



**Rochford District
Council**

REPORT TITLE:	Rochford District Council Office Accommodation
REPORT OF:	Cllr V Wilson, Lead Member - Public Spaces & Assets

REPORT SUMMARY

This report seeks the Executive's approval for the temporary relocation of the office-based staff of Rochford District Council to the LaunchPad. The current offices in South Street, Rochford are no longer fit for purpose as they are in need of significant refurbishment, offer poor accessibility and are a barrier to cross-team collaborative working. Furthermore, moving staff out of these offices opens up opportunities to develop the site for alternative purposes – these opportunities will be brought to the Full Council with business cases for consideration.

The temporary move to the LaunchPad not only avoids costs of circa £500,000 for capital works to South Street but also generates a revenue cost saving of £75,000 per annum. Staff will be able to work in a modern, accessible, and technically enabled office space which will help increase efficiency and productivity. This temporary move will also act as a pilot for future working and enable a better assessment of the future office accommodation needs of the Council. Again, any decisions on the long-term office space will be brought to the Full Council with associated business cases.

This temporary move will also enable the Council to reinvent its reception service by relocating to Rochford Library. This will ensure that there continues to be a significant District Council presence in Rochford Town Centre and will provide an accessible and inviting reception for customers.

High level timescales for the office move have been included in appendix 3, if the recommendations are agreed by the Executive.

RECOMMENDATIONS

- R1 -** That the Council back office be relocated to the LaunchPad, Airport Business Park, Cherry Orchard Way, Rochford for a maximum of 2 years.
- R2 -** That the Rochford Customer Reception be relocated to the Rochford Library.

- R3 –** That a new strategic Asset Management Strategy, coupled with full business cases are presented to a meeting of the Full Council to seek agreement on the next steps and timelines for
- 3-15, 19 and 57 South Street, Rochford
 - the Civic Suite, Rayleigh and
 - the Freight House, Rochford.
- R4 -** That a total of £94,050 be allocated from the Community Investment Plan (CIP) reserve to engage the external support required to develop business cases for the assets identified in R3.
- R5 –** That, subject to the approval of R1 and R2, a capital budget of £75,500 to be allocated from the 2024/25 capital programme for relocation from South Street Offices.
- R6 –** That the ongoing revenue costs of LaunchPad, reception and cash collection be funded from savings from vacating South Street
- R7 –** That the Council commits to holding it's future Council meetings at Civic Suite, Rayleigh and that £30,000 is allocated from the 2024/25 capital programme, to enable the required works to reopen the chamber only.
- R8 –** Subject to approval of R7, the ongoing revenue costs for operating meetings from the Council chamber at Civic Suite Rayleigh are to be funded from savings of vacating South Street.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 In a difficult backdrop facing local government finance nationally the Council needs to consider and ensure its asset base is contributing positively to the Council's Medium Term Financial Strategy.
- 1.2 The Council wishes to maintain financial stability, pursue carbon neutrality for the district and unlock new homes and regeneration within South Street. Relocating it's back office enables the Council to take the first step to unlocking these possibilities.
- 1.3 The Council's greatest asset is its workforce, who are critical to the delivery of key services for its residents. There is a need to provide a more modern and accessible office environment for staff, whilst maintaining the Council's commitment to having a customer-facing presence within Rochford. The Council is able to work in partnership with Essex County Council to co-locate its customer service in Rochford Town.

- 1.4 The proposed move enables a cost avoidance of essential capital works on the current South Street Offices that totals £570k of which the Council does not have allocated in its capital programme
- 1.5 The proposed move will be able to achieve a saving of approximately £75k per annum as well as reduce the councils carbon footprint by approximately 27.6tonnes of CO2e to 6.3tonnes of CO2e.
- 1.6 The interim moves enables the Council to begin to enable regeneration of its asset base to support the Council financially as well as enable options on how the Councils asset can support the community.

2.0 BACKGROUND INFORMATION

Current South Street Offices

- 2.1 South Street currently provides office accommodation to Council staff as well as a reception area for members of the public to visit. The accommodation standards are poor and the inherent nature of the building is such that the thermal performance is low, internal level changes prevent full accessibility and the structure of the building limits the remodelling potential. This, therefore limits the potential to modernise the existing accommodation.
- 2.2 Currently the budgeted revenue cost to operate from South Street is £339,870 per annum. The breakdown of these costs are within Table 1.

