

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

16 DECEMBER 2016

REPORT OF THE PORTFOLIO HOLDER FOR ENFORCEMENT AND COMMUNITY SAFETY

A.6 OFFICE TRANSFORMATION

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To select an option for office transformation to be developed into a full business case.

EXECUTIVE SUMMARY

- The Council has been involved in developing options for delivery of revised office accommodation since the signing of a memorandum of understanding with the County Council and the holding of a Multi Service Hub workshop in January 2012.
- Despite interest by other organisations no partner has emerged with a willingness to contribute property or funding to a shared project.
- The Council has moved on to consider ways to adopt good housekeeping in terms of its own office estate while keeping the door open to other partners who may wish to contribute and participate as the project evolves.
- The need to address accommodation issues is now a key strand of the work being undertaken to identify revenue savings and efficiencies to support a balanced budget from 2017/18 and beyond.
- The Portfolio Holder for Enforcement and Community Safety has established a Working party for Transformation and Assets has considered with the Working Party an initial appraisal of options for office transformation prepared by officers. The Portfolio Holder recommends that the option most likely to address the various issues is a rationalisation of existing buildings and concentration of main office facilities in Clacton on Sea.
- The full appraisal considered by the Portfolio Holder and Working Party is attached as Appendix A.
- The Corporate Management Committee considered the outline of the proposals on 28 November 2016 and recommended (in summary) that Cabinet:
 - Selects Option 3, basic rationalisation, as its preferred option;
 - Seeks to ensure all maintenance backlog is resolved within the project or promptly thereafter
 - Requests that officers reconsider the disposal of Westleigh House as part of the project
- The full comments of the Committee are set out in the Current Position section of the report.

RECOMMENDATION(S)

- a) That having regard to the views of the Corporate Management Committee, as set out in this report, Cabinet selects Option 3, Basic Rationalisation, as its preferred option for office transformation;**

- b) Subject to a) above and approval of the 2017/18 budget by Full Council in February 2017, delegates to the Chief Executive in consultation with the Portfolio Holder for Enforcement and Community Safety the development of a business case and all aspects of the implementation of Cabinet's preferred option if the business case delivers annual on-going revenue savings of at least £0.100m and can be delivered within the specific capital budgets included within the 2017/18 estimates and forecast for 2018/19;
- c) Cabinet Requests that the office transformation works should deal with the maintenance backlog and that any remaining maintenance backlog be dealt with as a matter of priority; and
- d) Cabinet requests that officers review the potential for the disposal of the freehold of the Westleigh House site as part of the project.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's priorities set out in the Corporate Plan include:

<ul style="list-style-type: none"> Balance our budget 	<ul style="list-style-type: none"> Transform the way we work
<ul style="list-style-type: none"> Make the most of our assets 	<ul style="list-style-type: none"> Efficient use of office accommodation

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Options for the project considered include a range of one off and ongoing financial effects. These are set out in the appraisal attached as appendix A.

The option recommended aims to achieve an overall package in which the project capital cost is met from within receipts that could be generated by the project. Some short term use of existing one-off budgets / reserves will be required in order to bridge the time-lag between expenditure and receipts. Full details of the financial implications will be set out in the full business case to be developed.

Cabinet considered a report at its 25 November 2016 meeting where the initial savings and costs associated with the office transformation project were set out as part of the Portfolio Holder's recommendations following the work undertaken by their working party over September and October. A summary of the estimated savings and costs are as follows:

Key Estimate	Amount 2017/18	Amount 2018/19	Amount 2019/20
On-Going Revenue Savings	£0.020m	£0.020m	£0.120m
Capital Investment	£0.550m	£0.610m	0
One-off Revenue Costs	£0.025m	£0.025m	0
Capital Receipt	-	-	£1.160m

Of the on-going revenue savings of **£0.120m** set out above, **£0.100m** relates to the annual amount deliverable from disposing of the Weeley site.

The report Cabinet considered on 25 November 2016 also highlighted that the amounts included in the table above would be considered for inclusion in the budgets for 2017/18 for recommending to Full Council in February 2017. As part of developing the budget for

2017/18, the outcomes of which are set out elsewhere on the agenda, **£0.550m** has been included within the proposed 2017/18 capital programme along with a **£0.025m** revenue budget to deliver the office transformation project. The on-going revenue savings will be considered for inclusion as part of the future financial strategy process as the project develops

It is essential to deliver these savings as soon as practical as savings identified through efficiency / transformation projects are key in limiting savings required elsewhere in the Council's budget such as those impacting on frontline services. Therefore the recommendations set out above include a delegation to the Chief Executive in consultation with the Portfolio Holder for Enforcement and Community Safety to develop the business case and implement the project. However this delegation is within a financial framework of the business case delivering the estimated on-going revenue savings of at least **£0.100m** and within the total one-off capital and revenue budgets identified for the Office Transformation project within the Council's overall budget.

Risk

In general all of the options appraised are subject to a number of potential risks:

• Failure of technical or organisational changes	• Political change
• Difficulty in disposing of surplus assets	• Loss of partner commitment
• Unforeseen construction costs.	• Mission creep

The project team will seek to control these risks in the development of the contracts and project management.

Specific risks associated with the proposed preferred option and proposed control measures are set out in the Risk Schedule attached as Appendix B.

The project is potentially the hardest option to deliver and entails major changes to working practices and land use. The risks must not be underestimated.

LEGAL

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

If successful the project could improve services and efficiency leading to benefits across a full range of Council activity.

Area or Ward Affected

All

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council needs to reduce its costs and ensure that its facilities are safe, efficient and effective. It also seeks to create potential for a shared service front face with the County Council and others.

Since January 2012 the Council and County Council have worked together with Improvement East, Now East of England Local Government Association, to develop a set of options for the project using funding approved via E17, a collaboration of Essex Public sector organisations aiming to drive improvement in property management.

In November 2012 The East 17 Board considered an Outline Business Case (OBC) including two principal options for the project. The E17 Board noted the content of the OBC and that the decision on the way forward must lie with the partners involved.

Following the E17 Board meeting the District and County Council officers further considered the proposals, particularly in the light of the developing understanding of the Councils' then financial outlook and priorities.

Seeking to reflect these factors TDC officers put forward a further option for a simpler rationalisation that sought to facilitate the shared working and efficiency gains but with substantially reduced capital costs.

On 15 April 2013 the Community, Leadership and Partnerships Committee considered the matter and resolved to support the completion of a feasibility study to consider whether the simpler scheme is possible.

On 17 May 2013 Cabinet noted the work in progress and the recommendation of the committee.

On 04 October 2013 Cabinet resolved that to vacate a small number of sites including Clay Hall and Westleigh House and to complete a more detailed feasibility study into a project to further rationalise office space. The decision included specific provisions seeking to share accommodation with Essex County Council at sites in Clacton owned by both Councils.

