

Chichester District Council

CABINET

3 November 2015

New Ways of Working (Phase 2) – relocation of CAB and Relate from Theatre Lane, Chichester

1. Contacts

Report Author:

Joe Mildred, Corporate Improvement Manager

Tel: 01243 534728 E-mail: jmildred@chichester.gov.uk

Cabinet Member:

Bruce Finch, Cabinet Member for Support Services,

Tel: 07751 351903 E-mail: bfinch@chichester.gov.uk

2. Recommendation

- 2.1. **That the next phase of the New Ways of Working Project be approved, including the relocation of the Citizens Advice Bureau and Relate as set out in section 5**
- 2.2. **That a budget of £61,000 of capital funding be approved for the required building works and alterations to the East Pallant House (EPH) and Market Road council offices**

3. Background

- 3.1. In 2013 the Council approved the New Ways of Working (NWOW) project which set out to modernise the way that the council works and make more efficient use of its office space. Since then the council has made significant progress with the project, freeing up enough space to rent out the new extension of East Pallant House (EPH) generating significant income and savings.
- 3.2. As well as the physical element of using buildings more efficiently, the project also focused on cultural change. It intends to modernise the way that council officers work, moving away from a fixed desk, fixed hour approach to a more dynamic flexible workforce maximising the use of technology improving productivity whilst meeting the needs of the services' business and improving the attractiveness of working for the Council.
- 3.3. Whilst significant progress has been made on the project to date, there is still further potential to make better use of our existing office space. The original Project Initiation Document (PID) included a target for the desk ratio to be 7 desks for 10 people once flexible working is adopted. This target has not yet been achieved and currently there are slightly over 8 desks per 10 members of staff.

- 3.4. As part of the project to date, the car parks staff were relocated from their offices in Market Avenue into EPH. The Market Road offices are now empty and are available to be used commercially.
- 3.5. The Citizens Advice Bureau (CAB) and Relate currently occupy council owned buildings in Theatre Lane; both organisations receive a concessionary rent from the council. The buildings that they occupy are listed and within the city walls with the potential for development into residential properties, subject to planning consent or for re-letting for office use.

4. Outcomes to be achieved

- 4.1. All of the original outcomes stated in the approved PID (see report to Cabinet on 5 February 2013) such as creating further efficiencies in the use of the council's offices apply.
- 4.2. However, in addition, this proposal creates the opportunity for the council to further its commercial objectives in terms of the use of its wider property portfolio and
- 4.3. In hosting the CAB, there is potential to provide a better customer experience. CDC and the CAB have shared customers that are regularly referred between the two organisations.

5. Proposal

- 5.1. It is proposed that Relate are relocated to the ground floor front office of the Market Road office once some alterations have been made to the building, creating a reception area, an accessible toilet and two counselling rooms at a cost of approximately £18,000. The market rent for this part property is almost the same as the current rent received for their existing property (see appendix). The rest of the Market Road office ground floor and first floor could be marketed and let as a separate tenancy or considered for alternative council use. If the funding is agreed the required works could be carried out over the next two months with Relate relocating in early 2016.
- 5.2. It is also proposed that the CAB is relocated into EPH using part of the Council's existing reception area as their reception and meeting room area. They would also locate their back office and telephony function in a shared open plan office environment within EPH. The cost of the works to build the meeting rooms and reception area would be approximately £20,000. It is proposed that CAB are charged the equivalent rent as they currently pay in their Theatre Lane office once the discretionary rent reduction is applied. They would then also be charged a service charge which will be an amount that is equal to the existing additional costs associated with their offices including business rates, utilities, cleaning and other shared office expenses. A breakdown of these costs are available in the appendix.
- 5.3. To create the space for CAB, several moves will need to take place throughout the rest of EPH to release the space. It would mean a relocation of the Finance Team to where Building Services are currently located (one of the few areas left within EPH where the occupancy of the office space is inefficient). The Senior

Leadership Team has agreed to share a single office with a meeting room attached which will free existing office space for Building Services to be relocated. The Customer Service Centre will move to the area currently occupied by Finance creating the required space for CAB in the reception area. The internal works and moving of the building services systems will cost in the region of £23,000.

- 5.4. CAB will not relocate until the scheduled heating and ventilation works for EPH and all of the other office alterations have been completed, which is likely to be in summer 2016. The tenancy agreement for both organisations should be for five years initially with a 6 months notice break clause and rent review after 2 years.

6. Alternatives that have been considered

- 6.1. Do nothing – it is possible to keep CAB and Relate in their existing accommodation, forgo the potential capital receipt for Theatre Lane and independently market the Market Avenue offices.
- 6.2. We do not have an obligation to provide accommodation for either organisation. However, there is a risk that the organisations may not be able to continue to keep a presence in Chichester due to financial constraints. This would cause a gap in service delivery within the district that may have an adverse effect on our communities and particularly those that are vulnerable. There is also a reputational risk to the council if it were to make either organisation homeless.
- 6.3. Relocating Relate into the main EPH offices was considered, but this was found to be inappropriate due to the discreet and confidential nature of their work.

7. Resource and legal implications

- 7.1. The total costs of the building and alterations would be £61,000. However, this could be offset by the potential capital receipt if the Theatre Lane properties were to be sold or future income if let (the Estates team will consider which future use will provide the optimum commercial return if the decision is taken to free up the buildings).
- 7.2. We would then also reduce the council's current annual costs of our EPH offices through the service charge contribution of CAB.
- 7.3. In the case of CAB, a shared office space working protocol would need to be developed to allow for issues relating to data protection and security.
- 7.4. The IT requirements are straight forward for both organisations. An early IT requirement schedule from the organisation that supports CAB IT has been received and the CDC IT department have been informed of these requirements.
- 7.5. Heads of Terms have been drawn up for both organisations.

8. Consultation

- (a) Consultation has taken place with both organisations affected and both are keen in principle on the proposals
- (b) The CDC Corporate Management Team have considered and recommended the approvals.
- (c) The service managers involved have been consulted.

9. Community impact and corporate risks

- 9.1. The impact on the community is likely to be neutral in the case of Relate and positive with CAB as co-locating with the council should provide a better customer experience with greater potential to solve customer issues between the two organisations in a single visit.
- 9.2. CAB will still require an independent presence and identity due to the nature of their work, the dedicated area within reception and the shared office working protocol should mitigate this potential risk.

10. Other Implications

	Yes	No
Crime & Disorder:		x
Climate Change: Reducing the council's footprint and accommodating another organisation will have a positive environmental impact reducing the carbon emission per head of people working within the building.	x	
Human Rights and Equality Impact:		x
Safeguarding:		x

11. Appendix

- 11.1. Appendix 1 – Financial information (exempt)

12. Background Papers

- 12.1. New Ways of Working Cabinet report 5 February 2013 - agreeing original PID and objectives (published on Council's website)
- 12.2. New Ways of Working Cabinet report 9 September 2014 - Phase one post project evaluation (published on Council's website)