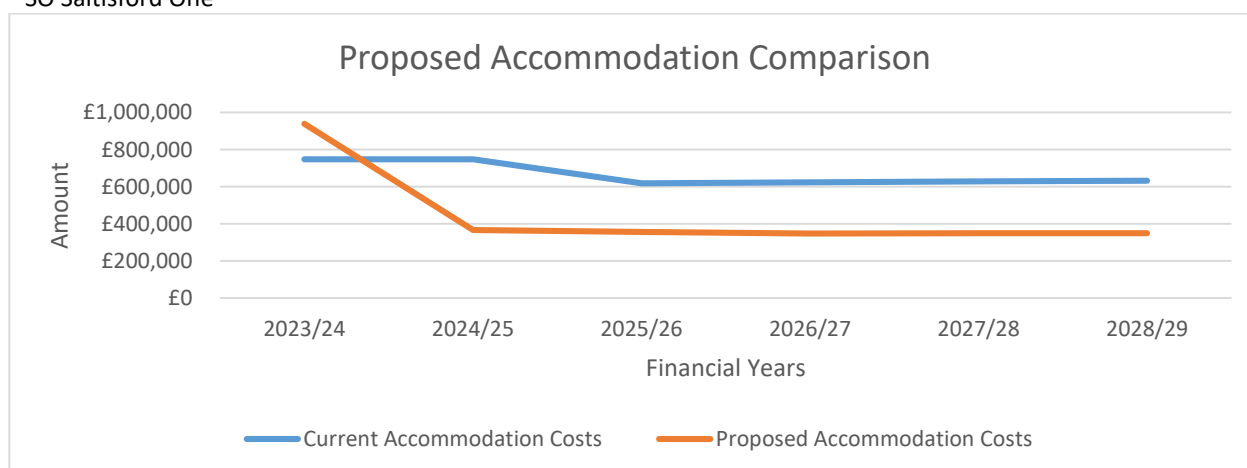
Ongoing Current Accommodation (RH)
Current Accommodation (RH)

Estimate 4 months occupancy at Riverside House.
Cost will increase if Building not vacated / sold
Includes expected reduction in energy costs 2025/26

All accommodation costs includes a yearly inflation based on current forecasts

Key

RH Riverside House
SO Saltisford One



2.17 **Option to move Committee Meetings away from the Town Hall from May 2023**

- 2.18 Officers have looked at the potential for moving WDC Council, Committee and Sub-Committee meetings to Shire Hall from May 2023.
- 2.19 Warwickshire County Council have provided assurance (and indeed placed them in the diary) that all WDC evening meetings (those that start at 6.00pm) can be accommodated at Shire Hall. This would be at no cost to WDC i.e., no staffing room hire or refreshment costs.
- 2.20 There would however be a cost for broadcasting of the meetings that take place at a cost of circa £25k for a full year.
- 2.21 Warwickshire County Council would not be able guarantee accommodation for meetings in the day. WDC may be able to find publicly accessible rooms within Shire Hall, but these would have to be booked *ad hoc* and the room would not have the equipment to broadcast from. This means while this Council is committed to broadcasting all meetings it would need to find an alternative location for Licensing Panels. There would also be other restrictions on booking of rooms and no access to political group rooms.
- 2.22 If WDC did move its formal meetings away from the Town Hall it will be left with the equipment for the PA at present and the annual maintenance cost for this of £4650 for at least another 3 years (2025). While this kit could be repurposed there may be a need to use the above kit for broadcasting Licensing Panels and hold some meetings at the Town Hall.
- 2.23 On this basis, it is recommended that the option to move meetings away from the Town Hall is not financially or operationally viable at this time.

2.3 **Access to Face-to-Face Services**

2.3.1 When evaluating a future Customer Service Access Point, several considerations were made. These included:

- Accessibility for the customer – is the site located somewhere that customers can easily get to via private or public transport.
- Availability – is the location available and if not, when would it become available.
- Space – would the building physically be able to house the required facilities.
- Cost – is the location likely to incur significant additional revenue or capital costs.
- Value Add – would WDC's customer offer be enhanced by or positively influence nearby amenities.
- Setup Complexity – how difficult would it likely be to establish a customer service facility.

