

WIRRAL COUNCIL

CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE - 5 MARCH 2009

REPORT OF THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT

ACCOMMODATION CHANGE - UPDATE

1.0 EXECUTIVE SUMMARY

This report responds to a request by the Committee for a further report on the development of an implementation programme for office change.

2.0 BACKGROUND

At its meeting on 12 January 2009 the Committee considered a report from the Director of Law, HR and Asset Management on how the Council intended to achieve a 20% reduction in administrative accommodation by 2011. The Committee requested a further report following a Cabinet decision on the implementation of the Strategic Asset Review (SAR).

3.0 PRESENT POSITION

- 3.1 The Council has now agreed the SAR, subject to a number of amendments and endorsements. In doing so it resolved that the office Accommodation aspects of the review be implemented and that officers be asked to accelerate the process of making savings from the rationalisation of the Council's office accommodation.
- 3.2 Rationalisation of office accommodation is one of several programmes of work arising from the decisions made on the SAR. Whilst a limited amount of preparatory work was possible, implementation awaited a final decision on the SAR.
- 3.3 The SAR is one of six key areas for improvement within the corporate Change Programme. Following the decision to implement the review a programme board has been established to oversee the delivery of the SAR as a whole and ensure that progress is made in each of the programmes within it. Lead officers have been identified for each programme, and for office accommodation the lead officer is the Head of Asset Management. Governance for the SAR is overseen by the Corporate Improvement Group.
- 3.4 Prior to the completion and approval of the SAR action was being taken to reduce the Council's administrative accommodation and to find ways to change the way offices are used to support that reduction.

- 3.5 The Council's Asset Management Plan contains its accommodation strategy, the key elements of which are to reduce the average office space occupied by employees to 10 sq. m. per person and concentrate directorate staff in fewer locations. Implementation of the plan has resulted in some smaller administrative buildings being vacated and released for disposal. In the light of the SAR and the savings target created the Council's accommodation strategy now requires review.
- 3.6 At the same time the Head of Transformation has been examining the use of and need for office space by different services and functions across the authority, and researching accommodation change programmes in other authorities. This, coupled with an understanding of service and business changes currently in progress, has enabled the identification of areas most suitable and ready for change. In addition some pilot agile working projects have been undertaken, and lessons learned from these, together with learning from other authorities, will be used to shape Wirral's accommodation change programme.
- 3.7 It has previously been reported that achievement of the savings target and more efficient use of office space will only happen with changes to existing arrangements. In particular:
- The more intensive use of core properties, which would allow the relocation of staff and the subsequent vacation and disposal of buildings
 - The widespread adoption of agile working, which would allow a further reduction in the number of buildings required
 - Central control and management of administrative accommodation and FM budgets
 - Consistent compliance with the corporate space planning standard of 10 sq.m. per person.
 - significant initial investment to create more efficient working environments and provide the necessary IT infrastructure
- 3.8 Beyond the current target for reducing accommodation in the short term, consideration needs to be given to the long term requirement for administrative accommodation having regard to current and future service needs and anticipated changes in workplace use. Alongside the work to be undertaken immediately, a business case needs to be developed and costed to allow evaluation of future strategic options for provision of the Council's administrative space.

4.0 **NEXT STEPS**

- 4.1 In order to achieve the desired changes to the Council's use of administrative accommodation the following steps will now be undertaken:
- A project team will be established to deliver the office change programme. This team will contain members from across the

Council; in particular from the key resource areas (Asset Management, IT, HR, Finance and Transformation) and from the major services affected.

- The Head of Asset Management will revise the Council's Accommodation Strategy and bring a new strategy forward for approval. The new strategy will go beyond the current overall guideline of space per person and set new standards and targets for the occupation and use of office space
- A project manager will be appointed – reporting to the Head of Asset Management - to drive accommodation change
- A detailed programme will be developed to deliver the target savings. This will identify areas of focus for change and buildings to be vacated, plan for staff moves, and develop agile working in those areas most suited for it in the early stages of the programme
- Some procedural controls will be put in place as quickly as possible with the intention of immediately reducing expenditure on accommodation and furniture etc. pending longer term changes
- Centralisation of the control and management of administrative accommodation and facilities management budgets as confirmed in the SAR will be implemented
- A procurement exercise will be undertaken to select space planning experts who will design working environments in retained buildings that will be more efficient and will support new ways of working
- A further procurement exercise will be used to select specialist consultants to develop a business case for the Council's future administrative requirements.

4.2 Finally, members asked for details of buildings leased by the Council from others for use for administrative/municipal purposes. There is only one such property – the Cheshire Lines building. This is leased by the Council from Merseyside Estates Limited for a term of 20 years from 8 April 2004 at an annual rent of £410,000 per annum, plus payment of a service charge for use of the car park. Under the terms of the lease the Council is responsible for all repairs, insurance, payment of rates and all other outgoings. A rent review is due in April 2009 and is the subject of negotiation at present.

5.0 **FINANCIAL AND STAFF IMPLICATIONS**

None arising directly from this report.

6.0 **EQUAL OPPORTUNITIES IMPLICATIONS**

None

7.0 COMMUNITY SAFETY IMPLICATIONS

None arising directly from this report.

8.0 LOCAL AGENDA 21 IMPLICATIONS

None arising directly from this report.

9.0 PLANNING IMPLICATIONS

None.

10.0 ANTI-POVERTY IMPLICATIONS

None.

11.0 SPECIAL INCLUSION IMPLICATIONS

None.

12.0 LOCAL MEMBER SUPPORT IMPLICATIONS

None.

13.0 RECOMMENDATION

That the report be noted.

BILL NORMAN

Director of Law, HR and
Asset Management