

REPORT TO: Executive Board

DATE: 25th January 2007

REPORTING OFFICER: Strategic Director – Corporate and Policy

SUBJECT: Accommodation Strategy

1.0 INTRODUCTION

1.1 The Council has, over the years, carried out a number of reviews of its office accommodation needs, but this has always proved difficult, primarily because of the ever-changing landscape of local government and the public sector more generally. The Base Budget Review Working Party identified 'accommodation' as a possible area for savings/rationalisation. The purpose of this strategy is to:

- Set some objectives around the future accommodation decisions the Council needs to make;
- Look at the current make-up of the Council's office accommodation;
- Make proposals for the rationalisation of that accommodation;
- Assess the financial impact of those proposals;
- Make efficiency savings.

2.0 RECOMMENDED that:

- (1) the approach outlined in this report be supported;
- (2) a capital bid be made to support the refurbishment of Runcorn Town Hall; and
- (3) future accommodation decisions be made within the framework outlined in this report and implemented by the Strategic Director – Corporate and Policy in consultation with the Corporate Services' portfolio holder.

3.0 BACKGROUND

- 3.1 Over the years the make-up of the Council's accommodation portfolio has been heavily influenced by three key drivers. They are:
- The transfer of Rutland House from the old Development Corporation as part of the package for the Community Related Assets;

- The transfer of assets from Cheshire County following the Council becoming a Unitary Authority in 1998;
 - The changing nature of local government and the movement of services away from the Authority in recent years.
- 3.2 This has made it difficult to develop a coherent accommodation strategy and has led to a position where the Authority has a surplus of accommodation. Much of this accommodation requires significant repair and maintenance to keep it up to an acceptable standard. This has an effect on the standard of accommodation provided for staff. It is therefore necessary to:
- Rationalise the existing accommodation; and
 - Develop an investment strategy around the new configuration to ensure that the Council's office accommodation meets modern standards.
- 3.3 There has, in the past, been the view that the Council should concentrate its office accommodation on one central site (a Civic Centre), but this is considered no longer viable because of the significant cost implications of a new build balanced against the service focused priorities of the Council.

4.0 OBJECTIVES

- 4.1 The properties used to accommodate staff and services contribute in no small part to the development of the corporate brand, and they act as a catalyst for change. Good quality accommodation has a positive impact on staff, clients and customers. Carried to its logical conclusion long term cost savings can be made, not just through reduced property overheads, but also through staff retention, productivity and motivation.
- 4.2 In order to develop a fresh approach to the Council's accommodation needs, it is necessary to identify some objectives against which any future configuration should be judged. The objectives of the strategy are proposed as follows:
- Represent the efficient use of the Council's resources, remembering that even properties we own "freehold" are far from free;
 - Result in a smaller estate either by ending leases or selling properties;
 - Be appropriate to meet the business needs of the Council;
 - Be flexible and adaptable to changing circumstances;

- Set out rules/criteria upon which future accommodation decisions should be made;
- Identify opportunities to work with partners organisations to reduce the 'public sector estate' in Halton and release resources for frontline services;
- To maximise the use of homeworking, hot desking and workspace sharing;
- Reduce the need to store paper within prime office space by greater use of document imaging.

4.3 What follows in this report is an outline of the current position in relation to office accommodation, followed by a series of proposals aimed at reducing the estate over the next 12 to 24 months.

4.4 Having established a need to rationalise what the Council already has, and having made proposals as to how to reduce that estate, the report then goes on to make a number of recommendations around how the Council should make future decisions around its accommodation needs. Previous attempts to look at accommodation needs have tended to look for a fixed solution. What this report seeks to do is to set some simple principles/objectives around which future accommodation issues should be judged.

5.0 THE CURRENT POSITION

5.1 The main buildings occupied by office-based staff are:

- Municipal Building, Widnes
- Runcorn Town Hall, Runcorn
- Grosvenor House, Runcorn
- Rutland House, Runcorn
- Catalyst House, Widnes
- John Briggs House, Widnes
- Midwood House, Widnes
- The Heath, Runcorn
- Lugsdale Road, Widnes
- Hallwood Park, Runcorn
- Lowerhouse Lane, Widnes
- Picow Farm Depot, Runcorn

5.2 In the short term the following issues need to be resolved:

- Municipal Building is overcrowded in places. Both Major Projects (Environment Directorate) and the European Office (Corporate and Policy) are split locations. Meeting rooms on the 1st floor are being used by these staff as offices;

- Runcorn Town Hall is under-used at present; the building is poorly laid out to achieve the most efficient use of the floor area available. Many elements of this building have come to the end of their physical life. Latterly as areas have become vacant they have been left unused in order to facilitate a phased remodelling and refurbishment of the accommodation provided and this is the Council's best opportunity for years to refurbish it. Other than a reception desk on the ground floor, a whole floor is vacant now that Halton Housing Trust (HHT) have left;
- Midwood House is vacant following the relocation of HHT. The building can accommodate approximately 70 staff, plus reception and meeting rooms. It is leased to the Council until 25th January 2013 and therefore needs to be utilised.

5.3 Immediately, the following staff have accommodation requirements:

- Children and Young People's Directorate

Child Care 3 Team – Presently based at John Briggs House in cramped conditions where there is no proper reception or facilities to interview children.

Young People's Team – Presently based at Lugsdale Road where there are 16 members of staff. Present building not really suitable as it lacks facilities to interview children, is on the edge of town, has no car parking and is away from others in the Directorate.

As Midwood House has become vacant, and there is a need to create better Child Care Team facilities in Widnes, it has been agreed that the two teams above, together with the Adoption and Fostering Team and Permanence Team should be based in this building. Approximately 42 staff will be relocated from Grosvenor House as a result of this move, therefore it is possible to surrender a whole floor at Grosvenor House as permitted by the lease agreement.