Table 1 – Current South Street Revenue Costs

Revenue Budget	£
Caretaking – Salaries	35,500
Cleaning	50,200
National Non-Domestic Rates	68,050
Insurance	7,900
Repairs & utilities	166,870
Water Cooler	1,350
Refuse Removal	10,000
Total Cost South Street per annum	339,870

- 2.3 As the site was allocated for development in the Asset Delivery Programme (ADP), only essential capital investment has been carried out on the buildings since 2019. 3-15 and 19 South Street sites gained planning approval in March 2022 for the development of 27 residential units.
- 2.4 Since the ADP was first agreed there have been a number of unexpected and significant socio-economic events which have negatively impacted on the viability of the development market. Namely, the global Covid-19 pandemic, Brexit, the Russian invasion of Ukraine, the cost of living crisis and changes to the availability and affordability of public sector loans.
- 2.5 With more staff working on an agile basis post pandemic, the demand for workstations and office space has reduced. The Council needs to consider it's back office needs without delaying the opportunity for redevelopment of vital housing within the district.
- 2.6 The South Street Offices are currently nearing end of asset life and to remain in them further requires significant capital investment. The Council has been advised by external surveyors indicative budgets as tabled below:

Table 2 – South Street Capital Investment

Proposed Capital budget	£
Redecorations	70,000
External walls, windows and doors	67,400
Roofs	59,850
Floors and Stairs	50,000
External Areas	10,300
Internal Walls and Doors	2,500
Ceilings	1,000
Replacement of Kitchen	5,000
Toilet Investment	10,000
Health & Safety Works	81,105
Professional Fees	147,749
Standardised Equipment	70,600

Total	575,504
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- 2.7 The above works would require completion by 2026. There is currently no budget provision for this work. Works include condition repair items only and exclude the upgrading of any elements and or fixtures not showing signs of disrepair. Mechanical and electrical installations and energy enhancements are excluded from these budget assumptions.

LaunchPad Proposal

- 2.8 The Council wish to remain in the Rochford district regarding any temporary relocation. This allows the Council to reinvest in the borough. The Council instructed market experts to source office space within the district. However, there is scarce suitable premises in order to decamp staff in the space required.
- 2.9 There are two remaining vacant offices at LaunchPad. In the back drop of the available office space in the district, the Council is in competition with other organisations seeking the same space.
- 2.10 LaunchPad has 1500 sq ft of office space available. This would accommodate approximately 30-35 back office staff. LaunchPad offers collaborative workspace, breakout areas, an onsite café, a communal kitchen and free parking.
- 2.11 The proposal is for the Council's back office provision to move for the short term (no more than 2 years) to the LaunchPad facility opposite Cherry Orchard in Rochford. The move will generate a revenue saving and avoid the upcoming capital cost as highlighted in Table 2.
- 2.12 The move enables the Council to review and secure the best option for the Council's permanent headquarter within the district. In addition the move provides a better offer for Council employees and reduces the Council's carbon footprint by over 21 tonnes of CO₂e.
- 2.13 The annual revenue costs assumed for operating at LaunchPad are disclosed within Table 3.

Table 3 – Revenue LaunchPad Costs

Costs per annum	£
Rent	57,600
National Non-Domestic Rates	34,025
Meeting Room Hire	10,000
Contingency	10,000
Total	111,625

- 2.14 An additional £40,000 of capital budget would be required to purchase furniture and ICT equipment for the move to LaunchPad. The intention is that this furniture and equipment could be utilised in the Council's permanent office accommodation at a later date.
- 2.15 The offices at the LaunchPad will be for back office provision only. Customers will not be expected to attend this facility due to the opening of the new enhanced reception at Rochford Library.

Relocation Reception Services

- 2.16 The Council has expressed desire to ensure it retains a front of house presence (Reception) in Rochford Town, thus continuing the links with the Town and enabling easy access to Council services
- 2.17 Presently the reception service is provided within a bolt on prefab building at the rear of the present South Street offices. This was intended as a temporary solution over 20 years ago and its condition and environment are no longer deemed to provide a modern and professional customer service.
- 2.18 Following a review of potential sites in the Rochford town centre locality, the Library has been determined as the most appropriate alternative site that is presently available. Initial discussions have been held with Essex County Council, who rent the property with regards to a joint use with Rochford District Council, they are favourable to this arrangement.
- 2.19 The offer provides Rochford District Council a five year licence with break clauses to occupy an area of the library space at Roche Close. The fundamentals of this licence are set out below:
1. The Council will operate the same working hours that it does at present and will be open on the days the library is closed, However for lone

working purposes the reception will close each day for 1 hour lunch period 12 -1pm.

