

Appendix 1



ACCOMMODATION STRATEGY BASELINE STUDY

DRAFT

OFFICE ACCOMMODATION STRATEGY

1. Vision

Optimised use of office assets to maximise service benefits and financial returns.

2. Aims

- Ensuring the most economic and efficient use of all office space.
- Aligning their use to meet the Council's corporate aims.
- Ensuring that office accommodation helps meet customer needs and changing service agendas.

3. Objectives

- Improving office use and reducing running costs.
- Identifying any surplus or potential surplus capacity for disposal.
- Investigating alternative uses in the context of the business and community plans.
- Challenging office use in relation to fitness for purpose and adaptability to meet future needs.

4. Key considerations

- Office accommodation must contribute towards meeting the objectives of the business and community plans.
- Service needs change over time and office accommodation has to be able to satisfy these.
- Poor, not fit for purpose accommodation leads to user dissatisfaction.
- Underused property is an unnecessary drain on resources.
- Office ownership and running costs are a major and rising expense to the Council.

Since this matter was last reviewed in 2006 there have been a number of

significant changes. The Council has vacated Padiham Town Hall and the property has become part of the Council's Non Domestic Rented Property Investment Portfolio. Significant investment is being made in these premises to improve disabled access and the vacant office accommodation is being marketed for business use. At present the building houses Lancashire County Council's Library Service and Padiham Town Council.

5. **Main Office Accommodation**

The following four main office buildings remain in Council occupation:

- a. ***Burnley Town Hall***, Manchester Road, Burnley (Asset No. 5).
- b. ***18-24 Nicholas Street***, Burnley (Asset No. 43).
- c. ***Parker Lane Offices***, Burnley (Asset No. 31).
- d. ***Contact Centre***, 9 Parker Lane, Burnley (Asset No. 751).

6. **Background**

In 2005 after a restructuring by the Council of the way in which it provides its services there was clear need to bring together disparate parts of the new Service Units for ease of management, economies of scale and better administration.

The Council's Management Structure is as shown at Appendix VI. At its core is an Executive Team of four Directors managing 16 Service Heads. 13 of these occupy property within the remit of this Report.

Following the opening of the Contact Centre in 2005 and St. Peter's Leisure Centre in 2006 there was an expectation that some of the existing town centre properties might become vacant. With the relocation of Streetscene staff from Padiham Town Hall and new initiatives such as the Multi Agency Problem Solving (MAPS) Team in Nicholas Street, little if any space has in fact been released.

Several staff moves are still underway however and this is particularly the case at the ground floor area of Parker Lane Offices where relocation of Revenue and Benefits/ Planning and Environment staff into the former Payment Hall is being considered.

7. The Properties

The **Contact Centre** is held on a 15-year lease from 1st January 2005, whilst the three other properties are owned freehold. The rent payable under the Contact Centre lease is currently £67,748 p.a., increasing on a stepped basis each year to £93,773 in the final year of the term 2019.

Parker Lane was purpose-built as Building Society/Bank office accommodation with payment halls at ground floor and basement storage accommodation. There is lift access to some areas; however, changes in levels, building links and historic construction and layout mean that some areas are far from ideal.

Burnley Town Hall was purpose-built in 1888 and generally still lends itself to the democratic needs of a Council function, having mayoral and committee areas. Much of the office accommodation is, however, not up to modern office standards. Many areas are not accessible without the use of stairs and it does not have air conditioning/handling plant. It does have former police station/magistrates' court cell areas in the basement which, whilst not ideal, provide very useful storage/archival accommodation.

Nicholas Street Offices are an amalgam of three buildings linked together over the years. There is no lift and again historic construction, levels and layout restrict access and use in areas.

All four properties are sited in close proximity in Burnley Town Centre and have the benefit of basement storage areas. At Parker Lane in particular, the basements were specifically designed to accommodate the storage of deeds and documents and therefore these areas are well set out and useable for archiving purposes.

Note: the office accommodation occupied by Leisure and Recreation and Green Spaces is not included within this report.

8. Issues to consider

- a. Any Office Accommodation Strategy must be mutually supportive of and take account of other Council strategies and plans.
- b. Opportunities to exploit Information Technology need to be considered when planning new office layouts. Modern office and working practices benefit from the introduction of IT solutions. The introduction of Wi-fi

technology into office space wherever possible, with the in-built flexibility that this provides, should be considered.

