



Cabinet **11 February 2014**

Report from the Shared Offices Joint Committee: 24 January 2014

1. Summary and reasons for recommendation

- 1.1 On 24 January 2014 the Shared Offices Joint Committee considered the following substantive items of business:
- (1) West Suffolk House and Haverhill House: Building Manager's Report;
 - (2) Haverhill House Budget Proposals 2014/2015; and
 - (3) West Suffolk House Occupation Review and 2014/2015 Budget.
- 1.2 This report is for information only and provides the decisions of the Joint Committee.

2. Recommendation

- 2.1 The Cabinet is requested to **NOTE** the content of Report E276 being the report of the Shared Offices Joint Committee.

Contact details

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3. Corporate priorities

3.1 The recommendations meet the following, as contained within the Corporate Plan:

- (a) Corporate priority 3: *'Working together for an efficient Council'*.

4. Key issues

West Suffolk House and Haverhill House: Building Manager's Report (Report E239)

4.1 The Joint Committee had considered Report E239, which provided an update on operational issues connected with West Suffolk House and Haverhill House. Such general matters reported to the Joint Committee were:

- (a) the performance of the Facilities Management (FM) Service Provider;
- (b) FM Contract issues;
- (c) West Suffolk House Occupation Review (subject of Report E241);
- (d) Post;
- (e) Design and Print Audit;
- (f) WSH Security;
- (g) West Suffolk House Building User Group;
- (h) Haverhill House Refurbishment Project Update; and
- (i) Green Travel Plan Report

4.2 Specific items that generated detailed discussion included:

- (a) New Office Opening Hours for Haverhill House

It has been established that the most efficient way of providing FM cover for the building would be to change the times when the building is open for staff (opening times for customers would be unchanged). The following new opening hours were considered by the Joint Committee

- Building unlocked: Monday to Friday 08 00hrs
- Building locked: Monday to Friday 17 30hrs

Members considered these were acceptable; however, it wished to be kept informed of any operational issues that may result following the change, such as if it became evident that a significant number of staff needed to work later on a regular basis.

(b) Conference Chamber Audio/Visual Equipment

The capacity of the existing audio system, which uses a standard unlicensed frequency, is now full and the existing audio equipment cannot be adjusted to another frequency. Normal wear and tear is also affecting some of the equipment. A suggested option is to replace the whole system. The recommended replacement option would be a stand alone infra-red system which would cost in the region of £50,000, and will need to be funded from existing planned WSH maintenance and equipment budgets.

Having received a detailed explanation of the types of audio equipment available and the functionality/benefits of each, the Joint Committee determined the maximum budget of £50,000 for replacement audio equipment is acceptable and justified given the use of the meeting rooms. However, it wished to highlight in the resolution that a full procurement exercise will be undertaken in accordance with adopted policy to ensure best value is achieved.

(c) Car Parking

Ongoing issues with the West Suffolk House (WSH) visitors' car park remain whereby spaces are often unavailable to visitors. Additional 'limited waiting' car park signage has now been erected in the visitors' car park with 'no entry' signs clearly marking the exit to the one way system. The level of information provided on the room booking system which will redirect visitors to Olding Road Car Park if their scheduled meeting is of a longer duration than one hour has been updated but the issues persist. This may be due to staff over-staying the one hour limit, or unauthorised third party use not related to visits to WSH.

The Joint Committee discussed a range of possibilities to help resolve the issues. This resulted in an additional decision being taken in connection with providing Members with options for helping to prevent users of the West Suffolk House Visitors' Car Park from exceeding the maximum stay of one hour (which is applicable between 8.45 am and 3.30 pm Monday to Friday).

4.3 The Joint Committee **RESOLVED that:**

- (1) the content of Report E239 be noted;**
- (2) the new office opening times for Haverhill House detailed at Paragraph 4.2 of Report E239, be endorsed for implementation, but the Joint Committee be advised if any operational issues arise;**
- (3) subject to undertaking the procurement exercise in accordance with adopted policy, the replacement of the audio system for the West Suffolk House Conference Chamber, in accordance with the details provided in Paragraph 4.3.6 of Report E239, be approved; and**
- (4) linked to the Occupation Review, potential options with costings be provided to Members of the Joint Committee by email within the next month, for effectively managing the one hour maximum stay in the West Suffolk House Visitors' Car Park, including investigating the possibility of providing 'drop-in' bays for staff use only, and subject to this consultation, the Building Manager be authorised to implement a solution within existing budgets.**

Haverhill House Budget Proposals: 2014/2015 (Report E240)

- 4.4 The Joint Committee had considered Report E240 which sought approval for Haverhill House Joint Service Budget Proposals for 2014/2015.
- 4.5 The revenue budget proposal estimate for Haverhill House for the financial year 2014/2015 is £117,050 which is £26,485 lower than the £143,535 budget set for 2013/2014.

