

Report to the Cabinet

Report reference: C-016-2019/20
Date of meeting: 31 October 2019



Portfolio: Leader

Subject: Accommodation Project

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Recommendations/Decisions Required:

- (1) Cabinet are asked to approve the progression of the refurbishment of the Civic Offices as the main office for EFDC staff and partners; and**
- (2) Cabinet to note the decision not to pursue the construction of a new build office on the North Weald Airfield.**

Executive Summary:

The April 2019 Cabinet decision and subsequent additional requests from members for more detailed information (specifically greater guarantees on the cost benefit case of a new build) led to more detailed work across the four workstreams:

- (i) Refurbishment of Civic Offices
- (ii) Sale of land at the back of Conder Building
- (iii) Recruitment of partner/tenants for the civic offices
- (iv) Construction of new building

The agility and mobility of the EFDC workforce enabled by digital improvement and a cultural shift in ways of working has been significant and achieved at pace. The elements of the People Strategy that have had greatest impact include the investment in the Common Operating model and the Decision Making and Accountability model (DMA) implementation where restructures have focussed on Management and Leadership skills. Our people are working in ways that are more Customer Focussed, Effective and Efficient. A positive outcome of this work is the opportunity to evaluate the current organisation shape and working methods of our people and then revisit accommodation options before further decisions are made.

The further work undertaken on the four workstreams has led to a recommendation to reconsider the construction of a new office favouring the option to refurbish the Civic Offices as the main EFDC office.

Reasons for Proposed Decision:

The accommodation project and supports the overall aspirations of the Council Corporate Plan – Stronger Council, Stronger Communities, Stronger Place.

The cost benefit analysis demonstrates greater benefits for refurbishment of the Civic Offices

as the main office for EFDC staff. This negates the need to incur the cost of building a new office.

Other Options for Action:

Take no interim action within the Civic building and wait for the new build to be constructed. This is considered a less favourable option as an expedited new build would be 2-3 years of no change. The People Strategy is delivering on time and the creation of the new 4 layer management spine is well progressed. The further work (as set out in the report) on the designs and costs demonstrate a key benefit to progressing with the refurbishment of the Civic Offices.

Report:

1. Refurbishment of Civic Offices

The business case for the refurbishment of the Civic Offices for a mixed use of office letting and EFDC use is now complete. The new design plans demonstrate that if the building is refurbished to create more open plan space then all (required) EFDC staff can be accommodated on a 7:10 ratio in the Civic Offices without the need to move or build an alternative office. This decision would negate the cost of building a new office and reduce the operating cost of maintaining two buildings. Maximising the use of the Civic Offices through refurbishment will also expedite the vacation of the Conder building for redevelopment through the new Development Company.

The Corporate priorities within Stronger Council workstream consists of the People Strategy, Accommodation Strategy and Digital Enablement. This gives complete visibility across interdependent programmes and ensures key decisions across all programmes are cognisant of the dependencies and outcomes being achieved real time. Successful outcomes from both the People and Technology workstreams have made a positive difference to the accommodation programme in terms of accommodation requirements.

The total EFDC people required to work from the Civic offices is 386. The current plans create an agile open plan space with some fixed desks and many meeting rooms or break out spaces supported by 2 x kitchens and WC/shower facilities on each floor. The Ground floor will provide an improved layout and access for customers with the ability to include partners such as the library, CCG and Citizens Advice (CA). Indicative designs are being prepared to enable the café area to be accessed by the public creating a work, food, beverage space. This element of the project would require a full planning application. The internal changes will require Listed Building consent only.

The Civic Offices is a listed building and therefore there are some constraints within the refurbishment project, for example the council chamber is listed and therefore would not be altered in the proposed refurbishment. The ground floor could be converted to create a large conference facility space capable of accommodating 200 people. The space will include moveable partitions that can create smaller meeting room spaces and committee rooms.

In light of the overall cultural shift in ways of working there is evidence to support a new recommendation. This recommendation avoids the need to commission a new build outside of the current curtilage of the Civic site therefore providing office based staff accommodation within the Civic building once refurbished.

The recommendation is based upon EFDC staff occupying the office accommodation. The previous decision was to let out floors 1 and 2 to third parties. The refurbishment needs are the same albeit the tenants occupying the spaces remain as EFDC. The recommendation

retains the ground floor café to ensure collaborative meet, greet, work and eat space is available. The recommendation retains the focus on Customer with ongoing partner co location an aim of the programme.

