

BABERGH DISTRICT COUNCIL

TO: BDC Cabinet	REPORT NUMBER: BCa/21/38
FROM: Cabinet Member for Assets & Investments	DATE OF MEETING: 07/02/2022
OFFICER: Assistant Director for Assets and Investments	KEY DECISION REF NO. CAB329

Accommodation & Agile Strategy – Endeavour House

1. PURPOSE OF REPORT

- 1.1 To consider the business case for proposed changes to BMSDC (Babergh and Mid Suffolk District Council) accommodation within Endeavour House in alignment with the Strategic Asset Management Plan (SAMP) adopted by the Councils in January 2021 and the Councils' developing Accommodation and Agile programme.
- 1.2 The Accommodation and Agile programme seeks to deliver fit for purpose workspace that reinforces our organisational culture, enables collaboration, networking, learning and promotes well-being; and that supports the delivery of effective and efficient services for residents.
- 1.3 The reconfiguration as set out within this report will deliver savings of approximately £675,000 whilst also delivering modern fit for purpose workspace for our organisations.
- 1.4 The Accommodation and Agile programme in accordance with the SAMP will review all BMSDC operational workspaces, in addition to Endeavour House, which is the first workspace to be reviewed.

2. OPTIONS CONSIDERED

- 2.1 **Option 1** Do nothing: retain the current office accommodation and layout within Endeavour House. This is not a viable option as working practises have changed significantly since the pandemic and demand for traditional desk spaces in an office environment has reduced, whilst demand for space to collaborate with colleagues has increased. Doing nothing would fail to align with the adopted SAMP principles to ensure that our properties are well used, collaborative spaces that offer good value for money.
- 2.2 **Option 2** Relocate to alternative premises. Babergh and Mid Suffolk District Councils jointly relocated to Endeavour House in 2017 and committed to 10-year leases with break options at the fifth year. Endeavour House continues to offer BMSDC high quality office accommodation and our occupation aligns with all the principles of the SAMP. At Endeavour House we share accommodation and services with partner organisations such as Suffolk County Council, who for example deliver IT services to BMSDC but co-location also helps to support partnership working across the public sector. Endeavour House is well-located with easy access to public transport and has good communal facilities such as a canteen, café and informal meeting spaces which have helped to attract and retain staff. Relocating to other premises at this time is not

viable. There are very few buildings across the County that would be able to provide shared services and spaces similar to those we use at Endeavour House and as such it is likely that relocating would increase our space requirements and costs.

- 2.3 **Option 3** Become fully digital Councils without a Headquarters building. Whilst working practises and technology have changed significantly there is still a need for in-person meetings from a legal perspective, such as full Council meetings and planning committees but also from a practical perspective to support our people who are unable to safely work remotely and to support collaborative work and training across teams, service areas and organisations. This is therefore not a viable option.
- 2.4 **Option 4** Reconfigure accommodation within Endeavour House to meet changing working practices. Endeavour House is well located to meet organisational needs however over the last 2 years our use of office accommodation has changed significantly with more people working remotely and growing demand for collaboration spaces when people do attend Endeavour House. Our existing office accommodation could be reconfigured to deliver the desk and collaboration spaces needed by the Councils within 1 floorplate enabling the remaining floor plate to be returned to the landlords by instigating the break clause in March 2022. This option will deliver a creative and efficient workspace with increased opportunities to collaborate, align with the principles of SAMP as well as offering financial savings.

