

For publication

Title of report: Relocation of Services from 85 New Square

Meeting:	Council
Date:	19 July 2023
Cabinet portfolio:	Customers and Business Transformation
Directorate:	Digital, HR and Customer Services
For publication	

1.0 Purpose of the report

- 1.1 This report asks Elected Members to consider approving the relocation of the Council's public facing Customer Service Centre to Chesterfield Town Hall, together with the relocation of the operational services which are also based at 85 New Square (known as the Revenues Hall) during the financial year 2023 -24.
- 1.2 If the proposal is accepted, annual revenue savings of up to £132k will be achieved through a reduction in the running costs of the operational estate.

2.0 Recommendations

This report was considered by Cabinet at its meeting on 18 July, 2023 where it was resolved that the report and its recommendations be supported and referred to Council for approval.

- 2.1 Members approve that the Council's Customer Service Centre and the operational services based at 85 New Square are relocated into Chesterfield Town Hall during the 2023 – 24 financial year.
- 2.2 Members approve that funding of £157k is incorporated into the Council's capital programme so that appropriate customer facilities can be provisioned at the Town Hall.

- 2.3 Members note that minor painting, decoration, and property repairs will be undertaken on the 2nd and 3rd floor of the Town Hall, as part of the routine maintenance programme for the building. This work will be funded through the Property Repairs Fund (PRF).
- 2.4 Members approve that 85 New Square is marked as surplus for operational requirements.
- 2.5 Members approve that delegated authority is given to the Service Director for Economic Growth, working in conjunction with the Deputy Leader and Cabinet Member for Finance and Asset Management, to undertake marketing for sale or lease of 85 New Square, ensuring that an appropriate buyer is secured whose plans align to the Council's Town Centre Master Plan.

3.0 Reason for recommendations

- 3.1 Relocation of the Customer Service Centre will enable the Council to continue to maximise the use of its operational assets whilst also reducing liability for ongoing maintenance and operational running costs. It will enable the council to continue to modernise service delivery, providing access to a greater number of public services from Chesterfield Town Hall.

4.0 Report details

- 4.1 Recent increases in the costs of energy, goods and services have placed a significant pressure on Local Authority budgets and as a result, officers have been undertaking systematic reviews of our operational property estate to identify where property running costs and maintenance costs can be reduced and where office space can be maximised.
- 4.2 Chesterfield Borough Council has already worked with other public and voluntary sector organisations to lease space at Chesterfield Town Hall. This action has helped to generate much needed income for the Council and has improved access to services for our residents. However, following the introduction of new technologies and an acceleration of agile working, productivity and efficiency increases have been achieved and this has enabled further opportunities to release additional desk space within Chesterfield Town Hall. A feasibility study has therefore been undertaken to determine whether financial savings can be achieved by relocating more of the Council's operational services into the Town Hall.

