

SSDC Review of Operational Office Accommodation

Executive Portfolio Holder: Cllr Henry Hobhouse, Property, Climate Change & Income Generation
Director: Clare Pestell, Director – Commercial Services and Income Generation
Service Manager: Caroline White, Commercial Property, Land and Development Manager
Lead Officer: Clare Pestell, Director – Commercial Services and Income Generation
Contact Details: Clare.Pestell@southsomerset.gov.uk or 01935 462520

Purpose of the Report

1. This report has been prepared to update members on the findings and recommendations of the David Lock Associates report on SSDC Review of Operational Office Accommodation, in order for members to agree the principles and next steps in considering the future of area offices and head quarters offices for the council.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 7th December 2017.

Public Interest

3. Following on from the approval of the Commercial Strategy in August 2017, District Executive agreed that a more detailed operational property review and report would be undertaken to assess the current needs of the council's offices against its future requirements post Transformation across the District, including a review of the Council's Head Quarters requirements.
4. The attached report was undertaken by property consultants David Lock Associates and looks at the usage and costs of our current operational offices against what the future requirements and likely costs / savings might be after the council has completed its Transformation programme at the end of 2018 and into early 2019.
5. In doing so, it considers the current running costs, occupation levels now and likely future capital costs of retaining these offices in the next few years against potential savings. The report reviews the possibilities for the future of these offices and whether retention, alternative use, subletting or disposal is appropriate and which of these could be explored further to deliver the most benefit.
6. Potential savings can be used towards retaining the key services that the council provides to its customers and communities and to improve and enhance these services further to meet its ambitious plans for the future of South Somerset.

Recommendations

7. That the District Executive:
 - a. Note the findings and recommendations in the David Lock Associates report – SSDC Review of Operational Office Accommodation November 2017 attached in Appendix 1.
 - b. Agree the principle that there is surplus office accommodation for council operational requirements at present and this will increase further post Transformation, and that the Council

should therefore seek to rationalise operational property or seek alternative commercial or strategic use for it.

- c. Task the Members Leadership & Development Project Group (Locality Working) to consider the report recommendations made in regard to Area Offices with input from Area Development Officers lead by the Locality Manager and report back to District Executive in February 2018 with findings and recommendations in respect of office / building requirements to meet the new model of delivery.
- d. Task the Commercial Property, Land and development Manager with undertaking a full feasibility study for the future council Head Quarters office to be located at Petters Way, to be funded through One Public Estate budget and brought back to District Executive with findings and recommendations by February 2018.

Background

8. Following on from the approval of the Commercial Strategy and associated documents in August 2017, District Executive agreed that a review and report of the council's operational office property would be undertaken to assess the council's future requirements post Transformation, including reviewing the Council's Head Quarters.
9. The attached report was undertaken by property consultants David Lock Associates and looks at the usage and costs of our current operational offices against what the future requirements and likely costs and savings might be after the council has completed its Transformation programme at the end of 2018 and into early 2019.
10. This report is intended to provide sufficient detail for principles and next steps to be agreed, as to the way forward for each of these of these properties, following further debate and approval by the council.

Report Detail

11. The David Lock Associates report attached considers the current running costs, occupation levels now and likely future capital costs of retaining each of our operational offices over the short term future. The report reviews the possibilities for the future of these offices and whether retention, alternative use, subletting or disposal is appropriate and which of these could be explored further to deliver the most benefit.
12. In addition, the report gives guidance on the potential savings that could be made by working in the proposed new ways under the Transformation model. This includes more agile working by officers and better use of IT to enable our customers and communities to access the council services that they need and when they need them, in the most convenient way. In some cases alternative uses for some of the properties are set out, if the recommendations were applied, to give assurance as to potential future use and value and that the savings are achievable.
13. These potential savings could then be used towards retaining the key services that the council provides to its customers and communities and to improve and enhance these services further to meet its ambitious plans for the future of South Somerset.
14. Without making savings and generating more revenue the council may have to consider cuts to its services in light of central government cuts and increased costs. Therefore, the future of how the council property is managed and used, in particular its operational offices, has an important role in the financial future of the council; and in the council's ability to deliver its own functions and services to customers and communities across the district.

15. The report is not intended to be a final decision on the future of these properties, including the Council Head Quarters, but to give sufficient management data and facts as well as potential options to enable the Council to make the next steps towards making a decision.
16. Members and Officers now have a detailed base and direction from which to discuss the options in more detail and revert with their own findings and recommendations to enable the District Executive to take a final decision on these properties in early 2018.

