

OFFICE ACCOMMODATION STRATEGY OPTIONS

Purpose

1. To brief Members of preliminary work undertaken to evaluate the alternative office accommodation options as a precursor to the development of an Integrated Office Accommodation Strategy for the Council and Primary Care Trust – Herefordshire Public Services.

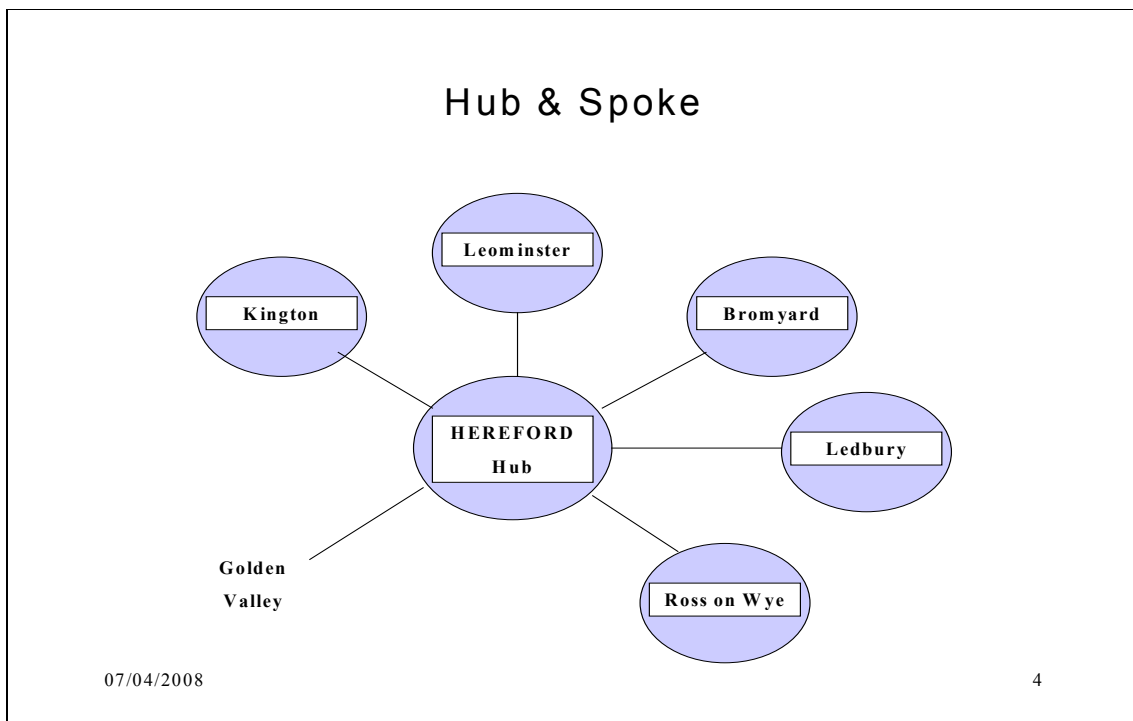
Considerations

2. **BACKGROUND**

- 2.1 The Council wishes to rationalise its property holdings and, in the process, to improve service delivery and obtain efficiency savings.
- 2.2 The Council has inherited a large number of office buildings, either owned or leased, within Hereford and the rationalisation of that portfolio is considered to be the priority.
- 2.3 An initial assessment of office provision considered a variety of potential solutions from single site to dual site or multi-site as follows:
 - a) Single Site – This option would optimise the operational integration by having all activities concentrated on one site as well as providing value by avoiding the necessity to duplicate some facilities and provide a resilient network connection.
 - b) Dual Site - A dual site option may be preferred if a decision is made to provide for business continuity by operating from two sites. This may also be preferred if the availability of a single site is too costly to acquire and develop (e.g. if Plough Lane were to be made available to the Council).
 - c) Multi-Site - The aim should be to accommodate the requirement on the fewest number of sites possible – as such, a multi-site option will only be pursued if there is a significant business benefit to be derived.
- 2.4 The 'single site' option has subsequently been rejected. This is due to the view that the Town Hall and Shire Hall should remain in Council ownership and control because of their 'iconic'/landmark importance and their location within the City Centre, and the publicly stated aim to include a Council front-line presence within the Edgar Street Grid development area.
- 2.5 The strategy is therefore to adopt a dual or multi-site solution, which will allow improved service delivery and provide the opportunity for savings and efficiencies.
- 2.6 The establishment of Herefordshire Public Services, through closer joint working between the Council and the Primary Care Trust, requires an integrated approach to be agreed for meeting future office accommodation needs.
- 2.7 The options outlined in this briefing paper have been developed without detailed consultation with the Primary Care Trust and will need to be subject to discussions with the PCT Board and Senior Managers.
- 2.8 Appendix 1 outlines the Key Milestones and Timetable for completion of the options appraisal.

3. **DEMAND STUDY**

