

Service Improvement and Efficiency Committee

Agenda

Members of the Service Improvement and Efficiency Committee:

Cllr J L Thomas (Chairman)

Cllr G K Nurden (Vice Chairman)

Cllr P E Bulman

Cllr I J Mackie

Cllr S J Catchpole

Cllr M L Murrell

Cllr S M Clancy

Cllr S M Prutton

Cllr S I Holland

Cllr D Roper

Cllr K S Kelly

Cllr J J Emsell (ex officio)

Date:

Friday 12 November 2021 at 11:15am: (or on the rising of a Joint Briefing with South Norfolk Council members of the Commercial, Trading and Customer Focus Committee if later).

Place:

The Colman and Cavell Rooms at South Norfolk House, Cygnet Court, Long Stratton, Norfolk, NR15 2XE.

Contact:

James Overy tel (01603) 430540 Email: james.overy@southnorfolkandbroadland.gov.uk

Website: www.southnorfolkandbroadland.gov.uk

PUBLIC ATTENDANCE:

If a member of the public would like to attend to speak on an agenda item, please email your request to committee.services@broadland.gov.uk, no later than 5.00pm on 9 November 2021. Please see further guidance on the options for public speaking at page 2 of this agenda.

Rules on Public Speaking

All public speakers are required to register a request to speak at public meetings by the date / time stipulated on the relevant agenda. Requests should be sent to:
committee.services@broadland.gov.uk

Public speaking can take place:

- Through a written representation (which will be read out at the meeting)
- In person at the Council offices

Please note that the Council cannot guarantee the number of places available for public attendance, but we will endeavour to meet all requests.

All those attending the meeting in person must, sign in on the QR code for the building and promptly arrive at, and leave the venue. The hand sanitiser provided should be used and social distancing must be observed at all times. Further guidance on what to do on arrival will follow once your public speaking registration has been accepted.

AGENDA

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|----|---|----|
| 1. | To receive declarations of interest under Procedural Rule no 8 | 4 |
| 2. | Apologies for absence | |
| 3. | Minutes of the meeting held on 25 October 2021 | 6 |
| 4. | Future Office Accommodation Project – Appraisal and Business Case | 13 |

(Appendix A, the Consultant's report, is attached for members only)

(NOTE: Appendix A to this report is exempt and is **NOT for PUBLICATION** by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))

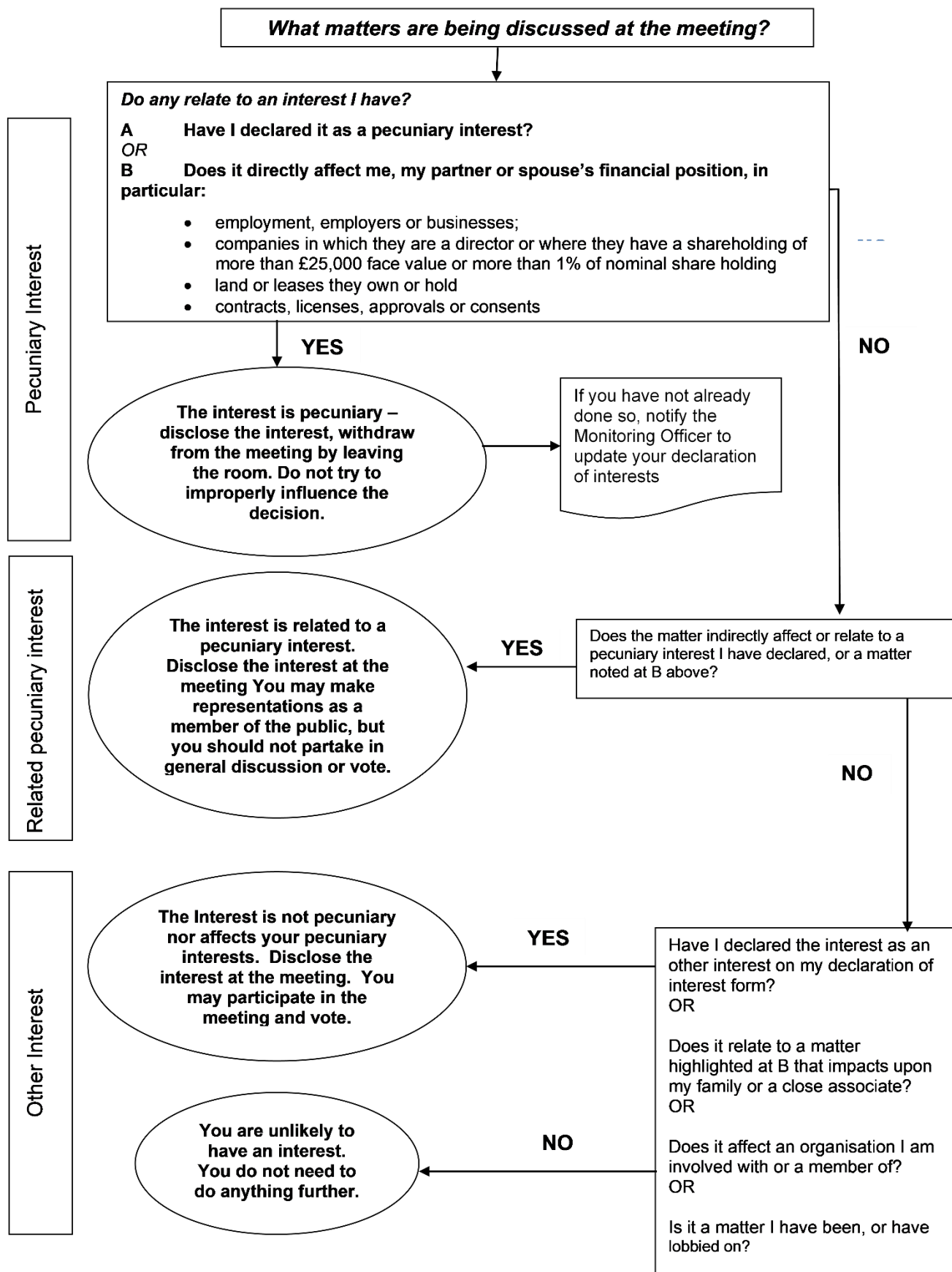
DECLARATIONS OF INTEREST AT MEETINGS

When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

<p>Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.</p>
<p>Does the interest directly:</p> <ol style="list-style-type: none"> 1. affect yours, or your spouse / partner's financial position? 2. relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner? 3. Relate to a contract you, or your spouse / partner have with the Council 4. Affect land you or your spouse / partner own 5. Affect a company that you or your partner own, or have a shareholding in <p>If the answer is "yes" to any of the above, it is likely to be pecuniary.</p> <p>Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.</p>
<p>Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above?</p> <p>If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but you should not partake in general discussion or vote.</p>
<p>Is the interest not related to any of the above? If so, it is likely to be an other interest. You will need to declare the interest, but may participate in discussion and voting on the item.</p>
<p>Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.</p>

**FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF.
PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST
INSTANCE**

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



SERVICE IMPROVEMENT AND EFFICIENCY COMMITTEE

Minutes of a meeting of the Service Improvement and Efficiency Committee of Broadland District Council, held on Monday 25 October 2021 at 6.00pm at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich.

Committee Members Present: Councillors: J Thomas (Chairman), G Nurden (Vice-Chairman), S Beadle, P Bulman, S Catchpole, S Clancy, S Holland, K Kelly and S Prutton.

Cabinet Member Present: Councillor: J Emsell.

Other Member in Attendance: Councillor: K Leggett

Officers in Attendance: The Director of Resources, the Assistant Director of IT / Digital and Transformation, the Strategy and Programmes Manager, the Governance Manager and the Democratic Services Officer (JO).

36 APOLOGY FOR ABSENCE

An apology for absence was received from Cllr Roper.

37 MINUTES

The minutes of the meeting of the Service Improvement and Efficiency Committee held on 24 June 2021 were agreed as a correct record.