<p>3. RECOMMENDATIONS</p> <p>3.1 That the Cabinet agrees to reduce and reconfigure the floorspace demised to the Councils within Endeavour House in accordance with this report</p> <p>3.2 That the Cabinet delegates authority to the Assistant Director of Assets & Investments to deliver the reconfiguration of the floorspace including finalising the detailed design, the appointment of contractors and suppliers and completing negotiations with the landlords.</p>
<p>REASON FOR DECISION</p> <p>To create a fit for purpose workspace at Endeavour House to reinforce our organisational culture, enable collaboration, networking and learning whilst promoting well-being and supporting the delivery of effective and efficient services for residents.</p> <p>To deliver financial savings over the term of the original lease period.</p> <p>To enable the timely, efficient, and effective delivery of the project.</p>

4. KEY INFORMATION

4.1 Context

- 4.1.1 BMSDC moved to Endeavour House and adopted an agile approach to working in 2017 which included office based and remote working. Since the first lockdown in March 2020, our working practises have changed and as such we have taken this opportunity to review our accommodation needs moving forward and ahead of our

lease break option in September 2022. Many public and private sector organisations have already decided that they will not return to how they worked pre COVID-19, this report focuses on the office space provided by our occupation of Endeavour House and looks to the future vision of how we can use and occupy this space to meet our developing and future needs to support our agile workforce. Our accommodation and agile programme seeks to review all our operational workspaces in accordance with the Strategic Asset Management principles within the SAMP.

4.2 Strategic Asset Management Principles

4.2.1 The SAMP describes the Councils' approach to the management of its assets and provides links to the operational and technical details that underpin the overall strategy.

4.2.2 The SAMP adopts the following Asset Management Principles which have been embedded into the Accommodation & Agile Programme:

			
Occupying Efficiently & Purposefully	Meeting Customer Needs	Sustainability	Meeting our People Needs
<p>Well maintained</p> <p>Well used/Fit for purpose</p> <p>Good value for money</p> <p>Minimise Accommodation Need</p> <p>Effective Collaboration Space</p> <p>Shared Spaces</p> <p>Spaces that stimulate creative thinking</p>	<p>Accessible Services</p> <p>A Positive experience</p> <p>Partner Collaboration</p>	<p>Sustainable financial resources</p> <p>Transport /Minimise Travel</p> <p>Reducing Consumption</p> <p>Carbon Neutral</p> <p>Safe and healthy environments that support physical and mental wellbeing</p>	<p>Protecting personal and private space</p> <p>Protecting confidentiality</p> <p>Ensuring fairness and equality when making future decisions</p> <p>Working Patterns</p>

4.3 Endeavour House Occupation

4.3.1 The Councils currently hold leases for the Lime and Gold blocks on the first floor of Endeavour House on the following terms:

- Term – 10 years from 1st October 2017
- Break option – to determine the day before the 5th anniversary on no less than 6 months prior written notice (notice to be given no later than 31st March 2022 to expire 30th September 2022)
- Alterations – internal and non-structural permitted with Landlord consent

4.3.2 This accommodation currently provides a total desk number of 212 equally split across both Gold and Lime floorplates as well as meeting capacity for 58 people within 10 meeting rooms contained within these floorplates.