- 3.1 A demand study of current Council staff, carried out in October 2007, identified the potential requirements in respect of front line service delivery and back-office support staff needing to be accommodated.
- 3.2 This initial study found that the total number of staff to be accommodated is 2370, (excluding teaching staff in schools and contracted staff with Amey Wye Valley).
- 3.3 The requirement in Hereford City is for 100 frontline service staff (currently supporting Info in Hereford and Info by Phone) and 1350 - 1400 back-office support staff.
- 3.4 Approximately 1000 staff are and will continue to be located in properties other than the Council's front and back-office sites in Hereford City.
- 3.5 Whilst these figures provide a baseline for further analysis and discussion with Service Managers and Directorates they do not take account of the potential impact of the establishment of Herefordshire Public Services and the consequent organisational development work and restructuring currently in hand. The future impact of business transformation projects and exploitation of new technology on new ways of working will also need to be considered.
- 3.6 In addition to the main administrative buildings in Hereford City and other locations, the development of locality offices and satellite touchdown facilities to provide drop-in facilities in other parts of the County for mobile staff will need to be investigated.
- 3.7 A Hub and Spoke Model is envisaged as follows:



4. SCOPE OF THE OFFICE ACCOMMODATION REVIEW

- 4.1 The elements to be included in the development of the Integrated Office Accommodation Strategy for Hereford include:
- a) Hereford Front Office – New building in ESG Civic Quarter.
 - b) Hereford Back Office – New building in City Centre (ESG) or edge of City (Rotherwas) – see Section 5 below.
 - c) Civic Suite – Retain Shire Hall/Town Hall or New Build.
 - d) Training Centre – Provision as part of the Back Office building or as a separate self-contained facility (subject to clarification of need).
 - e) ICT Data Centre – New replacement facility on Rotherwas with back-up facility at Hereford Hospital and/or as part of Front Office.
- 4.2 Other elements of the wider accommodation strategy which will be treated as separate and discrete projects include:
- a) Joint Council/PCT public access points outside Hereford. To include consideration of the extended requirements of the “front-office” users, including other potential public sector partner occupiers.
 - b) The replacement of Hereford main public library.
 - c) A replacement for the Archive Centre, and for the Registration Service and Modern Records storage facilities.
 - d) Satellite and “drop-in” facilities within the market towns or other community based locations as part of the ‘WorkSmart’ project.
- 4.3 The project management arrangements for the above projects are outlined at Appendix 2.