38 SPARK PROGRAMME UPDATE

The Assistant Director IT/Digital and Transformation introduced the report, which provided an update on the major projects that were currently being progressed as part of the SPARK Transformation Programme.

Key areas highlighted in the report were:

Joint Email

The successful migration of South Norfolk email addresses to the new domain (southnorfolkandbroadland.gov.uk) had taken place in early October. The migration of Broadland email addresses to the new domain would take place over 6-7 November 2021.

One Network

The development of a single IT infrastructure network across both Councils had been impacted by a global shortage of computer components and as a result delivery of the project had been pushed back from September 2021 to the end of January 2022. Ancillary work continued to progress in anticipation of the arrival of the components.

Systems Transformation

A business case for the award of a contract for a uniform planning system would be taken to the 23 November 2021 meeting of Cabinet, with an implementation date of April 2022. A project manager had been appointed to oversee the implementation of the new finance system. Staff training for the new system had already commenced ahead of the 1 April 2022 rollout.

In response to a query about difficulties in submitting members' expenses claims, the Director of Resources advised the meeting that the Council was in the process of moving from iTrent to the Oracle system managed by Suffolk County Council. In the interim members had been requested to submit their claims by sending them to the Democratic Services Team. It was anticipated that they would be able to enter their claims directly via the new Oracle system shortly. The matter of any recompense from iTrent for the problems with their system would be raised with the Chief of Staff following the meeting.

In answer to a question about moving towards a first class customer service members were advised that a Customer Insight and Engagement Lead had been appointed and was working on establishing a Customer Panel to gain insights into how to better develop the Council's customer services. A Customer Satisfaction Survey had also been launched on the new website on 1 October 2021 to assess how well the Council was delivering against its service delivery commitments. One of the first tasks of the Customer Insight and Engagement Lead would be to establish a clear performance framework for customer satisfaction upon which the delivery of services could be

measured. A paper on this would be taken to the June 2022 meeting of the Overview and Scrutiny Committee to allow the Customer Insight and Engagement Lead time to put the processes in place.

It was also confirmed that Key Performance Indicators would be used to measure customer satisfaction and that these would be built into the performance framework, which was considered on a regular basis by Cabinet. The newly aligned complaints system would also form part of this reporting process.

In answer to a query from the Chairman the meeting was advised that initially customer satisfaction was being recorded through responses on the website. Work was currently being undertaken on producing a standardised process for recording customer satisfaction through other means of communication such as in person, by telephone and in writing.

A member noted that there was a whole cohort of residents that did not have access to the internet, many of whom were also vulnerable. He emphasised that it was vital that these people did not fall through the system through a lack of other means of communicating with the Council.

A member reminded the meeting that the Managing Director had confirmed that he would update Council at its next meeting on proposals to resolve difficulties contacting officers by telephone. The Director of Resources confirmed that work in improving all areas of communication was ongoing. More Reception staff had been recruited at both offices, issues with telephone hunt groups had been resolved and additional training had been provided. Monitoring had taken place and a marked improvement in telephone responses had been identified, with less than two percent failing to be answered last week. It was also being ensured that front line staff from all departments were available to take calls when they came through Reception. The Director of Resources asked that if any members had any specific issues regarding contacting the Council they speak to her about it after the meeting.

A member noted that the Council's telephone responses had improved significantly. However, he also noted that the South Norfolk telephone options message was superior to the Broadland one and asked that they be aligned. The Director of Resources confirmed that the message would be updated as soon as possible.

A member advised the meeting that the Wellbeing Panel had requested that an article be placed in the spring 2022 edition of *Broadland News* to identify residents who wanted to contact the Council without the use of the internet.

AGREED

To note the content of the report with regards to the progress made with the programme and that attention be drawn to the issues that the Committee had raised above.

39 UPDATE ON MEMBER IT

The Assistant Director IT/Digital and Transformation introduced the report, which provided the Committee with an update on the progress to date with the Member IT project, as well as the outcomes from the recent survey. The report also included information about a new electronic committee system and the plan for trialling options for member IT ahead of the May 2023 elections.

Members were reminded that Cabinet had approved the Committee's recommendation to retain the current provision of iPads until the May 2023 elections. Other initiatives included moving over to the new email address, as well as installing the Microsoft Office365 suite of software.

During the summer a survey of members was conducted to understand their use of iPads and to identify if any issues remained. Unfortunately only 11 responses were received. In general, the iPads were seen as satisfactory although some further training was requested.

Members were asked to note that Cabinet had agreed that a trial would commence in spring 2022 to look at the best option that could be adopted from May 2023 and that the new electronic committee system, to be discussed later on today's agenda, would bring further benefits for Members.

In answer to a query about member's hardware post 2023, the Committee was informed that all options would be looked at.

In response to a query about hybrid meetings the Governance Manager advised the Committee that these would be difficult to conduct with the current equipment available and would also be very resource intensive. Moreover, current legislation would not allow members to vote remotely.

One member noted that Internal Drainage Boards held hybrid meetings and that the Council should seek to do the same. He suggested that a Time and Task Panel should look into this matter, but his suggestion was not supported by other members.

The Portfolio Holder for Transformation and Organisational Development acknowledged that some members found IT difficult, but he emphasised that

members must try to be forward looking and that he found it frustrating that only 11 out of 47 members responded to the survey. He suggested that if members wanted their IT to be improved they had a duty to respond when officers requested their input.

In summarising the debate the Chairman noted that IT could be frustrating for many members, but that the response rate to the survey had been poor.

Following a show of hands with eight in favour and one abstention it was:

AGREED

To accept the report on current IT provision for members, subject to the comments above, and note the plans for the trial period.

40 WORK PROGRAMME

The Chairman advised members that an additional meeting had been arranged for 12 November 2021 at South Norfolk House for consideration of the Accommodation Review.

The meeting would be preceded by an informal joint meeting with South Norfolk's Commercial, Trading and Customer Focus Committee, commencing at 10.30am where members would receive a presentation from the consultants.

The Director of Resources advised the Committee that a meeting of the Joint Member Working Group would be held on Tuesday 2 November 2021 and that this would inform the covering report that would be published on the Committee's agenda on 4 November 2021. Members were also reminded that all of the papers from previous meetings of the Joint Member Working Group were available on SharePoint.

A member suggested that making an informed decision on such an important matter would not be possible immediately after hearing a joint presentation.

In response, the Director of Resources reassured members that they would be fully apprised of all of the issues to be considered in the reports ahead of the meeting. The consultant's report would include the additional information, as requested by the Joint Member Working Group at its meeting on 23 September 2021, whilst the covering report would include any further comments and proposals from the Working Group at its meeting on 2 November 2021.

Members were informed that the reports for the 12 November 2021 meeting of the Committee would be available for circulation by 5 November 2021.

It was noted that some members had visited the Horizon business centre today and that all members had been invited to tour the building. If this invitation had been missed a further visit could be arranged, although numbers were limited by Aviva due to Covid-19 restrictions. A negative lateral flow test would also be required before admittance to the property. Members should contact the Director of Resources if they wished to visit the building.

41 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

that the press and public be excluded from the meeting for the remaining item of business because otherwise, information which is exempt information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order 2006, would be disclosed to them.

42 COMMITTEE MANAGEMENT SYSTEM

The Governance Manager introduced the exempt report, which updated the Committee on the business case for an electronic committee system and asked members to note the award of the contract.

Members were advised that a business need had been identified for a committee management system, which would enable more efficient working and better use of technology by streamlining processes for managing committees and publishing governance information on the website.

The Committee was informed that most councils used a committee management system and that Broadland and South Norfolk were the only local authorities in Norfolk to not use this software.

Benefits of a committee management system included:

- Streamlining processes for setting up meetings, creating agendas, decisions and minutes.
- Full integration with the Council's current website.

- Better management of members' information, including the register of members' interests, declarations of interests at meetings, gifts and hospitality, training records and attendance.
- Electronic distribution of documents to members' devices via dedicated apps, providing a more agile way of working.

