

Cabinet (Informal Joint)



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Office Accommodation Plan	
Report No:	CAB/SE/15/071	
Report to and dates:	Cabinet (informal joint)	24 November 2015
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Purpose of report:	The Office Accommodation Plan sets out the high level principles for managing our future accommodation needs.	
Recommendation:	It is <u>RECOMMENDED</u> that Cabinet approves the Office Accommodation Plan, as set out in Report No: CAB/SE/15/071, as the basis for future office accommodation projects including the Mildenhall Hub.	
Key Decision:	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/> Although previously published in the Decisions Plan as being a Key Decision, it is now considered that is not.	
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>		
Consultation:	<ul style="list-style-type: none"> • Consultation with staff and other relevant parties will be undertaken as necessary in the implementation of the accommodations principles. 	
Alternative option(s):	<ul style="list-style-type: none"> • This document sets out a range of principles. The paper explains why maintaining the status quo is not financially viable. 	

Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> There are no financial implications associated with this report; however there will be future costs associated with the implementation of the projects referenced in the report such as the PSVII etc. Any future costs are either incorporated within existing budgets or will be included in the business cases for specific office accommodation projects. 	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> This report has no impact on staffing numbers; however there are implications for all office based staff as a result of the various aspects of the report. 	
Are there any ICT implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The implementation principles within the Office Accommodation Plan will require support from ICT in regard to future needs for developments in computer technology and telephony. 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no new legal or policy implications. 	
Are there any equality implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Due regard will need to be given to the equality implications around any changes to existing office accommodation and future office accommodation, specifically around the build requirements. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
PSVII and Mildenhall Hub projects are stopped or significantly delayed.	Low	These projects are being managed through the Councils' project management process.	Low
The Councils have surplus capacity in their office accommodation (and associated cost)	High	Implement this plan	Low
Ward(s) affected:		All Wards	
Background papers:		None	
Documents attached:		None	

Key issues and reasons for recommendation(s)

- 1.1 Within the next couple of years, Forest Heath and St Edmundsbury councils will need to make some key decisions relating to property development/asset management projects which could impact on how we deliver our services, our choice of new work styles and technologies, and the associated need for office accommodation. It is important that these decisions are not made in isolation and that the combined impact or outcome is not overlooked.
- 1.2 This report therefore looks to provide an overarching Office Accommodation Plan which clearly articulates our rationale for such accommodation and the principles to which we will adhere when developing each of these individual development projects. This Plan does **not** encompass arrangements for:
 - face-to-face customer access, as this is addressed through our Customer Access Strategy; or
 - democratic meeting spaces, as there is no need to change the provision for St Edmundsbury Borough Council and the development of the Mildenhall Hub will include the necessary civic space for Forest Heath District Council's future needs.

Background

- 2.1 Within West Suffolk we will, in the coming years, potentially be working on two large projects which could directly impact on how we manage our own and partners' office accommodation needs:
 - Mildenhall Hub; and
 - Public Service Village Phase 2 (PSV II).
- 2.2 The most imminent of these is the Mildenhall Hub project which will be presenting its final business case in early 2016, as well as consulting on a development brief. However, each of these projects presents the councils with opportunities to review our future office accommodation needs and working practices; our two main offices account for 4% of our total net budget. This overlap needs to be carefully managed to ensure that we make the most of the opportunities available to us without prejudicing future needs or developments and making the most the potential opportunities to maximise income, reduce costs and improve service delivery.
- 2.3 As well as these projects, which focus on improving services for our communities through good asset management, there are a number of other strategic developments that we need to give consideration to when considering our medium term accommodation needs. For example:

Key Drivers:



Fig. 1

2.4 The above factors require the councils to be very clear about the outcomes we are seeking to achieve. In all of our property projects now we are working with partners in looking to the bigger picture around integrated service delivery. However we still need to be sure that we secure sufficient and appropriate office accommodation to meet our own needs.