Also on 04 October 2013 Cabinet confirmed the principle of the disposal of three office sites and the demolition of Westleigh House. This decision was called in and later upheld by the Service Development and Delivery and Committee on 24 October 2014.

At its meeting on 12 December 2013, the Audit Committee discussed the Council's approach to property disposal and in particular the decision to demolish Westleigh House. On 20 February the Audit Committee considered revisions to the Property Dealing Policy aimed at addressing the concerns raised in respect of Westleigh House.

On 25 March 2014 the revised Property Dealing Policy was approved by the Council including an amendment requiring two valuations relative to any property deal in excess of £50,000. Although no decision not to Demolish Westleigh House was made the earlier decision was not implemented.

On 14 July 2014 Westleigh House was occupied by contractors working on the Holland coastal defence scheme for the course of that contract. In September 2015 the building was vacated once more.

On 12 December 2014 Cabinet approved a number of transformational matters:

1. The progress of the IT investment programme and the next stages.
2. Progress of consideration of potential office rationalisation.
3. Disposal of the Council Offices at Frinton to facilitate joint local service provision.
4. The evolving staff development programme.

5. Creation of additional interview rooms and reception space at the Pier Avenue offices.
6. Procurement of a new electronic Committee Management system
7. Temporary staff to facilitate scanning of existing planning and other departmental records.
8. New scanning and postal processes and the procurement of alterations and equipment necessary.

Aspects of these measures are completed and others are being implemented.

In January 2015 the redundant Office at Waddesden Road was let to a private sector tenant after tender process, decision and call-in.

Transfer of the redundant office at Frinton was not completed after it proved impossible to agree the detailed terms. A separate decision is pending at the time of writing for a long lease to the Town Council.

On 21 March 2016 The Corporate Management Committee received an officer presentation on the progress of the various measures approved by Cabinet on 12 December 2014 together with a proposal that the Committee considers the future of office accommodation specifically at a future meeting.

On 27 June 2016 the Corporate Management Committee received an officer presentation focussing on how to determine the way forward in terms of office accommodation including the development of an options appraisal.

On 28 July 2016 Clay Hall was sold after a tender process, decision and planning application.

On 17 August 2016 an informal all member briefing received a presentation by officers on the nature of the Council's Office buildings and on options for transformation.

On 05 August 2016 Cabinet resolved to establish a small number of Portfolio Holder working parties in order to examine the potential for efficiencies and savings. One of the working parties, Chaired by the Portfolio Holder for Enforcement and Community Safety, has the remit of Assets and Transformation.

On 01 September 2016 The Working Party reviewed the outline of options for appraisal and on 30 September 2016 reviewed the more detailed options appraisal now attached as Appendix A.

CURRENT POSITION

The aims of the transformation project are:

- To bring the authority together on one site or intimate group of sites.
- Facilitate access to services away from the main centres.
- Improve efficiency.
- Reduce revenue costs.
- Improve working conditions.

The Council cannot avoid costs involved in operating property. The sure way to reduce costs is to reduce the amount of property. At some stage within a foreseeable timeframe the Council will have to address maintenance backlog, accessibility, suitability and energy

efficiency issues. It is not reasonable to expect to avoid these issues in the longer term.

An options appraisal covering nine potential schemes has been carried out. The Analysis is very high level. The full text is included at Appendix A.

Appendix A also includes an outline of progress of initiatives to date, details of existing buildings and analysis of needs.

The essence of the options is:

- 1: Do nothing – This can't really be an option but it is useful as a baseline to measure the other options against.
- 2: Current actions – Effectively sticking at the point we have currently reached.
- 3: Basic rationalisation – Condensing into existing Clacton sites and selling others.
- 4: Refocus at Weeley – Selling the bulk of Clacton sites and constructing a new building at Weeley.
- 5a: Officer/Member split – Staff moving to Clacton sites and retaining Weeley Main Building as a democratic centre.
- 5b: Officer/Member split - Staff moving to Clacton sites and building a new democratic centre at Weeley.
- 6a: Clacton Civic Quater – a new building on Carnarvon Road and retaining the Town Hall
- 6b: Clacton Civic Quarter – a larger new building on Carnarvon Road and Releasing the Town Hall
- 7: Colchester Borders – A new building to be constructed near to Colchester with potential for cross authority sharing.

Officers understand that one or more members have discussed an alternative option: to dispose of the office site at Pier Avenue Clacton and relocate staff to Weeley. Officers have not integrated this into the options appraisal. Although it would avoid a tough decision on the use of the Weeley site it would also require disposal of the most modern, flexible and efficient building used by the Council.

None of the options are easy. Only the rationalisation option offers the potential to achieve the project aims without a major net capital investment. Although the rationalisation is proposed to be self-funding it does require significant change in such matters as document handling, records, storage and working methods. The implementation of the broad package would face a number of risks and challenges. Appendix B is an initial Risk Schedule for the project.

The Portfolio Holder has considered the Options Appraisal attached as Appendix A, together with the Working Party. The Portfolio Holder recommends option 3, a basic rationalisation, to Cabinet.

In Summary the essence of the rationalisation proposed in option 3 is to:

- Rationalise the Council's office accommodation down to two main sites in Clacton
- Provide shared access to services in the of the towns of the district
- Funding the construction works from capital receipts within the project
- Revenue saving in the order of £150,000.
- Provide flexible front line space to facilitate shared use by with partners.
- Make efficiencies in travelling and back office functions

In addition there is potential to invest in energy efficiency measures and other works that could reduce future costs. These will be described in the proposed business case with

initial and life-cycle costs shown separately as options for potential investment.

While the business case is being prepared and considered officers will continue with the implementation of existing measures agreed including the deployment of IT improvements and alterations to the redundant cash office at Pier Avenue Clacton.

The Corporate Management Committee considered the outline of the proposals on 28 November 2016 and recommended to Cabinet that...

- (a) Cabinet selects Option 3 - Basic Rationalisation as its preferred option for office transformation;
- (c) Cabinet requests that the office transformation works should deal with the maintenance backlog and that any remaining maintenance backlog be dealt with as a matter of priority; and
- (d) Cabinet requests that officers review the potential for the disposal of the freehold of the Westleigh House site as part of the project.

BACKGROUND PAPERS

Outline Business Case to E17 Board.

Briefing to Group Leaders 10 April 2013.

Presentation to the Community, Leadership and Partnerships Committee 15 April 2013.