- Environmental Directorate

The Economic Development Service is currently located at The Heath. Given that John Briggs has still to be freed up, and the fact that the Council owns it, they could be relocated to John Briggs House, saving the revenue costs of the lease on The Heath.

6.0 THE WAY FORWARD (RATIONALISATION)

6.1 Runcorn Town Hall

An exercise has recently been completed with the Health and Community Directorate, which looked at the possibility of locating all those staff presently in Runcorn Town Hall, together with those at Grosvenor House and Rutland House. The updated figures are approximately 204 staff. This figure is within the range calculated for occupation of Runcorn Town Hall. While substantial capital would need to be spent refurbishing Runcorn Town Hall, potentially up to three floors of Grosvenor House could be surrendered, therefore reducing the rent paid.

6.2 Midwood House

The Children and Young People's Directorate teams – Child Care 3, Young Peoples, Adopting & Fostering and Permanence can all be accommodated in Midwood House. This will create a comprehensive Widnes Child Care base.

6.3 The knock-on effect for the Council would be:

- Municipal Building

With the introduction of the Trent System for Payroll, Payroll will be integrated with the Human Resources Department on the 3rd floor in space vacated by European and Regional Affairs.

European and Regional Affairs could be located together on the 1st floor in space vacated by Payroll.

Will free up one badly needed meeting room initially on the 1st floor and both eventually.

- Lugsdale Road

Could be disposed of for a capital receipt in the region of £55,000 and save the Council revenue (in the region of £25,000 per annum).

- John Briggs House

Would be utilised by the Environment Directorate, freeing up leased premises at The Heath.

- Grosvenor House

Over the next two years, four floors at Grosvenor House could be handed back to the landlord, giving a total ongoing saving of £400,000 per annum, subject to the refurbishment of Runcorn Town Hall being undertaken.

7.0 CORPOPRATE POLICY ON ACCOMMODATION STANDARDS

- 7.1 In order to make the most efficient use of space there is a need for a corporately accepted and implemented policy on space standards. These would be used to test any future accommodation moves:
- Commitment to an open plan environment;
 - Standard space allocation, industry standard is an overall figure of 8 sq.m. per person, to include meeting rooms, breakout space, filing, circulation space etc.;
 - Individual offices down to Divisional Managers only;
 - Only one workstation per member of staff or job share post.
- 7.2 As technology improves new ways of working are emerging tele-working, hot-desking, touch down areas and virtual offices are increasingly common. It is becoming easier to move work to the worker. It will be necessary to formulate and adopt standards for these new working practices e.g. how many home workers and/or hot-deskers share one workstation. The thinking around these issues is still in the formative stages and so comparative standards are not readily available. Research is continuing in this area to arrive at a sensible approach.
- 7.3 Attached as an Appendix to this report is a proposed decision chain which would be utilised when considering any future changes to accommodation needs.

8.0 SUMMARY

- 8.1 The proposed approach to managing the Council office accommodation would do the following things:
- Concentrate occupation on the buildings the Council owns with the Municipal Building, Widnes, Runcorn Town Hall and Rutland House, Runcorn, providing the core office accommodation;
 - Refurbish and re-model Runcorn Town Hall to enable leases to be released on Grosvenor House. A capital bid is being made to enable that to happen;
 - Undertake the relocations described in this report;
 - Set out a process by which future accommodation needs would be assessed. A copy of the proposed process is attached as an Appendix to this report. It is suggested that the implementation of those criteria be delegated to the Strategic Director –

Corporate and Policy in consultation with the portfolio holder for Corporate Services.

- Any property owned by the Council that becomes vacant as a result of this strategy would be disposed of subject to there being no other beneficial reason to retain the property and to the agreement of the Executive Board Sub-Committee.

9.0 FINANCIAL IMPLICATIONS

- 9.1 Implications of this strategy will require a significant capital investment in Runcorn Town Hall to both re-model the building and bring it up to acceptable standards.
- 9.2 The initial impact of the strategy will be to free up over the next two years four floors of Grosvenor House. This in itself will result in savings of £400,000 per annum. It is anticipated that there will be potential to release other leases (e.g. The Heath), which will result in future revenue savings.

10.0 POLICY IMPLICATIONS

- 10.1 This strategy would help achieve efficiency savings for the Council whilst providing improved office accommodation at Runcorn Town Hall. It also sets out how future accommodation decisions will be made.

11.0 EQUALITY AND DIVERSITY ISSUES

- 11.1 The remodelling of Runcorn Town Hall will enable improvements to be made to the accessibility of that building.

APPENDIX

ACCOMMODATION CRITERIA

In the event of a Directorate identifying a need for additional staff resources the following decision process should be followed. In doing so the aim is to identify the best corporate solution for accommodating the new requirement.

1. Are the functions of the new posts suitable for tele-working, home-working or hot-desking?

If Not

2. Are other teams within that Directorate suitable for transferring to one of the above working methods in order to free up the required space?

If Not

3. Are there any areas of accommodation within the Directorate that are yet to be opened out into an open plan environment which may produce the required space?

If Not

4. Is there space available in office accommodation currently owned and occupied by the Borough Council?

If Not

5. Is there space available in any other suitable Halton owned property?

If Not

6. Is there space available in premises already rented by the Council?

If Not

7. Is there an arrangement can be entered into with Partner organisations to jointly deal with mutual accommodation issues?

If not then premises of the most appropriate tenure will be sought as close as possible to existing centres of operation. The Executive Board Member for Corporate & Policy will have to be satisfied that the above process has been rigorously followed and will need to approve the proposed solution to all accommodation applications.