- c. Future flexibility needs to be built into any works undertaken in conjunction with office moves to facilitate and reduce future costs.
- d. The Council has commissioned a feasibility study into a corporate wide implementation of *Electronic Document and Records Management System* (EDRMS) following the successful implementation of Camino Document Management System within Revenue and Benefits in 2006/7. A tactical rollout of EDRMS across a number of units over a period of 5 years has been adopted in 2007.

A corporate archival strategy and policy should be developed, in tandem with database and record management systems, in order to relieve the Council of unwanted archive material and properly manage records. This would help with Freedom of Information Requests and speed up general information retrieval. It would also free up and allow more efficient use of space.

9. **Space Requirement Studies**

Considerable work has been undertaken in this area in both the private and public sectors. Key drivers have been cutting costs and making more efficient use of space.

Additional drivers particular to the public sector include:

- a. CPA/CAA District Audit are keen to see progress on the efficient use of space by Councils Efficiency gains. As part of preparing an Asset Management Strategy and Key Lines of Enquiry in respect of use of resources, the Council should be monitoring its performance and setting targets.
- b. Implementing Electronic Government Central Government is committed to releasing surplus office space following the introduction of new IT enabling staff cuts.
- c. Budgetary Constraints Accommodation is a major cost second only to staff costs.

- d. Productivity Efficient, pleasant and effective offices layouts aid service delivery and enhance productivity.
- e. Recruitment and Retention A good working environment is a major incentive to staff.
- f. Sustainability An increasingly important consideration given the need to meet tight carbon targets and with the spiralling cost of fuel.

Commonly used measures include cost per square metre, space per person, and cost per person.

A typical target is 8 to 10 m² per full time equivalent member of staff.

Indicative guidelines are:

Clerical	7.0 to 8.0 m ²
Technical/Professional	9.3 to 10.7 m ²
Service Head	13.0 to 18.0 m ²
Director	20.5 to 31.5 m ²

This reflects that technical staff need for more equipment in their work and that Directors/Head of Service require dedicated meeting space.

Burnley Borough Council's target for desk space and associated area per member of staff is 7-8 m². This needs to reflect, however, equipment and filing space needs on an ad-hoc basis.

The following space allocations are suggested as appropriate and will be monitored as part of staff relocations:

Clerical	7.0 to 8.0 m ²
Technical/Professional	10.0 to 10.5 m ²
Managers	12 m ²
Service Head	15.0 to 15.5 m ²
Director	25.0 to 26.25 m ²

10. Accommodation Use

An analysis of the use of the four office properties (Appendix 1) shows that the overall average space per member of staff is 8.76 m², down from 10 m² in 2006.

68 out of 493 staff occupy space in excess of the above-mentioned allocation category targets. Of this number, 63 are housed in Burnley Town Hall and Nicholas Street.

16 are in single occupancy rooms. This reflects more, however, on the structural layout of the buildings than any planned under-occupancy.

Some 265 of 4,318 m² of office space are currently vacant (as at March 2008); however much of this is earmarked to accommodate new staff and to move existing staff from other accommodation. Overall only 6.13% of space is unused. (See Appendix 1 – Occupancy Totals).

11. Allocation of Space

The Corporate Property Officer, supported by the Head of Property Consultancy, is responsible for corporately managing the allocation of space and balancing the needs of Service Units. This role is critical if the overall space requirements are to meet the agreed targets and lead to a reduction in space needs.

12. Staff Numbers

The number of full time posts in the authority increased over the two years (2005-2006) from 508 to 536.

The number of part time posts in the authority increased over the two years (2005-2006) from 134 to 142.

The number of full time equivalent posts increased again in 2006/07 to circa 560 and this remains steady as at 31st March 2008 at 563.5. This is due in the main to the recruitment of staff to meet the workload of the Elevate Programme and other capital/fixed term funded initiatives.

All fixed term initiatives and associated staff employed must continue to be carefully monitored to ensure that space requirements and running costs can be reduced if the initiative and/or outside funding is cancelled leading to a reduction in staff numbers.

493 members of staff are currently accommodated in the four office buildings under consideration, an increase of 20 since 2006.

13. Running Costs

The attached spreadsheets (Appendix 2 and 3) show the running costs for the years 2005-2007 for the four buildings under consideration.

