

## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### CABINET

25<sup>TH</sup> OCTOBER, 2016

### SCRUTINY RECOMMENDATIONS

#### REPORT OF THE DIRECTOR OF CABINET AND PR IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, CLLR M NORRIS

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#### 1. PURPOSE OF REPORT

To provide Cabinet Members with the conclusions and recommendations of the Finance & Performance Scrutiny Working Group which conducted a review in respect of the Council's Office Accommodation Strategy.

#### 2. RECOMMENDATIONS

It is recommended that Cabinet Members:-

- 2.1 Note the review provided by the Council's Finance & Performance Scrutiny Committee provided in Appendix 1 of this report.
- 2.2 Agree in principle the recommendation contained within this report, subject to further consideration by the Cabinet Portfolio holders for this area, following which a detailed response is provided to the relevant Scrutiny Committees.

#### 3. REASONS FOR RECOMMENDATIONS

- 3.1 The need for Cabinet Members to consider the work of the Finance & Performance Scrutiny Committee, looking at issues in relation to the Council's Accommodation Strategy.

#### 4. BACKGROUND

- 4.1 On the 4<sup>th</sup> November 2015 Members of the Finance & Performance Scrutiny Committee received a report from the Director of Estates outlining the key information in relation to management of the Council's Office Accommodation. At the meeting, Members agreed to undertake a detailed review of the Council's office accommodation in order to consider the strategy set out within the Council's Corporate Asset Management Plan which had been approved by Cabinet in June 2013.

- 4.2 It was resolved to form a Scrutiny Working Group which met on four occasions and subsequently concluded that the office rationalisation strategy is a key priority for the Council and its implementation should be approved in conjunction with the digitalisation and agile working projects.
- 4.3 The report was presented to Members of the Finance & Performance Scrutiny Committee on the 20<sup>th</sup> July 2016 where Members of the Committee endorsed the conclusions and recommendation and it was agreed that it be passed to the Executive for consideration. The report is attached for consideration at Appendix 1.
- 4.4 In total, there were three key areas reviewed by the Scrutiny Working Group
- a. **COUNCIL ACCOMMODATION REVIEW**
  - b. **AGILE WORKING & DIGITALISATION**
  - c. **RCT TOGETHER**
5. **CONSULTATION**
- 5.1 As outlined within Appendix 1 of this report, consultation was conducted through the reviews carried out by the Finance & Performance Scrutiny Committee.
6. **EQUALITY AND DIVERSITY IMPLICATIONS**
- 6.1 An Equality Impact Assessment is not needed because the contents of the report are for information purposes only and further analysis of each of the proposals will be needed if the recommendations are to be taken forward.
7. **FINANCIAL IMPLICATIONS**
- 7.1 The recommendations proposed by Scrutiny look to strengthen current systems and frameworks in place and should not have any significant financial implications, if taken forward.
8. **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED.**
- 8.1 There are no legal implications at present.
9. **LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES.**
- 9.1 The Scrutiny report and recommendations link to the Council's Corporate Plan.

## 10. **CONCLUSION**

- 10.1 The Scrutiny Working Group identified 3 areas for consideration, which they believe will make more efficient use of the Council's office space resulting in a reduction in accommodation costs.

