

## Report to the Board

16 January 2014




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**Title:** TGHC Co-Location to Civic Centre – Progress Report

**Report of:** Managing Director

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### **Purpose of Report**

1. To provide the Board with an update on progress with regard to The Gateshead Housing Company (TGHC) vacating Keelman House to co-locate head office operations from Gateshead Civic Centre.

### **Background**

2. Further to the decision to break the lease at Keelman House and co-locate operations from the Civic Centre, an internal working group was established at TGHC to look at practical issues associated with the move and to inform employee consultation and contribute to the project.
3. In addition, meetings have been ongoing with colleagues from Gateshead Council, to consider legal and financial issues associated with breaking the lease and in finalising plans for the area of the civic centre which is to be occupied by us.

### **Progress to date**

#### Keelman House

4. In relation to Keelman House, formal notice to end the lease on 24 July 2014 was served by colleagues in legal services and acknowledgement of this notice and a counter notice has subsequently been received. Property services are liaising with representatives from the landlord's agent in relation to progressing this.
5. A building survey was carried out on 6<sup>th</sup> January to establish a schedule of dilapidations. Property Services at Gateshead Council will be leading on any negotiation of financial settlement arising from this schedule.
6. As outlined in the previous board update, if no agreement can be reached on a settlement figure, it may be necessary to carry out re-instatement works to Keelman House and the Council (as Guarantor) and TGHC will be likely best placed to deliver these works. 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.

7. NEPO have formally given notice to vacate Keelman House and will be leaving on 22<sup>nd</sup> January 2014.
8. 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.
9. Further to the discussion at the Board Meeting on 21 November, requests are being received and managed from third sector organisations with an interest in taking on available furniture following our move.

#### Civic Centre

10. The floor plan has now been finalised and a plan put into place for when employees will move to their new desks at the Civic Centre. The move will commence on 17 February and is expected that all employees will be relocated by the end of February.
11. Work has already commenced to create some additional office space and to carry out some work to the cabling for data and electrical points, this is expected to be completed by the end of January.
12. Service managers have provided a breakdown of information on each service area in terms of parking requirements, storage, equipment etc. which is being fed into the move internal working group.

#### **Issues to Progress**

##### Car Parking

13. Guidance on how the application process for car parking is managed has now been received and applications are being processed. Transport Strategy have advised that 40 - 50 spaces have been reserved for TGHC at the Civic Centre which will be sufficient for lease car holders, essential users and disabled badge holders, in line with current Council car parking policy.
14. They have also indicated that there will be adequate spaces available for any TGHC employees that require a space and that options for additional parking in and around the town centre are being considered. We continue to work closely with Transport Strategy around all car parking issues.

##### Customer Service Provision

15. Further to the issues identified in the Board update on 21 November, further discussions have taken place with Gateshead Council and agreement has been reached to provide a ground floor reception point for TGHC customers and visitors. Additional meeting room space has also been identified on the second floor.
16. This will be in addition to the Central Housing Office which currently operates from space on the first floor of the Civic Centre and has a reception desk and access to 3 interview rooms (2 of which are exclusively used by TGHC). Due to its town centre location and being positioned in the civic centre this office is already busy and deals with customer enquiries from across the borough.

17. The provision of a reception area on the ground floor will assist us in continuing to provide tenants and visitors with a good level of service and provide an opportunity to gauge the increase in footfall that is expected once we are located in a town centre building.
18. This will also support our objective to provide good customer service and allay any employee concerns regarding the proposed co-location.

### **Board and Committee Meetings following the move**

19. The next Board Meeting will be held on Thursday 20 March 2014 at 10am at Gateshead Civic Centre.
20. The next meeting of Audit Committee will be held on Wednesday 16 April 2014 at 2pm at Gateshead Civic Centre.
21. The next meeting of Assets, Development and Investment Committee will be held on Thursday, 13 February 2014 at 2pm in Board Room 1 at Keelman House.
22. The next meeting of Resources Committee will be held on Tuesday, 25 February 2014 at 2pm in Board Room 1 at Keelman House.
23. The next meeting of Customers and Communities Committee will be held on Thursday, 27 February 2014 at 10am in Board Room 1 at Keelman House.
24. A full schedule of meetings for 2014 will be circulated in due course.

### **Next Steps**

25. The internal working group are now meeting on a weekly basis to inform the project plan in relation to the move and receive updates on progress against the programme.
26. There has been regular communication with employees about the move and as details are firmed up this will need to increase. A list of frequently asked questions has been circulated regularly and updated following receipt of questions from officers. Where issues have been raised that cannot be answered these have been collated and fed back to the working group for consideration.
27. Employees have previously been advised that the timescale for the move is likely to be February to March 2014 and core briefings are going out to all staff on a regular basis with updates.

### **Link to values**

28. 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**

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

## **Risk Management Implications**

30. 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 mitigate against this risk an early date for vacating Keelman House has been agreed.
31. By co-locating to the Civic Centre, there is a risk that this will impact on the perceived independence of the company and there could be an impact on the culture of the organisation. To manage these risks the working group is comprised of representatives from across all service areas and both Trade Unions are represented on the group.

## **Financial Implications**

32. There is unlikely to be any saving as a result of the move in terms of rent liability which will be similar to what is currently being incurred at Keelman House.
33. There may be an opportunity to look at efficiencies through a joint approach to the procurement of goods and services once the move has progressed and discussions are ongoing in this regard.

## **Equality and Diversity Implications**

34. 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**

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

## **Environmental Implications**

36. 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**

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

## **Recommendation**

38. The Board is asked to note the contents of this report and confirm if they are satisfied with progress to date.