2.5 The following table sets out some of the key drivers which could impact upon our future accommodation needs.

The National Picture (Table A)	
<i>One Public Estate</i>	The Government’s One Public Estate programme sets out a range of principles to ensure that land/asset disposals are for the greater good. The principles are that any development project should: <ol style="list-style-type: none"> 1. create economic growth 2. generate capital receipts 3. reduce running costs 4. deliver more integrated and customer focused services.
Across Suffolk	
<i>Transformation Challenge Award</i>	Our work as part of the Suffolk Transformation Challenge Award (TCA) Bid – working differently with our partners, removing barriers, virtual teams and matrix working. The devolution agenda, if it proceeds, will add to this.
<i>Working with partners to remove barriers</i>	Co-location with partners. With a range of examples, including both West Suffolk House and the District Offices in Mildenhall, we have already developed or adapted buildings which enable us to co-locate with public sector and third sector partners

	including SCC, Police, NHS, Department of Works and Pensions (DWP i.e. Job Centre Plus), Community Action Suffolk, Citizens' Advice Bureau, Abbeycroft Leisure and the East of England Local Government Association.
In West Suffolk	
<i>Our financial position</i>	<p>The Council's Medium Term Financial Strategy sets out commitments that could impact on our office accommodation needs including:</p> <ul style="list-style-type: none"> • continuation of the shared service agenda and transformation of service delivery; • behaving more commercially; • encouraging the use of digital forms for customer access.
<i>Our Customer Access commitments</i>	<p>As part of our Customer Access Strategy we have committed to ensure that our services continue to be:</p> <ul style="list-style-type: none"> • customer friendly and focused • co-ordinated and integrated • appropriate, flexible, responsive and • cost effective. <p>As part of this work we have been re-engineering our processes to improve the customer experience. This work is looking to design new processes around our Target Operating Model. The guiding principle of this model is that, wherever possible and practicable, we will enable customers to access our services via digital channels (digital by design).</p>
<i>Working with Families and Communities</i>	<p>Our Families and Communities Strategy outlines our vision for working in and with communities including a commitment to:</p> <ul style="list-style-type: none"> • different ways of working across organisations - conventional silo working approaches are unsuited to preventative approaches • a different workplace – broadly speaking, in the places where people are, not in public sector offices.
<i>Asset Management</i>	<ul style="list-style-type: none"> • A desk audit undertaken in June 2015 highlighted that the majority of our office-based staff (around 315 people or 290 FTE) currently operate across two sites, College Heath Road, Mildenhall and West Suffolk House, Bury St Edmunds. • These staff also support service provision in additional satellite sites varying from Parks and Museums to customer access points. All of these sites require asset management support from cleaning to ICT infrastructure. There are associated running costs with all of these buildings. • Some of these buildings are also our largest assets in terms of opportunity costs. For instance, the Mildenhall Hub could free up the College Heath Road site for potential redevelopment as housing.

Office Accommodation Plan

- 3.1 The aim of this Office Accommodation Plan is to ensure that we as West Suffolk councils are able to provide appropriate and efficient office accommodation, enabling ICT and a culture which supports an increasingly dynamic organisation.

What are our current office facilities?

- 4.1 For the purposes of this report our office accommodation focuses on two main offices at College Heath Road and West Suffolk House and excludes specialist operational buildings such as the depots, leisure facilities and customer access points.

College Heath Road (CHR):

- 170 West Suffolk desks (in current configuration)
- approximately 40 Suffolk County Council and NHS desks
- Citizens Advice Bureaux (CAB), Job Centre Plus, health clinics
- temporary public gym (Abbeycroft)

West Suffolk House (WSH):

- 170 West Suffolk desks (in current configuration)
- 360 Suffolk County Council, other agency and shared hot desks
- youth facility and CCTV control room
- small public library facility

- 4.2 The total running costs (2015/16) for the two sites for Forest Heath and St Edmundsbury Councils are around £700,000 per annum. The West Suffolk share of the West Suffolk House costs is £360,000 and the like-for-like costs of running College Heath Road would be approximately £340,000. St Edmundsbury and Suffolk County Council have already realised savings of over £1m a year through the move to West Suffolk House in 2009. Forest Heath now has the opportunity to make savings through its equivalent Mildenhall Hub project.

