

OFFICE ACCOMMODATION REVIEW PRELIMINARY FINDINGS OCTOBER 2013

1.0 Office Rationalisation

The project involved 7 weeks of building inspections, interviews (with consistent questionnaires to capture headcount and accommodation issues / requirements), feedback and review. The team was made up of Local Partnerships, Claremont and Asset Management officers with senior team leaders and their representatives who attended workshops and have fully engaged in the process and been very positive.

The objective was to look at the core office buildings, establish departmental requirements and consider how to decide which buildings the council should plan to keep and which it should dispose of in order to fulfil its immediate and medium term accommodation requirements, against a reducing headcount and alternative methods of working and providing services.

2.0 Scope and Methodology

8 buildings are included in the initial scope.

- 1) Wallasey Town Hall
- 2) Town Hall North Annexe
- 3) Town Hall South Annexe
- 4) Hamilton Building
- 5) Cheshire Lines
- 6) Treasury Building
- 7) Finance Municipal Building
- 8) Conway Centre

This list takes account of existing plans to transfer staff to Birkenhead Town Hall and the accommodation currently used in part of Old Market House being on short term arrangements.

We have looked at 7 measures; 4 are used to score the buildings suitability.

Given the significant investment already made and underway at Wallasey Town Hall we have, for the purposes of this analysis, assumed that 200 workstations will be accommodated here and that it is a core strategic location.

Cheshire Lines is leasehold with 11 years unexpired. We do not consider it likely that the lease can be surrendered or assigned and have therefore assumed it will be retained as a core strategic building and is currently being re-cabled as a condition of the lease. We have also assumed that the Archive and data storage facilities will be retained in the basement of Cheshire Lines until a separate needs review can identify a long term solution.

3.0 Results and Building performance measures

3.1 Headcount: We have identified 1990 people within the directorates, predominantly in the core buildings, but including 356 Specialist Services and Infrastructure staff in satellite locations.

In scope there are therefore 1634 people requiring use of a desk (workstation).

3.2 Useable space: See table below.

This is the m² available for office space not including circulation, toilets and ancillary areas.

3.3 Workstation capacity: See table below

We have assumed a target of 1 desk (workstation) per 6 sq m useable space and 15 % circulation, breakout and ancillary space. This compares with similar fit for purpose accommodation in modern Private sector offices and is challenging yet achievable when considered against a sample of representative councils drawn from across the UK in 2010 which showed the top performing 20% occupying 1 workstation per 8.75 sq m.

3.4 Space Efficiency: See table below. Town Hall not assessed as results are distorted by high allocation of ancillary uses, council chambers etc.

3.5 Running Costs including energy: See table below.

3.6 Capital costs: Planned and reactive maintenance per sq m per annum (to make buildings fit for continued occupation). See table below.

3.7 IT Importance / Risk Sensitivity: Certain buildings such as Treasury, Hamilton and Cheshire Lines have significant IT / Data infrastructure. The Town Hall Annex South has recently had significant cabling investment. It may be uneconomic, untimely or risky to close these buildings. Shared data centres and cloud technology developments may influence decisions on these buildings. See table below.

3.8 Recommendations by Claremont:

Cheshire Lines – This building offers maximum flexibility for use firstly as a decant space for staff from some of the other buildings which require refurbishment, but also as a longer term base for some of the Departments which will need to be relocated due to the disposal of their current building. The building has approximately 11 years left on its lease, at which time this building should be re-assessed closer to the surrender date. It is proposed that once cabling works are completed, that this building is filled to capacity, as far as possible to the standard at 3.3 above.

Conway Centre – This building is likely to cost the Authority more in future maintenance costs than any of the others due to its age and condition, and due to its layout it currently does not allow the kind of departmental office arrangement which would be ideal in space planning terms. This building is recommended for disposal ahead of any of the others.

Hamilton Building – This former school is in much better condition than Conway, with a simpler floor plan and it will cost less to retain occupation. The basement requires some attention as it floods from time to time and contains a major IT hub in this area which places it at risk of damage. Hamilton is popular with occupants, spacious and light and the layout is good enough to make it feasible to re-plan for efficient departmental office use.