4.4 Phased Return to the Workplace

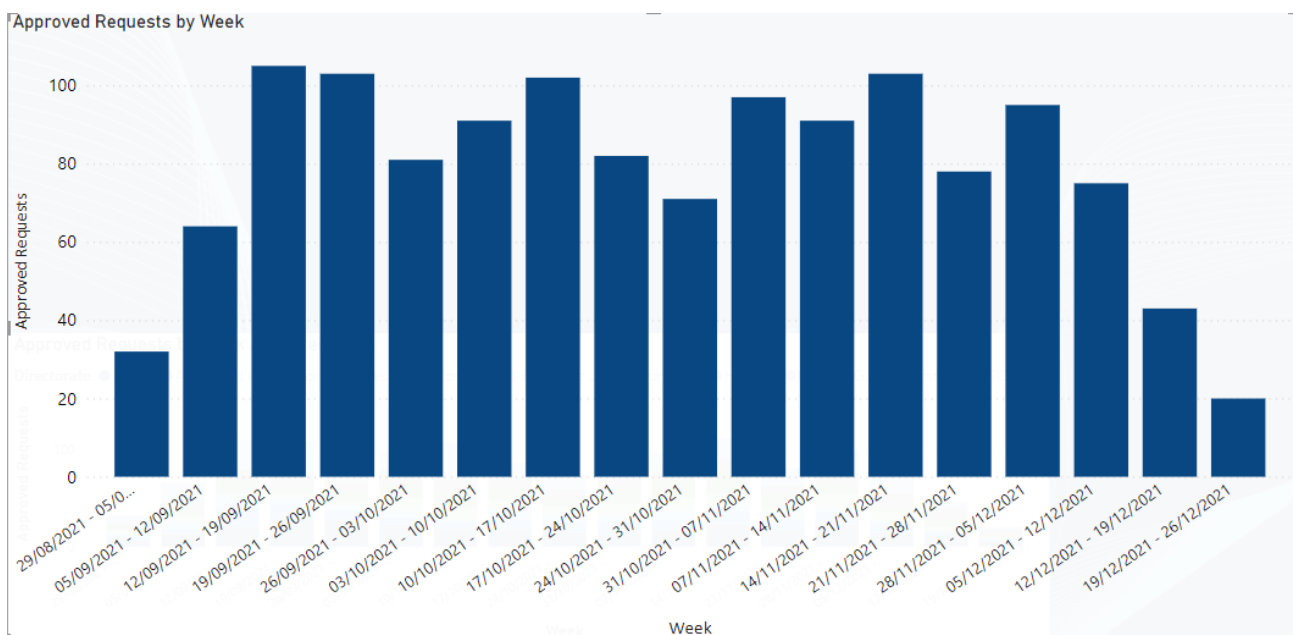
4.4.1 At the outset of the pandemic in March 2020 the Councils announced that staff would continue to work from home as the default position to end of the financial year to align with the review of agile working practices during the pandemic and beyond. All offices and touchdown points were closed during the initial response to the pandemic whilst the depot sites remained open for operational staff only. Endeavour House remained open for business-critical activities only, with a booking system and eligibility criteria being introduced in Autumn 2020 enabling approximately 50 desks to be made available in a COVID secure manner.

4.4.2 With the easing of restrictions last Summer, we moved into the next phase of a return to the workplace from August 2021 increasing the number of COVID safe desks on the booking system to approximately 90 desks and opening the office up for all staff to attend Endeavour House through the booking system provided they are well and there is sufficient COVID safe capacity. Endeavour House remains open although from December 2021 until January 2022 in line with Government advice we were continuing to advise staff to work from home if they could do so.

4.5 Occupancy and Use Data

4.5.1 During the autumn of 2019 we undertook some occupancy studies to assess the average usage of desks over a two-week period. This showed an average of 60% occupancy across both floorplates with maximum occupancy levels at 197 people and minimum levels at 77 people although typical occupation levels were around 127 people, the busiest days being Mondays and Tuesdays, with the Gold floorplate generally being busier than Lime. Approximately 65% of Meeting room capacity was used.

4.5.2 With the benefit of an online booking system, we are now able to monitor occupancy on a daily and weekly basis. Since the phased return to our workspace in Endeavour House we have seen occupancy data fluctuate as set out below:



- 4.5.3 Between August and the beginning of December 2021 we saw attendance at Endeavour House increase to about 100 people a week with Wednesdays being the busiest days.
- 4.5.4 The review of data collected before and during the pandemic supports the reduced need for traditional desk spaces and the need for more agile working spaces within Endeavour House to support our people to deliver services across our districts efficiently and effectively.
- 4.5.5 Staff and Councillor working groups were established in Summer 2021 to help to develop a brief for consultants to redesign our office accommodation in Endeavour House and to ensure that the needs of the organisation were reflected. The working groups have considered what worked well and not worked whilst working remotely during the pandemic, on-going and future workspace needs as well as reviewing the consultant's proposals and helping to review the current agile policies and framework in place. In addition, an all-staff survey was undertaken to determine future work patterns and consequently anticipated capacity.
- 4.5.6 It is proposed that one floorplate is returned to the landlords and the other floorplate retained and reconfigured to deliver accommodation that is fit for our future. Capacity will be reduced to deliver approximately 60% of the workspaces provided previously and will include both traditional and agile workspaces.

