

## **REPORT OF THE LEADER OF THE COUNTY COUNCIL**

### **Investing in Nottinghamshire: Making the Best Use of Council Premises**

#### **Purpose of the Report**

1. To agree ambitious, long term proposals for the best future use of the Council's major office and service buildings. To seek approval for capital and revenue funding to support the delivery of the proposals set out in this report.

#### **Background and information**

2. The Council has an ambitious vision for Nottinghamshire, set out in the Council Plan "Your Nottinghamshire, Your Future". A key element of this is major investment in our communities and the local economy through the rationalisation and modernisation of the Council's main office and service premises, including the bringing forward of landmark developments on the County Hall campus and other Council owned sites. This programme of activity is called the Investing in Nottinghamshire programme, and was agreed by Policy Committee at its meeting in March 2019.
3. Investing in Nottinghamshire is driven by an ambitious set of principles. These can be summarised as;
  - Maximising the strategic impact of the location of the Council's office estate and the use of the Council's assets for economic impact and regeneration.
  - Improving the mobility, productivity and effectiveness of our workforce and services through, new technology and service integration (delivering an average 6:10 desk ratio)
  - Developing fit for purpose accommodation that supports modern service models, including integrated working.
  - Ensuring the Council has appropriate buildings in its main communities.
  - Making maximum use of the Council's current assets whilst releasing surplus accommodation.
  - Prioritising office accommodation owned by the County Council rather than that leased from the market.
  - Delivering effective and efficient facilities management services to ensure safe and sustainable offices for staff and the public.
  - Reducing environmental impact through work to reduce the carbon footprint of the Council's estate and delivering improved work transport/access solutions for staff.
4. In addition, Investing in Nottinghamshire will:

- Deliver better public services and improved outcomes for Nottinghamshire residents.
  - Bring forward investment, jobs and housing in Nottinghamshire through unlocking major developments on Council-owned land.
  - Right-size the Council's office estate, thereby minimising long term maintenance requirements.
  - Generate substantial capital receipts over the life of the programme.
  - Reduce revenue running costs associated with the Council's main premises.
  - Offer opportunities to grow commercial revenue income.
5. These principles and benefits have been used to determine the detailed proposals put forward in this report and set out in detail in the accompanying appendices.

## **Investing in our Office Estate**

6. The proposals are based on detailed location analysis, drawing on a wide range of evidence. This includes analysis of service user profiles and locations; workforce data (including travel patterns); analysis of interdependencies with other transformation programmes, including the Remodelling Practice programme in Children's' Social Care and the new operating model and structure in the Adult Social Care and Health Department; and analysis of Council property values and costs. This analysis has been captured in the attached location studies that set out the options considered, a snapshot of the data, a preferred option for delivery and how these meet the principles and benefits set out above.
7. The following paragraphs summarise the current position and proposed solutions for each location.

### **West Bridgford**

8. In West Bridgford there are two main properties; Trent Bridge House and the County Hall Campus.

### **Trent Bridge House**

9. The proposal is for the Council to ultimately vacate this leasehold property and to seek to let it on a commercial basis, as this offers the potential for substantial revenue income. The future use of the building and the site will be subject to the conditions of the lease. This requires ongoing dialogue with Nottinghamshire County Cricket Club as the freeholder.
10. In the short term, Trent Bridge House gives access to useful decant space to smooth the phasing of other elements of the Investing in Nottinghamshire Programme. In the longer term, staff and partner organisations will exit the building and relocate to alternative premises. This requirement is therefore considered in the potential for the County Hall Campus to bring a more consolidated approach to accommodating staff and those organisations that have a working synergy with the Council. **Current costings show capital investment of £650,000 is required for refurbishment work to support the commercial lease plans set out in paragraph 9 above.**