Two committee management systems were on the market. Both had been evaluated and based on the findings a preferred option had been identified. As the value of the contract was below £50,000 the decision was delegated to the Managing Director.

The Committee was informed that the Chairman had been invited to a demonstration of the committee management systems, which had been quite technical and more related to usage by staff than members. However, members could download the app for the new system at the App Store on their iPads to see how this one click solution for accessing committee papers worked.

It was confirmed that the benefits of the software were in terms of efficiencies, rather than short-term savings.

The Chairman noted that the software would provide a very good and accessible system

AGREED

To note the implementation of the new electronic committee management system and the award of the contract.

43 EXEMPT MINUTES

The exempt minutes of the meeting of the Service Improvement and Efficiency Committee held on 24 June 2021 were agreed as a correct record.

(The meeting concluded at 7.30pm)

Chairman

25 October 2021

FUTURE OFFICE ACCOMMODATION PROJECT – APPRAISAL AND BUSINESS CASE

Report Author: Debbie Lorimer
Director Resources
01508 533981
debbie.lorimer@southnorfolkandbroadland.gov.uk

Portfolio: Cllr Jonathan Emsell

Wards Affected: All

Purpose of the Report:

This report looks at the case for the accommodation review and explores the recommended option from the Consultants' independent review from a variety of angles including the impact on Residents, Members, Staff and other stakeholders. The report proposes a potential way forward of assessing the financial implications of the recommended option for this Committee to consider. The Joint Member Working Group have also requested another option is investigated and this report provides further information on that too. Members are asked to consider and debate the ideas and options within this paper and to raise any other issues or information that is required before final recommendations to Cabinet are made.

Recommendations:

The Committee is requested to:

1. Review the Consultants' report and preliminary conclusions contained in the report.
2. To comment on the proposed financial assessment methodology.
3. To raise any other information or issues that need to be considered prior to final recommendations being made to cabinet.
4. To consider issues around the needs of Residents, Members, Staff and other Stakeholders.

1 SUMMARY

- 1.1 This report looks at the case for the accommodation review and explores the recommended option from the Consultants' independent review from a variety of angles including the impact on Residents, Members, Staff and other stakeholders. The report proposes a potential way forward of assessing the financial implications of the recommended option for this Committee to consider.

The Joint Member Working Group have also requested another option is investigated and this report provides further information on that too.

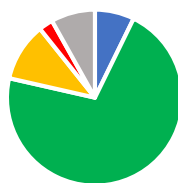
Members are asked to consider and debate the ideas and options within this paper and to raise any other issues or information that is required before final recommendations to Cabinet are made.

2 REASON FOR THE ACCOMMODATION REVIEW

2.1 Underutilisation of Offices and Impact of Covid on Working Practices

- 2.1.1 Prior to the Covid-19 Pandemic there were acknowledged issues with underutilisation of space in the two Councils' principal office spaces at Thorpe Lodge and South Norfolk House. This is in spite of the fact that both Councils were leasing office space to Norfolk County Councils Children's Services Teams and at South Norfolk House office space is also leased to the internal auditors TIA.
- 2.1.2 Soon after the creation of the joint officer team in January 2020, the Covid-19 pandemic led to a mass migration to home working across the two Councils in line with government guidance. This move to home working was facilitated by extensive investment in ICT.
- 2.1.3 During the pandemic the two Councils initiated a range of projects that facilitated new and more flexible ways of working both at home and in the office. A survey of staff in the autumn of 2020 concluded that many wished to continue to work flexibly, combining a hybrid of office based and home working. This was overlaid with the business needs and led to a decision that in the main hybrid working could be accommodated. As a result, it appeared there was not a need to provide as many desks and therefore office space in the future.
- 2.1.4 In July 2021 as COVID restrictions were being lifted, staff were again surveyed on the continuation of hybrid working of the 345 responses over 71% were positive about hybrid working with another 7% saying they needed to work in the office full time for their role.

Q3- How do you feel about the potential of prolonged hybrid working in the future?



- I have to work fully onsite as part of my role
- I'm feeling positive about it
- I'm feeling unsure about it
- I'm feeling worried about it
- None of the above

2.1.5 Subsequently, the relaxation of the Covid rules, from 1 August 2021, has seen an increase in the number of staff returning to work in the office on a daily basis, although the majority continue to work predominantly from home or take a hybrid approach splitting their working week between home and the office. This has reconfirmed the underutilisation of space at both offices. Now is the time to review how changes in IT/Covid have affected our need for space for one team.

2.2 Customers visiting the Offices

2.2.1 In recent years many of our customers have demonstrated a shift in their preference as to how they choose to access and receive services from the Two Councils as technology has developed with smart phones and the use of the web. This change has and continues to be enabled by the development and promotion of the two Councils' online offer with the new joint website and increasingly the ability for customers to submit a service request via an on-line form. Over the same period demand on our services via the telephone, email and texts has also grown.

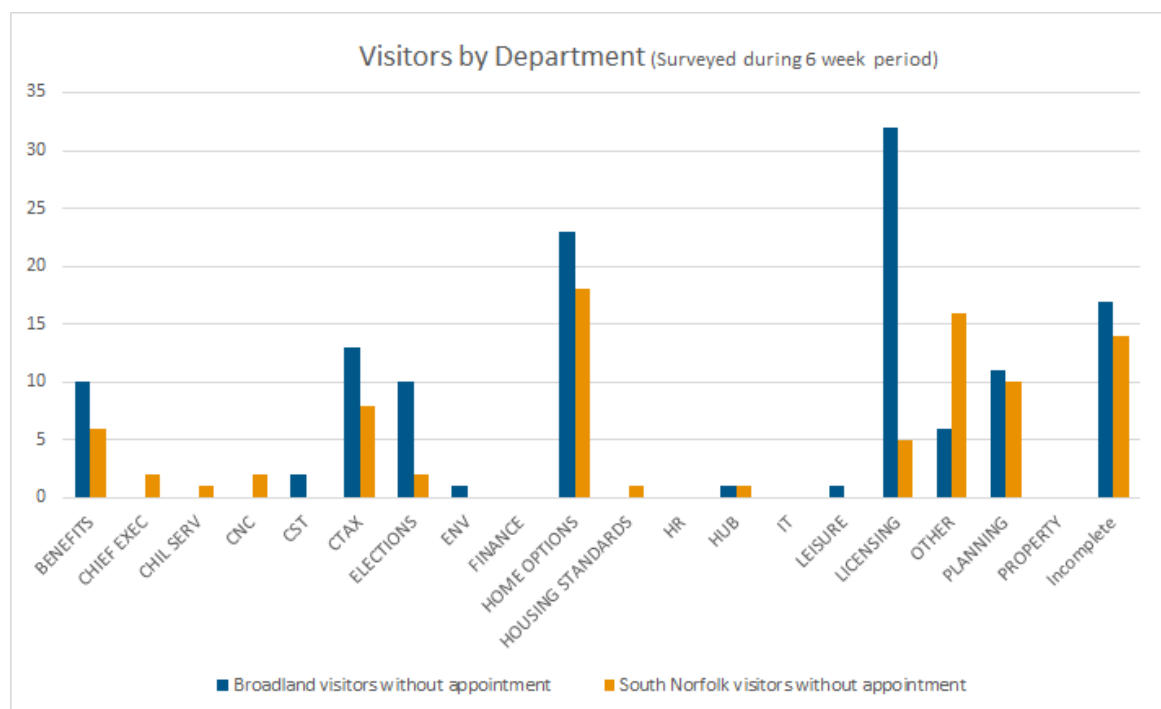
2.2.2 However, phone, texts, emails and online are only some of the channels of engagement and many customers are served in their homes or businesses via staff visiting them. The increasing number of ways we can engage with customers has resulted in a noticeable decrease in footfall in the reception areas at Thorpe Lodge and South Norfolk House. That change has been further accelerated by the need to close our offices to the public during the Covid-19 pandemic and our customers finding alternative ways to access our services even using virtual meetings in some cases.