85 New Square.

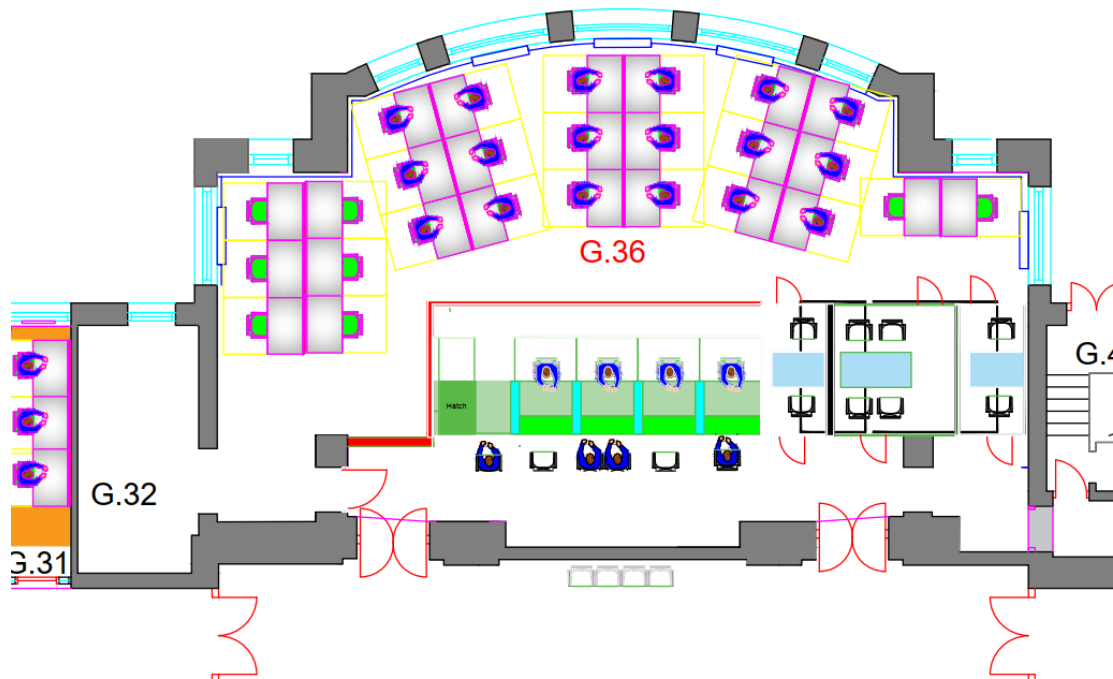
- 4.3 85 New Square houses teams who administer a wide variety of council services, including Revenues and Benefits, Licensing, Housing and Cashiering functions. The feasibility study has demonstrated that it is possible for these teams to be successfully relocated to Chesterfield Town Hall, enabling the available operational space to be fully utilised.
- 4.4 The Council's public facing Customer Service Centre is also located at 85 New Square. It was provisioned in 2013 and its creation improved access to services for our residents and businesses. However, some ten years on, residents and businesses still try to access services from Chesterfield Town Hall, as the building is well known as the primary base for the Council. Relocating the Customer Service Centre to the ground floor of Chesterfield Town Hall could help to simplify public access arrangements and build on the services already housed at the Town Hall, including the Register Office, Coroners Court, and several Voluntary Sector Organisations.
- 4.5 85 New Square requires significant repairs and maintenance work to be completed in the next five years. This work is required to meet building safety standards and enables the replacement of deteriorating equipment and addresses general wear and tear. It is estimated that the Council will be required to spend £790k over the next five years to address these needs.
- 4.6 Relocation of all services from 85 New Square is expected to achieve ongoing revenue savings of £81k per annum, rising to £132k per annum if the building were to be sold or rented.
- 4.7 When considering both the ongoing maintenance liabilities for this building, and the ongoing revenue savings which could be achieved by reducing our operational estate, councillors are asked to approve that 85 New Square is deemed surplus to operational requirements and that alternative uses for the site are sought.
- 4.8 The Council could retain the building and lease it as office space, thereby creating an income producing property but there is an abundance of vacant office space in the current climate and the layout of the existing building, together with ongoing maintenance liabilities, may provide a challenge to lease. Should an opportunity arise with interest from an organisation seeking a building with an older style of office accommodation, then this should not be overlooked. However, it is recommended that the Council considers disposal of the property by way of marketing the premises. This will remove the ongoing maintenance liabilities of the building and will release a much-needed capital receipt. Conversion or redevelopment of the building could be considered depending on what exposure to the market delivers.

- 4.9 Officers within the Council's Planning Service have provided a statement relating to the development potential of the site. Highlights include:
- i. The property is not recommended for retail use.
 - ii. The site would support a range of potential future uses, including offices, health, food and drink, leisure and education uses.
 - iii. Conversion to residential use or similar specialist use such as care or independent living would be appropriate to this location.
 - iv. The central location and proximity of facilities and services and public transport would make it particularly suitable for residential accommodation.
 - v. Conversions of commercial space to residential use in town centres can raise issues around parking and lack of amenity space. However, it is noted that in this case the property does include some dedicated parking space and is adjacent to green space in the form of Shentall Gardens.
- 4.10 Delegated authority is sought for the Council's Service Director - Economic Growth, working in conjunction with the Deputy Leader and Cabinet Member for Finance and Asset Management, to market the building and agree a sale which ensures that the future use of the site meets the requirements of the Council's Town Centre Master Plan.
- 4.11 Some infrastructure changes will be required to facilitate alternative uses, including disconnection of the building from the district heating system which is powered by the Market Hall, and relocation of CCTV and dark fibre links which currently support some ICT and CCTV infrastructure to the market area.

Relocation of Services to Chesterfield Town Hall

- 4.12 It is proposed that public access to the Customer Service Centre is provisioned on the ground floor of Chesterfield Town Hall, to the rear of the main reception area. The proposed floor plan for the Customer Service Centre layout is set out in Diagram 1 below.