## County Hall Campus

11. County Hall is the main administrative and civic hub of the Council. It is the key focal point for the consolidation of accommodation, services and functions. The County Hall building itself is also a high profile and historic Nottinghamshire landmark, and so it is critical that any further development of the building respects its important and historic place in the Nottinghamshire landscape.
12. To consider the future of the County Hall campus, a specialist design team has been commissioned. The team has considered improvements to the existing County Hall building, together with scoping additional accommodation and up to date meeting space that will be required to accommodate increased staff numbers, and modern ways of working. Necessary and overdue improvements to the building's infrastructure, along with a remodelling of the building's layout, will reduce future maintenance liabilities, improve running costs and increase working efficiencies, and provide a much-improved working environment.
13. The design team have also developed a further concept to help capture and showcase Nottinghamshire's unique history and heritage. A reshaped County Hall site, with its historic location, has the potential to provide a new state of the art home for the Nottinghamshire archive. This new facility would offer easier public access to archives and artefacts and could enable the County's unique historical artefacts to be displayed in the County's civic hub.
14. The team's work to date demonstrates that the County Hall campus site has the scope to be significantly remodelled and improved. The proposed improvements to the County Hall campus will provide significant benefits. These include:
  - Increased staff accommodation capacity, thereby enabling the commercial letting of Trent Bridge House to be pursued.
  - Reduced long term maintenance and energy costs/liabilities through the modernisation of County Hall's building infrastructure, with a long-term ambition of the campus achieving carbon neutral status.
  - Improved public access to modern archive and artefact provision, contributing to Nottinghamshire's visitor economy, located in an additional landmark building on the campus.
  - Modernised civic accommodation, supporting the reputation and civic role of the Council.
  - The potential for rental income from third parties, including Council owned companies, along with opportunities for shared/integrated facilities with partners.
15. The proposed premises solutions at County Hall are in line with the principles of the Investing in Nottinghamshire Programme. However, the complexity of the County Hall campus site means that a project of this nature is a significant undertaking and requires substantial up-front investment.
16. To this end, it is now necessary to invest in the detailed design and costing phase of the proposed full campus development plan. This second phase of the project will generate detailed design and costing information for the works described above that will be presented to this Committee in the summer of 2020 for further consideration, should it approve in principle the proposals contained in this report.

17. **Current costings show a capital investment of £3,200,000 is required for this next phase of work.**

### **Top Wighay**

18. The County Council leases two large buildings on Sherwood Business Park, Annesley: Mercury House and the Piazza. It is proposed to vacate these.
19. The proposal for a new office building at Top Wighay Farm has been agreed as part of a wider masterplan through previous Policy Committee decisions on 19 June 2019, 13 November 2019, 15 January 2020. The new build will be an anchor building for the Top Wighay development and will unlock a significant employment site as part of this exciting new mixed-use development.
20. The new building will accommodate for critical front-line and support services. Significant flexibility has been designed into the brief for the building to reflect forecast changes in the way we work. The new building will set a new benchmark for County Council properties in terms of environmental sustainability.
21. **Current costings show a capital investment requirement of £14,700,000. This incorporates the new build and associated site infrastructure costs.**

### **Mansfield**

22. The County Council owns Meadow House in Mansfield and will retain this property. Meadow House has yet to be refurbished in line with the Council's Smarter Working Principles and has significant maintenance issues. It is therefore proposed to undertake a full refurbishment of Meadow House, which will bring the standard of the building into line with the remainder of our future office estate.
23. **An initial allocation of £3,000,000 capital funding is required.**

### **Worksop and Retford**

24. The County Council operates services from Chancery Lane in Retford. The Council does not own the land on which this building is situated and will vacate this property.
25. Analysis of local service users showed a higher density of service users located closer to Worksop than Retford (62%). It is therefore proposed to relocate the majority of services based at Chancery Lane to a new purpose-built office on the current site of the former Bassetlaw Learning Centre in Worksop.
26. However, service delivery in Retford will be maintained through the provision of case conferencing and contact facilities as well as touch down space for staff working locally within the Retford Post 16 Centre. In addition, it is intended that the Registration Service will occupy premises in The Square in Retford, and offer weddings at Retford Town Hall, replacing the ceremonial room at Chancery Lane.