What are our current office needs?

- 5.1 A basic desk audit was last undertaken in June 2015. The desk audit results highlighted that:
- at that time 314 individual West Suffolk staff (287.6 FTE) staff required a desk for some of the working week at College Heath Road and/or West Suffolk House;
 - 77% of the workforce now splits its time between the two office bases in varying degrees;
 - currently the split between the two sites is typically 65:35 (WSH:CHR);
 - over 250 staff are enabled for mobile or home working;
 - On average 240 desks are occupied across the two building;
 - on current workstyles, this equates to a desk ratio of 83% (i.e. 8.3 desks for every 10 FTE).

How we want to work – how we utilise technology

- 6.1 We are currently developing an ICT Strategy which will outline how as an organisation we will utilise and maximise the benefit of developments in technology. This document along with our commitment to Digital by Design within our Target Operating Model for customer access will ensure that the key platform for service delivery is the internet. Another key area to tackle before committing to new office space would be digitising existing paper files and moving to completely paperless systems, which would reduce the amount of space, we need for storage on-site and also enable much more flexible working arrangements. Both would reduce the amount of physical office space we need (or increase the capacity of buildings).
- 6.2 There are a number of options that will be investigated in terms of developments in the use of computer technology and telephony arrangements. Councillors and officers are now using wireless laptop and tablet technology more commonly, enabling them to operate out of different buildings or public spaces. Improvements in telephony mean that we can also enable routing of calls to different landline or mobile phone handsets with relative ease. These options will be investigated further as part of the development of the ICT Strategy.

Office Accommodation Principles

- 7.1 It is important to establish the purposes of an office and the business functions that it needs to support. Our office accommodation fulfils many needs:
- a flexible base from which staff can work;
 - a place for staff to work with each other, customers, councillors and partners;
 - a place for formal/civic/democratic/community meetings;
 - a building that makes a statement about West Suffolk councils and the way they work (and operate as local planning authority through leading by example);
 - a place to store files and equipment;
 - business continuity and emergency planning.
- 7.2 Having regard to this and the drivers highlighted in Table A it is suggested that the key principles are that future office accommodation models must (in no ranked order):
- be cost effective for taxpayers;
 - facilitate new methods of working e.g. mobile working, collaborative working; paperless systems;
 - provide locality based services wherever practical;
 - be flexible – now and for the future;
 - enable multi-disciplinary and multi-agency working;
 - maximise co-location opportunities with partners;
 - enable the delivery of the Target Operating Model for customer access (digital by design);
 - Release maximum land for redevelopment and income generation (One Public Estate).

Impacts for councillors, customers and staff

- 8.1 **Councillors** - civic/democratic space (e.g. councillor facilities, meeting rooms and Council Chambers) is not encompassed within this Office Accommodation Plan. There is sufficient provision at WSH and any necessary change in this respect within Forest Heath can be facilitated through the Mildenhall Hub project. Access to frontline staff for councillors will be maintained in both locations.
- 8.2 **Customers** - with the development of the Mildenhall Hub, we will have purpose built multifunctional buildings in Bury St Edmunds and Mildenhall as well our other customer access points across West Suffolk. Furthermore, our work to re-engineer services to meet customer needs has and will continue to see a shift to "digital by default" making the internet our main customer access channel where practical.
- 8.3 **Staff** - although it was a snap-shot in time, the audit also highlighted some of the working patterns that are evolving since the culmination of shared services and the need for one staffing body to operate over two sites, (it should be noted that some customer services staff are servicing 6 customer access points) in particular, over 75% of FTE staff are now dual site.
- 8.4 These changes have had implications for the way we work; with a need for more mobile and transient working for individual members of staff and, as teams, for managing relationships and workloads across multiple sites. Improvements in the Council ICT infrastructure and approach to technology have enable this transition with staff being about to access networks, Wi-Fi, telephones and printers at multiple sites. Staff have also embraced these changes with a shift towards laptop and tablet working by many staff, with over 250 staff already enabled for home or mobile working.
- 8.5 The way we are working together is also changing, with more multi-disciplinary and multi-partner teams. The new Mildenhall Hub and PSVII developments will need to expand the use of technology and enable multi-functional work spaces to provide a wider range of work-styles e.g. 'touch-down' points and more spaces designed for collaborative working, as well as quieter working environments. We can also look to implement such changes within West Suffolk House as and when opportunities permit.