Diagram 1



- 4.13 Costs totalling £157k will be incurred when relocating the public facing Customer Services facilities. It is proposed to reuse as much furniture as possible, whilst also maximising desk space within the 2nd and 3rd floors of the Town Hall. Detailed enabling costs are provided in section 6.0 of this report.
- 4.14 It is not proposed to move the cash payment machines which are located within the existing Customer Service Centre. Residents will still be able to pay cash for council services using pay point facilities in local shops or by using the post office network. There are five locations in Chesterfield Town Centre which can be used to pay cash for Council services.
- 4.15 Some teams already located within Chesterfield Town Hall will need to be relocated to ensure that office space can be maximised.
- 4.16 Planned building maintenance and redecoration on the 2nd and 3rd floors of the Town Hall will be undertaken prior to relocation of additional staff, so that we are able to minimise disruption to service delivery and to the workforce.
- 4.17 Subject to approval of this proposal, work will be undertaken to provision the Customer Service Centre and suitable office space at Chesterfield Town Hall, with the aim of relocation of services during the Autumn, 2023.

5.0 Alternative options

- 5.1 When completing the feasibility study, several alternative options were considered, including relocating the public facing Customer Service provision

into alternative sites such as the Market Hall or Pavements Shopping Centre, but these were not financially viable options.

5.2 Consideration has also been given to paring back face-to-face public access facilities, providing a simple reception service, and encouraging residents and businesses to use alternative access channels such as telephony and online. However, this option has not been progressed, as the Council wishes to continue to provide a choice for residents in the way they access services.

6.0 Implications for consideration – Financial and value for money

6.1 The 2023/24 budgeted operating costs for the CSC total £186k as set out in Table 1 below. Annual revenue savings of up to £132k can be achieved following disposal of the asset.

6.2 In addition, relocation of the Customer Service Centre will release the council from maintenance liabilities for the property, estimated to total £790k over the next five years.

6.3 The Council will still need to cover some running costs at 85 New Square until the premise is sold or leased. £51k per annum has been budgeted to cover ongoing utilities, insurance, business rates, and minor maintenance and servicing.

6.4 Enabling costs which will facilitate this relocation are set out in Table 2 below. It is recommended that £157k of the costs required to support this work are included in the Council’s Capital Programme, to be funded from earmarked capital receipts which have been set aside to fund transformational projects.

6.5 A further £147k of enabling costs have been categorised as revenue expenditure and these will be met from the Property Repairs Fund.

6.6 The sale of 85 New Square would generate a General Fund capital receipt which would contribute towards the funding of the capital programme.

Table 1 – Revenue Operating Costs

Operating costs	Year 1	Ongoing	Post Asset release
Estimated increase to Town Hall operational running costs (electricity, water, sewage, refuse)	£58,900	£58,900	£58,900

collection and supplies & recharge costs)			
Uniform for call centre staff	£1,500	£1,500	£1,500
Ongoing CSC costs (utilities and insurance etc)	£14,000	£14,000	£0.00
Empty business rates – 3 months free then 100% costs apply	£27,458	£36,610	£0.00
Avoided costs for pay machines	£0.00	- £6000	- £6000
TOTAL POTENTIAL COSTS at TH	£101,858	£105,010	£54,400
CURRENT CSC OPERATING COSTS	£186,180	£186,180	£186,180
POTENTIAL NET SAVING	£84,322 (*pro rata based on date of implementation)	£81,170	£131,780

Table 2 – Enabling Costs.

Enabling Costs	CAPITAL	Property Repairs Fund
Furniture	£35,500	
Installation of office pods in Customer Service Centre	£40,000	
Screening between the CSC and Contact Centre	£20,000	
Refit of appointment desks in Customer Service Centre	£12,000	
Sound proofing in cashiers service area	£6,000	
Sound baffling in Customer Service Centre	£6,000	
CCTV in Customer Service Centre	£7,500	
2 nd Floor kitchen	£15,000	
Plaster repairs to 2 nd and 3 rd floor		£15,000
Painting to 2 nd and 3 rd floor		£48,000
Carpeting 2 nd and 3 rd floor		£41,000
Management of contractors		£24,000
Blinds to floors 2, 3 and 4		£19,000
Contingency	£15,000	
TOTAL POTENTIAL COSTS	£157,000	£147,000

7.0 Implications for consideration – Legal

- 7.1 Relocation of the services and facilities at 85 New Square will not create any legal consequences. Residents will continue to be able to access statutory and discretionary services.