2.3.2 The potential for a commercially rented property was considered, such as a vacant shop front within a town centre. This option offered several potential positives such as significant flexibility, potential value-add with increased footfall, readily available space and the possibility of a low complexity setup. However, it would also incur significant additional revenue costs for rental and ancillary services (such as utilities and Business Rates) in addition to a significant capital expense for preparation and fit out. As such, this option was not taken forward.

- 2.3.3 Within the Council's estate, WDC has a limited number of buildings which could be suitable for providing a face-to-face customer service operation. The two principal buildings under consideration were the Town Hall and Pump Rooms.
- 2.3.4 When considering factors such as accessibility, availability and space, there were no discernible differences between the Town Hall or Pump Rooms. Both are centrally located within Leamington Spa, have excellent transport links, would require some jostling of existing use to accommodate Customer Services and both have equally complex setups due to their listed status and prominence as public spaces.
- 2.3.5 An additional complexity exists however with the Town Hall, as it is already being considered as part of WDC's Future High Street Fund and work towards updating its ground floor to develop a creative hub is already underway. This may add a significant time delay to any relocation plans and the value-add within the Town Hall is also limited with few amenities outside of WDC either benefiting from WDC's relocation, or Customer Services benefitting from their co-location.
- 2.3.6 With these factors in mind, it is proposed that WDC relocate its principal customer service operations, to the Pump Rooms.
- 2.3.7 Under this proposal WDC all customer services would be accessible from a single location, with the capability of hosting up to five members of staff in a dedicated area:
- Two Customer Service officers would be located front of house and primarily deal with face-to-face customers.
 - Two additional Customer Service officers would be in the same area but would primarily carry out other duties.
 - One Homelessness team member would co-locate within the Customer Service area, promptly dealing with specific service users, but continuing with other duties when not required.
- 2.3.8 Utilising the Pump Rooms will require some internal adjustments to the centres current use which is discussed below. However, it does have significant potential to (in effect) create a customer hub with several unique and advantageous facilities:
- Service Co-Operation – Customer Services is already working with staff from the Pump Rooms to provide reception services at Riverside House. Under a co-location arrangement, there is no reason why this arrangement could not be built on and expanded to both services benefit, to improve our resilience and customer offer.
 - Public Service Co-Location – The Pump Rooms already hosts Leamington Spa's library service. Placing WDC's customer service function in the same building has the potential to make this valuable public service more visible. The existence of County Council infrastructure at the site may also help to facilitate any future joint customer service provision, as their advisers could simply work next to ours.
 - Café – Whilst our Customer Services team have no intention of making people wait excessively for our services, at particularly busy times this is

inevitable. Whilst it is not quantifiable at this time, the additional footfall Customer Services would bring to the Pump Rooms may also bring additional customers to the café, who can engage with its services when they visit or while they wait.

- 2.3.9 Whilst only two Customer Service operatives would be active at any given time, the presence of two additional customer service staff would ensure rotation at key periods such as lunch times and would also provide additional support should additional help be needed. When face-to-face service is not required all staff would be able to continue with other duties, such as dealing with telephone contact or email content.
- 2.3.10 The permanent presence of a homelessness support officer will also be critical for service users, who are often anxious, worried and require immediate assistance. If it were not possible to co-locate a support officer, the advice service would have to be offered from an alternative location. This is particularly important within the Pump Room environment, as it would not be appropriate to have service users potentially waiting for significant periods, whilst an officer travels from another location. The Homeless team's ability to prioritise a service presence at the Pump Rooms would be essential.
- 2.3.11 Within the customer service space, accommodation would also be established for a private meeting area (for customers who specifically request it) and self-service facilities. It would also include an online meeting facility where, if need, a customer could be remotely connected to a staff member outside of Customer Services (for example a Planning or Licensing officer).
- 2.3.12 The Customer Service facilities most favourable location would be the space currently occupied by the Pump Rooms shop. This space is an ideal shape and has the capability to be structurally screened off from other Pump Room tenants. This would of course require the shop to be relocated across other spaces within the Pump Rooms or disbanded entirely.
- 2.3.13 There are also other considerations at the Pump Rooms which will need to be evaluated. These include:
- The listed status of the building will impact what we can do internally to accommodate Customer Services. This will be mitigated by carefully working with the Council's planning and conservation team and the Arts service to ensure proposals are acceptable.
 - The existing network links to the building will need to be upgraded, but this is complicated due to the entry point for existing lines being in the basement. This will be mitigated as part of a procurement for new data lines.
 - Supporting infrastructure such a queue management system will be required and some existing technology will need to be relocated. These requirements will be addressed by ICT.
 - Space will need to be located for the display of information, such as planning applications for inspection, nominations for local elections, etc. They can be located within the Customer Service space.
- 2.3.14 Another consideration is that the Customer Access provisions will not fully replicate what is currently offered from Riverside House without changes to

