

# **North Somerset Council**

## **Report to the PCOM Policy and Scrutiny Panel**

**Date of Meeting: 10 November 2022**

**Subject of Report: Accommodation Strategy**

**Town or Parish: All**

**Officer/Member Presenting: Amy Webb, Director of Corporate Services**

**Key Decision: N/A**

**Reason: N/A**

### **Recommendations**

The report is provided for Members' information and feedback.

#### **1. Summary of Report**

The report provides the PCOM Policy and Scrutiny Panel with an update on delivering the Accommodation Strategy, which was approved by Council on 23 February 2021 and an update in relation to the Accommodation Strategy Programme, the work to date and the key milestones.

#### **2. Policy**

This project supports the aims and objective within the Council's Corporate Plan, Economic Plan, Climate Emergency Plan, Medium Term Financial Plan and Capital Strategy.

#### **3. Background**

##### **Council decisions**

In February 2021, the Council agreed to:

- The adoption of the following corporate strategies:
  - Strategic Asset Management & Property Plan (SAMPP)
  - Accommodation Strategy (AS)
  - Development Strategy (DS)
- Feasibility and Business Cases proceed, in relation to the recommendations arising from these strategies
- The allocation of capital funding to progress these strategies
- To deliver in accordance with the key timelines of June 21, October 21 and March 22 and utilise the findings of the business cases to inform the Council's 5-year Capital Programme

## Accommodation Strategy overview

- NSC undertook an organisation-wide Office Amalgamation Programme and an ICT Transformation Programme between 2007 – 2012
- This programme improved desk ratios from 1:1 to 7:10 (based on 1200 staff = 840 workstations)
- Since this programme, overall staff numbers across NSC have reduced from c.1800 to c.1400 and this will have impacted on office space requirements
- COVID-19 has increased the amount of flexible working and there is a clear acceptance from managers and staff to maintain a flexible working model into the future

In February 2021, the Council agreed to the progression with the accommodation strategy in order to find the optimum flexible working model which takes in to account the following drivers:

- Reduced staff travel linked to our climate change ambition
- Improved work: life balance due to reduced commutes
- Improved productivity
- Opportunity to reduce our asset base in line with our Medium Term Financial Planning (MTFP)

The Council acknowledged that this work could lead to the closure of Castlewood, but this was not a primary driver.

## 4. Update / Progress to date

### PCOM Policy and Scrutiny Panel

An update was provided to the Accommodation Strategy Scrutiny Steering Group meeting on 20 September 2022.

### Programme

#### Reimagine ways of working

The Ways of Working Group continue to progress the agreed deliverables. Summary of key activity:

- **Operation Womble:** The declutter campaign at the Town Hall and Castlewood has been completed
- **Storage strategy work:** The planned audits for the Town Hall and Castlewood have been completed
- **Hybrid Working Policy, Manager's Guide and FAQs:** These have been developed and shared with CLT and noted by Exec Member. There is a slight delay to launching the policy and supporting documents until early November 2022 (originally this was planned for 31 October 2022)
- **Hybrid working training:** The Learning & Development proposal, plan and rollout approach for leaders and colleagues is being progressed, including and delivery via an e learning module and face to face / hybrid approach. The proposed delivery of this is December 2022
- **Workstyles within iTrent:** Work has continued to record workstyles within iTrent; workstyle matching exercise across roles to be completed
- **Engagement** has continued with colleagues, tenants and partners and key stakeholders; including with DLT's, Liberata and Agilisys to progress specific space and storage requirements within areas

IT needs to underpin our ways of working. A paper has been drafted to define the requirements and projected costs based on a standard offer aligned to workstyles, spaces, meeting rooms and booking system (to support this and the Town Hall works) and is expected to be submitted to the Project Board in November 2022.

Other work being progressed includes:

- Hybrid meeting support
- Wireless projection
- ICT survey
- Model meeting room to be set up (January 2023)

### **Invest in the Town Hall**

The team are using the Royal Institute of British Architect (RIBA) plan of work, which is considered the definitive modern guide for the design and construction process of building, which includes the design and fit out of workplace interiors.

**RIBA Stage 3 – sign off for Town Hall design:** The Accommodation Strategy Programme Board (CLT) considered the outline designs for the reconfiguration and approved these to be taken forward to detailed plans (6 July 2022); a strategic review period was agreed to ensure the works could be delivered in an efficient way, within budget and in light of funding constraints and make any final decisions before the commencement of RIBA Stage 4: Technical Design; as from this point onwards any changes to brief and scope become more difficult to manage and result in abortive work and therefore additional cost.