Treasury Building – Estimates were obtained for refurbishment of this building in the region of £1M which has driven the proposal for disposal to realise a capital receipt. However this building has potential to accommodate significant numbers of workstations and if suitably refurbished and efficiently planned will be suitable for departmental office use. Given the location of the key council IT facilities in this building it is proposed to retain this building pending future IT developments.

Wallasey Town Hall – Whilst this is not the ideal building layout for a modern Headquarters for the Authority it is listed and has character and as the Authority wishes to retain this listed landmark building it requires careful and appropriate refurbishment and conversion of various spaces to accommodate departmental offices alongside civic spaces.

Finance Municipal Building – This building is in poor condition, with extensive service renewal required, including heating and ventilation. It is proposed that this building is vacated, with staff re-located to retained core buildings and the site cleared, to offer development opportunities.

North and South Annexes, Wallasey Town Hall – These annexes are typical 1960/70's construction and have a backlog of maintenance issues, including asbestos removal. The South Annexe has had more works carried out to it in recent years than the north. In pure building terms all options, including demolition have been considered but it is proposed that both are given a medium life refurbishment for three reasons:

- i) Their continued use, to maximum occupation levels, in the context of an overall reduced workforce will allow the Wallasey Complex to be the key administrative centre of the council, alongside the current democratic, civic and community functions. A key element in the various LGA reviews of the council has been the need to consolidate staff work places as far as possible.
- ii) By repairing the annexes to give them a 10 – 15 year extended life, this brings this accommodation into line with the remaining 11 year lease on Cheshire Lines. From now to 2024 accommodation needs for the council would be met and this would also allow for the development of a coherent plan for the council's accommodation needs post 2024, including the possible development of new-build.
- iii) The option is retained to re-develop around the Town Hall in the future. For example, a plan from 2024 onwards could include a new complex from the South Annexe to the Promenade alongside the Town Hall, with the subsequent demolition of the South Annexe. The North Annexe could also be demolished or turned over to other uses e.g business start up's.

4.0 Building performance:

Measure	Town Hall	North Annexe	South Annexe	Hamilton	Cheshire Lines	Treasury	Finance Municipal	Conway
Useable area m2	core	1647	1647	2765	3989	3304	3033	2952
Workstation capacity	200	225	225	340	548	335	505	250
Space efficiency	core	1:7.3	1:7.3	1:8.1	1:7.2	1:9.8	1:6	1:11.9
Ranking	core	3=	3=	5	2	6	1	7
Running Cost p/a & m2	5408 10*	*	*	165951 60	280576 70	286386 86	Not avail	Not avail
Ranking	core	3=	3=	1	2	3	6	7
Capital costs £M	core	1.068 648	1.040 631	0.940 339	tba tba	0.970 293	0.995 328	N/A
Ranking	core	6	5	4	1	2**	3	7
IT Importance	core	5=	4	2	3 ***	1	5=	7
Total Score Low = better	core	17	15	12	8	12	15	28
Total Rank	core	6th	4th=	2nd=	1st	2nd=	4th=	7th

*Town Hall and Annexes running costs only available as aggregated sum so we have assumed running costs similar to Finance Muni.

** Treasury Building running costs include IT energy costs

***Cheshire Lines also important as home for Archive / Data storage

4.1 Options: Headcount currently in scope 1634.

At 7 workstations per 10 people this drives a need for 1143 workstations

OPTIONS Yes = retain No = dispose	Town Hall (core)	North Annexe 6 th = 17	South Annexe 4 th 15	Hamilton 2 nd = 12	Cheshire Lines (core) 1 st 8	Treasury 2 nd = 12	Finance Muni 4 th = 15	TOTAL Workstation capacity 1 : 1	TOTAL Performance score low = best
Existing Capacity	200 Y	225 Y	225 Y	340 Y	548 Y	335 Y	505 Y	2378	79
Option 1	Y	Y	Y	N	Y	Y	Y	2038	67
Option 2	Y	Y	Y	N	Y	N	Y	1703	55
Option 3	Y	N	Y	Y	Y	Y	N	1648	47
Option 4	Y	N	N	N	Y	Y	Y	1588	35
Option 5	Y	Y	Y	Y	Y	N	N	1538	52
Option 6	Y	Y	Y	N	Y	Y	N	1533	52
Option 7	Y	N	N	Y	Y	Y	N	1423	32
Option 8	Y	N	Y	Y	Y	N*	N	1313	35
Option 9	Y	N	N	N	Y	N*	Y	1253	23
Option 10	Y	Y	Y	N	Y	N*	N	1198	40