### **Other Information:-**

**Relevant Scrutiny Committee** – Finance & Performance Scrutiny Committee

**RHONDDA CYNON TAF COUNTY BOROUGH**  
**COUNCIL**

**FINANCE & PERFORMANCE SCRUTINY**  
**COMMITTEE**

**REPORT OF THE COUNCIL ACCOMMODATION**  
**SCRUTINY WORKING GROUP**

# **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

## **MUNICIPAL YEAR 2016-2017**

### **FINANCE & PERFORMANCE SCRUTINY COMMITTEE**

#### **REPORT OF THE COUNCIL ACCOMMODATION SCRUTINY GROUP**

##### **1. BACKGROUND**

- 1.1 In line with its work programme, the Finance & Performance Scrutiny Committee identified the issue of Council accommodation as an area for review at the commencement of the Municipal Year 2015/2016. At its meeting on the 4<sup>th</sup> November 2015 members of the Scrutiny Committee received a preliminary report from the Director of Estates which set out key information in relation to the management of the Council's accommodation to help Members' review of this area.
- 1.2 Members were informed that the Council has approximately 1750 property interests which represent a large and diverse portfolio with a mix of tenure agreements, types, quality and efficiency of use. Property ownership is the Council's second biggest expenditure after staffing. With this in mind the Working Group considered that the Council accommodation needs to respond to the challenge of reduced revenue expenditure, service redesign and some impending lease terminations and were therefore keen to explore the opportunities to make more efficient use of office space resulting in a reduction of the Council's office accommodation and a consequent reduction in accommodation costs.
- 1.3 As a result, a scrutiny working group was formed comprising County Borough Councillors M Norris (Chairman), (Mrs) J Bonetto, (Mrs) S. Evans, (Mrs) J. S. Ward and C. J. Willis.
- 1.4 The Working Group met on four occasions, i.e. 6<sup>th</sup> January 2016, 2<sup>nd</sup> February 2016, 23<sup>rd</sup> March 2016 and the 24<sup>th</sup> May 2016 and received information from the Director of Corporate Estates and Procurement and Head of Legal Property & Estates. The Working Group also received a presentation and information from the Head of Estates Expert Services, Welsh Government.
- 1.5 At its inaugural meeting members of the Working Group reviewed and agreed its Terms of Reference. It also received an overview of progress in respect of the implementation of the work plan of the Corporate Asset Management Plan for Property Assets 2013/18 and learned of progress in respect of the rationalisation of office accommodation since April 2010. Members were informed that the Council accommodation is divided into two areas i.e. strategic premises likely to be utilised in the medium to long term and non strategic premises, which are currently utilised but could potentially be considered for disposal should circumstances permit.

- 1.6 The disposal programme has, to date, generated a significant amount in capital receipts for the Council from the sale of a number of properties. In 2014/15 it generated approximately £4.5M (net) in capital receipts from the sale of over 50 property assets. The Working Group was also informed that the Council is continually looking to reduce the leasehold element of its property portfolio and in 2014/15 9 leasehold premises were removed from the property portfolio providing revenue savings of approximately £230k per annum in rent and running costs.
- 1.7 The Working Group considered that with a falling budget the Council needs to find a way to deliver improvement and efficiency and reduce the carbon footprint of the current office accommodation therefore Members acknowledged that there needs to be a drive for efficiency and effectiveness through the Council's accommodation strategy.

## **2. COUNCIL ACCOMMODATION REVIEW**

- 2.1 The Council's Corporate Asset Management Plan (CAMP) had been approved by Cabinet in June 2013. Under the strategy set out within the plan the Council has been actively seeking to reduce the size of its property portfolio. Members learned that the intention to reduce the office accommodation floor space by 20% by 2020 had also been identified as one of the 6 corporate priorities in the Council's Corporate Plan 2016-2020 which will be delivered via a programme which will consolidate staff into fewer properties alongside the digitalisation and agile working projects.
- 2.2 Members of the Working Group were provided with details of the office premises rationalised from 1 April 2010 to 1 April 2016. Since 2010 the number of premises used for office purposes has been reduced by 19 which provides annual rental savings of circa £500k per annum and has realised a capital receipt of approximately £600k
- 2.3 The Working Group felt that in order to properly assess and identify the more effective and efficient use of Council accommodation it would be beneficial to understand the Council's current property database to establish location, size accessibility, financial cost to the Council as well as income generated. They did so at their meeting held on the 2<sup>nd</sup> February 2016. In addition to viewing the Council property database the Working Group also received information on the Council's partnering arrangements and in particular information on property ownership across the Cwm Taf area which is shared via an information system sponsored by Welsh Government (ePIMS). The Head of Estates Expert Services for Welsh Government presented an overview of the background to the National Assets Working Group, the history and general information about e-PIMS, Wales Public Sector Property database and Members were shown the live content of the e-PIMS system.
- 2.4 At its subsequent meetings the Working Group continued to receive progress updates relating to the Council's Office rationalisation strategy which the Council have been keen to accelerate to achieve a more efficient use of space and a consequent reduction in revenue expenditure. Members learnt that the

initial phase of the accommodation strategy involved detailed surveys of the Council's Strategic and Non Strategic buildings to ascertain the individual accommodation capacity of each building, how they are being used and how they can be more efficiently used.