- 7.2 Procurement of the goods and services which are required to facilitate this work will comply with procurement legislation.
- 7.3 The Council has a legal requirement to maintain the health and safety of its workforce. Relocation of the services located within 85 New Square will ensure that building safety and employee health and safety requirements can be achieved in the most cost-effective way.

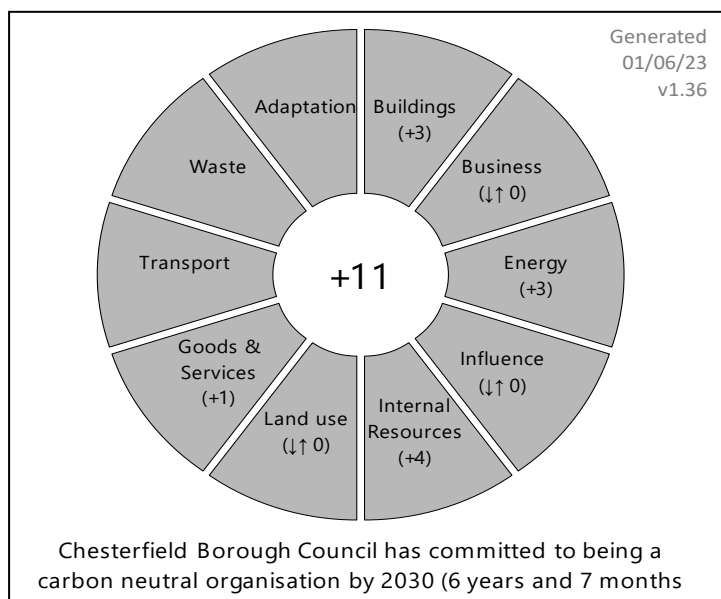
8.0 Implications for consideration – Human resources

- 8.1 This project will result in many of the employees located at Chesterfield Town Hall and 85 New Square being asked to move location. For some teams, there will need to be additional support provided to successfully enable the transition to agile working principles. Provision of support will be overseen by the Service Director for Digital, HR and Customer Services, supported by HR Business Partners and the Organisational Development Transformational Programme Manager.
- 8.2 Our employees have historically coped well with office moves and the relocation from 85 New Square is expected to offer an improved working environment for employees.
- 8.3 Free car parking facilities available at 85 New Square will be removed following sale or lease of the building. Employees will still be able to benefit from the Council's car parking scheme.
- 8.4 It is intended that Housing Property Services will co-ordinate the build works which are required to support the relocation of services. The Council's Organisational Development Transformation Programme Manager will take responsibility for the client activities required in this programme of work.
- 8.5 The project will be managed under CDM 2015 and will be F10 notifiable, with client, designer and principal contractor relationships and responsibilities clearly defined. All roles will be fulfilled by council employees.

9.0 Implications for consideration – Council plan

- 9.1 This proposal supports the council's ambition to be financially sustainable. Technology changes, together with new ways of working have enabled the council with an opportunity to provide residents and businesses with access to services at a reduced cost. It will also ensure that the number of operational assets are sufficient for a modern and agile Council.

10.0 Implications for consideration – Climate change



10.1 This proposal supports the council's ambition to become a carbon neutral organisation. It will reduce energy use and will continue to facilitate agile working reducing the need for employees to travel. The proposal also looks to reuse materials where possible, reducing the need to buy goods and services.

11.0 Implications for consideration – Equality and diversity

11.1 An equality impact assessment has been completed. It is not expected that there will be any adverse implications for residents and businesses from the proposals. All services which are currently available at the Customer Service Centre will be available at the relocated site in Chesterfield Town Hall, except for the ability to pay in cash for services. Residents and businesses can pay by cash in nearby retailers or local post offices, however.

12.0 Implications for consideration – Risk management

12.1 A detailed risk register is in place to support this proposal. Key high-level risks are detailed below.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Disruption of services during the relocation	High	Medium	Detailed implementation plans are in place.	High	Low

			Employees can deliver services from other locations.		
Delays in build works may reduce savings during the 2023 – 24 financial year.	High	High	Detailed implementation plans are in place. Procurement and commissioning of services are being co-ordinated	High	Medium
Negative impact to employee morale as we implement new ways of working	High	Medium	Communication plan developed. HR Business partner support is in place	High	Low

Decision information

Key decision number	
Wards affected	All wards

Document information

Report author
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Background documents
These are unpublished works which have been relied on to a material extent when the report was prepared.
<i>This must be made available to the public for up to 4 years.</i>
Appendices to the report