4.6 **The Endeavour House workspace vision**

- 4.6.1 The Proposals will create a current and future-proofed, fit for purpose and agile workspace at Endeavour House as a destination that reinforces our organisational culture, enables collaboration, and enhances activity. It will create a workspace destination with a sense of belonging where networking, learning, collaboration and bringing people together to solve complex problems that meet our core strategic objectives and deliver effective and efficient services for residents. Our people will be able to take advantage of a flexible workspace based on our vision and values to support them now and in the future adapting to change and the ways we work for the wellbeing of all.
- 4.6.2 Focussing on our headquarter workspace initially will embed our organisational identity and create a welcoming and inspiring workspace that we connect to as an organisation. It will create the opportunity and facilitate the ability to come together when needed, enabling our people to carry out the right task, in the right place at the right time. Whilst acknowledging not everyone can work from home, or to accommodate those tasks that are not appropriate to undertake remotely, we want to accommodate our people's needs and ensure the right balance and space for a refreshed working environment that promotes and protects their private and personal space.
- 4.6.3 Works to Endeavour House to deliver a minimum of 128 workspaces with meeting rooms in a collaborative and agile environment will be funded by savings generated by returning one floorplate to the landlord in accordance with the break options within the leases.

4.7 The Endeavour House Proposal

- 4.7.1 We commissioned Concertus to review, design and manage the accommodation programme for Endeavour House. Concertus provided layout options for development in June 2021, and these were widely considered by the project team, staff working group, members working group and ELT.
- 4.7.2 Following feedback from our stakeholders we gave Concertus a final brief in November 2021 to produce the concept design and develop a cost plan for the Gold Floorplate to accommodate a minimum of 128 workspaces in a collaborative and agile environment. The concept plan is attached as appendix 1.
- 4.7.3 The developed proposal provides 48 fixed/hot desks that will re-use existing furniture. The agile working environments will provide working spaces for 68 individuals. In addition, dedicated meeting space can accommodate a further 46 individuals. The total maximum occupancy accommodated will be 162 individuals. We do not anticipate 100% occupancy levels as it is likely that people will use multiple spaces throughout their time in the office.

4.8 Program

- 4.8.1 Having now completed the Concept Design work the next steps are:

January 2022	Spatial co-ordination
February - March	Technical Design, Tendering
March -August	Configuration of new workspace
August - September	Handover
Late September 2022	Use of new workspace

- 4.8.2 The timetable above is subject to change subject to the availability of contractors and materials but will need to be managed in relation to our lease timeline commitments.

4.9 Organisational Culture and Hybrid Working Practices

- 4.9.1 BMSDC have enabled and supported agile working since moving to Endeavour House in 2017 and as such have existing policies in place that support working in this way. The principles behind our existing agile policy and guidelines therefore continue to apply but the documentation will be streamlined with more detail around how these work in practice and will include detailed Q & A guidance to provide increased support for our people now that agile working has become embedded within our culture and working practices.

4.9.2 The well-being of our people is at the core of the agile and accommodation programme and the pandemic has illustrated that working in a truly agile/ hybrid way needs a proactive approach to well-being. This programme has considered what good looks like when working in a hybrid way and considerable progress has already been made with new initiatives being implemented during the pandemic to support well-being for example, we have introduced a central Wellbeing Hub on Connect, the development of a Staff Wellbeing Strategy and monthly webinars covering a range of areas to support mental health.