27. **Current costings show a capital investment of £2,750,000 and £2,500 one-off revenue funding is required across the three proposed sites.**

### **Beeston**

28. The County Council Leases Prospect House in Beeston. It is proposed to vacate this property.
29. Early re-location of several services which operate across the South Nottinghamshire area occurred in September & October 2019 enabling staff from the same services, previously distributed across multiple sites, to be co-located together for the first time.
30. It is proposed that the remaining Adult Social Care services at Prospect House will re-locate to Middle Street Resource Centre, providing a continuing Beeston base for local service provision.
31. It is proposed to relocate the remaining Children and Families services with business support to the former Beeston Central Children's Centre on Trevor Road. It is proposed that this new office base will provide local childcare case conferencing and contact facilities. The latter already operate from this location.
32. **Current refurbishment costings show a capital investment of £1,125,000 is required across the sites in Beeston.**

### **Arnold and Carlton**

33. Sir John Robinson House is a large, Council-owned property in Arnold.
34. Consideration was given to relocating all staff from Sir John Robinson House to the new Top Wighay development. However, modelling showed a detrimental impact on service efficiency and service users, given its location away from the high density of service users in Arnold and Carlton.
35. The options appraisal also considered options to obtain new office accommodation but there are no suitable properties available.
36. An opportunity has emerged to release the building to public sector partners (not named for commercial sensitivity). As part of the arrangement, it is proposed that those front line Council services that would benefit from co-location will continue to occupy space in the property. Services currently located in the building which are not geographically bound will relocate to other Council Offices.
37. This proposal will provide a revenue income stream for the Council, and ensure that the Council will retain an accessible front line service presence for services users in the Arnold and Carlton localities.
38. **Current costings for this proposal indicate a capital investment requirement of £220,000 for refurbishment works.**

## Ollerton

39. In Ollerton, the Council operates from three buildings on the Sherwood Energy Village. In May 2019, all employees at Bevercotes House were relocated to the two neighbouring office buildings, Thoresby House and Welbeck House. Following the previous Policy Committee (March 2019) decision, Bevercotes House was marketed for disposal. The building is now under offer for sale and separate report to this meeting seeks approval to dispose of Bevercotes House.

## Newark-on-Trent

40. Most services that serve Newark based at Sherwood Energy Village, which is 15 miles from the town centre.
41. It is therefore proposed to secure new office accommodation from which Council services can operate in the town. This will be considerably more accessible to service users.
42. It is proposed to locate services at Castle House in Newark. This proposal meets the requirements of both Adult and Children Social Care services and will assist in developing a greater level of multi-agency working providing a more aligned service for the customer.
43. Subject to Committee approval, final negotiations regarding desk licence costs and necessary refurbishment will be agreed. **Current costings associated with this proposal are to provide a capital investment of £20,000 for required refurbishment.**

## **Programme Costs**

44. As outlined, this is an ambitious and complex programme of work, which is estimated to take 5 years to deliver. The Programme requires significant funding in order to deliver the stated outcomes.

## Programme Resources

45. Programme Management resources will continue to be provided from the Council's Programmes and Projects team. The Programme Team will require an additional allocation of resource (x2 Project Managers and x1 Programme Officer) which is already funded.
46. It is also anticipated that the delivery phase of the programme will require significant additional resource within Strategy and Information in the Property Services team. This will require an additional two posts, who will work directly on the programme. This resource will taper off to one post and then a half post as the delivery progresses. On the assumption of additional agency staffing this would amount to a maximum cost of £187,000 for the first year tapering thereafter.
47. It is necessary to make provision for an additional fixed-term 1FTE Solicitor, at Band D, to provide legal support across the Programme for 4 years.

48. To provide the necessary communications support directly to the Investing in Nottinghamshire Programme, it is proposed to make provision for an additional fixed-term 1FTE Communications Officer at Band C.
49. A summary table is shown below. The costs shown are capital expenditure due to them being directly attributable to the delivery of the Investing in Nottinghamshire programme;

<b>Posts</b>		
Role	Timeframe	Cost (£000)
2fte Business Partner (Property)	April 20 – March 21	187
1fte Business Partner (Property)	April 21 – March 22	94
0.5fte Business Partner (Property)	April 22 – March 23	47
0.5fte Business Partner (Property)	April 23 – March 24	47
1fte Solicitor (Legal Services)	4-year fixed term	233
1fte Communications Officer	4-year fixed term	191
TOTAL		<b>799</b>

#### Other costs

50. In addition to the resource costs proposed above, to enable the Programme team to deliver the central support for the Investing in Nottinghamshire Programme it requires a dedicated budget allocation for operational activities, above what is currently provided to the Programmes and Projects team.
51. The following allocations are proposed over the lifetime of the programme;