- 2.5 The physical inspections serve to realise the number of occupied desks, vacant desks, hot desks and those desks used by part time employees. This informs a list of current occupancy levels with a view to consolidating staff where necessary based on shared objectives, communications and community aims with consequent revenue savings. It was reported that further capital receipts can then be realised from the disposal of surplus accommodation. It was reported to the Working Group that the on site surveys would be completed by mid May 2016.
- 2.6 It was emphasised throughout the review that an essential part of the change process, specifically in respect of the relocation of services, is continued communication between the relevant Service Groups which is vital to ensuring that all service requirements are met whilst minimising relocation costs and ultimately achieving the right co location and mix of services.
- 2.7 The Working Group was presented with a detailed programme for the Council Office Rationalisation Strategy 2016-2020, which outlined those offices being vacated following a period of staff relocation and subsequently scheduled for auction or occupancy by a third sector organisation under a lease arrangement subject to a full occupancy and agreed service delivery. It was clarified that this exercise is progressing and further office moves will take place subject to discussions with the relevant Service and Group Directors to achieve the appropriate service synergies.

### 3. **AGILE WORKING & DIGITALISATION**

- 3.1 The Working Group acknowledged that the office accommodation rationalisation strategy can not be undertaken in isolation and they recognised the importance of the digitalisation programme and agile working projects which are being progressed in conjunction with the Council's ICT section. The Working Group learned that agile working allows for the adoption of flexible working practices which will enable staff to work from a variety of locations via a hot desk thereby reducing the burden on office space. The Working Group commented that the benefits of agile working would reflect a change in work styles, new technologies and an evolving work culture.
- 3.2 Likewise the process of digitalisation, a procedure which converts information into digital format, will have the potential to reduce the storage of files which will in turn lead to more overall storage space available to the Council. The Working Group felt that both agile working and digitalisation will impact upon the aim to significantly reduce the requirement for fixed office space and should be progressed.

#### **4. RCT TOGETHER**

- 4.1 In conjunction with their review the Working Group was also keen to consider the RCT Together Approach for progressing Community Asset Transfers which had been approved by Cabinet in December 2013, as a mechanism under which community based organisations are able to apply for the use of premises, once the Council services withdraw. The Working Group learned that the RCT Together programme is now a mature and settled process. The RCT Together programme has received over 105 expressions of interest from a variety of existing and newly established community and voluntary groups.
- 4.2 The Working Group reviewed the paperwork and application forms to understand the challenges faced by voluntary groups in the process of applying for Community Asset Transfers as part of the RCT Together Approach. They felt that the procedure should be clear and easy to follow to encourage as many community and voluntary groups as possible to submit their proposals.
- 4.3 As a result of their concerns, the Working Group proposed that both the Expression of Interest form and the Community Asset Transfer Factsheet are more streamlined in order to make the process as simple as possible. At their final meeting in May 2016 members received and approved the refined paperwork which would be implemented with immediate effect.

#### **5. FINDINGS & RECOMMENDATION**

- 5.1 This review concludes that the office rationalisation strategy is a key priority for the Council and unlocks the potential to further reduce the Council accommodation portfolio, reduce operating and revenue costs and utilise existing office space more efficiently. The Working Group also recognised that the reduction in office accommodation floor space by 20% by 2020 can only be achieved in conjunction with the agile working and digitalisation projects.
- 5.2 In view of this, the Scrutiny Working Group would therefore recommend that the Council's Office Accommodation Strategy is implemented.