4.9.3 The guiding principles for supporting our people to work in an agile and hybrid way are set out below: -

- Enable Ways of working that support mental and physical health and wellbeing to promote good work / life balance.
- Health and Safety is never compromised
- Our people feel able to separate work life and home life
- Everyone can be productive – they have focus space, confidential space, and space where they can come together with colleagues
- Our people have the tools required to do their job
- Everyone has access to all the training required to work anywhere and the development to lead / manage / support remotely – Staff and Line Managers have been asked for feedback around extra support and tools required to work in a hybrid way and a programme of work will be designed once all feedback has been collated and analysed.
- Our training and development is accessible to everyone, irrespective of their role – supported by equipment and access for all teams
- People are actively engaged in the process, feel on board, and are consulted on any longer-term changes to their ways of working.

4.10 **Health and Safety Implications**

4.10.1 There are a few health and safety (H&S) implications associated with hybrid working. These include:

- Display Screen Equipment,
- A safe working environment,
 - lone working,
 - fire safety and
 - accidents.

4.10.2 Within the office setting the majority of these are addressed through the provision of appropriate furniture, work equipment, good housekeeping, workplace first aiders, fire wardens and workplace supervision. With agile and hybrid working staff are provided with home working ICT kits, access to an additional computer screen and if needed a DSE (Display Screen Equipment) compliant chair to set up a workstation at home. To check that the home working arrangements for DSE and the suitability of the home working environment, an annual DSE compliance checklist must be completed by each member of staff who works from home.

4.10.3 As a result of recent Health and Safety Executive Guidance (November 2021); what an employer is now required to do to ensure suitable home working arrangements has been clarified. This specifically addresses DSE arrangements. In particular, the employer must confirm that the employee is able to work with the required posture to be DSE compliant.

4.10.4 Where this survey reveals that the home working arrangements for the individual employee do not meet this posture standard the Council will either need to provide adequate DSE compliant office capacity such as that being provided at Endeavour House; or alternatively, there will be the option to provide additional furniture and/or equipment to enable DSE compliance to be achieved in individual member of staff's home.

4.11 ICT Implications

4.11.1 There are three key ICT implications that arise from both the office redesign and continued agile/hybrid approach. These relate to connectivity, collaboration, and resource booking.

4.11.2 Connectivity – this is about ensuring that ICT devices are able, where necessary, to connect to the corporate network.

- Staff will be able to connect via both fixed network points (cabled), and where fixed network points are not readily available, via the Corporate Wi-Fi provision.
- Some remedial cabling work may be required to ensure the connectivity of other devices (such as printers).
- Once final designs are in place, the potential need to re-locate any fixed network ports will be determined for fixed devices and for any network points required in the collaborative and agile work zones.

4.11.3 Collaboration – this is about ensuring that we have, particularly in agile, collaborative and meeting spaces, the relevant devices that support hybrid working.

- MS Teams compatible devices will be available to support Large Hybrid Meetings and meetings of smaller groups.
- Where reasonably practicable, Microsoft compatible electronic whiteboards will be available for collaboration purposes.

4.11.4 Resource Booking – this is about ensuring that resources (desks, storage, agile zones etc) can be booked by staff as appropriate.

- We continue to work with ICT colleagues across the sector to determine the best fit solution, one that is intuitive to use from PCs, Laptops, Tablets and Smartphones, but also:
 - Allows for quick and easy addition and removal of bookable resource types (desks, storage etc),
 - Enables automated approval processes,
 - Integrates with existing toolsets (e.g., MS Outlook),
 - Can utilise digital signage to show statuses of certain resource types

- Can utilise sensor technology to automate the freeing up of unused resources
- Provides detailed insights of usage over time.

4.11.5 In addition to the above implications and with the aim of supporting our staff to get the most out of our existing collaboration tools, BMSDC ICT have introduced Bytesize training sessions for staff. Currently these cover topics such as Digital Collaboration, MS Teams and Supporting Wellbeing through Technology. It is the aim of BMSDC IT to continue to add to this list of topics over time and, early in this calendar year, develop specific sessions for Councillors.

