

# **Meeting: Overview, Scrutiny and Policy Development Committee**

**Date: 5 September 2016**

**Title: Office Accommodation Review - Update**

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**Wards affected:** All

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## **1. Purpose of Report**

Overview, Scrutiny & Policy Development Committee received a presentation on 7 September 2015 setting out the buildings within scope of the Office Accommodation Project and achievements to date in rationalising the operational estate.

The purpose of this report is to provide an updated position for members of the Overview, Scrutiny and Policy Development Committee.

## **2. Recommendations**

The Overview, Scrutiny & Policy Development Committee are asked to note the progress of the Office Accommodation Project.

## **3. Details**

### **Background**

- 3.1 The Agile Working and Office Accommodation Project is a commitment by Capita to deliver property savings for the Council. Initially, this was to implement Agile Working within Quadrant East and West but at the request of the Council, the scope was extended in March 2013 to include all of the Council's Hub and Spoke buildings and a further 16 office buildings with a view to rationalisation in order to reduce costs. The Council further extended the scope in July 2014 to include wider operational buildings.

The Council's Senior Leadership Team (SLT) acts as the Project Board for this project as well as the Council's Service Delivery Review to ensure that both of these projects converge to find workable solutions for communities as well as delivering property savings for the Council. Progress and property implications are considered by the Strategic Property Group (SPG) which is chaired by the Elected Mayor.

### **3.2 Progress since September 2015**

Since the last report to Committee in September 2015, the following progress has been made:

### ***Russell Street***

Following vacation by operational services in September 2014, this leased-in unit was put to good interim use as a pop-up retail incubator unit for local start-up businesses. As agreed by SPG, the lease expired in May 2016 and the property was returned to the Landlord. The Council's Business Team worked with occupying start-up businesses to wind down the unit and offer support to find alternative accommodation.

### ***Camden House***

Vacated by operational services in September 2013 with the lease due to expire in 2019. There is renewed commercial interest in subletting and negotiations are underway.

### ***Meadow Well Centre***

Vacated by operational services in July 2014 and the building is in the final stages of being sold to a Community Trust.

### ***Wallsend Library***

Sold earlier in the year and now operating as a private childcare facility for children with special educational needs.

### ***Wallsend CFC (top floor)***

The Council has a 30 year lease (approx 28 years remaining), of part of the ground floor, the first and second floors at Wallsend CFC providing circa 4,645 sq.m of floor space. The ground and first floors are occupied as the Councils Customer First Centre and Library. The second floor is void and currently surplus to Council operational requirements.

The void second floor comprises circa 1,486 sq.m of floor space and is fitted out to a shell condition, providing stair and lift access, mains services to meter points and some basic facilities infrastructure. A significant internal fit out would be required to accommodate most normal commercial uses.

SPG previously agreed to allow officers to work with the Northumbria Healthcare Trust (NHCT) in respect of a proposal to accommodate health facilities on the second floor.

This would have seen the relocation of services currently located at the Sir G B Hunter Hospital site at the Green in Wallsend and two other GP practices in Wallsend. Fit out costs would have been funded by the NHCT with appropriate beneficial letting terms to reflect this.

This proposal is no longer proceeding because of a restriction on the user clause contained within the lease that required the consent of the landlord to the sub-letting at a financial premium. The cost of this consent would have made the proposal unviable.

Officers are now exploring other opportunities to secure an occupation of the second floor that will help to reduce the revenue costs associated with the Centre.

### ***Shiremoor, John Willie Sams and The Langdale sites***

Service site rationalisation with regard to the Shiremoor site has been explored as part of the wider Site Rationalisation work incorporating The Langdale Centre and John Willie Sams Centre. SPG in February 2016 requested officers to undertake a separate project with a full business case for further consideration by SPG to consider the options across all 3 sites.

At SPG on 23 March the decision was taken to focus on the rationalisation of the Shiremoor site – to consider the relocation of services within the site to meet the needs of the current users better.

The proposed wider site rationalisation involving John Willie Sams and the Langdale Centre was put on hold until more detail regarding the impact of the Education White Paper and the move to turn all schools into academies and the implications for NTC is fully understood.