Programme Board (24 August 2022) approved progression of the Town Hall works with agreement to explore value engineering opportunities due to budget constraints.

**RIBA Stage 4 – Technical Design:** This stage is the final design stage. The Design Team (One Creative) have continued with development of RIBA 4 design and preparation of the tender pack for release to the market in November 2022; subject to Member approval.

### **Procurement**

A Commissioning and Procurement plan that sets out the proposed strategy for appointment of a main contractor to carry out the works to the Town Hall in accordance with the approved design and specification has been produced.

The Procurement strategy has been approved by the Council's procurement team and the decision notice for approval of the Commissioning and Procurement is with the Executive Member. The Forward Plan date confirmed the paper is not to be signed before 1 November 2022, further consultation is being undertaken and it anticipated this not being signed not before 11 November 2022. Executive Member briefings have been undertaken. The contract award report will be a Key Decision approved by the Director with advice from S151 Officer and Head of Strategic Procurement, within the Council's contract standing orders.

### **Programme and key milestones: Town Hall - reconfiguration works**

The indicative programme and key milestones were defined further with the design team and to reflect the strategic review period. These were provided to the Steering Group in September 2022. Since then, the programme has been updated and the dates have been revised to reflect the current position and to reflect the approval route for the contractor appointment and the estimated contract value.

The revised (indicative) milestones dates are shown; these remain subject to change. The

Procurement and lead in times are currently estimated and will not be confirmed until the tender returns are received and a contractor identified.

Key Milestones	Timescale (original)	Timescale (Provided to the Steering Group – 20 September 2022)	Revised timescale
Contractor appointment	October 2022	December 2022	January 2022
Furniture procurement	October 2022 – February 2023	December 2022 – March 2023	January 2022 – April 2023
*Phase 1 works (4 weeks)	*15 February – 14 March 2023	*20 March – 14 April 2023	*18 April – 15 May 2023
*Phase 2 works (4 weeks)	*15 March – 11 April 2023	*17 April – 12 May 2023	*16 May – 12 June 2023
*Phase 3 works (4 weeks)	*12 April – 9 May 2023	*15 May – 9 June 2023	*13 June – 10 July 2023
*Castlewood-based staff move in (Group 1)	*10 May – 16 May 2023	*19 June – 30 June 2023	*11 July – 31 July 2023

\* The approach for these phases / moves to be agreed once a contractor has been appointed and the contractor's work programme agreed.

### Repairs and Maintenance (R&M) backlog works

Following the appointment of Kier (AA Projects Ltd) the Town Hall complex was surveyed, including fabric and mechanical and electrical installations. A report has been provided with a detailed condition schedule comprising the individual components of the Town Hall complex commenting on condition, life expectancy and cost to repair / replace.

In summary the findings are that the Town Hall extension (New Town Hall) is reported to be in reasonable condition although a number of issues were identified in the original building, primarily relating to the M&E installations.

With regards to the original project brief identified for the remodelling of the upper floors on the Town Hall extension from the initial review, no serious issues have been identified which would prevent progression of the scheme which are not already known and reported (i.e., lighting, fire, toilets, lifts etc); the impact of which will be dependent on the approach taken.

Given this, the recommendation for this to be handed over to the Asset Strategy Steering Group (ASSG) was approved. A Planned Preventative Maintenance (PPM) schedule being prepared by Property Assets and Projects team based on the previous plan paused at the onset of the COVID-19 pandemic and incorporating data from the new condition schedule commissioned in 2022. This element of work will be fed into the wider asset strategy for consideration alongside the Capital programme.

### Castlewood

The oversight and governance will be provided by the Accommodation Strategy Programme Board (CLT).

### Redevelopment project

In May 2022, Full Council agreed to progress a preferred way forward for the redevelopment of the Castlewood site to establish a recommended type of development

informed through pre-application discussions with the Local Planning Authority, soft market testing with developers and occupiers and modelling of whole-life carbon emissions.

A January 2023 Full Council Meeting report informed by this work will present an Outline Business Case comprising of an expected form of development and delivery route and recommend next steps. It is anticipated that the council will have delivered vacant possession of the site in 2025 to enable its development. A programme setting out the activities leading up to this will be reported to the January Full Council meeting.

