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**ACCOMMODATION REVIEW**

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**Responsible Cabinet Member - Councillor Chris McEwan  
Efficiency and Resources Portfolio**

**Responsible Director - Paul Wildsmith, Director of Corporate Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is :-
  - (a) to consider the current phase of the Council's proposed Accommodation Review Strategy;
  - (b) to seek approval, and release of funding for the physical works and moves proposed.
  - (c) to note the development of an Office Accommodation Strategy

**Summary**

2. An extensive review of the office accommodation Council staff and services currently occupy has been undertaken principally with a view to reducing the Council's operating costs but also to improving the overall standard and suitability of that accommodation. The Council have historically rented a number of town centre buildings for use as offices but by reducing the number of rented buildings we occupy, we can reduce our operating costs.
3. The proposals within this report are put forward having regard to developing an Office Accommodation Strategy.
4. The proposals contained within this report will save the Council a minimum of £0.115m p.a. after taking account of the debt charges on the capital expenditure needed to deliver this invest to save project.

**Recommendation**

5. It is recommended that :-
  - (a) The £0.800m funding required to deliver the physical works, moves and associated costs be approved and released from the 2009/10 capital MTFP.

- (b) The Director of Corporate Services, in consultation with the Cabinet Member for Efficiency and Resources Portfolio, be authorised to progress the project, but to vary the scope of the works and the resulting costs where deemed appropriate to achieve the desired outcomes.

## Reasons

6. The recommendations are supported by the following reasons :-
- (a) To progress the Council's Accommodation Review Strategy.
- (b) To achieve the early relocation of staff and to reduce the number of properties rented by the Council.

**Paul Wildsmith**  
**Director of Corporate Services**

## Background Papers

There are no background papers.

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S17 Crime and Disorder	This report has no implications for crime and disorder.
Health and Well Being	Improving the standard of accommodation will be beneficial to health and wellbeing.
Sustainability	Moving to fewer better managed buildings will lead to a reduction in the Council's carbon emissions.
Diversity	There are no diversity issues.
Wards Affected	Central.
Groups Affected	Not applicable
Budget and Policy Framework	The report does represent a change to the budget.
Key Decision	This is a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There are no issues adversely affecting the Community Strategy.
Efficiency	Efficiencies will be achieved by reducing the number of rental properties we currently occupy and improving the use and flexibility of the Council's own accommodation.

## MAIN REPORT

### Background

7. The Council leased the Studios at Lingfield Point in 2008 to locate the ICT function of Xentrall Shared Services. This resulted in the relocation of about 80 staff and left the Council with surplus space, primarily in the Town Hall. The Studios cost in the region of £0.230 pa in rental and running costs and the intention is that this is covered by property related initiatives such as property rationalisation, better management of buildings (Corporate Landlord), energy efficiency initiatives and flexible working (Workwise).
8. The surplus space has presented an opportunity to review operational property and is seen as the first stage in the development of an Office Accommodation Strategy. An Office Accommodation Strategy would describe such things as:
  - (a) Which buildings would be retained for office accommodation
  - (b) Improved management of assets and facilities.
  - (c) Service need for accommodation and future plans
  - (d) A funding plan which would ensure the buildings are fit for purpose and meet all statutory requirements.
  - (e) Building utilisation and ways of using buildings more flexibly.
  - (f) Reduce the amount of space allocated to storage.

### Information and Analysis

9. A team of officers has analysed the immediate opportunities to rationalise the portfolio. This has been done in conjunction with representatives from all parts of the Council. As well as looking to save money the review sought to:
  - (a) Divest the Council of the more expensive accommodation – typically rented.
  - (b) Focus improvements on buildings in the Council's ownership
  - (c) Make improvements for service users
  - (d) Place teams near to other teams they work closely with
  - (e) Locate teams in spaces which will lead to flexible working.
  - (f) Improve meeting and welfare facilities.
10. Initial thoughts are that the Council would be best to focus on fewer buildings which are properly maintained and better utilised i.e. by flexible working. This would include:
  - (a) The Town Hall
  - (b) Central House and Annexe
  - (c) The Depot
  - (d) The Studios

11. Therefore focus has been on the optimum mix between smaller buildings in the Council's own portfolio and rented property. The release of rented property has already started with teams moving out of the Fire Station and 5 Skinnergate saving £0.030m pa. However, the economic downturn and resulting impact on the property market has made the rationalisation more difficult as there is less certainty of receiving rental income. Therefore, options are being considered of using vacant commercial property to house staff rather than them stand empty and get no income.
12. Although there are still some detail to be finalised, there is a robust plan in place to ask for Cabinet's approval for the expenditure required in order to bring forward the savings. The headline moves and associated costs are:
  - (a) Consolidate schools and other ICT training from Eastbourne School and the Arts Centre to a purpose designed room at the Studios, Lingfield Point.
  - (b) Convert former print room and Kids and Co to offices.
  - (c) Convert some Council commercial property to offices to replace rented accommodation.
  - (d) Convert space in Dolphin Centre to put Cemeteries and Cremation staff adjacent to Registrars.
  - (e) Dilapidations – pay contractual sums to landlords to put rented buildings back to an agreed standard.

### **Savings and Costs**

13. This is an invest to save proposal whereby the cost of investment is more than offset by the savings made. Moreover, this is the first part of an evolving strategy which will lead to more savings. However, it is likely that after the target of £0.230m has been achieved any further savings will need to be re-invested in the retained property.
14. The total cost of conversion and dilapidations are estimated to be £0.800m and the cost of borrowing this sum over 25 years will be £0.050m pa. The annual savings net of borrowing will be at least £0.115m pa.

### **Outcome of Consultation**

15. Departmental representatives have been involved in the development of proposals and the Trades Unions have been kept informed. Should Cabinet approve the recommendations then all staff impacted on will be consulted on the detailed proposals.