



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Deputy Chief Executive

DATE: 10 January 2019

**PORTFOLIO/S
AFFECTED:** ALL

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: Council Office Accommodation Strategy Update

1. EXECUTIVE SUMMARY

Further to the report to Executive Board on 8th February 2018, this report updates on the implementation plans for the next stage of the Council's Office Accommodation Strategy.

Since the funding reductions started in 2010 the Council has been making budget cuts each year and downsizing its workforce, and as a consequence of this, has been routinely reviewing its core office accommodation sites to rationalise property and reduce costs.

The refurbishment of the Davyfield Road bungalow site is now complete which will provide staff accommodation and emergency/civil contingency facilities in the event of a town centre buildings failure.

The next phase is outlined below.

2. RECOMMENDATIONS

That the Executive Board notes:

1. Further to the Executive Board report of February 2018, the level of refurbishment planned for Blackburn Town Hall is being scaled back in line with the Council's ongoing budget constraints.
2. The proposed reduced refurbishment works will be funded from the existing accommodation strategy capital programme fund.
3. A further report will be brought on the future options for the Tower Block.

3. BACKGROUND

The Council's core staff accommodation sites comprise of Blackburn and Darwen Town Halls, the Tower Block and 10 Duke Street.

As reported previously, as the Council's workforce has decreased so has the occupancy of the core accommodation buildings.

There is therefore further scope for building rationalisation to reduce costs and improve services and it has been agreed that all four buildings are no longer required, and that the occupied sites could be rationalised from four buildings to three.

This position takes into account the availability of office accommodation at the Bungalow at Davyfield Road depot. The Bungalow refurbishment has now been completed and will provide out-of-town accommodation for up to 120 staff from appropriate teams, including the existing occupants. The building can also provide touch down space for staff that need to access a Council building without having to travel back into the town centre during peak times. The completed works to the Bungalow will ensure that the building is fit for purpose to provide for future agile working practices. The Bungalow's location on the edge of town also ensures that the building can provide emergency/civil contingency resilience in the event of a town centre building network failure.

Recently internal moves have taken place within Duke Street to create further sections of available space and Adults Services staff, from the Tower Block floors L&M have now relocated to Duke Street which is now fully occupied by Children's Services and Education, Public Health & Adults Services Departments.

The Tower Block will then only be occupied by Resources Departments, Facilities Services and Trades Unions.

The previous Council Office Accommodation Strategy Executive Board Report in February 2018 proposed a full major internal refurbishment of the grade 2 listed Blackburn Town Hall.

This major internal refurbishment included the full replacement of the Mechanical and Electrical systems throughout the building and the removal of internal structural walls.

Due to Council's budget constraints it is proposed to scale back the level and cost of the internal works.

4. KEY ISSUES & RISKS

There is an over-supply of staff office accommodation. The risk of not taking action at this juncture is to continue to carry considerable additional costs of empty staff accommodation.

Modernisation of Blackburn Town Hall, would increase capacity, improve service provision, reduce operational and backlog maintenance costs. The remodelling of the internal cellular spaces into flexible office accommodation will encourage and promote future agile and digital working practices.

Due to the budget constraints of the Council a detailed review has taken place of the existing condition survey reports and a review of the overall available office space within the Town Hall.

This has identified that it would be possible to undertake a scaled back internal refurbishment that would still deliver the desired accommodation strategy outcome, of the Council being able to reduce the number of staff accommodation buildings by vacating the Tower Block.

The proposed works would include the removal of non-load bearing stud partition walls, some limited electrical rewiring works, the creation of staff welfare facilities within each floor, upgraded audio visual systems for the Council Chamber, decoration, floor coverings and new modern flexible office furniture.

This would mean that the previously proposed removal of a number of structural walls, replacement of the heating system and a decant of all staff and services from the Town Hall to other buildings will no longer form part of the proposals thus reducing the costs and disruption significantly.

As part of the works consideration will also be given to future public meeting space provision in the Town Hall to improve public access to the building. All works will be in accordance with the Equality Act 2010.

As the level of works will not create the same disruption and noise in the Town Hall, it will be possible to undertake the work on a floor by floor basis, meaning that although temporary moves will be necessary, most moves will be able to be accommodated within the facility.

The existing customer services & Registrars services delivered from the ground floor of Blackburn Town Hall will continue to be delivered from this space, without disruption.

The works will be costed and undertaken on a floor by basis. The drawings and specifications will be undertaken by the Council's Building Consultancy Team, and the building work will be undertaken by the Council's Corporate Building Team as an in house project.

Once the refurbishment works to Blackburn Town Hall are completed, all staff will be relocated from the Tower Block into Blackburn Town Hall or other core accommodation buildings. As part of this relocation a full review of storage will take place to ensure as much rationalisation as possible takes place in compliance with the Council's document retention and disposal policy.

Once the Tower Block has been vacated it will be deemed surplus to the Council's requirements with two options for consideration. The first option would be to mothball the facility which will still require the buildings heating and ventilation plant to be kept operational and empty business rate charges would apply. The second option would be for the Council to no longer have any responsibility for the building.

This second option requires detailed discussions and negotiations with the Mall, who are the Council's landlord, although the Council is the ultimate freeholder of the site.

A separate Executive Board report will be presented in the future to consider fully the options available to the Council in relation to the Tower Block.

5. POLICY IMPLICATIONS

The Council's established Property & Procurement Policies will be followed.
The Council's existing Agile Working Toolkit will be supported along with the Council's Digital Strategy.

6. FINANCIAL IMPLICATIONS

The Council's existing capital accommodation strategy fund has an allocation of £1,945,000. This fund will be utilised to undertake the works described above.

The savings expected from the Tower Block once it is mothballed after the works above, include part utility savings of approximately £30,000, facilities management savings of approximately £50,000 and part repair, maintenance and statutory compliance savings of £40,000. Total £120,000 p.a.

The savings expected from the Tower Block if the Council no longer had responsibility for the building include Tower Block budget of £220,000 covering facilities management costs, business rates and utility costs and repair, maintenance and statutory compliance savings of £70,000. Total £290,000 p.a.

7. LEGAL IMPLICATIONS

The Council owns the Freehold titles for both Blackburn and Darwen Town Halls.

In relation to the Tower Block, a lease is in place in favour of the Mall, from which there is a 150 year under-lease back to the Council. The under-lease is dated 7th December 1993 expiring 3rd December 2143 with a peppercorn rent.

A future Executive Board report will be brought regarding the Tower Block once further options have been considered and pending discussions with the Mall.

8. RESOURCE IMPLICATIONS

The project will be managed by the Council's Property team, within Growth & Development.

The Council has formed a project team with representatives from all necessary stakeholders including HR, IT, Customer Services, Business Support, PR & Communications & Departmental representatives. The project team will be overseen by the Deputy Chief Executive.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

10. CONSULTATIONS

Full staff consultation will take place over the coming months to discuss with staff how the Council will move towards agile working practices.

The staff consultation will initially focus on the staff/services located within the Town Hall that will be required to relocate within the building or temporarily relocate to the Tower Block to allow the refurbishment works to take place.

Future detailed conversations will be necessary with the Mall in relation to the future decisions that are made on the Tower Block.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	Lee Kinder
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DATE:	22/11/2018
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BACKGROUND PAPER:	
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