*closure or relocation costs included for Treasury IT

We have looked at some options above to accommodate the current headcount and these give us an idea of the efficiency of each combination as it is considered. We have assumed that the workstation requirement will not go below 1000. To bring some objectivity to the review we have scored the buildings using the performance criteria.

Additional site visits, discussions with the Government Property Unit and market research have also been carried out to identify other modern, new build and third party buildings that might be available to accommodate the Council. At the time nothing suitable was identified, but this could be repeated periodically as part of the strategy.

Given its poor performance and comments by Claremont, Conway is considered totally unsuitable as a fit for purpose modern office and it is proposed therefore that it be vacated and disposed of. Conway also has good alternative regeneration use potential in its Town Centre location.

5.0 Conclusions:

These results show that there are a number of potential options from a capacity point of view, but that is not the only deciding factor. Wallasey Town Hall and Cheshire Lines are assumed as strategic for the time being. The selection process will be informed by:

- Wirral Council's appetite for agile working and desk sharing and IT improvements.
- The impact of a shared services arrangement, constituency offices and area reviews and any further reduced headcount together with adjacency considerations for departments.
- The costs of refurbishment/upgrading and running of each building.

Considerations:

- 1) If the council can introduce a level of workstation sharing (7 desks for 10 people as an average) then clearly, only 1143 workstations are required out of 2378 available across the 8 buildings, although this may take some time to achieve in practice.
- 2) So far from the interviews only 50 agile workers were identified from the audit, although this is likely to increase as people are transferred to the constituency offices. All staff with 3G technology have access to a degree of agility which needs to be explored further.
- 3) Since the Town Hall and Cheshire Lines (at 748 capacity) are considered core and the Conway Centre is considered unsuitable, that leaves The Town Hall Annexes, The Treasury building, The Hamilton Building and Finance Municipal to accommodate the balance.
- 4) If the need for more people closer to Wallasey Town Hall is important then one or both of the Annexes could be retained and refurbished and Hamilton or Treasury released.
- 5) The Hamilton and Treasury buildings (at 675 capacity) are important I.T hubs and the risks and costs of relocating equipment likely to be very significant and the costs potentially abortive if technology and / or data Centre policy changes so this needs to be considered holistically.

- 6) Town Hall Annexes (at 450 capacity) are not great performers but are close to Wallasey Town Hall and may score in terms of adjacency or may be a short-medium term option for decant.
- 7) The Finance Municipal Building (at 505 capacity) is also poorly ranked. It is also likely to be difficult to dispose of in the future for office use making further significant investment an issue. Along with the Conway Centre however it has alternative use value and both provide regeneration opportunities.
- 8) In the medium term it may also be possible to dispose of the Treasury Building, if an IT solution allows, leaving Wallasey Town Hall, Cheshire Lines and Hamilton as the core strategic buildings for the next 10 years.

In the longer term an efficient new build opportunity remains an option that should be revisited periodically, as the organisation changes and evolves.

6.0 The next steps

- Detailed work to develop the Claremont report including:
 1. Further interviews with departments to clarify adjacency requirements
 2. Conduct a detailed furniture audit of each department.
 3. Consider parking strategy completed by Change Team as part of location decisions.
 4. Consider agile working policy and standards, and the impact of Constituency Offices and Shared Service Centre.
 5. Review Records Management and Archive System, to see if any changes are required to support agile working.
 6. In House Quantity Surveyors to review specification and prices for all refurbishment works including any new furniture required.
- Propose and agree an office accommodation strategy for the short and medium term and agree a timeframe to put together long term strategy options. This will need Cabinet approval.
- Agree Communications plan
- Detailed plans for the buildings which are to be retained, to achieve optimum layout and agile working / desk sharing capacity and agree migration plan and timeframe with decant space identified.