

<p>SHADOW EXECUTIVE</p>

<p>20 JANUARY 2009</p>

SUBJECT	<p>CREATING CENTRAL BEDFORDSHIRE: PROPERTY & ACCOMMODATION ISSUES</p> <p>(This report outlines the work undertaken so far in developing an Initial Accommodation Plan and Medium Term Property Strategy for Central Bedfordshire Council. It outlines the working assumptions and the intended timetable and actions required to implement the Initial Accommodation Plan and Medium Term Strategy.</p> <p>It also outlines the situation related to the disaggregation of the County Council's property assets and the actions that have been taken to meet the Secretary of State's requirements.)</p>
REPORT OF	Director for Corporate Resources
<i>Contact Officer: Clive Heaphy Tel: 01462 611421</i>	

IMPLICATIONS

SUSTAINABILITY	<p>The future management of the property assets for Central Bedfordshire should provide the maximum benefits for the Council and the community. Making sure CBC receives its proper and rightful share of the County's property assets is the first step in this direction</p>
FINANCIAL	<p>Financial implications will arise as any agreed plans are implemented. These will be quantified in due course prior to approval being sought. The financial implications of the disaggregation of the County property assets are significant and it remains the intention of the council to secure an equitable agreement over this matter.</p>
LEGAL	<p>The transfer of titles for the disaggregated property assets will be necessary following an agreement being reached.</p>

PERSONNEL/ EQUAL OPPORTUNITIES	Office accommodation that is fit for purpose will underpin the key priority that recognises that a suitably trained, motivated and qualified workforce is vital to quality service delivery. (paragraph 7.5 Strategic Plan)
COMMUNITY DEV/SAFETY	None
TRADES UNION	The Trades Union have not been consulted on this report but will be consulted as necessary at a future time.
HUMAN RIGHTS	None
KEY ISSUE	Property assets are the largest asset, apart from its staff, that CBC will have. The correct disaggregation of the County's property assets is therefore a key issue in the implementation of the new Councils objectives. The property and accommodation solutions will have a direct impact on service delivery across the CBC area
BUDGET/POLICY FRAMEWORK	Income and expenditure related to property assets is reflected in the annual budgets and represents a significant proportion of both capital and revenue budgets.

RECOMMENDATION:

- 1. that the Shadow Executive considers the progress made to date and endorses planned actions in relation to the implementation of the Initial Accommodation Plan and Medium Term Property Strategy for Central Bedfordshire Council.**
- 2. that the Shadow Executive considers the issues and endorses actions relative to the disaggregation of the County Council's property assets pursuant to finalising a list of agreed disaggregated property assets in line with requirements laid down by the Secretary of State.**

Reason for Recommendation: So that Shadow Executive can monitor progress on property and accommodation matters undertaken as part of the creation of Central Bedfordshire, and endorse the approach to the agreement of an Initial Accommodation Plan for Central Bedfordshire Council.

1. Background

- 1.1 Central Bedfordshire's property portfolio will be created by bringing together property assets from Mid Bedfordshire, South Bedfordshire Councils and a proportion of the property assets currently held by Bedfordshire County Council. It will ultimately consist of a wide range of properties such as schools, libraries, offices, care homes, leisure centres, and parks.
- 1.2 The provision and management of property and accommodation is a significant factor in the way that services are delivered to the citizens of Central Bedfordshire and the partners with whom we work.
- 1.3 The timetable to create Central Bedfordshire Council requires activity to take place to secure a working model for property and accommodation from Day 1 (vesting day 1 April 2009) as well as establishing a longer term view of the ways in which Property will support the achievement of the Council's objectives.
- 1.4 These two work streams are not mutually exclusive but it is expedient to consider them as separate activities in order to achieve progress in line with the agreed programme for the creation of Central Bedfordshire. The former has been defined as the "Initial Accommodation Plan" and the latter "The Medium Term Property Strategy".
- 1.5 A further consideration is the successful disaggregation of those property assets currently vested with Bedfordshire County Council which will need to be divided between Central Bedfordshire and Bedford Borough councils. The assets transferred to Central Bedfordshire will also form part of the future Central Bedfordshire property portfolio and therefore be a factor in the development and implementation of the Medium Term Property Strategy.

2. Disaggregation of Bedfordshire County Council Property Assets

- 2.1 A report on the disaggregation of Bedfordshire County Council property assets was presented to Shadow Executive in November 2008. Shadow Executive agreed to arrangements to determine the list of disaggregated County Council property assets and to contact DCLG to request support in reaching an agreement where the disaggregation of property assets remains in dispute with Bedford Borough Council beyond 31st December 2008.