5. INITIAL OPTIONS APPRAISAL TO IDENTIFY POTENTIAL ‘BACK OFFICE’ LOCATIONS WITHIN HEREFORD CITY

- 5.1 The initial Options Appraisal carried out last year identified 19 potential sites within Hereford City and its immediate environs.
- 5.2 The study identified three broad categories of site.
- a) Deliverable Sites – Sites under Council and partners’ control, which have the potential to deliver the requirement (subject to detailed evaluation).
 - b) Opportunity Sites – Sites with significant constraints that are outside the Council’s control that would need to be resolved before further consideration could be given.
 - c) Rejected Sites – Sites that have been ruled out due to critical factors that are unlikely to be resolved within the timescale required.
- 5.3 The initial assessment was carried out as a desktop exercise utilising existing available documentation, for example, with respect to general planning policy or the Rotherwas Futures financial agreement.

- 5.4 Of the original 19 sites, 10 were identified as 'Deliverable' and worthy of further immediate consideration.
- 5.5 As a result of further discussions and clarification, 4 locations were short-listed : ESG Merton Meadow Car Park; ESG Station Corridor; Bath Street Offices; Rotherwas Industrial Estate.
- 5.6 This was subsequently further reduced to 2 locations following a workshop session involving the former Corporate Management Board (CMB) and Cabinet Members in late 2007:

**ESG Merton Meadow Car Park (and Blackfriars)
Rotherwas Industrial Estate**

for which a full feasibility study and options appraisal will be undertaken, together with any other sites identified as worthy of further consideration, to identify the preferred location for the Council's "back-office" provision.

- 5.7 These sites will be fully assessed against a number of criteria:
- a) Scale of requirement – site capacity to accommodate building and associated infrastructure.
 - b) Suitability and accessibility of the location and/or existing premises for meeting service requirements.
 - c) Potential for supporting partnership/multi-agency joint working.
 - d) Ability to adapt to future business models, e.g. PST, better ways of working, flexibility etc.
 - e) Time pressures and dependencies:
 - i) the ability to meet time constraints;
 - ii) the need for contingency and transitional arrangements.
 - f) Adaptability to respond to changes in the future shape of the organisation.
 - g) Availability of resources: finance – affordability, capital receipts.
 - h) The potential business, environmental and social implications and considerations.
- 5.8 In addition to the assessment of the options for relocation, a "Do Nothing" option will form part of the appraisal process.

6. IMPACT OF ORGANISATIONAL DEVELOPMENT AND NEW WAYS OF WORKING

- 6.1 An assessment of the Organisational Development project and discussions with Senior Managers of both the Council and PCT will examine the potential to refine the number of staff to be accommodated. Account will also be taken of the opportunity to rationalise the total physical floor space requirement, represented by the introduction of flexible working arrangements such as the use of shared workstations, mobile working and home working, etc.

- 6.2 Use of new technology to facilitate mobile working needs to be given high priority if the total requirement for accommodation for office based staff is to be reduced.
- 6.3 This assessment will involve extensive consultation with the Council's and PCT's HR officers, Herefordshire Connects, ICT officers, the trade unions and staff.
- 6.4 Furthermore, discussions will take place with other public service providers, e.g., the NHS Hospital Trust, Police, Fire, Ambulance, Third (Voluntary) Sector and government agencies to align with their Estates Strategies and identify possible joint developments and funding streams.

7. INTERIM TRANSITIONAL ARRANGEMENTS AND INVESTMENT IN PLOUGH LANE

- 7.1 The Chief Executive has initiated a project to examine the feasibility of interim arrangements for the establishment of a joint headquarters for elected members/PCT Non Executive Directors and the new joint senior management team and the creation of a base for Joint Provider Teams whilst the long-term accommodation strategy is progressed.
- 7.2 Limited investment is planned to increase the capacity of Plough Lane from the present 300 staff to 460 staff. This will provide an opportunity to optimise the use of the available space and maximise the return on investment as well as allowing staff to relocate from Brockington, and elsewhere, to facilitate the interim strategy.
- 7.3 A costed business case for the first phase of the interim strategy (Brockington and Plough Lane) will be ready by June with the programme of planned moves starting in July. The second phase proposal for establishing Belmont as the location for joint provider teams will be informed by organisational development work to define the preferred model.