### **Transition of staff, tenants and partners and assets from Castlewood**

The transition of staff, tenants and partners and their assets is key to achieving vacant possession (2025). It was previously reported that there were a number of teams (approximately 300 colleagues) who could not be accommodated in the Town Hall, due to the nature of their work and their specific requirements (service/space/storage) – e.g., access to vehicles, equipment, storage and that these teams will remain in Castlewood until either appropriate space/storage can be made available at Town Hall or alternative accommodation is agreed. The numbers, teams and requirements have been gathered and validated; these have been categorised into 5 groups.

#### **Groups: Castlewood staff, tenants and partners**

	<b>Group 1: Moving to the Town Hall</b>	<b>Group 2: Moving to the Town Hall</b>	<b>Group 3: Moving to the Town Hall</b>	<b>Group 4: Moving to other location</b>	<b>Group 5: Moving to other location</b>
<b>Proposed move date</b>	2023	Date to be agreed	Date to be agreed	Date to be agreed	Date to be agreed
<b>Total number of colleagues, tenants and partners</b>	<b>368</b>	<b>55</b>	<b>49</b>	<b>126*</b>	<b>162*</b>

\* The final number is subject to change.

Colleagues, partners and tenants (as identified and agreed) will move from Castlewood and will be accommodated in the Town Hall, following the completion of the works.

Commercial discussions with partners and tenants are still underway and the results of these will inform the development strategy and the council's approach to securing vacant possession of the Castlewood site.

An action plan is being progressed by the Property Working Group (Castlewood) to develop and agree locations and solutions for staff, tenants and partners including assets that will not be based or accommodated in the Town Hall, to achieve vacant possession for 2025. There are dependencies between this exercise and other workstreams that need to be carefully managed to ensure that services can continue to operate effectively and efficiently from appropriate premises. Additional resources are having to be identified to progress this complex work.

**Consultation:** HR colleagues have mapped out the steps and indicative timescales for consultation for colleagues in Group 1. It is recognised these dates are dependent on the Town Hall works programme and delivery; these will be reviewed and agreed for work to commence. Work in relation to the other groups will follow once dates are known.

## **Energy reduction: Managing the use of energy in Castlewood**

It was previously reported that a project underway to understand measures that could be implemented to reduce the usage of energy in the building since it is so underutilised.

A feasibility study was commissioned to include a cost benefit analysis of the measures identified to achieve a reduction in energy consumption and associated savings to the Council. The report has been received (October 2022) and is presented in two sections:

- (1) Low capital cost works to existing infrastructure (less than £100k)
- (2) Decommissioning areas of the building as occupancy decreases

It is proposed that the low capital cost works are managed through the Property and Assets projects team. The viability of decommissioning areas of the building is dependent on the end date for vacation of the building and further works is required in this area.

Work is underway to agree the plan and approach to look at maximising any opportunities for the use of the building and efficiencies and to promote and adopt new ways of working and behaviours until vacant possession is realised.

## **Touchdown Locations**

The scope has been defined as the identification and delivery of touch-down locations for council staff beyond the Town Hall. It is recognised there are links to the Customer Service Strategy (approved April 2022) and the Castlewood redevelopment project.

Work to understand the 'as is' position and current provision has been undertaken. A survey will be shared with colleagues to establish requirements which will shape the offer for touchdown locations and the solutions needed.

## **Travel and Parking**

A Working Group has been established, with HR colleagues engaged. An action plan is being progressed to identify and deliver short, medium, and long-term plan for travel and parking requirements and delivery, this includes the Corporate Travel Plan, redevelopment of Castlewood and Locking Road car park timelines and key milestones.

There are a number of decisions (immediate and longer term) that have been identified that need to be considered. These will be progressed by the Travel and Parking Working Group to ensure a clear steer and any decisions needed are agreed and approved.

## **5. Consultation / Comms and Engagement**

Colleagues, tenants and partners and key stakeholders have continued to be engaged, as part of the programme's ongoing activity and governance process. The programme sponsors have been engaged in the process and updates will continue to be provided to the Project and Programme Board.

## **6. Financial Implications**

A budget of £2m has been identified and approved (capital expenditure) for the Town Hall works.

Progressing the move from Castlewood will release savings of up to £1m a year from 2025, so investment needs to be made in the Town Hall building to support the plans for our new

ways of working (hybrid working), to fully adopt and embed the workstyles and to unlock the value from releasing the Castlewood site.

Given the budget challenges facing the Council during 2022-23 and the need to review all expenditure, options have been considered to see if savings could be made or the programme deferred.