If only Energy and NNDR costs are considered, then Contact Centre (9 Parker Lane) is the most expensive per sq. ft.; however this reflects a decision to include electrical space heating and air conditioning on refurbishment of the same which impact both on running costs and Rateable Value.

Display Energy Certificates for each of the buildings will be required on 1st October 2008. These certificates will rate the buildings according to their energy efficiency and identify improvement that might be carried out. Some will be quick hits with short time payback periods but others will involve larger capital expenditure with longer payback periods. An example of the types of work would be the recent replacement of the aged boilers at Burnley Town Hall and Nicholas Street.

The NNDR's of the properties have been appealed with significant savings being achieved.

• Burnley Town Hall	£	53,345
• Nicholas Street	£	20,522
• Parker Lane	£	47,435
Total Saving	£	121,302

14. Surplus Accommodation

Following staff moves in 2006 from Padiham Town Hall into the town centre offices and from Nicholas Street into the new St. Peter's Centre, net space of 451.17 m² was released. As part of the "Multi Agency Problem Solving (MAPS) initiative, however, 190.22 m² of this was immediately taken up taken with new service requirements for office space so there is currently little, if any, significant

space available. Currently 264.61 m² (6.13%) of the office space is vacant, with the majority of this comprising the former Payments Hall at Parker Lane.

If at some future date the Council's office space requirements were to reduce significantly, then of the four buildings concerned, Nicholas Street would most readily lend itself to sub-division. As it originally comprised three separate buildings, as and when space becomes available in sufficient volume, potentially it would be suitable for division into separate lettable office suites. This would, however, require careful management of the use of space and of the archival storage both in the office and basement storage areas.

The property is located within a commercial area occupied by professional firms, many with ties to the Magistrates' Court situated on Parker Lane. It is therefore thought that any surplus space could be disposed of relatively easily.

The granting of short to medium term leases would best fit the future flexibility of the management of the office accommodation surplus to the Council, in that the accommodation could be re-occupied by the Council in the future if its space needs changed.

15. **Other Initiatives**

As well as reviewing space allocation within the Council it is important to investigate and introduce other measures to make best use of space occupied:

Home Working where the nature of the work is suitable. Whilst Burnley Borough Council has a Home Working Scheme, only small numbers of staff take advantage of this opportunity and they tend to retain their own dedicated office space. Consideration should be given as to whether more flexible application to generic work might enable real space reductions.

Desk Occupancy. A standard adopted by many organisations is to provide 8 desks for every 10 FTE members of staff. This recognises that leave, sickness, site visits, meetings and other legitimate reasons for being away from the desk reduce desk occupancy. Based on the 493 staff currently based at the five properties, this would reduce by 97 desk spaces and reduce the overall space requirement by some 849 m². Significant investment in backup systems would however be necessary.

Desk Size. Some organisations have looked at the type of desk unit that is required by staff duties. For instance, if the member of staff is away from the office base for a considerable part of the day, then a smaller desk space may be more appropriate with, perhaps, only access to a computer terminal for picking up work schedules and inputting information collected during the day. This can be augmented by laptop computers in the vehicles and by the use of Smart phones (e.g. Blackberry) to communicate with the office and gain information from the central records etc.

Hot Desking. This allows part-time and job share staff to use the same workspace and can also be applied to staff who spend many hours outside of the office base, by staggering the time they attend at the office and sharing desk space.

16. Customer Needs

As well as catering for staff needs, accommodation must provide for internal and external service users. This involves good signage, appropriate security measures, compliance with DDA etc... and providing a pleasant environment. Where a Contact Centre or One-Stop Shop has been provided as is the case in Burnley, it is imperative that staff are trained to deal with enquiries and, if some services are provided elsewhere, that this is clearly indicated at the earliest possible stage to customers. At present there are still separate receptions for a number of different services e.g. Planning, Taxi Licensing and in the Town Hall; however, these and the services provided at the Contact Centre are kept under constant review.

Recognising that many customers need assistance from more than one branch of the public sector to deal with their needs, some local authorities are now looking at "Public Service Villages" with other public sector partners, particularly where services have been devolved or transferred to agencies or contractors.

17. Staff Facilities

Staff morale is also an important factor alongside work life balance issues and sustainability. If space is to be trimmed per person, then adequate breakout areas should be incorporated within the overall office space.