5. LINKS TO CORPORATE PLAN

5.1 The Joint Corporate Plan (2019-27) is designed to address the challenges and seize the opportunities facing the districts and their organisations for the foreseeable future. The Councils' vision is to have 'great communities with bright & healthy futures that everyone is proud to call home.'

5.2 For each theme there are priorities which Strategic Asset Management has a significant part to play in supporting, ensuring that the Councils make the best of their assets underpinning the ability to achieve the priorities set out in the corporate plan. Specific links are detailed in the Strategic Asset Management Plan adopted in January 2021 to show how these are met through managing corporate assets effectively and efficiently and investing to generate income.

6. FINANCIAL IMPLICATIONS

6.1 The proposals set out above to release the Lime floorplate would result in saving for rent, rates, and service charges in excess of £200,000 per annum – this would be pro-rata'd for 2022/23 based on the date the floorplate is released back to the Landlord and adjusted to allow for any dilapidations due in respect of this floorplate. Dilapidations works or payments are required under the lease whether it is terminated by operating the break or expiry of the full term and as such this payment or expense would be brought forward by operating the break.

6.2 Assuming the break is operated to terminate the lease from 30th September 2022, gross revenue savings of circa £1.17m could be achieved to the end of the lease in October 2027.

6.3 Work to improve our collaborative workspace would be self-funded through the savings we can achieve through operating the break for one floorplate and thereby reducing our office accommodation in Endeavour House from 2 floorplates to 1. There will be costs of works and equipment to deliver our aspirations for the remaining floorplate and these have been estimated as £500,000 based on a cost plan provided by our consultants. These works would be funded by borrowing. Provision has been made in both Council's Budgets for 22/23 for £300,000 to cover to Endeavour House and the wider accommodation and agile programme.

6.4 Over the duration of the Lease term the cost/savings for Endeavour House up to and including 2027/2028 are as follows:

Item	Total	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28*
Capital (Charged through MRP)	500	500	0	0	0	0	0
Revenue Items							
MRP	500	0	97	99	100	101	103
Dilapidations	0	0	0	0	0	0	0
Less savings from rent, rates, service charge for Lime floorplates.	- 1,176	-116	-231	-231	-231	-231	-135
Total Net Revenue	-676	-116	-134	-133	-131	-130	-32
Costs per Council	250	250	0	0	0	0	0
Total Net Revenue per Council	-338	-58	-67	-66	-66	-65	-16

**To end October 2027 i.e., 7 months*

- 6.5 Over the duration of the Lease term to October 2027 the total costs to MRP would be £500,000.
- 6.6 The total savings would be £1,176,000 giving a net saving for the project of £676,000.
- 6.7 The total costs per Council would be £250,000 and the total net savings per Council would be £338,000.
- 6.8 The Capital costs are estimated and will be refined during the Technical Design Stage of the project.
- 6.9 The dilapidations in respect of surrendering the Lime floorplate have not been quantified yet and will be part of early discussions with our Landlord, Suffolk County Council. We have reasonable provision in the Corporate Buildings revenue budget to enable us to satisfy our responsibilities under the terms of the Lease around repair, maintenance and yielding up the space back to the Landlord.

7. LEGAL IMPLICATIONS

- 7.1 BMSDC are Tenants of Suffolk County Council under a Lease from 1st October 2017 for Gold and Lime floorplates.
- 7.2 Break Option - we can determine the Lease the day before the 5th anniversary (i.e., 30st September 2022) on no less than 6 months prior written notice. We have already indicated to Suffolk County Council that it is our intention to exercise the break and notice is to be served no later than 31st March 2022 to ensure compliance with the Lease.

7.3 Landlord's consent is required for all internal and non-structural alterations, such consent is not to be unreasonably withheld. We have shared early information about our vision and concept design with Suffolk County Council to aid detailed change control conversations about alterations to the demise in line with the Lease. These conversations will continue through the Technical Design phase to ensure Landlord consent is in place at the right time.

