

REPORT TO EXECUTIVE

Date of Meeting: 3 September 2024

REPORT TO COUNCIL

Date of Meeting: 15 October 2024

Report of: Chief Executive & Head of Paid Service

Title: Relocation of Council Services Based in the Civic Centre

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To seek approval to move to the next stage of planning a potential move for Council services currently based at the Civic Centre to a number of sites already owned by the Council.

2. Recommendations:

2.1 That Executive agrees that officers proceed with detailed plans and costings for the enhancement of a number of council-owned sites in order to relocate staff currently based at the Civic Centre;

2.2 That Executive recommends to Council, the approval of a budget of up to £100,000 to develop full designs and costings for the project. This will be funded from ringfenced surplus funds from the Guildhall Shopping Centre.

3. Reasons for the recommendation:

3.1 The Civic Centre site is identified in the Liveable Exeter prospectus as a site for future housing development. The recommendations will advance the work required to enable the site to be marketed for that purpose.

3.2 There are a number of challenges with the existing site; with hybrid working, there is surplus capacity in both Phase One and Phase two, the layout of the building does not promote modern workplace practices of collaboration and hybrid meetings Success in letting Phase One of the building has been limited particularly post-pandemic and is not generating the forecast income .

3.3 The Council does not have the financial resources to spend significantly on a new building. Making better use of our existing assets will therefore provide a cost-effective way to improve working conditions, bring the cost of the Council's buildings back to budget and enable the Council to fully embrace working in a collaborative way across teams and services.

3.4 As the work will free up a site for regeneration, the surplus funds from the Guildhall Shopping Centre can be used to fund the necessary work, meaning that the Council can undertake the work without impacting on the Council Taxpayer.

4. What are the resource implications including non financial resources

4.1 It is anticipated that a budget of £100,000 will be sufficient to develop the plans to get costings to enable the Council to go out to tender. Prior to a tender being issued, a further report will come to the Executive and Council to determine whether there is sufficient funding to deliver the project and a budget will be sought from Council to proceed.

4.2 A cross-council project team will be set up to ensure that all issues are identified and addressed. This will include Strata as the Data Centre supporting the three Councils' ICT services is currently based at the Civic Centre.

5. Section 151 Officer comments:

5.1 The use of funds requested in this report is an appropriate use of the Guildhall Surplus Funds. The opportunity this provides for the Council to reduce its costs, deliver a significant capital receipt, and works towards two of the key Corporate Objectives, with impacting the Council Taxpayers is demonstrably worthy of the investment.

6. What are the legal aspects?

6.1 This report does not raise any legal issues which are relevant to the proposal at this stage.

7. Monitoring Officer's comments:

7.1 This report does not raise any issues for the Monitoring Officer.

8. Report details:

8.1 The Council has been considering options for a number of years to free up the Civic Centre site and move to new premises. The site could provide much needed new homes and has been identified as part of the Eastgate Liveable Exeter strategic development opportunity, providing for a vibrant mixed use new quarter in the City Centre.

8.2 Initially the Council was working with Crown Estate on a second iteration of the Masterplan for Citypoint, which was centred around a Civic Hub bringing the Council and Partner organisations together in brand-new purpose-built building. The final proposal however required the Council to commit to a 35-year lease wrapper on this building and a second building to provide commercial property space. The cost of the lease was several million pounds per year and would require the Council to take the risk of filling the space. There was no firm commitment from partners and therefore whilst this option has not been formally rejected by Council, it is not being actively pursued by officers and alternative options for delivery on the Citypoint site are being explored.

8.3 The Civic Centre is now not appropriate for the needs of Council. With the advent of hybrid working, the Council has moved into a single block and presently this is underoccupied. Efforts to lease out the other two buildings have had some limited success, but it is by no means full and is not achieving the rental income projected.

Empty space requires the Council to pay the Business Rates on buildings it is not occupying as well as utility costs.