some working practices. It would not for example be possible to provide a reception service which contacts other offers when meeting guests arrive as there are no meeting spaces within the Pump Rooms. Similarly, some services, such as Electoral Registration will need to pass greater responsibility to Customer Services as it would not be practical for them to attend an unscheduled walk-in visitor.

- 2.3.15 None of these operational issues are insurmountable but they will require Customer and Digital Services work closely with affected service areas to establish effective protocols. Work toward this will commence in February 2023.
- 2.3.16 The cost of relocating Customer Services to the Pump Rooms is provisionally expected to be around £200,000. Whilst every effort would be made to minimise this cost, most of the expense would incur through physically establishing a space that is suitable for Customer Services to work from.
- 2.3.17 This also includes costs for IT related work, additional supporting systems, and accounts for the listed status of the building as a contingent.
- 2.3.18 It is anticipated that the services of a professional shop-fitting firm will need to be procured, in order ensure the aesthetics of the Pump Rooms are represented in the design, and that any newly introduced features are suitable for a building of such significance. This is included within the expected costs.

3 Risks

- 3.1 Relocating to the Pump Rooms does carry some risks which the Council needs to be aware of:
- Existing Tennant Dissatisfaction – the centre is currently a cultural and arts focused building, with each element supporting that delivery. Introducing a Customer Service function will change that makeup significantly and potentially introduce a demographic of customers who would not have otherwise been service users. Whilst this should be viewed from a positive perspective of opening up the Council’s valuable services to new users, there is potential that some existing residents will not see it this way.

To mitigate this risk, Assets and Customer and Digital Services will work closely with stakeholders to ensure service provisions are carefully planned and are not disruptive or conflictive with existing requirements.

- Disruptive Customers – historically, a small number of service users have been disruptive and caused issues at Riverside House. In the Pump Rooms, such an incident would be much more difficult as a far greater number of people pass through the building, including tourists, families and children.

This risk can be mitigated in a number of ways. The design of the customer service space can be setup to separate it from the main foyer and careful planning of staff resources will ensure that (typically) customers do not have to wait for long periods. This is particularly important for the Homeless service, whose users are by their nature,

extremely vulnerable. It is therefore essential that the service provisions are adequately staffed at all times.

- External Stakeholders – The Pump Rooms is a historically important and significant building. It is possible that some community groups may not be supportive of changing how the Pump Rooms is used and may strongly articulate their views through social media or in the press.

Whilst the risk of bad publicity cannot be entirely mitigated, Customer and Digital Services will seek to engage with interested stakeholders to ensure the reasons why we wish to establish a customer service presence at the Pump Rooms is fully understood and that meaningful feedback is considered.

- Reduction in Art Services – As mentioned, relocating customer services requires some internal compromise. The space currently used for the shop does contribute income to the Arts service and the space is also used for other activities – such as advertising productions at the Spa Centre and hosting events.

This impact can be partially mitigated by ensuring that some facilities to advertise events remains and it may be possible to relocate some souvenir merchandise elsewhere – again, Customer and Digital Services will work closely with the Pump Rooms team to carefully manage the impact and minimise negative consequences.

- The Roof – Significant work is required on the Pump Rooms roof, which could disrupt services should a significant failure occur. Whilst this risk is not directly altered by the presence of Customer Services, it is important to consider that if the centre had to be closed to accommodate some corrective works, this would impact the ability to deliver face-to-face services.

