

Report of:	Chief Executive
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Key Decision:	No
Report Track:	Cabinet: 29/01/15

CABINET
29 JANUARY, 2014
ACCOMMODATION REVIEW

1 Purpose of Report

- 1.1 The purpose of this report is to update Members on the current position regarding the Council's attempts to maximise income from the Civic Building as an ongoing drive to reduce costs.

2 Recommendations

- 2.1 That Members note the current position, endorse the actions taken to date, and agree to the further accommodation sharing initiatives outlined in the report.

3 Key Issues and Reasons for Recommendation

- 3.1 As part of an ongoing drive to reduce costs and maximise income, the Council has sought to review its public assets, rationalising and maximising potential use wherever possible with other partners in the public sector. Other public sector partners have endeavoured to do the same.
- 3.2 The Council successfully negotiated with the Partnership Trust to move 80 of their employees from Ivy House, which has subsequently closed, into the building.
- 3.3 The County Council's Independent Futures Service, with around 20 staff, also moved into the building.
- 3.4 To accommodate this it was necessary to redesign the internal layout of the building to open plan, and the opportunity was taken to modernise that part of the building layout and provide kitchen facilities and breakout areas which had been requested by staff.

- 3.5 Cabinet on its meeting on 25 July 2013 recommended that Council at its meeting on the 7 August 2013 set a capital budget of £500,000 for the project, with half to be met by the County Council. The anticipated income from the sharing of accommodation was expected to be in excess of £200,000 per annum.
- 3.6 The Partnership Trust currently occupy the 4th and 5th floors of the building at an agreed rent of £40,236 per annum and an estimated service charge of £67,990 pa.
- 3.7 Independent Futures currently occupy a part of the first floor of the building and pay an annual rent of £7,470 and an estimated service charge of £11,852 pa.
- 3.8 The Capital cost of carrying out the necessary redesign of the 1st, 4th and 5th floors to date is around £177,000.
- 3.9 Arrangements were put in place to allow senior managers from the Partnership Trust, to park on the Members car park, and c.30 passes were issued for the staff car park.
Arrangements were made to allow the Partnership Trust to rent 40 spaces on a floor of the town centre multi-storey car park.
Unfortunately that arrangement has proved unpopular with Partnership Trust staff, and in particular nursing staff, who have found it intimidating to walk to/from that car park alone and in uniform, carrying medical supplies. The Royal Wolverhampton Hospital Trust have now asked to rent these spaces for their staff as part of the changes being introduced at Cannock hospital.
- 3.10 Although the County Council were invoiced for £130,000 as a first contribution to the capital costs in March of this year (at their request), by early October the invoice remained unpaid. However, an agreement was reached whereby 49 additional car parking passes would be issued to the Partnership Trust for the staff car park (for nursing and social care staff), and in return the invoice would be paid; this was paid in full on 6th November 2014. The result of this is that the staff car park is at maximum capacity at peak times and overflows at very busy periods. The ongoing situation will be carefully monitored.
- 3.11 Members will be aware that for many months the Council has been in negotiation with the Police, again at their request, to allow for front line police services to move into the building, and specifically the ballroom.
- 3.12 Members will also be aware that the Police and Crime Commissioner recently determined that he no longer wished to pursue this option.
- 3.13 Officers were also in negotiation for the possible transfer of County Council Families First Services into the building, but due to an imminent review of that service, the County have also determined not to pursue that option.
- 3.14 No steps have been taken to carry out the necessary redesign works of the remaining floors of the building whilst these negotiations were underway, as they may have fundamentally changed any design layout.

- 3.15 Many staff have been working in extremely cramped conditions for some time and so the works to rest of the building will now be carried out without any further unnecessary delay.

Further sharing opportunities.

- 3.16 An agreement has been reached with the County Council to provide some services from the Council's reception including the issuing of blue badges. The County will pay an annual fee of £5,000 for this service which will be kept under review.
- 3.17 The County have also expressed a wish to see their Registrars service move into the building and at their expense will be refurbishing the Jack Holsten room to provide Registry Office marriages; and two small offices are to be provided in the reception area for Registration Services. The County will pay a rental fee of £4,643 and estimated service charges of £3,907.
- 3.18 Further, the CCG have now confirmed they wish to move 11 staff into the building plus provision for an office for the CEO and Chairman. The standard agreed rent of £4,392 and an estimated service charge of £8,500 has been proposed though terms have not yet been finalised. Provision was made for the CCG to move in on 1st December and they have been in occupation since this date.
- 3.19 It will be possible therefore to site the DCL and her Commissioning staff together with this Council's Partnership Team to create a "commissioning hub".
- 3.20 Royal Wolverhampton Hospital Trust expressed an interest in moving back office staff from the hospital into the Ballroom, but have since written to say that this no longer a viable option for them.