Report to Cabinet on 04 October 2013

Report to Cabinet on 12 December 2014

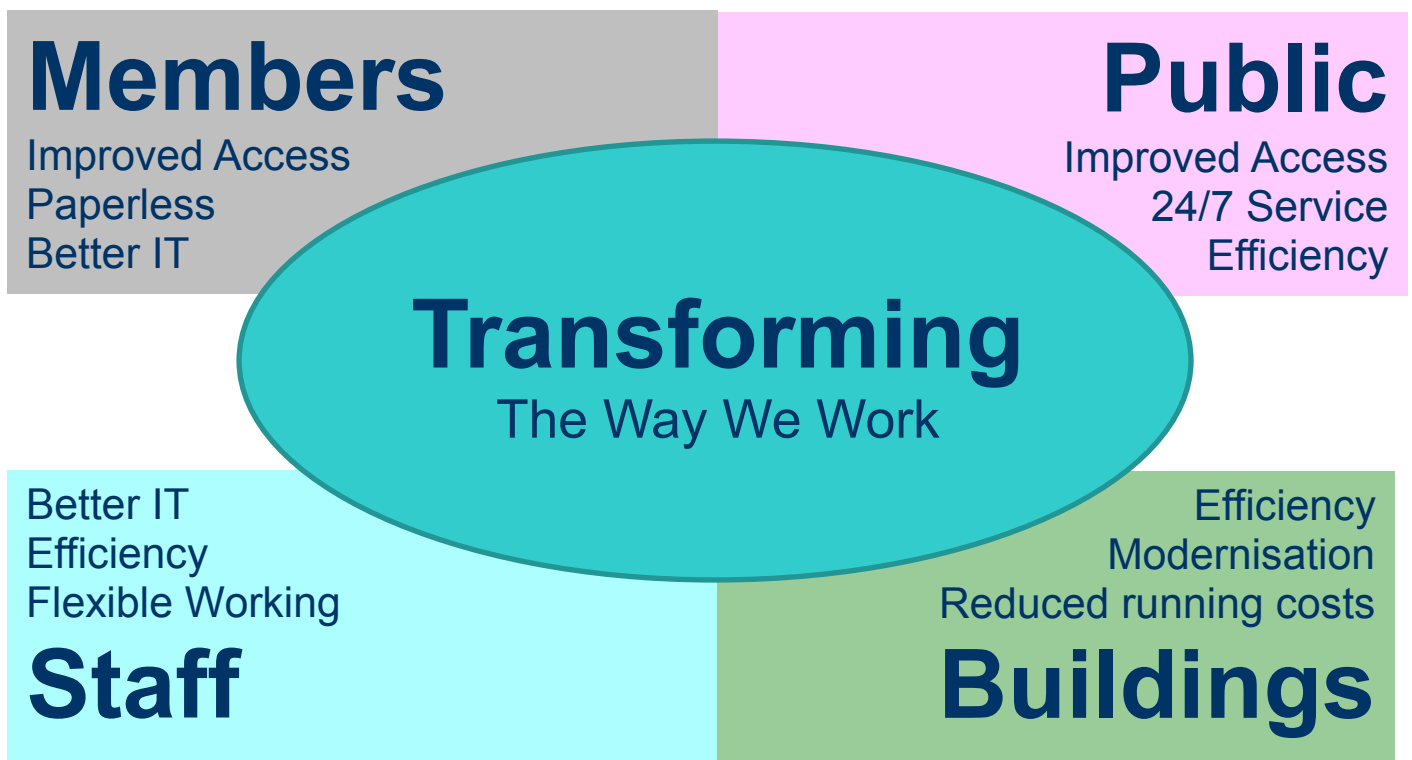
All Member briefing on 17 August 2016

APPENDICES

Appendix A – Options Appraisal

Appendix B - Risk Schedule

PORTFOLIO HOLDER WORKING PARTY
ON
ASSETS AND TRANSFORMATION



BACKGROUND AND OPTIONS

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Current Progress

Although the wider strategic direction is still under discussion the authority is making progress in each of the four key themes:

Members

- Improved Access – A trial of Windows tablets is under way with a view to potential roll out
- Server Virtualisation – Scheduled work completed: servers reduced from 140 to 75
- Better IT – Wi-Fi capacity and delivery are being upgraded
- Committee Software – First stage of implementation completed. Next steps being planned.
- Paperless – Or more likely “Less Paper” will be enabled by the foregoing but subject to future decision by members.

Staff

- Rationalise Post/Print- All post is now centrally received. Savings are facilitated by pre-printed envelopes
- Electronic Document Management – Trial phases of IDOX software deployed.
- Laptop Roll Out- Citrix/Lync – More than 280 Citrix enabled laptops deployed.
- Hardware and Server upgrades – Scheduled replacement of aging equipment.
- Adoption of homeworking policy and other flexible arrangements.

Public

- Local Service Hubs – Sharing facilities with DWP in Harwich and Jaywick
- Shared working with ECC – for example a shared engagement of an IT trainer
- Channel Shift – Ongoing upgrading of electronic access and adoption of channel shift strategy
- Potential for central database of contacts – A future potential to link data sets to avoid duplication and send correspondence electronically where possible.

Buildings

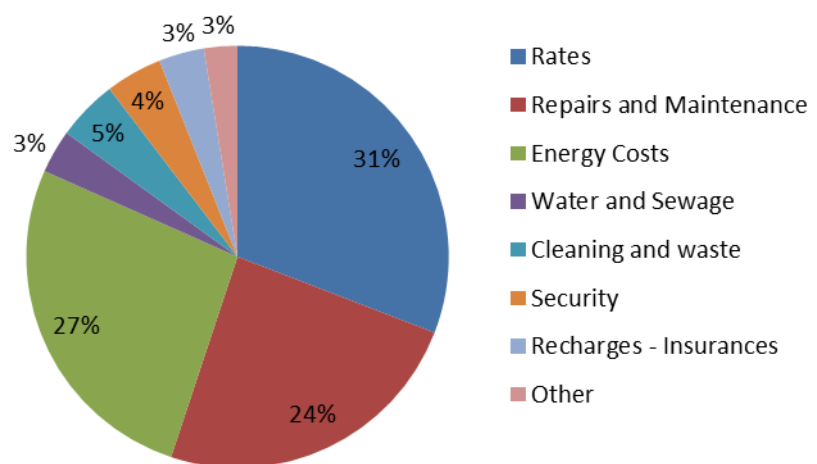
- Waddesden Road – Building let to a local business
- Clay Hall – Building sold for development
- Westleigh House – Temporary use by contractors now awaiting strategic decision
- Strategic Direction – Portfolio Holder Working Party established

Existing Buildings – The Baseline

Building	Age	Amount of office space (m ²)	Layout	Running Costs (£000)	Backlog maintenance (£000)	Potential sale value (£000)	Occupancy level	Other comentary
Clacton Town Hall	1929	1631	Cellular	220	260	1900	All areas used but not at capacity	Potentially very hard to sell Grade II listed + Integral theatre Mixed condition Significant relocation issues
Weeley Offices	1939	1206	Cellular	118	251	1200	Vacant areas	Mixed condition Potential sale value deliverable. Ancillary uses
Pier Avenue	1980s	775	Flexible	68	126	645	Vacant areas	Satisfactory condition. Modern building
Westleigh House	Edwardian	249	Poor	30	147	258	Vacated	Poor condition Potential regeneration area
Triangle Centre	1986	44	Poor	10	8	to be confirmed	Vacated	Poor condition FaWTC and covenants
Waddesdon Road	1980s	71	Poor	6	2	N/A	Vacated	Potential sale problematic
Barnes House	Edwardian	200	Poor	15	1	168	Near capacity	Careline control room
Alexandra Gardens	1940s	60	Revised	11	95	180	Office element at capacity	Offices in good condition, 300m2 of storage garages in a poor state.
Clay Hall	Victorian	155	Poor	14	228	425	Vacated	Derelict Sold August 2016
Totals		4390		491	1123	4776		£2.16m potential improvement works

In summary the foregoing schedule describes a fragmented building stock spread out, inefficient and in poor condition. Although some progress has been made there is further potential for efficiency.