Operational Properties Assessed in the Report

17. The properties considered in the report are:

Area offices:

Holyrood Lace Mill, Chard
Petters House, Yeovil
Churchfields, Wincanton
Bridge Barns, Langport
Boden Centre, Chard
North Street, Ilminster

Head Quarters office:

Brympton Way

Summary Report Conclusions:

18. The Council's current primary office accommodation is now too large and is under utilised in the context of significant changes in the past few years and through Transformation. Usage by members of the public is falling year on year.
19. The Council's current primary office accommodation represents a significant annual **revenue cost** which is at risk of increasing. Of the buildings occupied, the single biggest revenue cost is Brympton Way and the area offices do not represent value for money when assessed as a cost per SSDC employee accommodated.
20. The Council's current primary office accommodation represents a significant **capital investment risk** i.e. if retained, they will need considerable investment in the next few years. Of the buildings occupied, the single biggest anticipated capital cost is Brympton Way. The area offices do not represent value for money when assessed as a cost per SSDC employee accommodated or customer served.
21. The Council's current primary office accommodation represents a significant opportunity for redevelopment to generate revenue, capital and to contribute to wider policy objectives, as well as secure savings. Of the locations, the biggest anticipated potential future revenue generator is Brympton Way.
22. Yeovil offers the most suitable location for the Council's long-term HQ, as it is the largest centre of population, is most accessible to the majority of customers and staff and maintains continuity of local representation. A town centre site is likely to offer the most locational advantages, supporting customer access, staff access and regeneration.
23. Remaining at Brympton Way offers the lowest overall financial benefit of the future HQ options.
24. The existing area based offices are disproportionately expensive and provide too much space for future service delivery need. Disposing of or finding alternative uses for existing area offices does not mean removing an area presence or discontinuing local service delivery – both of which are

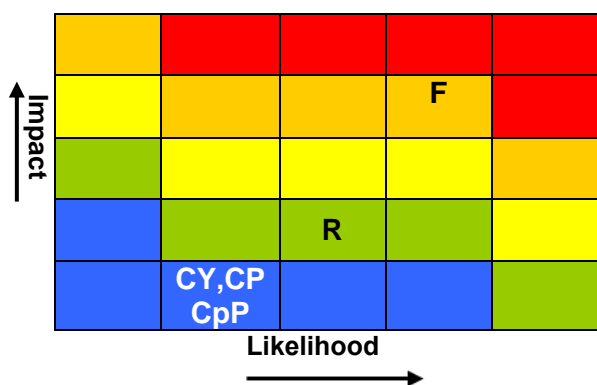
important to the Council's operating model under Transformation. The most cost-effective alternative for future provision is to work with public sector and community partners to secure more flexible accommodation and working space that will enable good customer access, effective area based agile and mobile working, and support the transformation to a leaner HQ provision.

Financial Implications

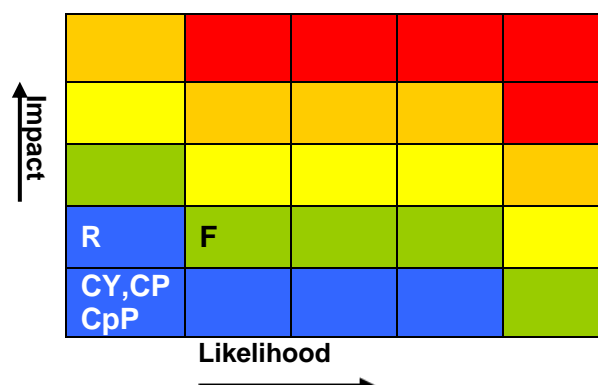
- None at present until a final decision is recommended for approval at District Executive upon the future of each property, yet to be decided.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Council Plan Implications

- Our Strategy for 2017-18
To create a modern, responsive, pro-active council serving South Somerset through a Transformation Programme, developing the culture and working practices needed to support a flexible, customer focused council with a modern, commercial approach.
- Our Priority Projects for 2017-18
To implement the Transformation programme.

Carbon Emissions and Climate Change Implications

Reducing the Council's operational property portfolio will support a reduction in Council carbon emissions.

Equality and Diversity Implications

None that apply to this report.

Privacy Impact Assessment

Not applicable.

Background Papers

David Lock Associates Report – SSDC Operational Property Review November 2017. Excluding Confidential Appendix