- 2.2 Contact has been made with DCLG in respect of disputed assets and we await a response from DCLG on this matter. It therefore remained for the Council to formally agree those matters where there is no dispute. The Secretary of State required this to be completed by 31st December 2008. The decision by Shadow Executive asked Director of Corporate Resources to ensure this happened.
- 2.3 The formally agreed list of undisputed disaggregated assets is now being finalised by officers in line with the criteria endorsed by Shadow Executive in November 2008.
- 2.4 It is proposed that report on Medium Term Property Strategy, due to be presented to Shadow Executive in the February, will provide an update on the latest position on the creation of the Central Bedfordshire property portfolio including the incorporation of those existing County Council assets.

3. The Initial Accommodation Plan

- 3.1 The Initial Accommodation Plan will describe the Day 1 state and the work that will need to be done to achieve this.
- 3.2 It is intended that the Initial Accommodation Plan will be fully implemented by the end of March 2009 to ensure that every member of staff of Central Bedfordshire Council has an appropriate place of work. Initially it is not planned for all Central Bedfordshire staff to be accommodated within the new Council's geographic boundary.
- 3.3 At this time the Initial Accommodation Plan is formulated on the basis that accommodation moves will be minimised and where these are required will be supported by a business case which justifies the moves are in line with business need.
- 3.4 The existing local authority locations will, in almost all cases, be those from which Central Bedfordshire will operate from on Vesting Day. All frontline service delivery locations will remain the same. It is envisaged that the only principal changes will relate to the creation of the Corporate Centre at Priory House and some minor reorganisation within the offices. Any reorganisation of this kind will be contained within the existing geographical location but not necessarily within the same building.
- 3.5 The Initial Accommodation Plan will therefore contain some new elements of a future Medium Term Accommodation Plan (which is itself part of the Medium Term Property Strategy) but there will be very few examples of this.

- 3.6 To summarise, the Initial Accommodation Plan will be delivered with minimal changes to the existing accommodation arrangements. This means that acquiring new accommodation, either freehold or leasehold, or by extending existing premises before Vesting Day is not currently being considered. As more information is known about the future needs of the council, plans will be developed to establish operations within the geographic location of Central Bedfordshire where appropriate. This will form part of the work in bringing forward and implementing the Medium Term Property Strategy.

4. The Medium Term Property Strategy

- 4.1 The Medium Term Property Strategy will describe the ways in which Central Bedfordshire Council intends to ensure that the management of its property assets and related services support the vision, priorities and objectives of the council. It will also set out the policies and procedures relevant to the management of property assets within Central Bedfordshire Council. It will include therefore a statement of property related objectives and an associated action plan to achieve these objectives within the agreed timescales.
- 4.2 By definition the Medium Term Property Strategy will look further into the future than the plans currently being developed to address transition issues. However there will still be a need to recognise that the creation of Central Bedfordshire and the implications for property will in the early part of the period covered by the strategy also consider operational issues as well as strategic matters.
- 4.3 This is the principal reason that the first Central Bedfordshire Medium Term Property Strategy will include a Medium Term Accommodation Plan. This medium term plan will then continue the development and implementation activity, begun in the Initial Accommodation Plan phase.
- 4.4 The Medium Term Accommodation Plan will describe the desired state to be reached within 3 years of vesting day (i.e. between 2009/10 and 2012/13). The plan will describe the work needed to achieve this state and appraise option for the property and accommodation solutions required by the council over the medium to long term.
- 4.5 It is almost certain that Central Bedfordshire will need to occupy property and accommodation located outside of the geographic boundary up until 2012/13. The exact locations of and occupancy agreements for these properties are yet to be determined and this work would be undertaken within the first quarter of 2009.

- 4.6 It is intended that the Medium Term Property Strategy will be presented to Shadow Executive in February 2009.

5. Consultation

- 5.1 Consultation with stakeholders has been ongoing for some time now. These include officers of the existing and new councils and the Corporate Resources TTF. The actions and progress described within this report have taken into account comments received so far and in particular the view from members of the TTF that any additional office accommodation required for Day 1 should be minimal but if really necessary should not conflict with longer term accommodation needs to avoid any waste of resources.
- 5.2 Discussions with Bedford Borough Council over the disaggregation of former Bedfordshire County Council property assets have been described above. Of particular note and in relation to the Medium Term Accommodation Plan will be how the administrative buildings are shared between the two new authorities. As previously described it is now a working hypothesis that a significant number of former county staff who transfer to Central Bedfordshire on Day 1 will be working from existing office accommodation including County Hall.

6. Working assumptions and factors to be considered

- 6.1 The development of the property solution is complex and there are still a number of areas where a greater level of understanding is required. In order to make some progress it has been necessary to make certain working assumptions about the use of existing properties and the shape of the future property portfolio. All of these working assumptions have been presented within the consultation process and direction provided by the various Member and Officer Groups.