The pie chart shows the five year average expenditure on office sites by type. It is clear that if a significant cost saving is to be achieved it must come from the three biggest proportional expenditure items: Rates, Energy and Repairs and Maintenance.



The sure fire way to reduce these expenses is to occupy less property.

Other authorities have undertaken significant building projects on the strength of ongoing revenue savings. In Tendring's case the current expenditure is very low at £112m⁻² compared with £455m⁻² for the Government Central Estate* and £515m⁻² in the equivalent private sector.

It is not realistic to think that the Council can save significantly without reducing the amount of space that it occupies.

The Council has vacated some buildings but those that remain are, in places, poorly used and, in others, unused.

*State of the Estate 2014-15

Essential Requirements

General Office Space

The authority employs about 708 posts (468fte). This includes about 238 casual staff

There are about 313 office workers based at main office sites (60 of whom work part time)

A reasonable level of flexible working, coupled with normal occupancy lapses such as leave, site visits, meetings and training would be provision of desks at a 75% ratio (desks to staff). This equates to a general need for around 225 workstations.

A reasonable space standard per workstation of 8m² per workstation should be achievable. Existing usage levels vary between 4.4m² and 27m². For comparison the Government's last State of the Estate report records occupancy at 10.4m² per workstation against a target of 10m² and a private sector average of 10.7m²

Combining these figures: 313 X 75% X 8 = 1,880m²

Other Accommodation

In addition to general office space the Council needs some specific spaces:

Use	Area (NIA)
Reprographics	30
Post room	20
Archiving and storage	150
Server room	100
Reception/Customer	100
Interview rooms (5)	40
Small Meeting Rooms	5 @ 20
Medium Meeting Room	1 @ 50
Committee Rooms	2 @ 100
Additional 150 if Specific Council Chamber is Required	
Total	790 (940)

Wherever possible these spaces need to be flexible and intensively used. We cannot afford to have specific purpose training rooms etc they all need to be flexible so that they can accommodate different uses not just day by day but hour by hour.

Total requirement

- General office space 1,880m²
- Other space 790m²
- **Total** **2,670m²**

Other permutations of workstation provision and area are shown in the Appendix.

General Requirements

The authority is aiming for significant change in its working environment and methods. The changes need to be positive overall as well as making savings.

- Modern and genuinely flexible spaces that can be used for a variety of purposes.
- Good IT software, hardware and connectivity.
- High quality light and pleasant working environment.
- Proximate locations, promoting one Council, one culture.
- A range of satellite locations for local delivery.
- A culture that develops trust and flexibility.
- Options for meetings, quiet working and team activities.

Baseline v Need

The Council's baseline (albeit offices at Clay Hall and Dovercourt have been disposed of) 4,390m² of mainly aged accommodation in variable condition. This compares with an assessed need for 2,670m² of good quality accommodation.

The need for action is clear. However, the scale of the task cannot be overestimated. This level of change will require changes to the way all officers and members use property. That change will require the support and participation of all involved. Some key issues that will need to be addressed:

- The volume of paper archiving and storage
- The volume and number of stored materials (especially bins)
- A manager culture of individual offices
- A culture that fosters trust and dedication around home working
- A culture that sitting at a desk means work
- Territorial use of sites, areas and rooms
- The effectiveness of IT systems

The combination of these factors means that there will be no natural supporters for the proposals. Leadership of the project will be critical to ensure that alongside practicalities.

The cultural shift that is required within this project should not be underestimated.

Options

Initial consideration of the way forward in rationalising office accommodation:

1. Do nothing
2. Current actions
3. Basic rationalisation
4. Refocus at Weeley
5. Officer/Member split:
 - a. Retaining the main building at Weeley
 - b. Replacing the main building at Weeley
6. Clacton Civic Hub
 - a. Retaining the Town Hall
 - b. Replacing the Town Hall
7. Colchester Borders

In the following pages this paper considers these options in broad terms. The intention is to inform the working party and facilitate a recommendation to Cabinet.

The figures are very broad-brush and are intended to facilitate comparison of the options. They are not final cost estimates or quotations.

The intention is that Cabinet will choose an option to develop into a full business case for final decision.

Option 1: Do nothing

Summary:

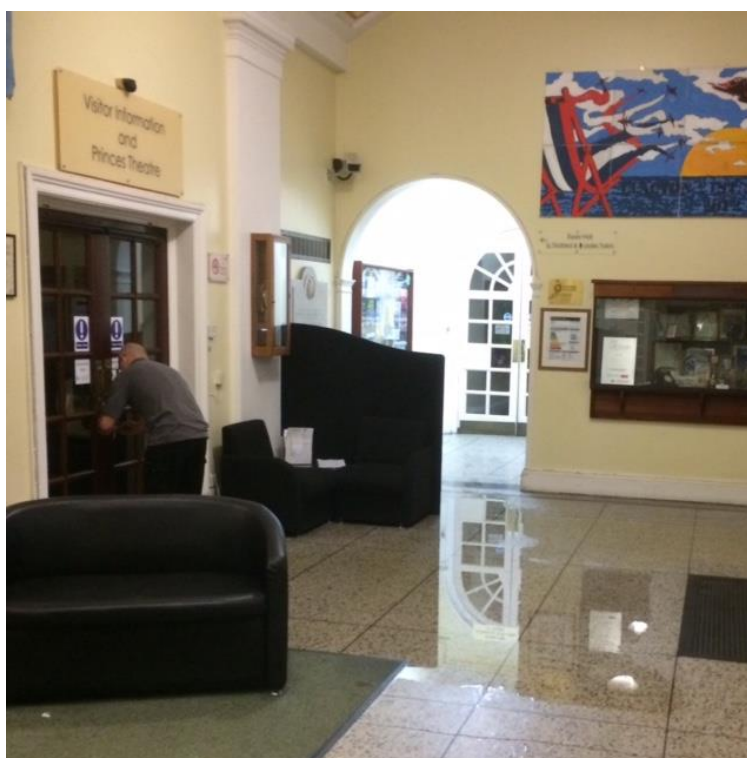
Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	None	0	220
Weeley Offices	None	0	118
Pier Avenue	None	0	68
Westleigh House	None	0	30
Triangle Centre	None	0	10
Waddesdon Road	None	0	6
Barnes House	None	0	15
Alexandra Gardens	None	0	11
Clay Hall	None	0	14
Site Acquisition	None	0	None
New Construction	None	0	None
Totals		0	491

This option is solely provided as a baseline against which to measure the other options.