In order to achieve a refurbishment project of this scale there will be a significant amount of work required for the decanting of the Civic Offices. Initial indications show that all the existing staff and the customer services function can be temporarily decanted into the Conder Building for the period of the build works. The Council Chamber and Committee rooms will not be accessible as the building will require complete vacation due to the extent of the works. A separate decant programme will be initiated to manage all the Democratic/member services during the period between January 2020 – December 2020. This will require identification of off-site functions.

Indicative costs of the refurbishment work have now been completed at a total cost of £6.6m excluding VAT (attached to appendix 1). These are medium range and include all mechanical/electrical and capital works required to create a further 30-year lifecycle. If the project progresses then detailed design work will be undertaken to refine these costs. Costs are based on the indicative designs attached to Appendix 2 of the report. Costs currently exclude decant and ICT infrastructure costs which have been estimated at £180k (decant) and £200k (ICT).

The key project timelines are set out below:

1. Listed Building Consent application- Quarter 2019
2. Contract Tender Process – Quarter 4 2019/20
3. Decant of staff into Conder Building – Quarter 3 to Quarter 4 2019/20
4. Works Period – Quarter 1 – Quarter 4 2020/ 2021

2. Sale of Land Conder Building

In July Cabinet agreed to progress the setup of a Group of EFDC wholly owned companies. The benefit of establishing a Development Company means that EFDC would have the ability to retain land and build new assets directly. This will generate an income stream over the longer term and create new EFDC owned assets that will achieve capital values appreciating over time. The company structure is being established over the next six months and will be operational in the new financial year.

If the civic offices are refurbished as set out in the timeline of this report then the Conder site will be vacant earlier than anticipated and could be progressed through the new development company.

The Steering Group for the Group Company have commissioned development expertise to complete further detailed feasibility work required to assess the development potential of the Conder building (and other EFDC owned sites). All sites transferred into the development company will be considered through future cabinet decisions.

3. Recruitment of Partners/Tenants at the Civic Offices

Further discussions have been undertaken with partners whom would be able to co locate within the proposals for the refurbished Civic Offices. These include:

- Library presence on the ground floor – occupying the bay window area
- CA co-located on the ground floor with EFDC customer services. CA would provide advice and assistance to residents visiting the civic offices.

- CCG partners (21 desks) co located with the EFDC safer neighbourhoods team
- Continued police partnership with the safer neighbourhood team, located on the ground floor of the 323 building.
- Registrar.
- The conference facility and flexible meeting space on the ground floor could be booked by external businesses to provide an additional rental income.

It should be noted that the space to let to external businesses on the first/second floor is limited if the option to retain the Civic Offices for EFDC people is agreed. However, it will still achieve the co-location of key partners as set out above.

4. Construction of New Building

The December Cabinet 2018 received a financial appraisal for the cost of building a new office at the North Weald Airfield. The total cost including contingency was £8.5million.

In considering the recommendation to not proceed with a new build option it is worth noting:

- The cost of the refurbishment of the Civic Offices is less than the cost of the new build
- There is less cost in terms of the need to maintain one building rather than two
- The refurbishment will release the site for redevelopment of the Conder Building earlier than building a new office on North Weald
- The Development Company will retain the land (and future returns) preventing a one-off sale receipt
- Retain an EFDC corporate and customer service presence on the High Street

Resource Implications:

The current budget for the accommodation project is £425k. This is covering the costs of the specialist services required to deliver the design and delivery elements of the accommodation strategy. A further detailed report on project costs will be required at the November cabinet dependent upon the outcome of the recommendation in this report to proceed. The budget for the cost of the refurbishment works have been included in the medium term financial strategy. At the November Cabinet, it is intended also to compare the resource implications and benefits of the proposed option against other options considered.

Legal and Governance Implications:

Any professional consultancy services will be procured in line with the Council procurement rules. The Civic Offices site has a draft allocation of housing within the Local Plan to be bought forward in the early years. There is a Governance Board in place and regular reports of progress back to Cabinet and Overview and Scrutiny.

Safer, Cleaner and Greener Implications:

The refurbished building and will be safer by design and energy efficient.

Consultation Undertaken:

Consultation with Partners to potentially occupy the Civic Offices continues. Consultation will commence with member on the requirements and design. There will be a full consultation and communication plan for EFDC through the project delivery phases.

Background Papers:

Cost Consultant report on indicative costs for the refurbishment of the Civic Offices
Proposed refurbishment Plans for the Civic

Risk Management:

A risk map has been developed and is reviewed monthly by the Accommodation Programme Board with mitigating actions reviewed. Key risks identified are:

1. Failure to achieve Listed Building Consent
2. Delays and disruption to services through the decant period
3. Major incident on site
4. Interruption of CCTV and safer neighbourhoods team
5. Failure in staff/member communications.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to this report.