6.2 Some of the key working assumptions are outlined below:

- (1) **Priory House, Shefford.** It is a working assumption that Priory House will be the Corporate Centre for the new authority and the Chief Executive and all Directors will be accommodated there with their immediate support staff. There is also an intention to ensure that appropriate resources are available for Members. Discussions are ongoing as to how this will be achieved in a manner consistent with the ways in which the whole Central Bedfordshire property portfolio will operate and be managed. Priory House supports around 350 staff and it is anticipated that it will continue to do so as part of the Central Bedfordshire property portfolio. Further detail as to the use of space and by which service teams will be developed as part of the Medium Term Accommodation Plan.

- (2) **South Beds District Offices, Dunstable.** The existing South Bedfordshire District Council offices in Dunstable supports around 450 staff and it is anticipated it will continue to do so as part of the Central Bedfordshire property portfolio for the foreseeable future. Further detail as to the use of space and by which service teams will be developed as part of the Medium Term Accommodation Plan.

- (3) **County Hall, Bedford.** As mentioned above the majority of staff currently located at County Hall will remain in occupation on Vesting Day even though they will be Central Bedfordshire Council employees. Negotiations with Bedford Borough Council recognise the rights of Central Bedfordshire to occupy County Hall. The Medium Term Property Strategy will describe the approach to migrating Central Bedfordshire staff away from properties based in Bedford Borough's area and to locations within the geographic area of Central Bedfordshire where appropriate. It will be considered whether those staff that are engaged in providing shared services with others including Bedford Borough Council may be more effectively located elsewhere. Some staff transferring to Central Bedfordshire may be required to move out of County Hall prior to vesting day and some may be required to move offices within County Hall. As far as is practical double or multiple moves of staff in quick succession will be avoided.

- (4) **Business Transformation and service delivery.** The Initial and Medium Term Accommodation Plans and the Medium Term Property Strategy must be wholly aligned with strategies for Business Transformation and Customer Service. The property teams will work closely with colleagues across the council to ensure this happens. This will be a key factor in developing the design of the CBC property portfolio.
- (5) **New ways of working.** Maximising the utilisation of space will be influenced by the ways in which staff will be supported in their work. Approaches such as shared workspace; home-working; hot-desking; drop in spaces and innovative use of networked ICT systems will all be considered and used where appropriate to optimise the use of accommodation, minimise costs and support individuals and teams to maximum effect in undertaking their work. Although difficult to achieve a consistent style across a variety of property types it remains the ambition of Central Bedfordshire to have office accommodation that is modest, fit for purpose and efficient in the use of space and in line with best practice throughout the sector and industry.
- (6) **The commercial property market.** The commercial property market in Central Bedfordshire is not large and opportunities to lease office accommodation of a suitable size are limited. The existing financial climate will mean that the council will need to carefully consider the ways in which the acquisition of new properties, or the disposal of existing properties work together to optimise the use of financial resources in the provision of the property and accommodation solution.
- (7) **Staff movements.** It is still not yet possible to predict with absolute certainty the number of staff relocations that will be needed either for Day 1 operation (though these will be minimal) or for the medium term. Some movements of both current district level staff are anticipated as well as movement of former County staff out of Bedford. As more information is provided by service areas the property team will continue to develop an understanding of the required moves and the timetable for these to happen. This work is currently active and ongoing.

7. Summary

- 7.1 Work did not progress on this area as quickly as originally planned. There has been some delay in identifying sufficient information to develop the accommodation plans. This includes information such as detailed staffing structures for the new authority, understanding how these relate to the existing arrangements and therefore assessing overall accommodation needs; information from the County Council on the disaggregation of staff; clarity on shared service arrangements and under which authority these will be hosted. In addition the overriding priority to agree the new Council's structure within an acceptable budget has also impacted upon an ability to develop more fully the future accommodation solutions with a degree of confidence.
- 7.2 Team resources have been increased however and this has enabled an acceleration of activity in the area of property and accommodation which means that the targets and milestones described within this report are considered to be achievable. Additional resources necessary for specific pieces of work are under ongoing consideration by Management Team. Wherever possible the use of resources already existing within Mid Beds, South Beds, and County Council property teams has been the method of approach.
- 7.3 The property and accommodation solutions for both initial and medium term periods remain a significant issue for the council. This is being addressed through active project and programme management, discussion and consultation with members and officers and will continue to be so.
- 7.4 Shadow Executive is asked to consider the content of this report and to make its comments.

Background Papers: None

Location of Papers: None

File Reference: None