This would leave the authority occupying more property than it needs and not addressing any of the backlog maintenance and suitability issues.

This photograph shows the main foyer of the Town Hall at 06:30 hours on the day of the EU referendum. The terrazzo floor is flooded and dangerous because of leaking parapet gutters over the stairs.

Doing nothing cannot be considered as a viable option.



Option 2: Current actions

Summary:

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	None	0	220
Weeley Offices	None	0	118
Pier Avenue	None	0	68
Westleigh House	Disposal	-258	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	0	11
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	None
New Construction	None	0	None
Totals		-683	429
Compared with Baseline		-683	-62

We have already made some progress with the sale of Clay Hall and letting of Waddesdon Road. In the absence of a wider plan it would probably make sense to sell Westleigh House (additional visitor parking would be appropriate for any of the Clacton based options).

A capital receipts and a revenue saving are positive outcomes but;

The option does not address any of the backlog maintenance or suitability issues in the remaining buildings

Although this option is progress there is potential to do better.

The photograph shows old fashioned and unused cash desks at Pier Avenue.



Option 3: Basic rationalisation

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Refurbish and remodel	607	220
Weeley Offices	Sell	-1200	0
Pier Avenue	Refurbish and Remodel	365	68
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	Extend	261	25
Alexandra Gardens	None	0	11
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	None
New Construction	None	0	None
Totals		-357	321
Compared with Baseline		-357	-170

There are optional works in each of the remodelling projects that could reduce ongoing costs by investing up front. These would be investigated fully if the option is selected for development into a business case. Retained buildings would be opened out as far as possible to create modern open office areas.

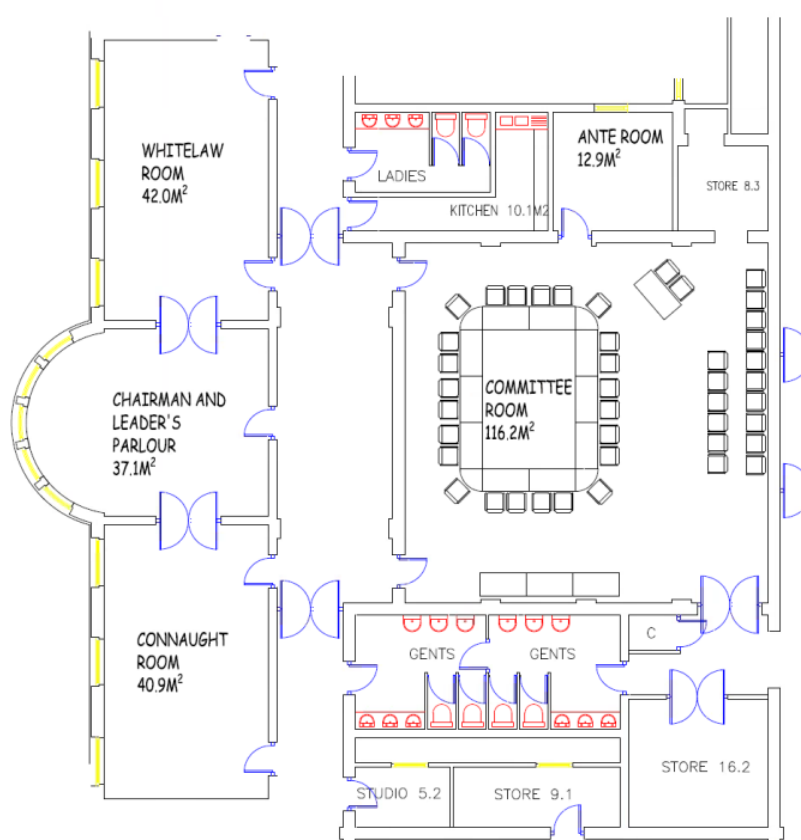
This option aims to be neutral in capital terms, allowing for contingency.

The intention is to be pragmatic – to avoid major construction as far as possible.

A significant revenue saving is predicted.

The refurbishment projects could be scaleable to allow for contingency or variation.

The image shows a potential option for creating quality meeting spaces in the Town Hall.



Option 4: Refocus at Weeley

Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Disposal	-1900	0
Weeley Offices	Refurbish main building	inc	inc
Pier Avenue	Disposal	-645	0
Westleigh House	Disposal	-258	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	Adapt to be local hub	25	25
Alexandra Gardens	Disposal	0	0
Clay Hall	Disposal	-425	0
Site Acquisition	Remove tenant	10	0
New Construction	New wing with Council Chamber	9723	270
Totals		6530	292
Compared with Baseline		6530	-199



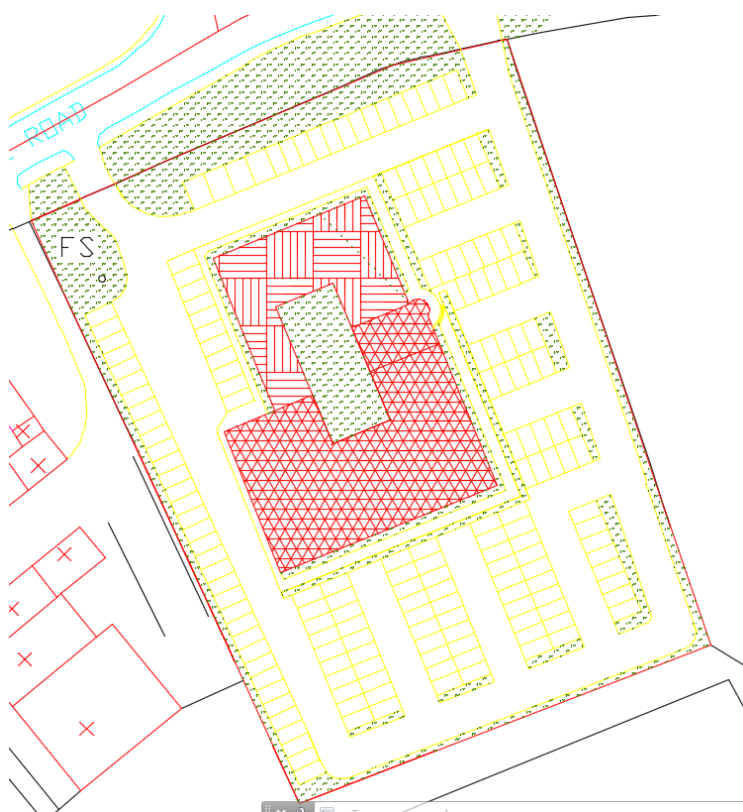
This project would require a major capital investment.