8. TIMETABLE FOR DELIVERING THE LONG-TERM 'BACK OFFICE' REQUIREMENT

- 8.1 The current lease of the offices at Plough Lane ends in December 2010 and the Council will need to have made provision for a replacement back-office in Hereford by this time.
- 8.2 Appendix 1 indicates that construction of a new 'back office' could commence in the summer/autumn of 2009. This would mean that the earliest the new building could be available would be towards the end of 2010. Contingency arrangements will, therefore, need to be in place to respond to the need to accommodate up to 460 staff in time for the expiry of the Plough Lane lease.

9. BUILDINGS TO BE VACATED

- 9.1 Once the preferred sites for the front and back-office requirements have been identified, the Council will be able to consider vacating the following leased buildings:

- Plough Lane.
- MRU Unit.
- Thorn Offices (ICT).
- Thorn Offices (Highways).

And the following owner-occupied buildings:

- Brockington.
- Blueschool House.

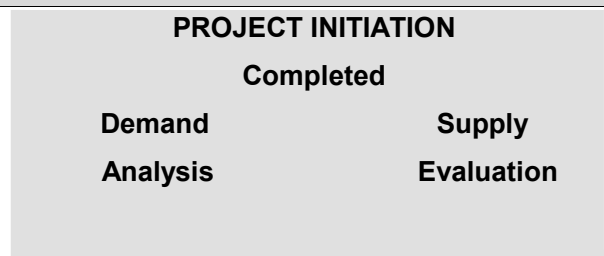
- Garrick House.
- Franklin House.
- Bath Street.
- Blackfriars Street (Education centre).
- Moor House.
- 10-15 Blackfriars Street.
- Castle Green Training Centre.

(It should be noted that Franklin House and Blueschool House have been acquired with funding from Advantage West Midlands).

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14th April 2008

Key Milestones & Timetable

<p>STAGE 5</p>	<div style="border: 1px dashed black; padding: 5px;"> <p style="text-align: center;">COMMENCE DEVELOPMENT - Summer / Autumn 2009</p> <p style="text-align: center;">PUBLIC CONSULTATION AND STATUTORY CONSENTS – December 2008 to April 2009</p> </div>
<p>STAGE 4</p>	<p style="text-align: center;"><u>PREFERRED OPTION(S)</u> : DETAILED OPTION / INVESTMENT APPRAISAL</p> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;">Cabinet / PCT Board approval – October / November 2008</p> </div>
<p>STAGE 3</p>	<p style="text-align: center;">DRAFT ACCOMMODATION STRATEGY & BUSINESS CASE</p> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;">Strategic Monitoring Committee / PCT Board – September 2008</p> </div>
<p>STAGE 2</p>	<p style="text-align: center;">MEMBER/NED BRIEFINGS</p> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;">Strategic Monitoring Committee / PCT Board Joint Workshop – June 2008</p> </div> <div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px; margin: 10px auto; width: 80%;"> <p style="text-align: center;">Strategic Monitoring Committee / PCT Board briefing – April/May 2008</p> </div>
<p>STAGE 1</p>	<p style="text-align: center;">INITIAL OPTIONS IDENTIFICATION & APPRAISAL ←</p> <p style="text-align: center;">Completed</p>



Project Management Arrangements

Programme Board

Corporate Asset Strategy Group

Project Teams

A number of discrete projects have been identified within the overall programme.

Proposed Executive Sponsors have been identified to lead the project teams as noted below:

Front Office	Back Office	Civic Suite	ICT Data Centre	Library/Records	MRU	Locality Offices
Customer Services	Asset Management and Property Services	Head of Legal and Democratic Services	ICT	Adult and Community Services/Customer Services	Customer Services	HR/Herefordshire Connects

Representatives from Corporate Programmes will provide project management support for the Project Board and for the Project Teams.

The Project Teams will report to the Corporate Asset Strategy Group on a regular basis, no less than monthly