4. ICT Service Relocation

4.1 ICT has a significant presence within Riverside House, occupying several spaces across level one and smaller spaces (for networking equipment) on each subsequent floor. The most pertinent consideration for ICT when relocating Council services is the space required for our physical datacentre as this is business critical for all Council Services.

4.2 When evaluating a future server room location, several considerations were made. These included:

- Security – the site needs to be at a location which is (or could be) physically secured and is not at risk from environmental factors, such as flooding.
- Environment – the data centre needs to be located in an area that is unlikely to be impacted by environmental factors of the surrounding building (such as pipes running above or below the space which may burst or immediately below under a roof which may leak).
- Power – the site needs to be able to provide sufficient power, including the potential for backup power in the event of a mains failure.

- Cooling – the site would need to be able to provide sufficient cooling for the installed equipment, which can generate significant heat.
- Fire Suppression – the site would need to be able to accommodate a fire suppression system, which requires a sealed room.
- Space – the site would need to be capable of physically accommodating the Council’s servers.
- Cost – kitting out a data centre will incur significant capital costs and ongoing revenue costs for operation.
- Permanency – relocating the Council’s datacentre is not an easy or simple operation and as such, must survive any anticipated future moves.
- Connectivity – the site needs to be in proximity to existing network infrastructure, to ensure sufficient capacity across a wide area network link.
- Setup Complexity – how difficult would it likely be to establish a datacentre facility.

4.3 When looking at our available options, four options were considered:

- Migrate our infrastructure to the cloud
- Locate the ICT datacentre at Saltisford
- Locate the ICT datacentre at the Town Hall
- Locate the ICT datacentre somewhere else

4.4 Cloud Infrastructure

4.4.1 When considering migrating our infrastructure to the cloud, this would appear to be a relatively easy operation. Most of our current ICT server estate is virtualised, with around 160 servers, running as independent virtual machines on just five physical hosts. Several mainstream providers including Microsoft Azure and Amazon Web Services provide tools to directly port virtual server images from our existing virtualisation platform to their Infrastructure as a Service provisions. However, doing this has a very significant cost implication.

4.4.2 Migrating to a utility, pay as you use style compute model can work very well, but doing so requires careful optimisation of the transferred workloads. Simply taking a virtual server image and migrating it to the cloud is not an ideal method for a long-term solution and migrating in this way, could effectively use ICT’s entire annual revenue budget within a few months. To complicate matters further, some of our older applications simply aren’t supported in a cloud environment and it might not be possible to optimise others as they currently stand.

4.4.3 In time, more of our software will become cloud hosted and our physical infrastructure requirements will reduce. But at present, this is not viable for everything, and the costs involved are prohibitive.

4.5 Saltisford

4.5.1 Given that the Council only intends to locate at Saltisford for a limited amount of time, the site would offer no permanency and as such, the Council may find itself having to undertake another data centre relocation exercise in just a few years. In addition, Saltisford does not appear to have a backup power supply available (such as a generator) which would ensure the continuation of ICT services in the event of a mains power failure. This is particularly important

given that most of our staff are now distributed and may likely be unaffected by a local power outage impacting the site.

4.5.2 For these reasons, it was not considered that Saltisford would be an ideal location to host the Council's primary datacentre.

4.5.3 It should however be noted that some ICT presence will be required at Saltisford. Equipment to facilitate network links to other Council buildings and internally within the office will still be required. It is anticipated that this could be located within the existing racking previously installed by Warwickshire County Council in the sites existing Comms room on the ground floor.

4.6 Town Hall

4.6.1 Locating at the Town Hall has a number of advantages; it is a location the Council is unlikely to move away from, it is easily accessible to staff, has the capacity for fast data links, the existing CCTV server room is big enough and the room already has air-conditioning to cool equipment. However, there are also several issues.

4.6.2 The site currently doesn't have any provisions for backup power which is a significant issue. Whilst ICT would routinely install Uninterruptable Power Supplies in equipment racks, these have a general run time of around 30 minutes. This is not suitable for a primary datacentre and power generation capacity on site would be needed. Given the listed status of the Town Hall, the limited space surrounding it and the presence of other buildings nearby, setting up a generator on site would be problematic.