The construction project is high risk

Sale of Town Hall is high risk and is likely to require closure of the theatre.

Although perceived to be a central location this scheme moves the main office site away from the largest population centre.

The site could only accommodate around 180 parking spaces as illustrated and would overflow at peak times.



Option 5a: Officer/Member split (Retaining Weeley Main Building)

Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Light refurbishment and repair	500	220
Weeley Offices	Sell the rear part	-300	0
	Repair and refurbish the front	700	70
Pier Avenue	Light refurbishment and repair	300	68
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	0	11
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	None
New Construction	None	0	None
Totals		810	381
Compared with Baseline		810	-110

This scheme offers potential to retain a presence at the site and the Council chamber.

The bulk of staff would be based at Clacton. Weeley would be retained for members, meetings (still unlikely to be big enough for full Council) and member facing staff such as Regeneration, Democratic and Support



The capital receipt would not offset works costs and limited investment in other sites would yield limited change in the quality and standard of accommodation

The scheme offers a revenue saving but not as much as other options. The revenue effect of the capital expenditure would offset part of the savings to make the option little better than sticking at the point we have reached so far.

The One Council vision remains challenged by the split locations.

Some underused space could be let in the form of a minor business centre but the real demand for this may be hard to achieve.

Option 5b: Officer/Member split (With New Weeley Main Building)

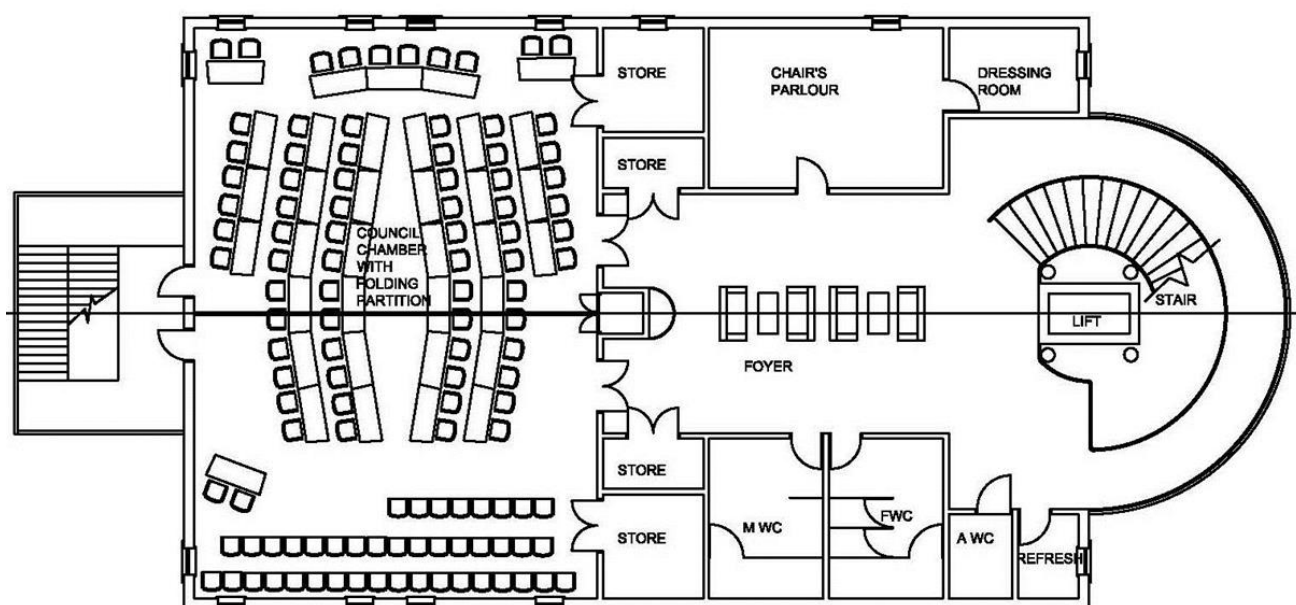
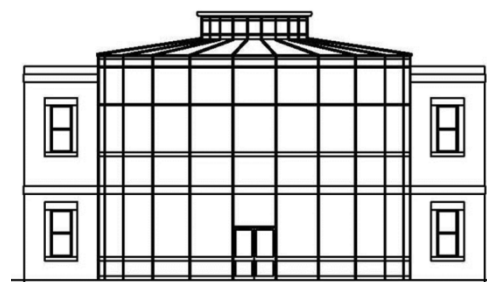
Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Light refurbishment and repair	500	220
Weeley Offices	Sell the rear part	-300	inc
Pier Avenue	Light refurbishment and repair	300	68
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	0	11
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	None
New Construction	None	3480	50
Totals		3590	361
Compared with Baseline		3590	-130

This option offers a prestigious new building including a Council Chamber big enough for the full Council meeting and ground floor space for staff as option 5a and potentially a business foyer.

The small capital receipt is inadequate to balance the substantial capital cost.

There is a revenue saving in terms of running costs but the revenue effect of borrowing (or not investing) the capital cost (based on 6% interest/return) is £214,000 per year.



Option 6a: Clacton Civic Quarter (Retaining the Town Hall)

Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Repairs only	250	220
Weeley Offices	Dispose	-1200	0
Pier Avenue	Dispose	-258	0
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	0	11
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	50
New Construction	None	5775	105
Totals		4177	398
Compared with Baseline		4177	-93

This option offers a landmark building and regeneration and looks towards the Civic Quarter vision in the Clacton area action plan illustrated below.

A new building would replace the aged Carnarvon House currently let to the NHS.

The revenue saving would be more than offset by the effect of the capital expenditure

There may be potential to tie in with NHS and ECC to integrate the facilities with new healthcare and library but there is no current uptake of this concept.



Option 6b: Clacton Civic Quarter (Releasing the Town Hall)

Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Dispose	-1900	0
Weeley Offices	Dispose	-1200	0
Pier Avenue	Dispose	-258	0
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	-180	0
Clay Hall	Disposal	-425	0
Site Acquisition	None	0	50
New Construction	None	9675	250
Totals		5747	312
Compared with Baseline		5747	-179

This option offers a whole new state of the art landmark building for the council and regeneration looking towards the Civic Quarter vision in the Clacton area action plan.

A new building would replace the aged Carnarvon House currently let to the NHS.

The building would be high rise in order to achieve the accommodation required within the site.

The revenue saving would be more than offset by the effect of the capital expenditure.

There may be potential to tie in with NHS and ECC to integrate the facilities with new healthcare and library but there is no current uptake of this concept.