Activity	Funding stream	Amount (£000)
Internal fit out	Capital	1,145
Internal fit out	Revenue	300
ICT – Equipment	Capital	470
ICT – Comms lines	Revenue	108
Facilities Management	Revenue	30
Property Valuations & Agency Fees	Capital	50
TOTAL		<b>2,103</b>

#### **Financial Implications and risks**

52. The proposals within the Investing in Nottinghamshire Programme aimed at delivering the Council's priorities as set out in Paragraphs 8-43 consist of a package of interlinked complex projects which include refurbishments of existing Council buildings, new builds, demolitions, the vacation/disposal of some properties and the leasing of others.
53. Financial analysis has been undertaken to consider the costs and income opportunities arising from the overall Programme, from both a capital and revenue perspective. In order to deliver the recommendations contained within this report, £28,129,000 of capital investment and £440,500 revenue funding is currently anticipated as being required.

<b>Proposal</b>	<b>Capital</b>	<b>Revenue</b>
West Bridgford (County Hall)	£3,200,000	
West Bridgford (Trent Bridge House)	£650,000	
Top Wighay	£14,700,000	
Mansfield	£3,000,000	
Worksop & Retford	£2,750,000	£2,500
Beeston	£1,125,000	
Arnold and Carlton	£220,000	
Newark on Trent	£20,000	
Staff Resources	£799,000	
Other costs	£1,665,000	£438,000
<b>Totals</b>	<b>£28,129,000</b>	<b>£440,500</b>

54. The capital investment is currently estimated to be required over a period of 5 years. The table below shows the indicative schedule.

<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
10.4	11.5	4.9	1.0	0.3

55. The revenue cost of capital purchases is made up of interest and Minimum Revenue Provision (MRP). The cost is estimated at £60k per £1m borrowed. The proposed capital investment of £28.1m required to deliver the outlined Investing in Nottinghamshire Programme will result in an additional revenue cost of circa £1.7m p.a. The assumption used in the MRP calculation is based on loan finance over 50 years. This cost will need to be factored in to the Council's MTFS and future years budgets.
56. That said, based on initial modelling, gross annual revenue savings in the region of £950k are estimated. These estimates do not include potential other cashable and non-cashable benefits which will be quantified through further work and presented to Committee (along with updated capital cost information) in future reports as the Investing in Nottinghamshire Programme progresses and develops. Neither do they include potential capital receipts.
57. Delivering this complex programme does not come without risk. The different projects within it are at different stages of development, and many are interdependent. As such, the key current programme risks can be identified as follows:
- Current capital costs for some elements of the programme are subject to further clarification and subsequent confirmation. Further variations to the capital programme may therefore be required.
  - Similarly, capital and revenue income projections are subject to market clarification.
  - The timescales and phasing of the programme is complex and subject to a range of external influences (for example planning approval timescales and requirements for new builds). These factors will influence programme costs and will therefore need to be kept under close review.
58. These key risks and dependencies, in addition to project specific risks identified through the feasibility stages for individual projects, will require managing and mitigation through subsequent phases of the programme.



## **Other Options Considered**

59. The proposals contained within this report are considered to be the optimal solution, in line with the principles and parameters set out in paragraph 3 and previously approved by Members.

## **Reasons for the Recommendations**

60. To implement the recommendations approved by Policy Committee in March 2019 to outline and seek approval to a number of changes to the Council's operational estate and to seek funding to undertake capital works, detailed designs and planning work.

## **Statutory and Policy Implications**

61. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.
62. An Equality Impact Assessment has been undertaken. It has considered all protected characteristics from the Equality Act 2010 and all relevant staff mitigations will be put in place. Service users will benefit from our services being more local to them.