What is our future office accommodation need?

- 9.1 As highlighted above there are currently around 340 desks available across College Heath Road and West Suffolk House. Even based on a high desk ratio of over 80% there is a surplus of 100 desks on most days. This excess capacity reflects the simple fact that the office accommodation we currently have reflects the organisations the two councils were. In the case of College Heath Road, opened in 1980, the amount of floorspace reflects an organisation that ran its own housing stock, leisure centres and revenues and benefits service. Since 2009, both councils have also reduced their overall workforces as a result of shared services and budget reduction programmes. This plan offers the chance to resolve this situation, while improving workplaces.

- 9.2 Current government targets for OPE suggest that office accommodation should be allocated at 8 m² per person (this is inclusive of shared spaces such as meeting facilities and breakout areas, but excludes toilets, stairs, lifts and cleaning facilities). Modern practice, and experience from West Suffolk House, also shows that a desk ratio of 70% (7 desks for every 10 FTE) is achievable. If working practices could be adapted to reduce to the 70% ratio there would be 140 surplus desks.
- 9.3 The continued work on shared services, not just across West Suffolk but also in the wider local government context and our forthcoming building projects present an opportunity to reduce this surplus capacity and make a considerable saving for the taxpayer. Potentially, in excess of £150,000 a year from current revenue budgets in property costs alone. In addition, there would be savings in ICT costs.
- 9.4 We also need to ensure that we have flexible office accommodation that enables us to operate having regard to all of the issues outlined in Table A but without limiting ourselves to only these issues i.e. an element of future proofing.

Reducing the cost and making the most of our office accommodation

- 10.1 The desk audit highlights the scope to reduce costs by removing surplus capacity we have now. With changes to the ways we work and the technologies we utilise, the amount of office space we provide could go down more in the medium term, reducing costs further. In terms of new build, we could adopt the target of 8m² per employee for administrative buildings.
- 10.2 Based on the current need for around 240 desks (at an 83% desk ratio) and the existing capacity at West Suffolk House of 175 desks, there is a shortfall of 65 desks. On the basis of 8m² Net Internal Area per desk, this need could be met by approximately 500m² of new office space for West Suffolk within the new Mildenhall Hub. If a 70% desk ratio is achieved, either this space could be reduced at the outset, or additional space will be freed up for rental to partners at both sites, bringing additional income and further reducing our own accommodation costs.
- 10.3 It is therefore proposed that as part of the Office Accommodation Plan we:
- remove the current excess desk capacity we have through the Mildenhall Hub Project;
 - look to implement a 70% desk ratio for our office accommodation through better use of space and new uses of technology as highlighted within this report;
 - adopt a standard of 8m² of Net Internal Area for new office developments including the Mildenhall Hub;
 - develop flexible office accommodation to enable new layouts, working styles and enable future letting of spare capacity.

Strategic next steps

- 11.1 Following approval of the Office Accommodation Plan, the principles and commitments outlined within it will provide a clear and consistent direction for the Mildenhall Hub and any other future office projects. Additional actions around future ICT needs and cultural changes around different work styles and reducing the desk ratio will be encompassed within the ICT Strategy and the Organisational Development Work plan.