2.2.3 Since the Councils' offices reopened on 12 April 2021, footfall to reception has been monitored weekly and it is apparent that the already lower pre Covid footfall has reduced further. This is partially due to the public concerns associated with Covid but there is increasing evidence of long-term behaviour change. The result is that in the first few months following the offices opening there were on average 5 people visiting each office per day. This number covers both residents,

businesses, and partners that the Councils work with. The trend since that time has continued to be that fewer residents and business people are visiting the offices and of those who do, a high proportion are seeking services such as the renewal of taxi licences that require an in-person appointment.

2.2.4 A recent more in-depth survey of visitors, both residents and businesses, to the reception areas in Thorpe Lodge and South Norfolk House has demonstrated that the vast majority of those visiting the offices are from either the immediate area or an adjoining parish and most travel in their own vehicle to visit the offices. Perhaps surprisingly most demand on the reception areas comes from those in the 35 to 54 age band. The chart below records the purpose of the visits made during the period of the in-depth survey.

2.2.5 Both Councils have used recent investments in technology and remote working to visit people in their own homes rather than require them to visit our office. This has been especially important for more vulnerable and isolated residents. Members of the working party are invited to consider the appropriate balance between a technology-led 'we go to you' approach and requiring people to visit an office and other potential options such as the 'Hub and Spoke' model.



2.3 Financial Cost of running two Offices

2.3.1 The annual revenue cost for running both Council buildings total £1.2m in 21/22 and with recent increases in utilities are set to increase further. Running two offices means there are duplication of costs across both offices for example:

- Caretaking Staff,
- Maintenance inspections & work,
- Utilities,

- Rates
- Cleaning
- Building Insurance
- Equipment
- Waste disposal
- A number of multi-function devices (printers) in both offices,
- Travel costs and staff time as Officers move between offices for meetings.

2.3.2 Both Councils are facing significant ongoing costs to maintain and repair the now ageing Thorpe Lodge and South Norfolk House.

The Condition Surveys on both buildings carried out a year ago by NPS, indicate there are significant costs associated with the repair and maintenance of Thorpe Lodge (£909,200) and South Norfolk House (£624,925) over the next 5 years.

While these costs will be a mixture of both revenue and capital, over the next 20 years it is estimated that Thorpe Lodge will require £2,483,568 and South Norfolk House £2,398,764 to be spent on both properties, totalling £4,882,332. These costs are based on Q12020 prices and while there are caveats associated with the projections in the NPS reports, in the light of the recent increase in material costs along with the demand on specialist services such as mechanical and electrical works, these estimates are likely to be conservative and the real costs much higher

2.4 Environmental Credentials

2.4.1 Both buildings are 50 years old and substantial upgrades will be required. Thorpe Lodge has additional listing complications.

2.4.2 The indicative costs above of future repair and maintenance over the next 20 years are simply to retain both buildings at their current standards, and do not include any costs associated with trying to improve the environmental credentials.

2.4.3 While currently any improvements relating to the environmental credentials of Local Authorities estates are not statutory the current focus on climate change and the COP26 summit are likely to accelerate the timetable to make such improvements to both offices.

2.4.4 The current EPC rating for Thorpe Lodge is D with a Carbon Emissions of 88 and for South Norfolk House D with a Carbon Emissions of 88. There is a question whether it is technically possible to get to the right standards.

2.4.5 The Horizon Building for comparison is already Net Carbon Neutral and details are available in the technical report contained in the Consultants' report in Appendix A.

2.5 Cultural Change

2.5.1 Since the restructure of the OneTeam from 1 January 2020, Officers have worked across both Councils and from both Thorpe Lodge and South Norfolk House.

- 2.5.2 During 2019/20 the OneTeam developed a common set of values and behaviours and over the past two years a new culture has emerged and continues to develop. The pandemic, with its own challenges, has meant teams have not had the opportunity to physically meet others and embed strong cross service working. The ability for Officers to work from a single location would assist in greatly accelerating the cultural change required and embedding a more corporate way of working going forward. The recent staff survey around the office accommodation options showed an overwhelming desire not to stay in the two offices but to move into one office.

3 OPPORTUNITY

- 3.1 The reasons outlined in section 2 above demonstrate that the time is right for the two Councils to review their collective future office accommodation needs. If the opportunity is not taken now, then when will be the right time? Moving to a single office is considered to deliver the best value for money solution, while enabling an acceleration in the development of the culture of the One Team benefitting the residents through improvements in service delivery, whilst delivering immediate, significant, and lasting environmental leadership.
- 3.2 Even without the financial efficiencies that could be achieved, the fundamental changes that COVID and changes in technology have brought indicate a thorough review of office accommodation, not least to exploit options for 7-day working in some service areas and further 'we visit you' and Hub and Spoke model.

4 SUCCESS FACTORS

4.1 Assessment Criteria

- 4.1.1 In considering the attributes for a future office, a number of key principles were consulted on with staff and developed against which various options and scenarios could be consistently compared and benchmarked:
- A value for money solution that enables the two Councils to operate efficiently and effectively and provide our communities and our businesses with first class services.
 - One location for the office based One Team which will assist the transformation of the One Team culture much faster than being located over two offices.
 - An environment that stimulates collaboration and innovation in the way we deliver our services.
 - A proposal that still allows our residents easy in-person access to services where there is a need to and ensures a presence of each council in their districts.
 - Significant financial savings from only operating one fully utilised office building with a reduced footprint.
 - Significant environmental benefits as a result of:
 - Reduction in utilities usage
 - Reduction in staff travel as more staff work from home and/or a single office

- Reduction in printing as evidenced during Covid when staff have been working from home
- Delivers significant benefits to staff as:
 - More attractive as an employer of choice and ability to retain staff as hybrid working assists with work/life balance and improved environment when working in the office
- A politically acceptable option which provides the two Councils with the ability to undertake their democratic functions with respect to Committee and Council meetings.
- A solution which provides flexibility and takes into account the need to work differently in the future.
- Maximises joint working opportunities of working alongside partner agencies.
- Any new accommodation must be flexible and adjustable in order to meet any future changes in working arrangements.

4.2 Assumptions around home working were made. Whilst it is entirely probable that more people will return to the office in coming months, it is unlikely that every staff member will return for 5 days as was the case pre-covid. An assumption was made that staff members would work 2.5 days per week if full time and 1.5 days a week if part time in the office. Members may wish to consider whether this is realistic and to provide opinions as to whether 'reserve space' should be provided above this level if a return to 4 or 5 days occurs as the pandemic is put behind us. This is called the 'Hybrid Ratio'. This is illustrated further in section 6.8.1 below. Also, Members may wish to consider the need for more space per staff member to enable social distancing to continue, future office space will not look the same as before Covid and the better working environment of more space and circulation will encourage staff retention and be more attractive for new staff.

4.3 A number of objective quantitative accommodation requirements were identified so that competing options from a market assessment could be compared. These quantitative requirements were re-evaluated as part of the business case preparation by the commercial surveyor and office space architect to ensure their validity. This approach also allowed options which failed to meet certain criteria to be rejected:

4.3.1 Office Size and Space

Based on the 2.5 (full time staff) and 1.5 (part time staff) hybrid ratios, it was considered that a minimum floor space of Gross Internal Area (GIA) 3,775m² was required. Not all of this space is needed for desk space as this includes space for Council Chamber, meeting rooms and welfare provision. Refer to paragraph 6.8.1 for additional information. This compares with GIA 5,476m² at South Norfolk, GIA 4,106m² at Broadland, totalling GIA 9,582m²

This value was compiled by expert assessment of the following criteria. Members are invited to comment on the criteria and the Hybrid ratio that informs them,

- Meets modern office space standards as determined by the British Council for Offices
- Space for up to 250 workstations (based on average Hybrid workspace ratios).

