

Report to the Board

21 November 2013



Title: Co-location to the Civic Centre – Progress Report

Report of: Managing Director

Purpose of Report

1. To provide the Board with an update on progress with vacating Keelman House and co-locating to Gateshead Council's Civic Centre.

Background

2. Further to the decision to break the lease at Keelman House to move our head office to the Civic Centre, an internal working group was established to look at practical issues associated with the move and to ensure employees had the opportunity to contribute to the move and be consulted on relevant decisions.
3. In addition, meetings have been ongoing with colleagues from Gateshead Council, to consider the legal and financial issues associated with breaking the lease and agreeing plans for the area of the Civic Centre which is to be occupied by us.

Progress to date

Keelman House

4. Formal notice to end the lease on 24 July 2014 was served by the Council's Legal Services on our behalf. The Council's Property Services on our behalf are liaising with representatives from the landlord's agent to progress this issue.
5. Access to Keelman House has recently been granted to allow a survey to be carried out on behalf of the landlord for future marketing purposes. It is expected that this will inform any schedule of dilapidations.
6. A full schedule of dilapidations will be agreed and then negotiations will commence on receipt of the schedule of dilapidations to come to a commercial deal with the landlord.
7. If no agreement can be reached on a settlement figure, it may be necessary to carry out re-instatement works to Keelman House. To ensure there is sufficient time to carry out any re-instatement works prior to the break in the lease, a target date to vacate Keelman House has been set for 31 March 2014.

8. NEPO have been informed of our intention to vacate the property and require one month's formal notice to ensure they can vacate within the relevant timescales.
9. In relation to contracts and services that are currently being paid for at Keelman House, these are being phased out where possible or continued on a rolling monthly basis.
10. The internal working group has been looking at equipment and furniture that will be surplus to requirements when we move. In relation to furniture, the space at the Civic Centre will be fully furnished so there will be a need to dispose of desks, cupboards and shelving. A number of meetings have taken place with organisations who are interested in taking some of the furniture and agreement will be reached as appropriate.
11. A programme of scanning is also underway to reduce the amount of physical paper and documentation that will require storage. This has given us an opportunity to revisit working practices to minimise this issue going forward.

Civic Centre

12. A floor plan has been provided for the space that we will be occupying at the Civic Centre which will accommodate all our employees currently based at Keelman House. There is also adequate space to include the Rent and Income Team currently based at our Wrekenton office who will also be re-located to the Civic Centre.
13. The allocated space will enable us to be accommodated in our own dedicated pavilion, which the working group felt was important in terms of maintaining our culture and identity.
14. The timescale for moving is to be informed by when the space is made available and any physical works have been completed. The final plans for works have been agreed with the Council's Design Services and the physical works are expected to be carried out during January 2014.
15. Some additional offices are to be created but the existing floor plan will not be changing substantially. There will also be a requirement to carry out a small amount of work to the cabling for data and electrical points.
16. Employees have been notified that the move is expected to commence in the second week of February, with a provisional 6-week period for the move. Details of which teams will re-locate first have yet to be finalised but the intention would be to move our call centre operations first to ensure that any disruption to customer service is minimised.
17. Service managers have provided a breakdown of information on each service area in terms of parking requirements, storage, and equipment which is being used by the internal working group to ensure all requirements will be met.

Main areas to resolve

There are currently two main areas to resolve as follows:

Car Parking

18. The Council's Transport Strategy team have advised that 40 - 50 spaces have been reserved for us at the Civic Centre which will be sufficient for lease car holders, essential users and disabled badge holders, which is in line with current Council car parking policy.
19. They have also indicated that there will be adequate spaces available for other Company employees who require a space and that options for additional parking in and around the town centre are being finalised. We continue to work closely with them to resolve all car parking issues.

Customer Service Provision

20. The other issue that needs to be progressed further relates to the provision of reception facilities and the impact the move will have on the availability of interview/meeting rooms within the Civic Centre.
21. Discussions to date with officers from the Council have led to requests for us to route corporate or business visitors through the Council's ground floor reception point, where they can be signposted to our accommodation on the second floor.
22. In addition to this, there will be an impact as a result of the expected increase in footfall from customers once we are located in a town centre building. We are currently monitoring footfall from customers at Keelman House and at the Civic Centre and will need to closely monitor this going forward to manage the potential number of customers that will be present with enquiries once we are co-located.
23. The Central Housing Office currently operates from space on the first floor of the Civic Centre and has a reception desk and access to three interview rooms. Due to its town centre location and being positioned in the Civic Centre this office is already very busy and deals with customer enquiries from across the borough.
24. Whilst it is difficult to predict what the increase in footfall will be, it is likely there is going to be additional pressure on this facility once we locate other customer facing services to the building including lettings, repairs, rent advice, sheltered housing and the neighbourhood relations team. While we are not looking to increase our service provision for face to face enquiries, we need to be prepared for a potential increase.
25. One of our objectives is to ensure that there is no reduction in the levels of customer service we deliver to our customers and visitors. Discussions are ongoing with the Council to look at options for having all of our functions located in one part of the building.

Next Steps

26. The internal working group will continue to meet to inform the project plan in relation to the move and provide updates to employees on progress against the programme.

27. A list of frequently asked questions has been circulated regularly and updated following receipt of questions from employees. Where issues have been raised that cannot be answered these have been collated and fed back to the working group for consideration and resolution.
28. Employees have previously been advised that the timescale for the move is likely to be February to March 2014 and core briefings will confirm further details over the coming months.

Link to values

29. This report relates to the following Company values: -
 - Being honest, accountable and transparent
 - Being customer focused, innovative and professional
 - A commitment to all our employees

Health implications

30. There are no health implications arising from this report.

Risk Management Implications

31. There is a risk that if agreement cannot be reached on dilapidations and re-instatement works are not carried out in advance of the July lease break date, that there will be a further financial claim against the Company and Council. To militate against this risk, an early date for vacating Keelman House has been agreed.
32. By co-locating to the Civic Centre, there is a risk that this will impact on the customer service provision that we deliver.
33. The overall management of these risks lies with the working group that is comprised of representatives from across all service areas and Trade Unions. They meet regularly to ensure the project plan highlights these risks and mitigating actions are carried out. They also report directly to the management team and regularly communicate progress to all employees.

Financial Implications

34. There is unlikely to be any financial savings as a result of the move as the cost of rent and service charges will be similar to what is currently being incurred at Keelman House.
35. There may be an opportunity to look at efficiencies through a joint approach to the procurement of goods and services once the move is complete.

Equality and Diversity Implications

36. The Civic Centre is fully compliant with equality act legislation in terms of both accessibility and car parking provision and there are no perceived equality and diversity issues arising from this report.

Value for Money implications

37. There are no value for money implications arising from this report.

Environmental Implications

38. The environmental impact of the move will be positive in terms of reduced utility usage as a consequence of being based in a shared building. It is also anticipated that there will be a reduction in car usage through being in a building closer to other services.

Consultation Carried Out

39. The working group comprises employees from across all service areas with Trade Unions also represented. Employees have been kept informed in relation to the move and associated impact and this will continue over the coming months.

Recommendation

40. The views of the Board are sought if they are satisfied with progress to date.