



3RD JULY 2014

CABINET

AGENDA ITEM (9)

PROPERTY REVIEW - COUNCIL OFFICES, TRINITY ROAD, CIRENCESTER

Accountable Member	Councillor NJW Parsons Deputy Leader of the Council
Accountable Officer	Christine Cushway Strategic Property & Estates Officer 01285 623241 christine.cushway@cotswold.gov.uk

Purpose of Report	To consider the external letting of part of the Council's Trinity Road offices to maximise the use of the building and to achieve income
Recommendation(s)	<p>(a) That the project to review and relocate staff within the Council's Trinity Road offices, and to let the vacant space to external organisations, be approved;</p> <p>(b) that the private treaty letting of office space be approved, where this provides additional benefits to the community/customer and/or the Council;</p> <p>(c) that the allocation of up to £175,000 from the Council Priorities Fund in connection with this project be approved.</p>
Reason(s) for Recommendation(s)	Space in the Council's Trinity Road offices is currently underutilised and there is scope to provide an income by relocating staff and letting the vacant space

Ward(s) Affected	Cirencester - Watermoor
Key Decision	Yes
Recommendation to Council	No

Financial Implications	<p>Income - £70,000</p> <p>Savings - £40,000</p> <ul style="list-style-type: none"> • utilities; • business rates • cleaning • these costs will be recharged to tenants <p>Potential total annual benefit to the Medium Term Financial Strategy against existing Trinity Road budget- £110,000</p>
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	<p>Cost of moves and alterations to the Council's space - £50,000</p> <ul style="list-style-type: none"> • removals • IT works • Alterations to office space <p>Cost of alterations to provide commercial space - £125,000</p> <ul style="list-style-type: none"> • reconfiguration of intruder alarms • IT works • alterations to walls etc. • sub metering <p>One-off revenue funding - up to £175,000 (these figures are approximate) Therefore, payback within approximately eighteen months, subject to the letting of the space</p>
Legal and Human Rights Implications	All office moves and space allocation will be carried out in line with legislation
Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	That the income/savings detailed in the Financial Implications section of this report are not met due to the space remaining vacant. The cost of the works increases.
Equalities Analysis	No effect on protected groups identified
Related Decisions	None
Background Documents	None
Appendices	Appendix 'A' - site plan of south wing of the Council Offices
Performance Management Follow Up	Report as part of the monitoring of the Council's Top Tasks
Options for Joint Working	None, but joint working decisions have impacted on the amount of space now required for staff, allowing the review and vacant space to be achieved

Background Information

1. Background

1.1 Officers have carried out an initial review of the requirement for space in the Council's Trinity Road offices. Key reasons for the review were

- (i) the restructuring of senior management
- (ii) joint working arrangements
- (iii) the Council's Top Task:-

Priority 1: Freeze Council Tax until 2016 whilst protecting front line services that matter to our residents

1b. Drive down administrative and management costs - rationalise the Council's land and property portfolio (including office accommodation), and generate increased rental income and/or new capital receipts where possible whilst meeting service delivery objectives.

1.2 The Council has fewer staff working in its Trinity Road offices, and a significant number of staff work in more than one location. Office space can therefore be reviewed and rationalised.

2. Review

2.1 The target is to achieve vacation of the entire south wing of the Council's Trinity Road offices. The south wing is edged in black on the plan attached at **Appendix 'A'**.

2.2 The vacation is likely to be achieved using a phased approach, as follows:-

- utilising space more efficiently;
- agreeing criteria for office accommodation;
- incorporating 'hot desk' and 'touch down' areas;
- significantly reducing and streamlining storage areas.

2.3 The proposed criteria are:-

- provision of more open plan space/fewer small cellular offices;
- joint Directors and Heads of Service share offices, where appropriate;
- less individual office space provided;
- empty offices can be booked for Meetings or used as 'quiet' workspaces when not in use, such as Directors' and Heads of Service offices;
- shared desk space and 'hot desk'/flexible use areas, where appropriate;
- bring teams together, as far as possible;
- legal space requirement of 11m³, as minimum.

2.4 Due to the nature of the building, and the aim to keep costs to a minimum, it is inevitable that some individual and small office spaces will remain.

2.5 Discussions have commenced with Heads of Service, and will need to continue.

2.6 A group will be set up to carry out the review and to progress the project. This will include ICT and service representatives, and will fall under the One Team Programme.

3. Leasing of Vacant Space

3.1 Once space has become vacant, it is proposed to let it to external organisations.

3.2 Advice has been obtained from local agents and the potential income figures indicated have been based on that advice.

3.3 Officers would also be able to recharge some costs, such as business rates and utility costs, which would provide a saving on the existing budget.

3.4 It is proposed that some parking spaces would be provided as part of the lease. The allocation would be based on a maximum number of spaces under each lease, and on a 'first come, first served' basis.

3.5 Officers are currently in discussion with a number of parties regarding office space. Some of these would provide an improved facility for the customer by providing more 'local' services in one location. It is therefore suggested that Officers enter into private treaty discussions and leases where there is benefit the community/customer and/or the Council. It is likely that there will be a mix of commercial and non-commercial tenants.

3.6 A figure has been included within the 'Financial Implications' section of this report for the cost of providing commercial space. At this stage, it is difficult to know exactly what costs would be incurred as they will depend on tenant requirements and form part of the lease negotiations. Those costs would not be expended until the terms of the leases have been agreed.

3.7 Costs will be incurred in relocating staff within the remainder of the building in order to provide the vacant space. However, any costs would be kept to a minimum prior to lease commitments.

3.8 Any decisions on lease transactions would be taken in line with the Council's approved Scheme of Delegation.

3.9 If the Cabinet wishes to discuss rental figures and/or 'interested' parties, the public and Press would need to be excluded from the Meeting under the provisions of paragraph (3) of Part I of Schedule 12A to the Local Government Act 1972 (information relating to financial or business affairs).

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