2. These hours are:

- a. Monday to Thursday – 8.30am-5.00pm
- b. Friday – 8.30am-4.30pm

3. Rochford District Council will offer front of house services through its own Customer Services Advisors (CSAs), within a designated space that will be clearly signposted as Rochford District Council's.

4. Welfare provision will be shared and the Council will be a keyholder for the premises.

5. The Council will have exclusive access to a separate interview space 5 days a week and a further interview meeting space on another two days per week when the library is closed (Monday & Wednesday). However the Council will also be able to access and book this interview space when the library is open.

2.20 The potential relocation to an alternative site has given the opportunity for the Council to reimagine what a modern Customer Services provision may look like. In doing so, the Council has considered what the new service should be providing in line with resident's needs. The service provision from the reception at the library will:

- Provide face to face service.
- Provide appointment-based service for those customers who require specific officer assistance. This will ensure officers are prepped when residents meet with them.
- A direct phone service to officers at the main council offices will be available from the library assisted by CSAs
- CSAs will be able to assist residents to complete on-line forms, provide advice and assist with issues raised.
- The approach will be to encourage use of digital interaction and guide customers to alternative digital solutions and self-service.
- Continue to provide the ability to view the electoral register and view on deposit documents.
- Provide digital self-serve facilities, including the ability to scan documents and make applications for Council services.

2.21 The above proposal follows a review by and with services who utilise the reception and with front line services themselves who identified that many face-to-face enquiries and appointments could be resolved through digital interaction via the Web, via a telephone call or through the assistance of a CSA who have the skills to resolve many issues.

2.22 The costs associated with moving to the library are as follows:

Table 4 – Reception Relocations Costs

Cost	Revenue (per annum) £	Capital (One Off) £
Rents, Rates & Utilities	10,600	
ICT Equipment	2,400	10,000
Redecoration		10,000
Furniture	500	13,000
Other	1,000	2,000
Total	14,500	35,000

- 2.23 Whilst this is a cost to create and run it represents an improved service, in terms of location, officers availability to manage and assist customers and quality of the site. Further, the services will be improved by the introduction of a second CSA who will provide resiliency as well as well as undertake other duties.
- 2.24 The ongoing revenue costs should be funded from the saving of the current budget of south street reducing against the LaunchPad operating costs.

Cash Handling

- 2.25 Rochford District Council collect and count cash from their car park machines. The cash is collected by two Civil Enforcement Officers twice a week, it is then transported back to the offices at South Street where it is counted in a secure room by two officers, one CEO and one Finance Officer ready for collection. It is then collected by a secure firm to be banked
- 2.26 Following a review of the service and process it is not deemed as satisfactory or necessarily safe.
- 2.27 Cash Collection currently costs the Council £15k per annum in operational hours. 12 hours of Civil Enforcement Officers time and 2 hours of finance staff time.. In addition to this the Council incurs £3k per annum for a contractor to collect and bank the counted cash.
- 2.28 At an additional £18k the Council can contract the whole process for a total of £21k per annum when adding in the current budget of £3k. Contracting out has benefits that enable 12 hours of CEO's time to be enforcing and encouraging the right parking behaviours in the Council car parks.

Other considerations

- 2.29 Officers have been considering the impact of the move to staff and the public. These considerations include:
- Document Archives and managing the hard filing of storage both in the short term and the longer term
 - Licensing Services including vehicle inspections, driver tests and visits
 - Environmental Health and their equipment including secure fridge & storage requirements
 - Electoral Services and the need to expand space at election time and their need to meet people
- 2.30 In addition officers are conscious of the impact of the move on staff as well as the public. As such the 'People Side of Change' workstream that will take staff and residents on this journey with us will be vital. As such initial work continues on questions and answer information and staff meetings will be held to work through and address any questions by staff.
- 2.31 Further communication on the new location of reception and its services will be promoted well in advance of any change

Civic Suite Rayleigh

- 2.32 The Civic Suite Rayleigh has been closed since 2020. With the reception being relocated to the Mill Hall Arts and Events Centre.
- 2.33 The building is not considered fit for modern day working. However, it does house a Council chamber.
- 2.34 The table below details the capital works required to ensure the building and chamber can be opened for Council meetings only.