The main changes from the 2013/2014 budgets are as follows:

- (a) The cost of electricity and other utilities is predicted to rise by 5% next year, however this element has been offset by the energy generated through the photo voltaic panels recently installed and the receipt of 'Feed in Tariff' payments now being received through the Central Government contract.
- (b) The cost of the full time building custodian to be provided by Facilities Management was included within the projection for last year but this cost was subsequently negated through contract extension negotiations.
- 4.6 The revenue planned building maintenance repairs for the financial year 2014/2015 is £35,000 for Haverhill House and is included in the overall budget figures. There are no capital projects planned.
- 4.7 These proposals were accepted by the Joint Committee.
- 4.8 The Joint Committee **RESOLVED that subject to the budget setting processes of each authority, the Haverhill House Joint Service Budget Proposals for 2014/2015, as detailed in Section 4 of Report E240, be approved.**

West Suffolk House Occupation Review and 2014/2015 Budget (Report E241)

- 4.9 The Joint Committee had considered Report E241 which asked Members to authorise the implementation of the West Suffolk House (WSH) Occupation Review and approve the 2014/2015 budget for WSH.
- 4.10 WSH is now nearly five years old and, as its joint owners and primary occupiers, Suffolk County Council (SCC) and St Edmundsbury Borough Council (SEBC) have carried out a planned review to ensure that best value is still being obtained for the taxpayer and that the building contributes to the wider objectives of the 'Single Public Sector Estate' project within Suffolk.
- 4.11 The Joint Committee has authorised the implementation of the review findings by spring 2014, and to incorporate this work into the setting of the 2014/2015 budget for West Suffolk House.
- 4.12 The net financial effect of the proposals is likely to generate a saving to the Suffolk Council Taxpayer of over £150,000 in a full year. In addition, a wider range of council and third party services can be delivered from WSH to the benefit of the local community.

4.13 The main proposals being considered as part of the review, which have been supported by the Joint Committee are:

- (a) *Subject to any final minor design changes*, to increase the total number of desks available in the building from 491 to 524¹ (an increase of 7%), allowing the relocation of new SCC teams and complementary third parties into the building, and creating some flexibility for future changes.
- (b) To adjust the occupancy levels of the various organisations to produce the following approximate allocations as at spring 2014 (but with flexibility to change over time as needs dictate):

	Desks	%
SCC	302	58
West Suffolk (SEBC and FHDC services)	170	32
Third parties/spare capacity to let	52	10
Total	524	100

- (c) To adapt the existing locations of teams (and layout of furniture) across all four floors to accommodate the above new allocations and create spare capacity for the future.
- (d) To amend the Operating Agreement and funding mechanism to reflect a move away from the founding principle of 50/50 cost sharing, but also to allow the use of the building to continue to evolve over time (see Sections 8 and 10 below). The building will, however, continue to be owned 50/50 by SCC and SEBC.
- (e) To create a new operational space on the ground floor for working with young people (including a new shared meeting/training room), which will have the positive effect of increasing the range of current users of the building.
- (f) To remodel some of the 'breakout' areas and some meeting rooms to enable more flexible uses of the building.
- (g) To adjust existing principles of occupation in respect of storage provision to reflect greater digitisation of records and the need to accommodate more 'hot-desking' staff.
- (h) To introduce any necessary changes to the way that the visitor car park is managed to ensure that it functions effectively.

4.14 Before income, the estimated revenue budget for expenditure on West Suffolk House for the financial year 2014/2015 is £983,540, an increase of £52,340 from 2013/2014. The main changes from the 2013/2014 budgets are as follows:-

- (a) Projected figures for the increase in the number of staff working in the building will proportionately increase power and water consumption.
- (b) The general cost of electricity and other utilities is predicted to rise by 5% next year. However this element has been offset by the energy generated through the photo voltaic panels recently installed and the

¹ This number excludes desks provided for facilities management and catering staff, and reception/operational areas.

receipt of Feed in Tariff payments now being received through the Central Government contract.

- (c) The cost of the facilities management service provided by Ocean Facilities Service Limited has increased in line with the Consumer Price Index as defined in the contract.
- (d) Estimated business rates for the building have risen by approximately 3% in line with normal budget assumptions.
- (e) There is a requirement to replace the obsolete audio equipment in the Conference Chamber (Report E239 refers).

4.15 Detailed financial and resource implications of the review are contained in Section 8 of Report E241, including:

- (a) a detailed breakdown of the above budget for expenditure in 2014/2015;
- (b) income generated from desk occupation charges and rents received from third parties, and where costs are shared between SCC and SEBC where there are any unoccupied desks;
- (c) the net estimated revenue impact of the review on the budgets of SCC and SEBC for 2014/2015; and
- (d) costs of the change.

4.16 Members were also presented with floor plans to illustrate the changes, and following due consideration, the Joint Committee supported the recommendations contained in the report.

4.17 The Joint Committee **RESOLVED that:**

- (1) the findings of the West Suffolk House Occupation Review, as set out in Report E241 and presented at the meeting, be noted and endorsed by the Joint Committee and the officers of both councils be authorised to implement the findings by summer 2014;**
- (2) the new principles for the funding and occupation of West Suffolk House, as set out in Sections 4 and 8 of Report E241, be approved;**
- (3) in consultation with the Portfolio Holders responsible for property matters in both councils, the Director (SEBC) and the Assistant Director (Corporate Property) (SCC) be authorised to amend and sign a revision to the current Operating Agreement for West Suffolk House to reflect these new principles; and**
- (4) subject to normal budget-setting processes for both authorities, the 2014/2015 revenue and capital budgets for West Suffolk House, as outlined in Section 8 of Report E241, be approved.**

5. Other options considered

5.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

6. Community impact

6.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

7. Consultation

7.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

8. Financial and resource implications (*including asset management implications*)

8.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

9. Risk/opportunity assessment (*potential hazards or opportunities affecting corporate, service or project objectives*)

9.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

10. Legal and policy implications

10.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

11. Wards affected

11.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

12. Background papers

12.1 See Reports E239, E240 and E241 to the Shared Offices Joint Committee.

13. Documents attached

None