- Space for a large meeting room that could be used as a Council Chamber by both Councils (capacity of 60 is required)
- Space for a series of smaller meeting rooms for both internal and external meetings
- Space for breakout areas and team meetings (capacity of 30 is required)
- On site refreshment/social area where food and drink can be purchased or prepared and consumed
- Shower facilities for those running/cycling to work or undertaking exercise during the working day alongside toilet facilities for staff, Councillors and the public
- Is flexible and can be adjusted as the needs of the One team changes over time
- Is cognisant of the Councils' ambition to develop a Hub and Spoke approach to locality working in areas of greatest demand
- Enables the further development of collaborative working and innovation
- Enhances employee health and wellbeing
- Can be configured to ensure access is limited to key public areas for the general public – this must include the Council Chamber.
- Enables smart working and the use of technology
- Enables the Councils to have autonomy over access to any future office accommodation

4.3.2 Parking and Sustainable Travel Options

It was considered that a minimum number of parking spaces would be 250. Consideration should be given to the need for staff parking but also for visitors and the needs for accommodating committee parking for members and any other attendees, which can be high for contentious issues, for example planning. Members may wish to comment on the following minimum criteria.

- Sufficient parking available based on lift sharing arrangements and hybrid working (maximum 2/3 days per person in the office per week)
- On site electric charging points
- Secure bike storage
- Local sustainable travel options including buses/trains/cycle paths
- Horizon has 332 spaces, South Norfolk House 280 and Thorpe Lodge 185

4.3.3 Access and Convenience

Whilst it has become clear during our surveys that the most common in person visits have been undertaken by taxi drivers, who have their own transport, and those who live in the immediate area, consideration must be given to others who cannot be served by 'we visit you' or by technology. Consideration of location alongside main roads, public transport and the time taken to travel especially at peak times have been considered.

- Accessible to residents of both districts who need in-person contact with Council services including good local transport links by road or public transport.
- Meets the needs of the Councils' partners including Norfolk County Council and Norfolk Constabulary

4.3.4 Environmental Credentials

The energy performance of the existing offices is poor, and the costs of heating have been exacerbated by recent increases in energy costs. Members may wish to comment on the forward outlook for heating/cooling costs and the balance between extra costs and the environmental objectives of minimising use.

- Demonstrable environmental credentials that exceed those of our current office accommodation.
- Enables the two Councils to reduce the carbon footprint of the One team.

4.3.5 Cost Effective and Delivers Savings to both Councils

The annual costs of running buildings compete with other uses for the Council's funds in running services for the benefit of residents. But there are also one-off capital costs to be considered for upgrades and maintenance. Members are invited to consider the balance between annual running 'revenue' costs and longer term 'capital' costs and form a view as to whether tightening environmental standards could lead to even higher capital costs than consultants considered in 2020.

- Enables, where possible, the Councils to realise savings to the annual repair and ongoing maintenance costs of existing estate that will partially address future local government funding challenges.
- Enables both Councils to reduce energy use and thereby also realise further savings.
- Enables, where possible, the Councils to realise income from the sale or development of any redundant estate that might arise from the Business Case recommendation.

4.3.6 Flexible accommodation that allows the Councils to anticipate change

- Provides flexibility to adapt to changing ways of working including seven day working.

5 INDEPENDENT CONSULTANTS SCOPE, APPROACH AND METHODOLOGY

5.1 Following a tender exercise, Ingleton Wood and Roche were appointed on the 30 June 2021 to undertake an accommodation review and to produce a business case recommending a preferred option. The tender specification also asked the business case to include the views of Councillors, stakeholders and partners and for the Consultants to deliver up to 6 presentations. The business case was to consider the following options:

- Do nothing (although this includes how to maximize the spare capacity in each building in order to market the space and realise income)
- Move to a single office – Thorpe Lodge
- Move to a single office – South Norfolk House
- Lease a new office space
- Buy a new office space
- Develop a new site
- Share office space with a partner e.g. Norfolk County Council
- Any other options the Consultants wanted to put forward

5.2 The Consultants' approach was to:

- Analyse the future spatial requirements of the two councils, based on the parameters set out in the Service Specification.
- Review the existing office accommodation at the Councils' principal district offices (namely Thorpe Lodge and South Norfolk House), assessing its existing spatial provision and maintenance obligations.
- Consult with key stakeholders in the contract period, including Members and staff, to inform the future spatial, locational, and qualitative requirements.
- Appraise available market options for future office provision.
- Establish a method of evaluation of options against a range of considered criteria
- Provide a clear recommendation as to the option that provides the best outcome for the two Councils and the residents of Broadland and South Norfolk.
- Deliver 8 presentations to Members and Staff to date.

5.3 The Consultants' confidential business case is attached at Appendix A. As is a 'Horizon' Brochure provided by Bidwells as agent.

6 INGLETON WOOD AND ROCHE'S RECOMMENDATION

6.1 The Consultants' report recommends the purchase of the Horizon building at Broadland Business Park. This considered to represent the best value solution and scored the highest in the property ranking matrix. This would cost £1,938 m2 compared to a new build cost of £3,229 m2 plus the cost of land.

6.2 The question before members now is to consider whether the Consultants' recommendation is appropriate by reference to the impact or benefit to

- Residents
- Businesses
- Members
- Other Stakeholders

6.3 Members may also wish to compare this recommendation against alternatives. To assist deliberations, officers have collated a number of questions from the consultation responses and previous member deliberations and provided a response categorised in the four groups above.

6.4 Impacts on Residents

6.4.1 The question and response below look at the impact on the residents of Broadland if Broadland Council was to move to the Horizon Building.

Is the Horizon Centre easy for our residents to get too?

The Horizon Centre is on the same road and bus routes as Thorpe Lodge and is 2.7 miles further out towards Gt Yarmouth. Access to the site is easy and just off the Broadland Northway.

In the past Broadland Council has expressed a desire for a train station to service the Broadland Business Park on the Bittern line which would facilitate even easier train journeys.

Alternative Outreach

With low visitors at either Office, Members are invited to consider other outreach opportunities including mobile office vans or hub and spoke application.

6.5 Impact on Members

- 6.5.1 The question and response below look at the impact on the Members of Broadland if Broadland Council was to move to the Horizon Building.

Is the Horizon Centre going to be difficult to get to for Councillors to attend evening meetings as the bus service stops in the early evening?

As the Horizon Building is only 2.7 miles from the existing office at Thorpe Lodge and is on the same bus route there is no change in relation to the availability of public transport. Members have the opportunity, depending on where they live, to catch the train by taking a taxi to and from the Horizon Centre to the train station or using the Beryl Bikes (Norwich Bike Share Scheme). Members can use taxis to attend Council meetings and reclaim the costs should they need to.

The Horizon Building offers electric car vehicle charging for Members with electric vehicles.

The Horizon Building offers electric car vehicle charging for Members with electric vehicles.

6.6 Impact on Staff

- 6.6.1 The question and response below look at the impact on the One Team if both Councils were to move to the Horizon Building.




Do staff support the recommended option?

On 6 October Ingleton Wood and Roche presented their report at an all staff briefing and indicated that the Horizon Centre was the recommended option for the two Councils to bring the One Team together into a single officer space. The following day an anonymous survey was sent to all staff to seek their views and the results are shown in full below. The outcome of the survey indicates that amongst those who responded there is overwhelming support for the Horizon Centre as a future One team, two Councils office space. Based on the total number of staff the response rate was 46% but it is likely that the majority of staff who responded are the office-based staff and measured against the total number of those the response rate could have been as high as 75%.

1. From your own personal perspective, please indicate below how you feel about the recommended option in regard to the following:





Answer Choices	Very happy	Happy	Indifferent	Unhappy	Very unhappy	Response Total
Environmental credentials	51.46% 159	29.45% 91	14.24% 44	1.94% 6	2.91% 9	309
Location	45.95% 142	27.83% 86	10.36% 32	7.44% 23	8.41% 26	309
Car parking	48.24% 151	32.91% 103	12.46% 39	2.56% 8	3.83% 12	313

2. As an officer in the One Team, do you feel that the recommended option will be beneficial to the Councils?






Answer Choices			Response Percent	Response Total
1	Yes		74.53%	240
2	No		7.45%	24
3	Unsure		18.01%	58

When staff were asked what other options were preferential, apart from the option to lease Carrow House, which was the least favourable option, the two existing offices were the next two least favourable options.