Table 5 Civic Suite Chamber works

Type of Work	Budget £
Re-Wiring	20,000
General Enhancements	10,000
Total	30,000

- 2.35 It is recommended that £30,000 is allocated to carry out rewiring works following a review of the fixed wire testing. The fixed wire testing certificate expires September 2024, officers will look to get this certified refreshed and carry out works to open the building for a period of 12 months. In that timeframe a full business case will be presented to Council to decide on the options for the Civic Suite. Therefore to the Council is mitigating as much abortive costs as possible.

- 2.36 The works will only allow for the chamber, toilets and foyer to be open for council meetings and the public. All other rooms will be off limit. The lift will not be operational as this has not been used or maintained since 2020 and requires additional budget to service the lift and get it operational.
- 2.37 As the building will be open to the public for evening council meetings, the Council must ensure the building is compliant. This will require annual, monthly and weekly inspections to include the following statutory maintenance of fire alarms, fire extinguishers, heating system, fire risk assessments and legionella testing. Remedial works will be identified from these inspections that the Council must resolve in a timely manner to insure the building remains compliant to a safety standard in order to be operational.
- 2.38 Member pre meetings will have to be held off site. As currently the Council is proposing to not reopen any other rooms or to reservice the lift until a new business case is presented to a future Full Council on options for Civic Suite.
- 2.40 Reopening the chamber will incur additional revenue costs. The growth is tabled below comparing to the current base budget in the 2024/25 MTFS. Resourcing the opening and closing of the site will need to be established, as the caretaker post has been removed. There may be the ability for redeployment however this would be subject to consultation. The table below assumes a budget growth to fund resourcing an additional post.

Table 6 Civic Suite Additional operating costs per annum

Budget	24/25 Base Budget	Additional Growth	Revised Budget 24/25
Insurance	2,640		2,640
NNDR	39,039		39,039
RAM	3,000		3,000
Oil	3,000	4,000	7,000
Window Cleaning	300	700	1,000
Refuse Collection	2,000	1,000	3,000
Cleaning	1,000	1,000	2,000
Water Cooler	300		300
Repairs & Maintenance	0	5,000	5,000
Utilities	0	6,000	6,000
Staffing Costs	0	5,000	5,000
Total	61,279	22,700	83,979

- 2.41 To procure the works require and to have the works carried out it is envisaged that the chamber will not open before September 2024.
- 2.42 Furthermore the Council will continue hiring the Audio Visual technology and will not purchase or install new equipment until a final business case is approved.

- 2.43 Moving committee meetings from Mill Hall Arts and Events Centre to Civic Suite Rayleigh, enables the Centre to hire out the evening space at commercial rates as per the Council's fees and charges schedule.

Next Steps

- 2.44 A high level summary regarding relocating the back office and reception is enclosed with Appendix 3.
- 2.45 A request of funds from the CIP earmark reserve is to procure specific external support to develop business cases to be presented to Full Council to determine the options of delivery for South Street and to determine the long term relocation of the Council's headquarters. A summary of the time frame or producing the business cases to full Council are highlighted in Appendix 3.

3.0 OTHER OPTIONS CONSIDERED

- 3.1 Option 1 – to stay in the South Street Offices. This option is not recommended due to the cost and building condition reasons set out in section 2 of the report.
- 3.2 Option 2 – to relocate back office functions to another Council-owned building. None of the Council's other assets are suitable for immediate occupation as office space and would need investment into the premises to bring them to an acceptable and usable standard. Therefore this option is not recommendation,
- 3.3 Option 3 – move into an alternative office space within the Rochford District. Officers have conducted an extensive search of available office space within the district and there is limited availability. The only premises that provides enough space and minimal relocation costs is the LaunchPad.
- 3.4 Option 4 – purpose build a new office space. This would be a longer term solution that would require significant expenditure and time. It is not an option that the Council can currently consider.

4.0 RELEVANT RISKS

- 4.1 Employee risk – Officers are aware of the considerable change to staff and will look to support staff during the transition period so that they feel supported throughout the move. Staff wellbeing has a crucial role to play in their productivity, morale and engagement. Office space is a key recruitment and retention tool, and a new workspace needs to factor in the impact on current employees and new hirers
- 4.2 Financial risk – Failure to move out of South street will require further additional capital expenditure on the site that the MTFS currently does not have capacity for

- 4.3 Reputational risk – Amongst staff and the public. The public may perceive the Council is leaving Rochford however by having a customer focused presence in Rochford Library, the public can continue to utilise Council services and support. Staff have been told that the Council will be relocating premises for a number of years, therefore the risk is that the staff have less buy in to any move because the past has over promised and under delivered.
- 4.4 Technology Risk – Ability for staff or customers to not use the technology. Significant testing will be carried out ahead of any go live date.

