

Cheltenham Borough Council
Cabinet – 26 July 2011
Accommodation Strategy

Accountable member	Cabinet Member Corporate Services, Councillor Colin Hay
Accountable officer	Head of Property and Asset Management, David Roberts
Accountable scrutiny committee	Environment O&S and EBI
Ward(s) affected	All (Municipal Offices are located in the Landsdown Ward)
Key Decision	Yes
Executive summary	<p>The intention was to review all the operational properties but as there are only small pockets of office space other than the Municipal Offices, the report therefore focuses only on the Municipal Offices.</p> <p>There are a number of key drivers, such as:- changing service delivery, commissioning, GO, flexible working, shared services, technological improvements and environmental issue, which impact on accommodation needs, it's suitability, adaptability and the level of investment required to meet modern day demands and the efficient utilisation of space.</p> <p>A space utilisation audit survey has been conducted and indicates that the average total occupancy of the Municipal Offices is only 54%. A historical assessment confirms that there is very little scope for future internal reconfiguration due to the nature of construction and historical content of the building.</p> <p>There is currently approximately 416 m² (4,600sq ft) of surplus/underutilised space within the Municipal Offices which is not contiguous but spread throughout the building.</p> <p>Opportunities to let the surplus space will be extremely difficult due to the physical constraints of the building and the amount and quality of office space available elsewhere in Cheltenham</p> <p>A number of options have been considered and essentially are to either to remain and invest in the Municipal Offices or acquire and relocate to a suitable alternative building and dispose of the Municipal Offices realising it's commercial redevelopment potential, which in turn will have a positive effect on the economic market and activity of the town centre.</p> <p>A number of high level cost options have been produced, which indicate that a disposal of the Municipal Offices and acquisition of a suitable town centre alternative would be the most cost effective and therefore, be in long term economic interest of the Council.</p>
Recommendations	<p>1. Provide the Head of Property and Asset Management a remit to engage in dialogue with owners or agents of suitable town centre office buildings</p>

2. To explore in more detail the feasibility of relocating to a suitable town centre alternative.
3. Explore vertical separation of the Municipal Offices.
4. Subsequently to report back to Cabinet upon the conclusion of the review.

Financial implications	<p>The current annual cost of occupying the municipal offices is c£373k. Over the next 20 years it is estimated that the council will need to spend £6.6m on upgrading the building to modern standards, make it DDA compliant and to maintain the building. The maintenance costs average out at a further £330k per annum (funded by revenue contribution to the property repairs and maintenance reserve), increasing total occupation costs to an average of £703k per annum over the next 20 years. The MTFS does not currently include the full implications of this funding requirement.</p> <p>Given the squeeze in public sector funding and the cost of operating from the municipal offices, it is important to investigate other options which may help to reduce the administration and overhead cost to the business in order to ensure that as much of the council's scarce resources as possible are directed toward funding front line services.</p> <p><i>In accordance with previous council decisions, the costs of the review will be met from the council's civic pride reserve.</i></p> <p>Contact officer: Mark Sheldon, E mail mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>There are no legal implications as a direct result of this report.</p> <p>One Legal's input will be required when suitable property or properties for relocation are identified and also in any disposal of the Municipal Offices.</p> <p>Contact officer: Donna McFarlane, Donna.McFarlane@tewkesbury.gov.uk, 01242 775116</p>
HR implications (including learning and organisational development)	<p>It is recognised that this stage is about moving forward with exploration of two possible routes. Effective communication is needed with employees, and the trades unions will need to be kept informed.</p> <p>Contact officer: : Amanda Attfield, amanda.attfield@cheltenham.gov.uk, 01242 264186</p>
Key risks	<p>None</p>
Corporate and community plan Implications	<p>The implications of the outcomes of the review if implemented will significantly contribute towards the delivery of the corporate plan objectives, namely strengthening our economy and providing value for money services.</p>

Environmental and climate change implications	All options take account of the Council's commitment towards enhancing and protecting our environmental.
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1 Background

1.1 See Attached Accommodation Strategy Report in Appendix 1 which is exempt and thus not for publication by virtue of paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972

2. Reasons for recommendations

2.1 See Appendix 1

3. Alternative options considered

3.1 See Appendix 1

4. Consultation and feedback

4.1 This report has been considered by Senior Leadership Team, Corporate Asset Group and Asset Management Working Group and reflects the comments made.

Report author	Contact officer: David Roberts, David.Roberts@cheltenham.gov.uk, 01242 264151
Appendices	1. Risk Assessment 2. Accommodation Strategy
Background information	None

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Provision of services are not affected by the accommodation strategy	DR	2011	1	2	2	Accept	Obtain AMWG and Cabinet approval	asap	DR	
2	Ability to improve sustainability issues will be limited if we remain in the Municipal offices.	DR	2011	3	3	9	Accept	Obtain AMWG and Cabinet approval	asap	DR	
3	Adaptability of space to help deliver occupational cost savings, is limited due to structural constraint and layout of the Municipal Offices	DR	2011	3	6	18	Accept	Obtain cabinet approval to the report	asap	DR	