3. Of all the other options that were reviewed, are any of these preferential to you if we couldn't successfully land the Horizon Building? Please indicate one option only:

Answer Choices			Response Percent	Response Total
1	Do nothing		4.58%	14
2	Occupy Thorpe Lodge and sell South Norfolk House		5.88%	18
3	Occupy South Norfolk House and sell Thorpe Lodge		8.17%	25
4	Lease new 40,000 sq. ft office – Apex Business Park		10.78%	33

3. Of all the other options that were reviewed, are any of these preferential to you if we couldn't successfully land the Horizon Building? Please indicate one option only:

5	Lease existing office - Carrow House		1.31%	4
6	Lease offices at Broadland Business Park		19.28%	59
7	Purchase new building – Apex Business Park		18.63%	57
8	Purchase existing building – Broadland Business Park (Horizon)		14.71%	45
9	Build new office – Broadland Business Park		16.67%	51
			answered	306
			skipped	18

6.7 Stakeholders

6.7.1 The questions and responses below look at the impact on other Stakeholders if both Councils were to move to the Horizon Building.

What has been the reactions of other Stakeholders within the Early Help Hub?

Initial conversations with some of the organisations that work with us in the Early Help hubs have indicated that they would wish to move with us.

Will there be any impact on our businesses in moving to the Horizon Building?

As demonstrated in 2.2 above the number of overall visitors to the two existing offices is very low, but of those, there is a large proportion that are taxi drivers who have to attend the office however by the nature of their business they will have access to a car.

Some stakeholders, like developers and their agents, are preferring to contact us by other means such as zoom to minimise their travelling time.

Depending on the Hybrid Ratio, there are opportunities for more effective co-location of services in a single office space to add value and improve services. Co-locating DWP functions in a single office to serve 275,000 residents is a more attractive option for these external stakeholders than bridging two sites.

6.8 Building Due Diligence

- 6.8.1 A number of questions have been raised by Members of the Joint Member Working Group and also other Members during the process. The questions and responses are provided below in relation to the Horizon Building.

Is the Horizon Building too big for us?

The number of estimated desks has been calculated based on an average occupancy rate for the office-based staff on the assumption that Hybrid working continues at a rate of 2.5 days per week in the office for the 353 full time staff and 1.5 days in the week at the office for the 184 part time staff. Based on the figures from that calculation the Horizon Building is a third larger than we require. However, if this co-efficient rises as more people are encouraged to work at the office the excess space will be less. There is an emergencing trend of returning to the office and any future move should include capacity to accommodate such a change. Members are invited to consider this point.

The table below indicates the space required if the number of days in the office increased and compares that to the space in the two current offices (based on Gross Internal Area – GIA) and the Horizon Building so that Members can see the versatility of the Horizon Building. The area required for the Committee and Meeting Rooms and Welfare areas is maintained in all examples below.

Working Pattern – days in the office	Space required GIA m2	Thorpe Lodge – 4106 m2 GIA	South Norfolk House – 5476m2 GIA	Horizon Building – 5664 m2 GIA
Full time 2.5 days Part time 1.5 days	3,775	Yes	Yes	Yes
Full time 3 days Part time 2 days	3,886	Yes	Yes	Yes
Full time 4 days Part time 2.5 days	4,903	No	Yes	Yes
Full time 5 days Part time 2.5 days	5,468	No	Yes	Yes

Whatever the exact space, this additional space provides opportunities. To take up more space than anticipated; should there be changes to hybrid working and more staff are in the building than currently planned, or there is a need to employ more staff to service the growth in businesses and residents in the two districts, which are currently growing at 1.5pc per year or if there is government legislation requiring more space per person following Covid.

Alternatively, there is the potential to lease excess space to other public organisations or even commercial tenants. No account has been made in the

covering report in the financial section for any additional rental income, but any rental income would reduce the payback period.

There is an opportunity to convert the smaller standalone building for a multi-purpose event space as well as a Council chamber. Such a building would be an attractive building for other businesses on the Business Park to hold meetings and this could provide a valuable income stream. Bidwells have also indicated that there would be interest if the Councils' wished to either sell or lease this smaller building too. Even two sessions per week @ £250 would generate over £20,000 income.

Conversations with Roche have indicated the location, parking and modern facilities would make the Horizon Building easier to rent than either of the two existing offices. Currently both Councils have other public sector organisations leasing office space and there are no issues with security or confidentiality from the staff employed by those organisations working alongside the OneTeam, in an open plan environment.

Have any surveys been carried out on the building and do we need those to be completed before we can make an offer?

As with any property sale, Officers have and will revisit the property and have requested information relating to the mechanical and engineering systems, IT & Communications Cabling and the fabric of the building to review and inform negotiations should any major concerns be raised. A price will be negotiated subject to surveys and valuation, allowing further negotiations to take place if the surveys or valuation throw up any major concerns and issues. Bidwells have supplied comprehensive information which is contained within the Consultants' report in Appendix A.

What are the costs of entry?

The building was used by Aviva as a call centre right up to the point of the first lockdown. Our IT and Facilities staff have visited the building and have judged that all the IT, lighting, desks, and staff welfare spaces can be used unmodified. An allowance of £50,000 has been made for the relocation of sensitive computer equipment and a further allowance of £25,000 for other sundry expenses including signage. Officers judge that the building is 'ready to move into' with minimum reconfiguration at a figure of £75,000.

What is the Disabled Access like?

The Council is committed to equality of access to our premises regardless of ability.

- South Norfolk House is a split-level building and there are several workarounds for disabled access including from the car parks, with a ramp and a lift as options to the public meeting rooms.
- Thorpe Lodge is not fully accessible and relies on the two lifts within the building to access most floors. The Committee Chamber can only be accessed via the lift
- The Horizon Building is fully accessible and DDA compliant and the public meetings room could be on the ground floor with the option of putting the council Chamber in the standalone building.

What is the annual cost of maintaining the solar panels on the Horizon Centre and how much will it cost when they need to be replaced?

The solar photovoltaic (PV) systems at the Horizon Centre comprises 2,540 solar panels that were installed

- on the rooftop (668 panels) in 2016 by Solarcentury Ltd, and
- on the carports (1,872 panels) in 2019 by RenEnergy Ltd

The PVs have an economic life of at least 25 years and are maintained by RenEnergy Ltd at an annual cost of £5,000.

The cost of replacing the PVs in 20 to 25 years' time is impossible to accurately forecast. PV technology is rapidly evolving as is the efficiency of the panels which may well mean fewer panels will be needed in the future, this together with the changes in technology and production mean costs will change dramatically over the next 20 years making any estimate unreliable. It is worth noting that should the Councils retain their existing buildings they would need to look at ways to reduce the existing Carbon Footprints which would include the installation of PVs and the cost of putting in new complete systems would be borne much sooner than any replacement cost. It is not obvious how Thorpe Lodge and South Norfolk House could accommodate the same quantity of PVs.

Is the Horizon Business Centre a Carbon Neutral building?

The Horizon Building has an EPC rating of (-68) A+ (net zero CO₂) with a number of sustainable features:

- Electric Vehicle charging points x 2 dual with ability to charge four EVs at one time and also the ability to increase the number of these
- Well-lit cycle parking
- All external LED lighting
- All internal LED lighting, with smart controls
- Waterless urinals
- Optimised building management system with remote view only access
- CO₂ ventilation monitoring and control
- 450 KVA available grid import capacity

This compares to the current offices which both have D EPC ratings and high costs of heating.