8. RISK MANAGEMENT

8.1 This report is most closely linked with the Significant Business Risk No. 15 that the safety, health & wellbeing of individuals may be compromised and No. 16 failure to achieve vision and strategic priorities and ambition (as per corporate plan).

8.2 The following have been identified as key risks pertaining to this report:

Risk Description	Likelihood	Impact	Mitigation Measures
Price inflation/availability of contractors &/delays	3 Probable	3 Bad	Programme includes a 2-week float
Failure to exercise the Break Option	2 Unlikely	3 Bad	Early discussions and instructions to legal to prepare Notice and reach agreement according to Programme and the Lease
Failure to deliver required outcomes or keep project within allocated budget	2 Unlikely	3 Bad	Project management will be undertaken and controls in place with competent consultants and contractors

9. CONSULTATIONS

9.1 The Accommodation & Agile programme aligns with the Strategic Asset Management Plan (SAMP) adopted by the Councils in January 2021 and includes the principles repeated in this report.

9.2 Following adoption of the SAMP broad engagement and consultation has taken place with Officers, Members and Staff to ensure that there is a collective buy-in to the Accommodation & Agile approach for Endeavour House through a series of briefings, working groups, surveys, and updates to the intranet pages on Connect.

9.3 The Unions have continued to be informed and updated in respect of this programme and we will be consulting further as the Concept Design for Endeavour House is approved and the programme moves into its technical design phase. There are no changes to terms and conditions as employees will continue to work at Endeavour House as a contractual base, nor are there any significant changes to ways of working, and so there is requirement to formally consult.

10. EQUALITY ANALYSIS

In delivering this project, due consideration has been given to the Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

11. ENVIRONMENTAL IMPLICATIONS

11.1 The design and workspace planning have associated environment impacts. The detailed environment implications and mitigations are to be considered through the design and construction phases and into use of the new workspace. Overall, it is intended that the new workspace will re-use and recycle furniture and equipment where possible and appropriate and seek to reduce consumption and travel where possible.

12. CONCLUSIONS

12.1 There are significant benefits to our approach to agile and hybrid working and the subsequent proposals for Endeavour House which are designed to support our people in delivering quality services to our residents in an effective and efficient manner. The main benefits of these proposals are: -

- Reduced accommodation costs
- Improved resource efficiency
- Providing effective workspace that supports everyone to deliver organisational outcomes – enabling greater productivity, improved morale, and workspace that attracts/staff retention/attracting new employees
- Empowering staff choice – doing the right tasks in the right place, with the right resources and which will drive performance and productivity
- Supports transformation of the organisation and helps to drive cultural change
- Prevents a return to 'traditional' ways of working – enabling more flexible environments and positive impact on wellbeing
- Enables collaborative working at all levels
- Significant improvements in working environment - enables targeted investment in better facilities and to respond to staff feedback in meaningful way, improving morale and motivation through an improved office environment which is designed to support smarter ways of working with a variety of suitable workstation styles
- Enables social distancing and managing occupational levels in the short term and control of occupancy in potential future pandemics
- Carbon savings through reduced consumption and travel
- Identity & Culture of organisation promoted through workspace and agile approach.

12.2 Agile and hybrid working practices, combined with digital processes and service delivery, will reduce operating costs, improve productivity, and staff well-being therefore enabling the Councils to focus on the outcomes that best serve our communities.

13. APPENDICES

Title	Location
(a) Drawing No 120333-CDP-ZZ-01-DR-I-0004-P2 Endeavour House – Space Planning for BMSDC Ipswich – Gold Floor 1 Developed Proposal	Attached
(b)	
(c)	
(d)	

14. BACKGROUND DOCUMENTS None

15. **REPORT AUTHORS** Sara Cameron – Corporate Manager Strategic Property, Suzanne Hughes Head of HR & OD, Matthew Harding Corporate Manager ICT & Programmes