At the May meeting, SPG supported the phased relocation of Moorbridge School and all associated works into the Shiremoor Centre and the subsequent move of NTDF into the existing Moorbridge School with the associated funding being met from within existing Schools Capital Funding for 2016/17.

At the May meeting, SPG authorised Officers to fully engage with both Moorbridge School and NTDF to finalise the arrangements and associated timescales for all phases of work.

VODA have now relocated to alternative premises within the TyneMet Campus in North Shields. Initial works have now commenced on site to benefit the needs of Moorbridge School and negotiations are currently ongoing regarding the move of NTDF from the Shiremoor Centre into the existing Moorbridge building.

### ***Quadrant***

To align with the Council redesign of services and to support the CBF / TOM, works have recently been undertaken to transfer and relocate a number of key services across the Quadrant campus to maximise the use of available space / desks.

### ***Depot Solution***

The Investment Programme Board (IPB) gave approval in October 2014 for the relocation of key services from the Killingworth Site to the White Swan Centre and the completion of some essential maintenance works to the existing Killingworth Buildings.

In September 2015 SPG considered detailed proposals on the final two shortlisted options and was minded to recommend the new build option to Cabinet and full Council for approval in line with the budget setting process.

On 12 October 2015, Cabinet gave approval to declare the Killingworth site surplus to requirements in principle. A without prejudice tendering exercise was undertaken.

A report outlining the recommendation to accept tender 2 as the preferred bidder for the Killingworth site was approved at Cabinet on 11 July 2016. Cabinet also gave approval for the new build depot solution to be progressed.

Officers met with the preferred bidder in August to discuss timelines and development brief.

Next steps:

- Officers to take forward detailed negotiations with the preferred developer for the Killingworth site
- Inaugural meeting of Depot Delivery Project Board
- Depot Briefing and delivery options session with IPB

### ***White Swan (linked to Depot Solution)***

Following the final agreement from all services, linked to their schedule of requirements, the works to support the relocation of Care Call and CCTV Operations are now complete and Care Call relocated over the summer period. The CCTV Operations Team will relocate late autumn to coincide with their new camera network and management system procurement exercise.

### ***0 – 19 Children Services Locality Teams***

Relocation and integration of locality teams to 4 buildings to implement new Prevention and Early Help strategy and plans; including YOT staff and health staff:

- Riverside Children's Centre
- Howdon Children's Centre
- Shiremoor Children's Centre; and
- Whitley Bay Customer First Centre

All works completed July 2016

### ***Howdon Community Centre***

The building is currently hosting a team of staff from Tyne Gateway, for an initial period of one year, to explore compatibilities and work approaches between the two services. Given the crossover in user base and range of Tyne Gateway clients in Howdon, it was agreed to explore this while the Council decided upon its wider accommodation strategy.

### ***Youth Village***

Works to relocate a number of teams have now been concluded. The Coastal Locality Team, who were occupying part of the building until minor adaptations to Whitley Bay Customer First Centre were concluded, have now moved out and in to Whitley Bay CFC.

Initial discussions have been held with Northumbria Youth Action who occupy other parts of building on possible interest/options for site. In addition Officers have also received some interest by the Voluntary Sector to relocate on to the site.

### ***The Cedars***

As part of the Better Care Fund (BCF) funding agreement and BCF Plan for 2016/17, North Tyneside CCG has signalled its intention to decommission the Cedars Intermediate Care Unit with effect from the end of December 2016. From that date, the building and the Cedars site will be vacant. Both the building and the land are HRA and options for the future of the site will be considered by a future meeting of the Strategic Property Group.

### ***Community Hub Model***

The TOM describes delivering face-to-face services to residents and business through 'Community Hubs'. Community Hubs are envisaged to offer a number of services via a reduced number of outlets – creating efficiencies for the Council and improving the customer experience and outcomes for residents.

A cross service project group has been set up to define more widely what we think the customer offer will be in the Hubs.

### **3.3 Next Steps and Further Rationalisation**

Further building rationalisation is now being driven by service re-design and the Council's Target Operating Model (TOM). This is being taken forward as part of the 2016/17 budget setting proposals (considered initially by Cabinet in November 2015). The Property impacts of the TOM are to be brought back to Strategic Property Group as they arise in line with the budget setting process.