Option 7: Colchester Borders

Summary

Building	Action	One-off Effect (£,000)	Ongoing Effect (£,000 pa)
Clacton Town Hall	Dispose	-1900	0
Weeley Offices	Dispose	-1200	0
Pier Avenue	Dispose	-258	0
Westleigh House	Demolish	35	0
Triangle Centre	Disposal	TBC	0
Waddesdon Road	Letting	0	-3
Barnes House	None	0	15
Alexandra Gardens	None	-180	0
Clay Hall	Disposal	-425	0
Site Acquisition	None	1500	0
New Construction	None	9851	250
Totals		7423	262
Compared with Baseline		7423	-229

This option offers a whole new state of the art landmark building for the council looking forwards towards potential joint working and potential garden village.

A new purpose built building would be constructed on a new site near to the East of Colchester, Potentially near the University (illustrated)

The revenue saving would be more than offset by the effect of the capital expenditure.

There may be potential to tie in with CBC and ECC to integrate the facilities with other services but there is no current uptake of this concept.



Options Summary

The options set out lie broadly in order of the ambition of the proposals. There is a strong correlation between ambition and capital cost.

Generally the more ambitious options propose new structures. Generally speaking these will require fewer repairs and will be more energy efficient. The corollary of this is that they are more likely to include air conditioning and have higher values. These factors drive up servicing and rate costs mitigating the savings on repairs and energy. The result is that predicted running costs are lower than existing buildings but, coupled with the current low expenditure levels the predicted savings are not as significant as a bystander might expect.

Additionally capital projects have revenue consequences. The Council has a limited capital reserve. It might choose to invest commercially and gain a return. Alternatively it might consider borrowing if the cost of the project is higher than the reserve (it would certainly be in the latter options) or if it wishes to invest capital elsewhere. Accordingly it is appropriate to consider a revenue effect of capital expenditure, interest or returns either paid or foregone at around 6%.

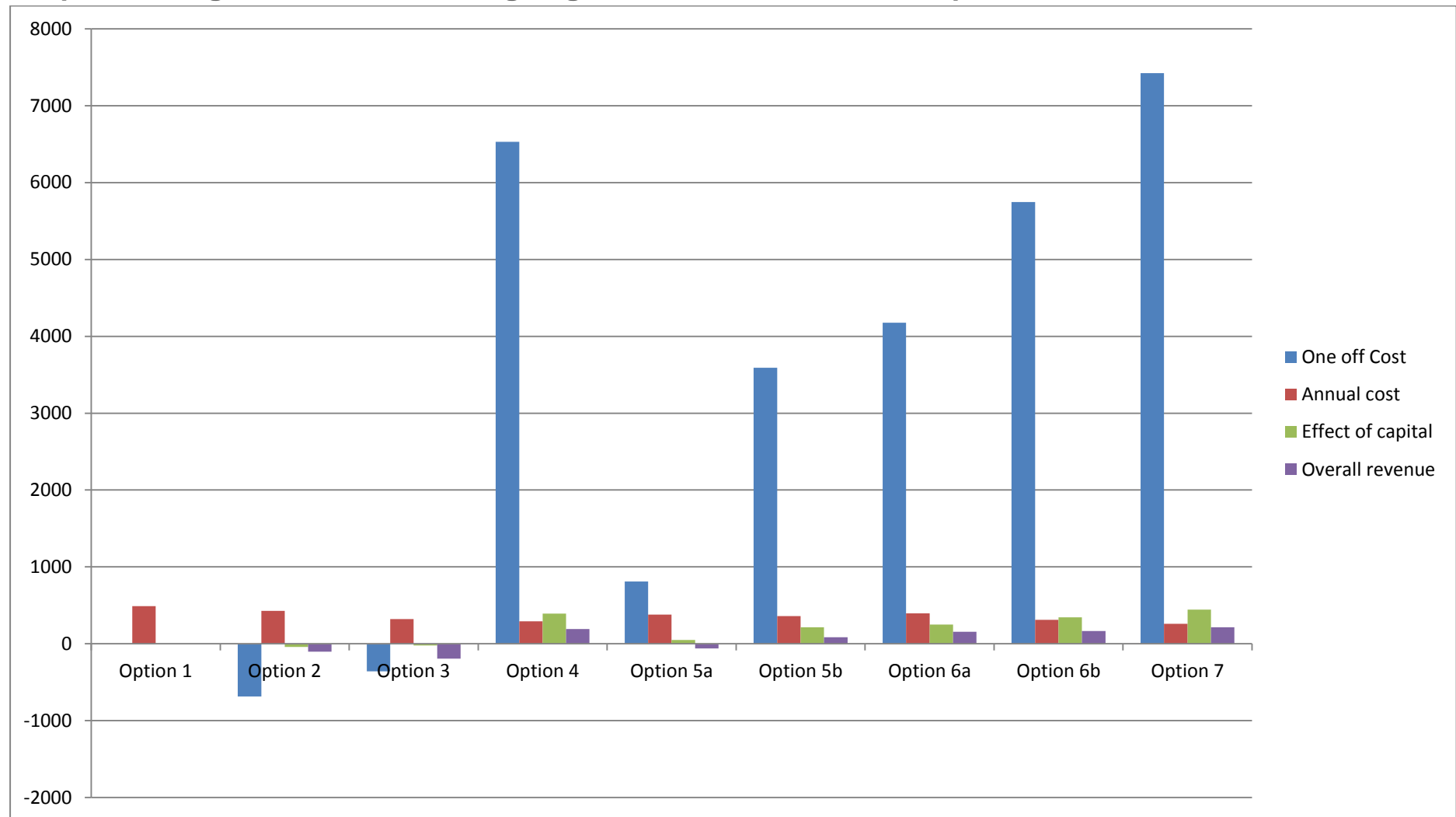
It is not forecast that any of the ambitious proposals would achieve annual savings that could approach the revenue consequences of the investment.

Any of the options that include the disposal of the Town Hall have significant implications. The figure quoted is the average of two valuations received. One valuation envisages the Council fully letting all of the building as offices before selling as an investment. The other envisages converting the outer faces to housing, forming internal courtyards where Essex Hall and Housing Reception currently stand. It is hard to conceive that the ongoing use of the theatre will be compatible with either scheme. Additionally there are significant regulatory and market factors to be overcome if either scheme were to be realised. The result is that these valuations must be treated with some caution.

All of the options are predicated on the modern working methods described in the early pages of this paper. Particularly it will be necessary to digitise and dispose of substantial archives, radically cut other storage and to adopt the flexible working patterns set out. These are significant changes in practices. The levels of leadership, support and work are hard to overemphasise.

The graph overleaf illustrates the differences between the costs and savings that are attributable to the options. It is proposed that members consider the data and recommend to Cabinet which of the options to progress to a full business case.