Further information is contained within a report from CBRE Energy Net Zero Analysis which is included in the Business Case at Appendix J page 141.

How old are the gas boilers and will they need replacing in the near future?

The Gas Boilers were installed in 2003 and they have a life expectancy of a minimum of 25 years and have been serviced every six months in line with the standard maintenance requirements.

Any concerns on the operating and maintenance of the boilers in the short to medium term would be fed into the price negotiations. To provide a comparison the NPS Condition Surveys on both offices noted last year that the oil boiler at South Norfolk House was 17 years old and would need replacing in 10 to 15 years with a cost at Q1 2020 prices of £10,000. At Thorpe Lodge the gas boilers are relatively new at 3 years old so would need replacing in 2036/37 with a cost at Q1 2020 prices of £25,000. However, it is noted that the replacement will not be a like for like as alternative energy sources will be required.

If in the future there is a requirement to replace the gas boilers or to move away from gas then the Solar Photovoltaics Systems – Information Memorandum at appendix K in the Consultants’ report mentions at page 157, the potential to use surplus electricity to heat the building instead of natural gas although this would require investment in storage batteries.

How does the air circulation system work at the Horizon Centre and does it meet modern guidance?

Confirmation has been received that the air recirculation system installed in the building can be operated flexibly throughout the building, to meet the most recent recommended fresh air rates as outlined in the guidance issued by CIBSE (Version 5 published 16 July 2021).

6.9 Financial Implications

- 6.9.1 There are a number of financial aspects that Members will want to explore and consider and below are a series of Questions and Answers to assist with this, although Members may wish to raise others. Members are invited to consider the proposed methodology for the financial assessment and may wish to propose alternatives.

Is the recommendation to purchase the Horizon Building good financially?

6.9.2 Revenue Savings

Moving to the Horizon Building would generate significant savings per annum as shown in the table below when compared to the Status Quo, move to either Office or the Horizon Building:

Expenditure	Combined Costs of both Offices	Thorpe Lodge Costs	South Norfolk House Costs	Move to Horizon Building
	£	£	£	£
Caretaking Staff	330,916	132,014	198,902	151,000
Rates	288,644	136,519	152,125	327,588
Building Insurance	30,210	17,722	12,488	17,841
Utilities	272,862	103,622	169,240	50,000
General Maintenance	128,000	60,500	67,500	30,000
Cleaning & contracted out services	87,310	85,000	2,310	50,000
Printers	52,616	15,616	37,000	37,000
Staff time & travel costs from moving to one office				-50,000
Reduction in IT spend on Hardware				-5,000
Stationery, Postage & Sundries				-20,000
Rental income				-20,000
Electricity exported to grid				-5,000
Total	1,190,558	550,993	639,565	563,429

The saving is £627,129 per year compared to the combined costs of running both existing offices.

Included above are reductions in staff travel and efficiencies in time not spent travelling between offices during the working day. Savings from providing IT hardware on surplus desks and more efficient provision in committee and meeting rooms. Reduction in stocking stationery at both offices and postage such as two franking machines and costs which are currently being duplicated. An estimate has been included for renting out the Council Chamber & meeting rooms to other organisations and companies on the business park based on the room/s being rented once a week. No other rental income has been included for the additional space within the building. The income from exporting surplus electricity generated from the Solar Panels has been included. This is based on the figures provided in the Consultants' report on page 155.

The total reduction in costs is £627,129 per annum. Based on the cost sharing ratio this would be attributed as shown on the following table which also includes this saving calculated as the saving on Council Tax. Importantly these savings will help in closing the funding gaps that both Councils are facing on their Medium-term Financial Plans.

	Total	Broadland Council	South Norfolk Council
	£	£	£
Current Office	1,190,558	550,993	639,565
Horizon Building costs (Broadland 45%, South Norfolk Council 55%)	563,429	253,543	309,886
Saving	627,129	297,450	329,679
% Saving on Council Tax		4.91	4.10

6.9.3 Capital Expenditure

It is anticipated that for the first five years there will not be a requirement for any capital expenditure. A survey, if the purchase proceeds, will confirm this position. This is in contrast to the known capital expenditure that will need to be carried out at the Councils' current offices of £638,380 for Thorpe Lodge and £343,900 for South Norfolk House over the next five years. It is likely that those figures will increase as they were based on the NPS condition survey which was based on Q1 2020 prices and there have already been significant increases in the cost of building materials and labour to date with more inflationary increases to come.

Looking at the longer term (20 years) for Thorpe Lodge the NPS Condition Surveys identified a total of £2,382,194 would need to be spent, as above these were based on Q1 2020 prices. This expenditure will increase greatly over that 20-year period.

For South Norfolk House in the longer term (20 years) the NPS Condition Surveys identified £2,328,764 on the same basis.

In addition to those significant sums there would be the costs to try and enhance the poor environmental credentials which aren't included in the sums above. For Thorpe Lodge a net carbon zero couldn't be achieved as explained in detail further in this paper and while there could be sufficient land to install Solar Panels in a similar manner at South Norfolk House there would still be significant expenditure required on the fabric of the building such as replacement of windows and heating as benefits a 50-year-old building of its type.

The Horizon Building in contrast is a much newer building, built in 2003 with the Solar Panels installed in 2016 and 2019. It is simpler in design without the complexities of the Grade 1 listed building element which Thorpe Lodge has or the design features of South Norfolk House which have caused issues such as the oil tank which is located in the tower.

The table below is an illustration of the net cost of purchasing the Horizon Building which delivers a Carbon Neutral Building.

	£	£	£
		Broadland	South Norfolk
Gross cost of Purchase			
<ul style="list-style-type: none"> • Purchase Price of Building • Solar PV system • Stamp Duty • Legal Fees & Survey Fees • Cost of Fit Out 	8,500,000 1,000,000 499,500 30,000 75,000		
Gross Cost	10,104,500	5,505,250	5,502,250
Less proceeds from Thorpe Lodge Site	-2,600,000	-2,600,000	
Less redevelopment proceeds from South Norfolk House based on a McCarthy & Stone type mixed development	-2,500,000		-2,500,000
Net Cost of Purchase		2,452,250	2,552,250
Less cost of 5-year maintenance	-982,280	-638,380	-343,900
Net Cost of Purchase after allowing for capital expenditure that would have taken place on existing offices	4,022,220	1,813,870	2,208,350

Net Cashable Savings over a 5-year period

There are significant cashable savings within 5 years as shown in the table below:

	£	£	£
	Total	Broadland	South Norfolk
Revenue Savings for five years	3,135,645	1,487,250	1,648,395
Saving on 5-year capital maintenance	982,280	638,380	343,900
Total cashable savings in 5 years	4,117,925	2,125,630	1,992,295

These savings of £4.117,925 delivered before 2027 contribute to the £8.6m target within the feasibility study.

How would costs be split between the two Councils?

- 6.9.4 It is proposed that the Councils would jointly own the Horizon Building and share the costs of purchase and fit out equally (50/50), these costs would be:

- Purchase Price on the Building (VAT will be payable but reclaimed)
- Purchase Price of the Solar Photovoltaic Systems (VAT will be payable but reclaimed)
- Stamp Duty (calculated on Building Price plus VAT)
- Legal & Survey Fees
- Cost of fit out

Capital

Future capital costs will be shared equally (50/50) as the asset will be owned jointly and would form part of the 5-year capital programme agreed annually by each Council as part of the annual budget setting process. A conditions survey would inform the pre-planned maintenance which is expected to be minimal in the first 5 years. The surveys that would be carried out as part of the due diligence if the purchase was to proceed would highlight any short-term expenditure required and this would form part of the purchase negotiations.

Revenue Running Costs

As illustrated in the revenue savings section above. The revenue running costs for the building will be split according to the current agreed proportions (45% Broadland District Council and 55% South Norfolk Council), these will be reviewed periodically as per the agreed feasibility study. These costs would include:

- Caretaking Staff
- Business Rates
- Electricity Costs – electricity drawn from the grid outside of daylight hours
- Gas
- Water & Sewage
- General ad hoc maintenance costs
- Any small items of equipment or furniture
- Building Insurance
- Cleaning

6.9.5 Financial Assessment Methodology

How do we assess whether we should go ahead & what happens if we negotiate a better price?