4.6.3 Investment would also need to improve the security of the datacentre room, such as installing an independent alarm, access control and CCTV. Fire suppression would also need to be added and the integrity of the room (to prevent the suppressive gas from escaping) tested and (if necessary) fixed.

4.6.4 There are also environmental factors - the building for example is on a flood plane and whilst it is unlikely that the server room would be breached, extreme weather events are becoming increasingly common and as such, must be considered.

4.6.5 The Assets team acquired some costs for creating a datacentre at the Town Hall and establishing a fire suppression system alone was estimated to cost £67,000. This did not account for the provision of a generator, which could also cost in excess of £50,000. There would also be significant timing implications as establishing a suitable datacentre environment will take time and there is no guarantee that all of ICT's requirements could be fully met.

4.6.6 As such, the Town Hall was not considered as the best option for a primary data centre site.

4.7 Somewhere Else

4.7.1 In December 2022, Crown Commercial Services launched the Crown Hosting 2 framework with the intention of providing an easily accessible way for government organisations to rent datacentre space.

- 4.7.2 Crown Hosting is an arms-length, government owned company, providing services exclusively to the public sector. The company operates multiple, hyperscale datacentre environments which are readily available to house physical IT infrastructure. Under such an arrangement, the Council could take is physical servers, and simply insert them into rack space at a datacentre site.
- 4.7.3 The Crown Hosting sites offer a datacentre environment that the Council would independently, be unable to match. The sites are for example compliant with the highest levels of government security classification – hosting servers for the Ministry of Defence and intelligence services. As a result, all customers within the datacentres benefit from this enhanced physical security, whether they need it or not.
- 4.7.4 Because of their scale, the centres also benefit from the most optimised cooling systems, significantly reducing the amount of money spent simply keeping servers within their temperature tolerance. Power is backed up in multiple ways and guaranteed to run for at least 72 hours in the event of a widespread grid failure. The datacentre buildings themselves are also significantly protected with the latest fire suppression technology and are designed to withstand the harshest weather.
- 4.7.5 Whilst none of the Crown Hosting data centres are local to Warwick, it is not anticipated that this would be a significant issue for ICT. Each centre is well served by a number of network operators, so high-capacity network links would not be an issue. Crown Hosting also provides a “helping hand” service, so should a server require physical attention, a local operative will attend to it on WDC’s behalf. They would also assist with technician visits, should this be required.
- 4.7.6 Crown Hosting agreements are also flexible. The shortest lease time is just one month, and stretches up to 25 years. When entering a contract, hosting costs are reduced for longer agreements, but any agreement can be terminated with a months’ notice. In such an event, Crown Hosting simply calculates what would have been paid if a shorter agreement had been undertaken and charges the difference.

5 Alternative Options

- 5.1 It has long been the objective to leave Riverside House, 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.
- 5.2 The building requires significant capital investment, not least to move towards meeting climate emergency policies including roof, windows, insulation, and lighting upgrades.
- 5.3 Whilst costs can be contained if occupation is to be for a short period, medium to longer term investment is probably significantly in excess of £1m, particularly to meet climate emergency objectives.

- 5.4 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.

6. Legal Implications

- 6.1 To be agreed through the Lease between the two Councils.

7. Financial

- 7.1 The net revenue operating costs for Riverside House are estimated to be £715,000 for the full year 2023/24. 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.

8. Business Strategy

- 8.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery.
- 8.2 Health, Homes, Communities – links to health and well being of employees in good, well maintained office accommodation.
- 8.3 Green, Clean, Safe – Saltisford One is a modern building built to high standards including solar panels on the roof. The project also includes a green travel plan for staff using the building.
- 8.4 Infrastructure, Enterprise, Employment – helps to maintain a significant presence in both Leamington and Warwick towns
- 8.5 Effective Staff – for those staff that cannot work from home, as well as good quality accommodation as part of agile working, this helps to ensure a productive and effective workforce.
- 8.6 Maintain or Improve Services - by providing good quality office accommodation linked to agile working.
- 8.7 Firm Financial Footing over the Longer Term – works within the MTFS.