5.0 ENGAGEMENT/CONSULTATION

- 5.1 Engagement has been undertaken with staff and councillors. No formal consultation is required in respect of a temporary relocation of office space.
- 5.2 The Council will conduct further engagement and consultation activities as the businesses cases for the long-term future of the various assets are developed.
- 5.3 Frequently asked Questions for staff and the public have been drafted to support the implementation of the recommendations. These draft FAQ's are in Appendix 1 and Appendix 2.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Taking into account the current costs of operating from South Street the following table highlights the net impact of the recommendations

Table 5 – Cost Comparison

Costs	Ongoing Revenue £'000	One-Off Capital Costs £'000
South Street Vacant	121	0
LaunchPad	112	40
Reception	14	35
Cash Collection	18	0
Civic Reopening	23	30
Total Cost	288	105
South Street Office Budget	(340)	0
Saving	52	0
Capital Cost	0	105

The assumptions made on the South Street vacant costs are as follows:

1. The caretakers would be redeployed and therefore the staff budget would still be required

2. Whilst the building is vacant the Nation Non-Domestic Rates would be payable along with insurance and operating costs.
- 6.2 There is also a proposed one-off use of £94k from the Community Investment Plan to support development plans in Recommendation 3. This funding has already been earmarked from the CIP
- 6.3 The additional capital costs of £105k are not in the Current Capital Programme. If approved, in the absence of any other source, they will have to be funded from the annual revenue saving of £52k per annum. Reserves can be used to manage timing difference if the capital costs are incurred before the revenue savings materialise, and to enable at least two years' revenue savings to accommodate the £105k capital cost.
- 6.3 The proposals in the report address office requirements for up to two years. There is risk that after 2 years, any further relocation will incur additional costs which will need to be addressed in the updated asset strategy referred to in Recommendation 3.
- 6.4 The proposals do prevent a cost avoidance cost of £575k. The capital programme does not have these funds available to fund major works required at South Street and therefore the proposal does create a reduce one off cost to be funded from savings.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

- 7.1 Section 4 of the Local Government and Housing Act 1989 states:

- (1) *It shall be the duty of every relevant authority—*
- (a) *to designate one of their officers as the head of their paid service;*
and
- (b) *to provide that officer with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties under this section to be performed.*

Therefore, the Council has a statutory duty to provide the Head of Paid Service with such office accommodation as he deems necessary for staff to adequately deliver the services of the Council. This report sets out the requirements that the Head of Paid Service has for office accommodation.

- 7.2 The Council is required to comply with the Equalities Act 2010. This Act requires the council to make reasonable adjustments to its premises to ensure that they are accessible for people with disabilities.
- 7.3 The tenancy agreements with the LaunchPad and Essex County Council (in respect of Rochford Library) will be subject to usual legal scrutiny by our legal advisors before being signed.

8.0 EQUALITY & HEALTH IMPLICATIONS

- 8.1 Equality impact screening assessments will need to be completed following a decision to move. This will encompass the move to Launchpad and the move to the library. The assessment is required to ensure that the impact of this move programme considers the impact on staff and our community. It will help ensure that any negative consequences for people protected under the Equality Act 2010, caused by changes to services, policies and functions, are minimised and opportunities for promoting fairness and respect are maximised. The Council needs to have due regard when considering changes to services, functions or policies.

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

- 9.1 Typically, the average number of kilowatt-hours per square foot for a commercial building is approximately 22.5 kWh per year.^{ht}
- 9.2 Thus a 1,500ft of space would equate to around 33,750 kWh's gas & electricity which compared with South St currently at 147,317kWh is around 4.4x less energy. Carbon emissions would drop to about 6.3tCO₂e from 27.6tCO₂e.

10.0 ECONOMIC IMPLICATIONS

- 10.1 It is acknowledged there could be a limited impact on the Rochford town centre businesses with staff vacating.
- 10.2 The location of Launchpad will create the opportunity for the Council to partner with the Launchpad and the other business in the vicinity to support and drive economic development for Rochford District.

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APPENDICES**Appendix 1 – Draft Staff FAQ's**

Appendix 2 – Draft Public FAQ's

Appendix 3 – Move Gantt Chart

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Full Council	7 September 2023