Graph Showing the One Off And Ongoing Financial Effects Of The Options



Appendix A, the areas required at varying occupancy levels

Requirements			
TDC Staff Number (No.)			313
Other spaces required (sqm)	No	Area	Total
Reprographics	1	30	30
Post room	1	20	20
Archiving and storage	1	150	150
Server room	1	100	100
Reception/Customer	1	100	100
Interview rooms (5)	1	40	40
Small Meeting Rooms	5	20	100
Medium Meeting Room	1	50	50
Committee Rooms	2	100	200
Total			790

NB: Additional 150 if Specific Council Chamber is Required

Areas required by various space standards

		Desks per person												
		1	0.95	0.9	0.85	0.8	0.75	0.7	0.65	0.6	0.55	0.5	0.45	0.4
sqm per desk	10	3920	3764	3607	3451	3294	3138	2981	2825	2668	2512	2355	2199	2042
	9.5	3764	3615	3466	3317	3169	3020	2871	2723	2574	2425	2277	2128	1979
	9	3607	3466	3325	3184	3044	2903	2762	2621	2480	2339	2199	2058	1917
	8.5	3451	3317	3184	3051	2918	2785	2652	2519	2386	2253	2120	1987	1854
	8	3294	3169	3044	2918	2793	2668	2543	2418	2292	2167	2042	1917	1792
	7.5	3138	3020	2903	2785	2668	2551	2433	2316	2199	2081	1964	1846	1729
	7	2981	2871	2762	2652	2543	2433	2324	2214	2105	1995	1886	1776	1666
	6.5	2825	2723	2621	2519	2418	2316	2214	2112	2011	1909	1807	1706	1604
	6	2668	2574	2480	2386	2292	2199	2105	2011	1917	1823	1729	1635	1541
	5.5	2512	2425	2339	2253	2167	2081	1995	1909	1823	1737	1651	1565	1479
	5	2355	2277	2199	2120	2042	1964	1886	1807	1729	1651	1573	1494	1416
	4.5	2199	2128	2058	1987	1917	1846	1776	1706	1635	1565	1494	1424	1353
	4	2042	1979	1917	1854	1792	1729	1666	1604	1541	1479	1416	1353	1291

Office Rationalisation Project

Risk Schedule

Project Director: Martyn Knappett

Project Manager: Andy White

Project Inception: TBC

No	Risk	Manager	Control Measure
<u>Weeley site and use</u>			
1	Status of informal tenant to the rear of the site	Andy White	Avoid precipitating formal lease prior to disposal.
2	Limited title	Andy White	Upgrade to absolute title before disposal
3	Plastic bin storage	John Fox	Reduce and relocate prior to disposal
4	Recycling Bank location	John Fox	Reduce and relocate prior to disposal
5	IT link to crematorium	John Higgins	Resolve prior to disposal
6	Highway access	Andy White	Confirm highway extent/ boundary prior to disposal.
7	Relocate Dog Warden	John Fox	Identify and provide new location prior to disposal
8	Archiving and historical records	Mark Westall	Recruit and deploy temporary staff to scan and dispose where possible
9	Planning status for site	Andy White	Seek designation for housing use in the local plan. Develop clear planning guidance on potential development.
10	Disposal value	Andy White	Planning and other measures as above. Appoint proactive agent to market the site.
11	General	Andy White	Consider fall back proposal of retaining and leasing on a piecemeal basis as a contingency plan.

<u>Town Hall and Pier Avenue site and use</u>			
12	Structural feasibility of alterations	Andy White	Complete structural analysis as part of the business case.
13	Statutory Consents	Andy White	Complete conservation/ listed building analysis as part of the business case
14	Cost estimates	Andy White	Review all cost estimates in line with the foregoing.
15	Construction and Procurement risks	Andy White	Appoint professional team post business case to manage procurement and construction issues.
16	Adequacy of parking/Access	Andy White	Retain and convert the Westleigh House site to mitigate effects.

<u>Information Technology</u>			
17	Full deployment of remote software and hardware	John Higgins	Hardware deployment of over 300 laptops with remote access capabilities complete and in daily use by officers. IT Team to roll out further software and monitor use and performance.
18	Implementation of Electronic Document Management (EDRM) software	John Higgins	Many teams already use EDRM. All services have identified their initial needs for EDRM operating categories. IT team to develop detailed deployment plan on a service by service basis to be fully deployed by end June 2017.
19	Procurement and roll-out of 'My Tending' platform and associated Customer Record Management system	Mark Westall/John Higgins	Procurement managed through extensive research of current market place and creation of robust specifications pre purchase and roll-out managed through the IT programme
20	Procurement and deployment of Members' IT Hardware/Software	John Higgins	Member tablet trials commenced early November. Subject to successful testing Cabinet will be asked to consider a range of Member IT options and budget allocation in early 2017.

21	Procurement and deployment of Committee Software	Karen Neath	Develop full roll out programme.
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<u>Working Methods</u>			
22	Staff engagement	Ian Davidson	Staff events and consultation so that staff feel engaged and connected to the change process.
23	Member/Manager engagement	Ian Davidson	Vision and engagement strategy
34	Archive and record backscanning	Mark Westall	Recruit and deploy temporary staff to scan and dispose where possible
25	Excess storage	Damian Williams	Audit of storage areas particularly with regard to unused items and retention policy
26	Homeworking/ flexible working methods	Anastasia Simpson	<ul style="list-style-type: none"> Promote good practice with information packages and training material for staff and managers. Promote homeworking information and guidance. Monitor productivity and sickness levels.
27	Maintaining Contact with home workers		
28	Ensuring that productivity levels do not drop		
29	Ensuring that Sickness levels do not rise		
30	Postal/Scanning	Mark Westall/John Higgins	The new 'Neopost' postal scanning centre in Alexander Gardens will be operational in early 2017. Develop full roll out programme.
<u>Shared working</u>			
31	Shared IT solution	Mark Westall	Establish scope of potential shared customer face and prepare specifications for development.
32	Complete agreements on shared working	Mark Westall	Establish scope of potential shared customer face and memoranda of understanding in respect of shared working.

<u>Customer Services</u>			
33	Reputational risk if public facing service upgrades not successfully implemented	Mark Westall	Consultation with residents. Collaborative working with partner agencies. Inter-service co-operation

			and service level agreements
34	Breaks in service delivery during team relocations	Andy White	Planning of phases to avoid multiple moves where possible. Coordinate arrangement of moves with service teams. Establish support team to ensure smooth, quick transitions.
35	Interference of works with service delivery	Andy White	Minimise impact by phasing works and moves zoning work areas away from working areas.

<u>Project Scope</u>			
36	Potential addition of further space requirements	Martyn Knappett	Act as a central point for coordination of requests for space and ensure that additions are justified and facilitated by compensatory measures elsewhere within the project.
37	Potential individual or team opt outs from standards or methods.	Martyn Knappett	Ensure that corporate policies are consistently applied.