Reception

- 3.21 The redesign and modernisation of the Reception area had also been put on hold pending decisions by the Police and Families First, however account can now be taken of the extra footfall being experienced due to sharing of the building, and steps can now be taken to ensuring the area can provide a better experience for the public.
- 3.22 Concerns had been raised about staff security in the area, and CCTV has now been installed in this area. The CCTV system will also cover the Members entrance, as this will be open to the public for the Registrars.

Hospital Car Parking

- 3.23 The CEO of Royal Wolverhampton Hospital Trust has written to the Council expressing his concern that Cannock Hospital car parking provision is

inadequate given the extra volume of service that he will soon be providing from that hospital.

- 3.24 The Council's staff car park is of course just across the road from the hospital and therefore he has sought the Council's help in trying to address the problem.
- 3.25 Meetings have been held between the Council and the hospital, and it is hoped a solution can be found that will involve no expense to the Council and may even provide a future revenue stream.
- 3.26 Any solution will however almost inevitably inconvenience staff, and of course the Council's tenants.
- 3.27 I will keep Members up to date with the negotiations as they proceed.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) This initiative helps to achieve the Council's ambitions under the Transformation agenda in providing better value for money for the Council Tax Payer.

5 Report Detail

6 Implications

6.1 Financial

Provision of £500,000 existed within the 2013-14 Capital Programme for Accommodation works with a £250,000 contribution from Staffordshire County Council.

Expenditure in 2013-14 amounted to £162,180 resulting in £337,820 being carried forward to 2014-15. To date £15,120 (excluding expenditure on the Jack Holsten Room) has been committed

A contribution of £130,390 has been received from the County Council with a further £27,000 anticipated in relation to refurbishing the Jack Holsten room to provide Registry Office marriages.

In light of the issues faced to date Cabinet will need to determine a revised capital budget for accommodation works reflecting any further contribution from

the County Council ; the cost of outstanding works to the floors retained by the Council; and potential car parking requirements if the Hospital Car Parking arrangements do not come to fruition.

The Accommodation Review forms part of the Councils overall Budget strategy. To this end the Council's objective has been to reduce the costs and maximise its potential income from re-letting available space within the Civic Offices. However the centralisation of partnerships within the Civic Centre will have a detrimental financial impact in relation to sub offices. In particular there is currently uncertainty as to the continuation of the County Council using the Council Offices at Anson Street Rugeley. The current Income received by the Council is Rental Income of £14,445 per and £14,910 in service charges per annum. The Council will need to consider the future use of Anson Street as part of its continued Policy of reducing the costs and increasing the income from its Offices.

6.2 Legal

None

6.3 Human Resources

There are significant HR implications arising from this report with regard to ongoing employee relations for Cannock Chase Council.

The issue of car parking for staff, who have hitherto enjoyed free on-site car parking, is becoming problematic – as is mentioned in paragraph 3.10 above. At the present time more than 80 passes have been issued to staff working for partner organisations based in the Civic Centre building. A number of employees have expressed dismay that they are being 'pushed out' in favour of non-council employees. Clearly this will become even more of an issue should the discussions mentioned in 3.23 to 3.27 above lead to reductions in car park capacity for staff use. Whilst the Council's employees have no absolute right to car parking on site specified in their actual contract of employment the fact that free on-site car parking has been available as a long standing custom and practice could be construed as an implied contractual term of their employment.

Should the implied right to free on-site car parking be withdrawn or reduced for all staff (or specific categories of staff) there will need to be discussion and negotiation with the relevant trade unions that are recognised for collective bargaining purposes. It is recommended that engagement and discussion with the recognised trade unions is undertaken at an early stage in any discussions with the Hospital Trust so that the concerns and implications for staff are recognised and addressed early on as part of the overall solution.

There also will need to be engagement with existing tenants who are paying for car parking provision as part of the lease agreements and indeed with the Council's Shared Service partner, Stafford Borough Council, which has employees based at Cannock Chase Council.

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the accommodation project and these have been identified in the project risk register. One of the key risks concerns staff morale and this will potentially become a bigger issue should the proposal regarding changes to car parking associated with the hospital go ahead. A further report would need to be prepared regarding the car parking arrangements and the risks associated with this

6.8 Equality & Diversity

An equality impact assessment will be undertaken any issues that are identified as part of this assessment shall be addressed as part of the review.

6.9 Best Value

None

7 Appendices to the Report

Previous Consideration

Background Papers