

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2016-17

**FINANCE & PERFORMANCE
SCRUTINY COMMITTEE**

20th JULY 2016

**REPORT OF THE DIRECTOR OF
LEGAL & DEMOCRATIC
SERVICES**

Agenda Item No. 4

**OFFICE ACCOMMODATION
STRATEGY**

**J L Nicholls – Senior Democratic Services Officer
Tel No: 01443 424098**

1. PURPOSE OF THE REPORT

The purpose of this report is to make the Committee aware of the recommendations of the Finance & Performance Scrutiny Working Group formed to review the Council Office Accommodation Strategy.

2. RECOMMENDATION

It is recommended that Members:-

- 2.1 Endorse the recommendation that Cabinet approves the implementation of the Council Office Accommodation Strategy

3. BACKGROUND

- 3.1 The Finance & Performance Scrutiny Committee identified the issue of Council Accommodation as an area for review as part of its Work Programme for the 2015/16 Municipal Year, therefore at its meeting on the 4th November 2015 Members of the Finance & Performance Scrutiny Committee were appraised of the key issues relating to the management of the council's accommodation strategy.

- 3.2 As a result of the preliminary report it was resolved that a working group be established to consider the matter in more detail.

- 3.3 A Working Group was duly formed comprising of County Borough Councillors M Norris (Chairman), (Mrs) J Bonetto, (Mrs) S Evans, (Mrs) J S Ward and C J Willis which met for the first time on the 6th January 2016 to agree the terms of reference and scope.

- 3.4 The Working Group undertook a detailed review into the Council Office Accommodation Strategy over the course of four meetings and the findings

are set out in the attached report for Members of the Finance & Performance Scrutiny Committee to consider.

4. **NEXT STEPS**

- 4.1 The Committee is asked to endorse the attached report and recommendation to Cabinet that it approves the implementation of the Council Office Accommodation Strategy.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2016-2017

**OFFICE ACCOMMODATION STRATEGY (AS RECOMMENDED BY THE
COUNCIL ACCOMMODATION SCRUTINY WORKING GROUP)**

Author: Ms J L Nicholls
Tel: 01443 424098

1. PURPOSE OF REPORT

The purpose of this report is to provide Cabinet with the findings and recommendations of the Finance & Performance Scrutiny Working Group formed to review the Council Office Accommodation Strategy.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Approves the implementation of the Council Office Accommodation Strategy

3. BACKGROUND

- 3.1 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 4th 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.

- 3.2 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.

- 3.3 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.

- 3.4 The Working Group met on four occasions, i.e. 6th January 2016, 2nd February 2016, 23rd March 2016 and the 24th 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.

- 3.5 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.
- 3.6 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.
- 3.7 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.

4. COUNCIL ACCOMMODATION REVIEW

- 4.1 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.
- 4.2 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.
- 4.3 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 2nd 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.

- 4.4 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.
- 4.5 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.
- 4.6 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.
- 4.7 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.

5. **AGILE WORKING & DIGITALISATION**

- 5.1 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.

- 5.2 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.

6. RCT TOGETHER

- 6.1 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.
- 6.2 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.
- 6.3 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.

7. CONCLUSION

- 7.1 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.
- 7.2 In view of this the Scrutiny Working Group would therefore advocate that Cabinet considers the implementation of the Council's Office Accommodation Strategy.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY COMMITTEE

20th July 2016

List of Background Papers

Report of the Director Legal & Democratic Services

Item -
Office Accommodation Strategy (as recommended by the Council Accommodation
Scrutiny Working Group)

Freestanding Matter

Contact Officer: - J L Nicholls, Senior Democratic Services Officer –

Tel. No. (01443) 424098