Staff should be encouraged to move away from their workspace for meal breaks and, in this respect, dedicated breakout or dining room facilities should be made

available. As part of ongoing moves, a review of refreshment facilities and needs should be undertaken for the four premises and, if necessary, a corporate policy agreed. This can then be built into the allocation of space initiatives.

As part of initiatives to improve staff health consideration should also be given to providing improved cycle storage and showering/washing facilities.

18. Meeting Space

Meeting areas needs to be carefully planned to accommodate different types of meeting. Some organisations e.g. ASDA at their Leeds Headquarters, have introduced standing meeting space in an attempt to reduce the length of meetings. They have also, however, retained some more standard/traditional meeting rooms for longer meetings and negotiations.

Public bodies tend to be very conservative and expect a standard meeting room layout preferably with refreshments. This is not, however, always necessary or conducive to the meeting agenda or targets.

19. Office Layouts

In order to make the best and most efficient use of available space, it may be necessary to invest in new office furniture. This particularly applies to desks that incorporate IT requirements. This was done successfully on the first floor of the Contact Centre, where the 41 desk spaces use an average of 5.64 m² each, below the 7-8 m² average target for clerical staff.

20. Security

Particularly where services are provided to the general public it is important to ensure that staff enjoy a secure working environment. Access control within these buildings should be monitored and assessed periodically, especially within the Town Hall.

A combination of digital locks and swipe card access points are in use; however, it would be beneficial if one integrated system were used at all four sites. A swipe card entry system could have a dual role as part of a clocking-in system, thus reducing administrative costs. A hierarchy of security could also be developed to control access improving, managing and controlling the

security process.

21. Burnley Borough Council Costs

For the measures commonly in use:

Cost per unit of space	
Space per person	<i>£53.88 per m²</i>
Cost per member of staff	<i>8.76 m² / 94.29 ft²</i>
	<i>£471.99</i>

22. Summary

A number of different initiatives could be introduced to reduce the use of office space whilst increasing the efficiency and effectiveness of working practices. In an ideal world, perhaps the best solution would be to start from scratch and develop new centrally located, modern, sustainable and thermally efficient purpose built accommodation. Given the current level of resources, however, all we can do is work with the dated albeit architecturally and historically significant premises that we already occupy. The following should be investigated and if appropriate introduced as part of our ongoing Office Accommodation Strategy:

- a. The Corporate Property Officer, with the support of the Head of Property Consultancy, to take a more active role in the central management of space allocation in premises.
- b. Office accommodation should be allocated according to agreed corporate space targets.
- c. Occupancy targets should be included in all Service Unit Business Plans.
- d. Bi-annual monitoring of space usage indices should be undertaken.
- e. Improved procedures and targets to monitor and reduce running costs should be introduced.
- f. Short-term initiative space requirements and funding of the associated running costs should be closely monitored.
- g. A corporate Archival Strategy and Filing protocol should be introduced.

- h. Continue tactical implementation of *Electronic Document and Records Management System* (EDRMS) across the council.
- i. The archival basement storage areas should continue to be managed as efficiently as possible.
- j. Reviewing of and expanding the operation of the One Stop Shop and Contact Centre to maximise economies of scale should be investigated.
- k. Reviewing the operation of and need for reception desks/areas at four sites.
- l. Reviewing refreshment and breakout facilities for staff.
- m. Managing meeting space effectively.
- n. Reviewing furniture needs and procurement.
- o. Encouragement of Home Working and Hot Desking initiatives where appropriate.
- p. Investigating partnership contact/shared use arrangements.
- q. Monitor and periodically evaluate security / access control systems within buildings that are open to the general public.
- r. Investigating the use of swipe card systems.

23. References

- Donaldson's Accommodation Strategies
- The Space Race – CIPFA
- The Space Race Survey Results – CIPFA
- Harmeson – Worcestershire CC Study
- BT Space Requirement Study

- Wireless Technology and Offices over the next 5 years – S Gale
- The Impact of Office Design on Business Performance – Cabe / British Council for Offices
- Office Occupier's Survey Summary Document - MORI/Knight Frank/ British Council for Offices - July 2005
- Transforming the government Office Estate Mike Burt OGC Director - June 2007
- Property Accommodation Report - K. Jewsbury FRICS, KJ Property Consultancy (Lancaster) Limited - July 2006

24. Appendices

Appendix I - Occupancy Totals

Appendix II - Energy Costs 05-07

Appendix III - Running Costs

Appendix VI – Burnley Borough Council Management Structure