9. Environmental/Climate Change Implications

- 9.1 The proposed approach to office accommodation will have several carbon reductions benefits:
- Firstly, staff office accommodation will be within well maintained and modern premises which are already built thereby removing carbon generation by construction or renovation.
 - Secondly, the smaller, more compact space is like to have significantly lower operational carbon emissions than Riverside House. Further, work will take place with WCC to further reduce carbon emissions from the building, based on the most up to date EPC rating and associated advice.

- Thirdly, the office relocation will be accompanied by a green travel plan, particularly for staff. This will provide the opportunity to provide for (and promote) active travel.
- Fourthly, the move will enable the disposal of the existing RSH site based on an agreed design brief aimed at any new development providing energy efficient, carbon zero housing as far as possible.
- Finally, by moving the customer services operations to a more central location which is better served by public transport than Riverside House, it is hoped the access to Council services will be more easily available through low carbon modes of transport.

10 Analysis of the Effects on Equality

10.1 An Equality Impact Assessment will be produced as part of this project.

11 Data Protection

11.1 No implications

12 Health and Wellbeing

12.1 The proposed new premises are significantly more modern than RSH and are in a good state of repair and will be maintained in that condition by the landlord.

12.2 The project also includes a green travel plan including availability of cycle and shower facilities, as well as a faith room at the Saltisford premises.

13. Risk Assessment

13.1 The risk of not moving away from RSH are largely financial in that the likely costs of operating, maintaining, and upgrading the building are not compatible with the savings identified in the MTFS.

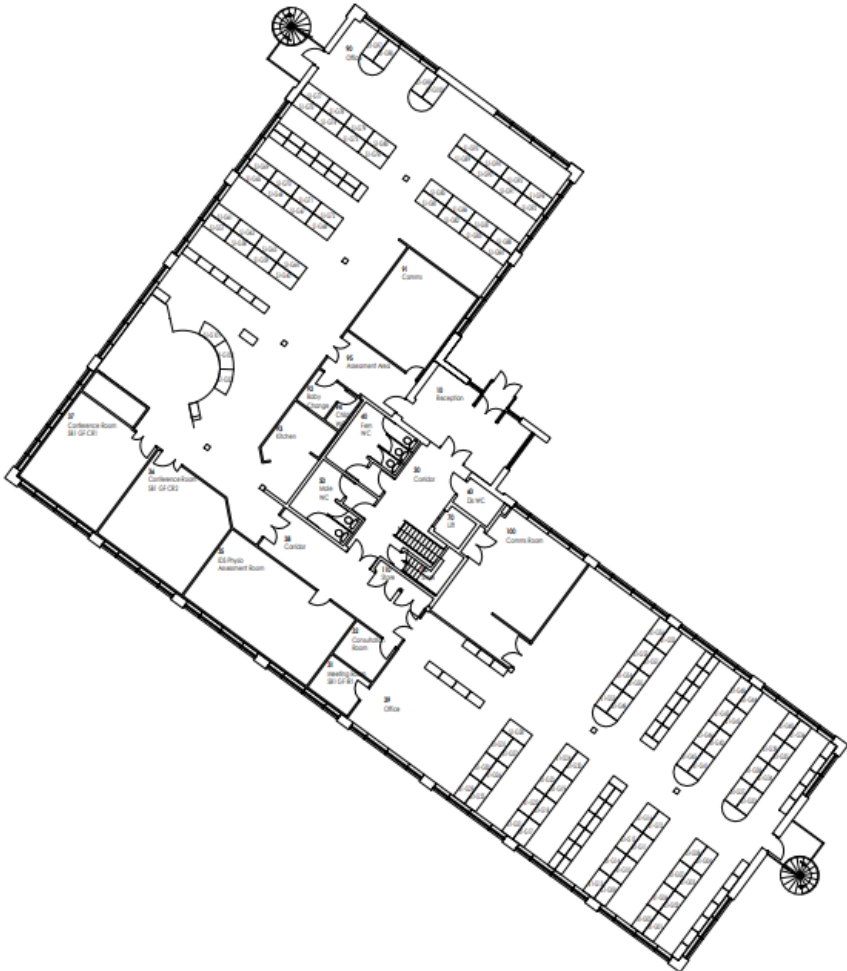
Background papers

None

Supporting documents

None

Indicative Floor layout – Saltisford 1



Building 1
Saltisford Building 1
Ground Floor