## **RECOMMENDATIONS**

63. Policy Committee is invited to approve:
1. In principle, proposals to remodel the County Hall campus as outlined in paragraphs 11 to 17, including the provision of additional premises incorporating a new archives provision and to approve a variation to the capital programme to increase it by £3,200,000 for detailed design and costing works to be undertaken for a full campus development plan;
  2. A variation to the capital programme to increase it by £14,700,000 for the design and construction of new office accommodation and associated infrastructure at Top Wighay;
  3. A variation to the capital programme to increase it by £4,795,000 in respect of the refurbishment works to be undertaken at Meadow House, Trent Bridge House, Beeston Central Children's Centre and office accommodation at Castle House in Newark;
  4. A variation to the capital programme to increase it by £2,500,000 to design and construct new office accommodation on the current site of the former Bassetlaw Learning Centre in Worksop;

5. A variation to the capital programme to increase it by £250,000 and one-off revenue funding of £2,500 in respect of the establishment of new office and service facilities in Retford at the Retford Post 16 Centre and 17B The Square;
6. A variation to the capital programme to increase it by £220,000 for refurbishment works at Sir John Robinson Way, Arnold, necessary to allow surplus office accommodation to be made available for commercial use.
7. The Investing in Nottinghamshire capital and revenue expenditure in respect of programme management resources set out in paragraphs 45 to 51.

**Councillor Kay Cutts**  
**Leader of the County Council**

**For any enquiries about this report please contact:**

Adrian Smith, Corporate Director – Place  
Tel: (0115 9773680)

### **Constitutional Comments (SSR 03/02/2020)**

The recommendations set out in this report fall within the scope of decisions that may be approved by Policy Committee.

### **Financial Comments (NS 04/02/2020)**

As set out in the report the report this represents a significant estimated capital investment of £28.1m and revenue investment of £0.4m spread over a number of major projects, phased over a number of financial years.

As set out in paragraph 57 this means there are risks and uncertainties around the overall costs of the individual elements of the project, risks on capital and revenue income projections and uncertainties around the phasing of the individual projects. At this stage it is not possible to quantify the extent of the financial risk against each of these.

In addition, there may be elements of the expenditure currently shown as capital that might ultimately have to be classed as revenue if the expenditure is not directly attributable to the creation or enhancement of an asset. Some of this may be able to be funded through the capital flexibility directive however there are uncertainties around the continuation of this directive and of there being sufficient capital receipts in a given year. In the event that expenditure cannot be capitalised, revenue budgets will need to be identified.

The report indicates a total capital expenditure by 2024/25 of £28.1m. Based on this total the ultimate additional revenue costs will be £1.7m p.a. and this cost will need to be included in future years budgets. The report indicates that this additional cost will be partly offset by anticipated revenue savings of £950k, with the balance offset by other potential cashable and non-cashable benefits of the proposed new office infrastructure.

In addition, it should be noted that the report is approving the development of plans relating to the County Hall campus. As set out in paragraph 16 there will need to be a further report to Policy Committee to approve any further capital costs.

Following approval, a more detailed Latest Estimated Cost (LEC) report will need to be presented to Finance & Major Contracts Management Committee.

Two adjustments will be made to the Council's Financial Plan in March 2020 as follows – a variation to the Policy Committee capital programme to reflect the additional capital investment identified in this report and adjustments to the MTFS to reflect any associated revenue implications.

### **Human Resources Comments (GME 04/02/2020)**

Employees and their representatives will be fully engaged at the relevant times of the project and consideration will be given to those where moving bases has a significant impact using the Council's existing policies and procedures around disturbance, flexible working and the needs of individuals with various protections under the Equality Act 2010.

The recognised Trade Unions were briefed at Central Joint Negotiating and Consultation Panel on Thursday, 30<sup>th</sup> January 2020 and a further briefing is planned for late spring/early summer as the detail of the plans emerge. This process will continue throughout the project.

### **Background papers and Published documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Policy Committee Report - Investing in Nottinghamshire: Delivering the Council Plan through a second Phase of the Smarter Working Programme (20<sup>th</sup> March 2019)

Policy Committee Report - Investing in Nottinghamshire: Delivering the Top Wighay Farm Sustainable Urban Extension (19<sup>th</sup> June 2019)

Policy Committee Report - Investing in Nottinghamshire: Top Wighay Masterplan (13<sup>th</sup> November 2019)

Policy Committee Report – Investing in Nottinghamshire: Top Wighay Masterplan (15<sup>th</sup> January 2019)

Planning Committee Report - Construction of Two Highway Junctions to Allow Access to Development Site at Top Wighay Farm, Hucknall (21<sup>st</sup> February 2020)

Investing in Nottinghamshire Programme - Equality Impact Assessment

### **Electoral Division(s) and Member(s) affected**

All