During September 2022, this approach has been re-validated informally with the Executive member for Corporate Services, the Executive, Corporate Leadership Team and the PCOM scrutiny working group and established that there is no appetite for stopping the project, but that opportunities to reduce, recycle and repurpose should be taken wherever possible and a value engineering approach taken.

The current forecast is for the project to be delivered within the £2m budget. The team will continue to review and seek to identify any cost saving areas which will not adversely impact on design values and concept.

The approval of the Commissioning and Procurement plan of £993,300 is to facilitate a procurement exercise to appoint a contractor to provide the works detailed in the schedule below.

A cost plan has been developed; the total estimated project cost is £594,500 excluding VAT. The cost plan will be updated with a Pre-Tender Estimate.

The cost of carrying out the works to provide a fully functional office space in accordance with the new design and layout is scheduled in the attached cost plan, along with the additional works set out in the table:

<b>Works</b>	<b>Estimated Cost</b>
Delivery of specification/scope of works (incl. provision of furniture): This is made up of:	<b>£903,000</b>
<ul style="list-style-type: none"> <li>• <i>Items within the cost plan</i></li> </ul>	£594,500
<ul style="list-style-type: none"> <li>• <i>Toilets</i></li> </ul>	£50,000
<ul style="list-style-type: none"> <li>• <i>Lighting</i></li> </ul>	£200,000
<ul style="list-style-type: none"> <li>• <i>Creation of specialist equipment rooms including an infant feeding room and multifaith room.</i></li> </ul>	£58,500
Contingency at 10%	£90,300
<b>TOTAL</b>	<b>£993,300</b>

#### **Spending profile: Weston Town Hall investment works** (budget £2m)

These are currently high level budget costs and will be updated with confirmed costs as the programme progresses and tender action is closed out.

<b>Item</b>	<b>TOTAL BUDGET</b>
<b>Construction Delivery</b>	
Construction Package (incl. furniture). <b>Note:</b> this also includes works to the access control systems (circa £50k) and lifts (circa £100k) which will be procured separately from the main contractor's package utilising existing NSC contracts – the main would need to subcontract these works to the incumbent at an additional cost – procuring directly is likely to provide a more cost efficient solution.	£ 1,144,224
Construction Retention	£ 30,000

ICT Costs	£	250,000
Miscellaneous FF&E	£	50,000
<b>Consultancy Fees</b>		
Space Planning	£	44,427
Budget Monitoring & Cost Consultancy	£	-
<b>Miscellaneous Costs</b>		
Internal Fees	£	87,500
Internal Fees	£	-
Surveys	£	15,000
Miscellaneous Costs	£	20,000
Legal	£	25,000
Building Regulations	£	10,000
Planning	£	15,000
Waymarking	£	20,000
<b>Client Contingency</b>		
Contingency	£	288,849
	<b>TOTAL</b>	<b>£ 2,000,000</b>

## 7. Legal Powers and Implications

N/A

## 8. Climate Change and Environmental Implications

Engagement with the council's Climate Emergency Project Manager in the delivery of the Accommodation Strategy, including the development of the business cases and new ways of working continues to ensure the programme aligns with the Climate Emergency Action Plan.

The programme team will continue to work closely with colleagues to make sure we are joined up to support the Council's ambition to be a net zero carbon council by 2030 and are working with the Waste Team and the Sustainable Travel teams to ensure:

- The principle of repair, reuse, reduce and recycle will be used for any future, fittings and equipment (FFE)
- Any surplus furniture can be re-purposed in a way that benefits the local community.
- The energy efficiency of the Town Hall is assessed and for any changes needed to be considered as part of the design and investment works
- The Green Travel Plan objectives are considered and are reflected within the programme

## 9. Risk Management

The register continues to be reviewed and updated, with key risks being managed and reported to the Programme Board.

## 10. Equality Implications

Equality Impact Assessment (EIA) circulated to chairs of staff forums and unions and feedback has been received. An accessibility audit will be undertaken (December 2022).



## **11. Corporate Implications**

The Accommodation Strategy has been developed within the overarching priorities contained within the Corporate Plan and the emerging priorities from 2038 Local Plan.

## **12. Options Considered**

N/A

### **Author:**

Amy Webb, Director of Corporate Services

### **Appendices:**

None

### **Background Papers:**

Accommodation Strategy – COU 168 Council 23<sup>rd</sup> February 2021

Accommodation Strategy Update – Strategic Outline Business Case: The future of Castlewood – COU 15<sup>th</sup> February 2022

Accommodation Strategy Update – Castlewood - 10<sup>th</sup> May 2022