8.4 The City Surveyor and Director Finance have been looking at opportunities to make better use of the Council's estate to provide suitable, high-quality accommodation for our staff and councillors, whilst ensuring that there is no cost to the Council Taxpayer.

8.5 As the ambition of the Council is to move to a position where office-based staff's work environment is a productive space for service teams to work collaboratively rather it is considered possible to locate spaces across multiple council-owned sites in the City.

8.6 Outline plans have been developed for the office block in the Guildhall Shopping Centre, the floor of the Bradninch Place, which the Council continues to operate out of and Oakwood House, at Exton Road. In addition, outline plans have been drawn up for a shop in the Guildhall Shopping Centre to be repurposed to provide face to face services.

8.7 The plans are set out in Appendix A set out some options for how each of the office areas could look. Although they are currently showing a majority of desks set out in the style of the current Civic Centre, it is likely that some of our satellite sites, particularly Bradninch Place will be set up as meeting spaces with the ability to use them as touchdown zones when the meeting room is not in use.

8.8 The Council will also look at other opportunities such as the spaces at the Livestock Centre (when they are not booked for external use) and offices based at our Housing sites to provide further accommodation for the Council to use.

8.9 At present, there are a number of tenants based within the Civic Centre, occupying space in Phase 1 and Phase 3. Due to the downsizing plan set out in this report, it will not be possible to provide accommodation for any of those tenants, with the exception of Strata, our IT Company, who are entitled to accommodation under the terms of the agreement and in any case play an integral part in the delivery of our services.

8.10 A budget of £100,000 is requested to allow detailed plans to be drawn up and for necessary works to be carried out. For example, the Guildhall offices date back to the 1970s when the Centre was built and we have the opportunity to invest in them to reduce our carbon footprint. The windows need replacing, as does the heating system, so there is an opportunity to design a building fit out which looks to support our commitment to Net Zero.

8.11 The budget requested will be funded from surplus money generated by the Guildhall Shopping Centre. As the majority of those funds will be designing improvements to the existing Centre, this is an appropriate use. In any case the entire project underpins a significant regeneration project in the City, which is the purpose for which the money is held. It is envisaged that, if approved, the costs of making the accommodation fit for our purposes will also come from the Guildhall surplus income meaning there will be no cost to the Council Taxpayer.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The intention is to deliver a low carbon principal site for the Council at the Guildhall Shopping Centre, contributing to our Net Zero ambitions. It will also support Housing and Building Great Neighbourhoods.

10. What risks are there and how can they be reduced?

10.1 There may be a risk at peak demand times that there may not be sufficient space for all staff who want to come in to find space at their preferred location. A suitable booking system will reduce this risk. Split sites will be a new way of working for services, however the proximity of Bradninch Place to the Guildhall Shopping Centre should reduce the challenges. Additionally, there is the option of using our Exton Road site.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics, but this will be an integral element of the detailed planning stage to ensure all issues are identified and addressed.

12. Carbon Footprint (Environmental) Implications:

12.1 The main offices in the Guildhall will likely require new windows and a new heating system. This provides Council with an opportunity to explore decarbonisation projects as part of the move. As the move will be funded from funds not available to the General Fund, this is an opportunity to decarbonise a significant asset, without impacting on the Council Taxpayer. It should be noted this is a project that will impact the Offices only and not the wider Centre. A representative from the Net Zero team will be invited onto the Project team.

13. Are there any other options?

13.1 The Council can remain in the Civic Centre. However, Council will need to address the shortfall in the budget to produce a balanced budget over the medium term. Some significant improvements will be required to the structure. If Members were inclined to take this option, the opportunity to redevelop the Civic Centre site for housing would be lost, but the Council could seek alternative uses at the Guildhall shopping centre offices which would generate a further income for other regeneration opportunities.

13.2 There may be an opportunity to acquire a site that is in a better condition and thus requires less works. Commercial properties are regularly informed of opportunities in the market and if an appropriate and costs effective option becomes available this will be presented to Members. Renting premises will not have a positive impact on the Council's financial position and is therefore not recommended.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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