Assuming a decision was made to proceed subject to negotiations and due diligence then a methodology needs to be established to set parameters in which Officers can negotiate.

It is proposed that a payback calculation is utilised to ensure the payback period for both councils is 7 years or lower. The calculation of this payback is:

	£
Gross cost of Purchase	
<ul style="list-style-type: none"> • Purchase Price of the building • Solar PV system • Stamp Duty payable on the building element only • Legal Fees & Survey Fees • Cost of Fit Out 	8,500,000 1,000,000 499,500 30,000 75,000
Gross Cost	10,104,500
Cost for Broadland Council (50%)	5,052,250
Less Saving on 5-year capital maintenance	-638,380
Less proceeds from Thorpe Lodge	-2,600,000
Net Cost of Purchase	1,813,870
Revenue Savings per annum – as per revenue savings table in 6.9.2 above	297,450
Net Cost of Purchase/Revenue Savings per annum = Payback Period	6.1 years

If a lower price was negotiated, then the payback period would reduce further the same calculation is shown below with a reduction in the price of the building element. Saving £500,000 knocks 1 year off the payback period. Similarly, an increase in costs of purchase or a reduced annual saving would increase the payback period.

	£
Gross cost of Purchase	
<ul style="list-style-type: none"> • Purchase Price of the building • Solar PV system • Stamp Duty payable on the building element only • Legal Fees & Survey Fees • Cost of Fit Out 	8,000,000 1,000,000 469,500 30,000 75,000
Gross Cost	9,574,500
Cost for Broadland Council (50%)	4,787,250
Less Saving on 5-year capital maintenance	-638,380
Less proceeds from Thorpe Lodge	-2,600,000
Net Cost of Purchase	1,548,870
Revenue Savings per annum – as per revenue savings table in 6.9.2 above	297,450
Net Cost of Purchase/Revenue Savings per annum = Payback Period	5.21 years

Members are asked to consider the methodology above with a target payback period of 7 years or lower. Members are welcome to offer any alternative methodology if they do not consider the payback method suitable.

6.9.6 Combined Figures

Can we see the full cost for both Councils and how the financial model suggested works?

Based on the asking price the figures for both Councils and the individual payback periods are shown below:

	£	£	£
Gross cost of Purchase		Broadland	South Norfolk
<ul style="list-style-type: none"> • Purchase Price of Building • Solar PV system • Stamp Duty • Legal Fees & Survey Fees • Cost of Fit Out 	8,500,000 1,000,000 499,500 30,000 75,000		
Gross Cost	10,104,500	5,505,250	5,502,250
Less proceeds from Thorpe Lodge Site	-2,600,000	-2,600,000	
Less redevelopment proceeds from South Norfolk House based on a McCarthy & Stone type mixed development	-2,500,000		-2,500,000
Less Saving on 5-year capital maintenance	-982,280	-638,380	-343,900
Net Cost of Purchase	4,022,220	1,813,870	2,208,350
Revenue Savings per annum – as per revenue savings table in 6.10.2 above	627,129	297,450	329,679
Net Cost of Purchase/Revenue Savings per annum = Payback Period in years	6.41	6.1	6.7

6.9.7 Financing the Purchase

Where will the money come from to pay our share of the purchase?

With regards to financing the Council's share of the purchase, it is affordable and there are options available to the Council (which could be combined):

- Use of capital receipts
- Internal borrowing against its usable reserves as while some funds are allocated against specific reserves while these aren't being utilised the Council could borrow internally against them. The savings would then be repaid into the reserves during the payback period to restore the reserves.

- External borrowing from various sources such as Public Works Loan Board, Municipal Bonds Agency or other Local Authorities with the revenue savings being used to repay the borrowing.

How will South Norfolk Council afford their share?

This will be a decision for South Norfolk Council they have the same options as Broadland Council, but Broadland Members should be reassured that they have sufficient reserves which they could borrow internally against should they wish to.

6.10 Costs of Change

Won't there be dual costs for a period of time?

There will be a period once the purchase has been completed that the two Councils will incur dual running costs. The critical path to occupation will be determined by how quickly a data link can be established and the IT infrastructure moved, tested and is ready for operation. However once staff can move across offices can be emptied and the Councils can apply for empty rates on the areas not being used. Costs would then be minimal with standing charges for utilities which would need to be maintained until such a time as the redevelopment of the sites commenced.

6.11 Other recommendation from the Consultants to build a newbuilding on Broadland Business Park

Why don't we take forward the Consultants' second recommendation to build a new building on the Broadland Business Park as this could be customised exactly for our needs?

There are risks around taking this forward as build costs continue to rise reflecting the increase in building materials prices and labour costs. Given the time it would take to secure a site, apply for planning permission, and select a contractor to deliver the building the costs will have increased from the current cost estimated within the Consultants' report. In addition, the number of parking spaces would be restricted in line with planning policy (133 spaces for a building of Gross Internal Area 3,775 m²) and parking was ranked high on the accommodation needs by both Members and Staff in the consultations that were carried out.

The current average build price for new offices is £3,229 per m² plus the cost of the land, these figures are not based on delivery of a Carbon Neutral Building either, this compares to £1,938 m² for the Horizon Building. For this reason, the Horizon Building is excellent value for money. The Councils have statutory responsibility under the Local Government Act 1999 (in line with statutory guidance 2011) to deliver value for money.

6.12 South Norfolk

South Norfolk House has not been recommended by the Consultants due to a number of reasons, mainly the limited public transport which makes it too remote

for residents from Broadlands northern towns and villages to access and the significant investment required to achieve Carbon Neutral.

7 Joint Member Working Group

- 7.1 The Joint Member Working Group consists of three Members from each Council, two Conservative Members and one Liberal Democrat. A summary of their meetings and main items on the agenda are below:

Date of Meeting	Discussions
12 August 2021	<ul style="list-style-type: none"> • Agree terms of reference of the Group • Purpose of the Future Accommodation Project • Current use of our Office Accommodation • Future Delivery of Service – Locality Working
26 August 2021	<ul style="list-style-type: none"> • Hybrid Working
23 September 2021	<ul style="list-style-type: none"> • Revenue and Capital Costs of Current Office Buildings
8 October 2021	<ul style="list-style-type: none"> • Consultants' presentation and Questions & Answers on the Business Case
2 November 2021	<ul style="list-style-type: none"> • Further attendance by the Consultants to respond to any outstanding Questions. • Formation of the JMWG recommendations to the Service Improvement and Efficiency Committee and Customer Trading and Customer Focus Committee

The recommendations from the Joint Member Working Group are attached in Appendix B. Additional information was requested at the last meeting and responses to those questions are contained within this report.

The Members of the Working Group also wanted to investigate retaining Thorpe Lodge and renovating this office to become Carbon Neutral. Responses to this and other questions are provided below:

- 7.2 Information on Thorpe Lodge

Is it possible to make Thorpe Lodge Carbon Neutral?

In order to understand whether it is feasible to reduce the carbon footprint of Thorpe Lodge or indeed make it carbon neutral the two Councils would need to commission a detailed site energy review and heat de-carbonisation plan from a

suitably qualified consultancy. The estimated costs of this work would be in the region of £15k but initial assessments by both officers and experts in Ingelton Wood are that it would not be possible to achieve carbon neutral by retro-fitting Thorpe Lodge.

A basic assessment of Thorpe Lodge indicates that there are significant barriers to improving the buildings environmental credentials, including: -

- In 2020/21 Thorpe Lodge used 425,718 kWh gas and 312,238 kWh electricity. It must be noted this was not a typical year. To generate this amount of electricity an approximately 340kW system would be needed, this amounts to over 1,000 PV panels based on a panel output of 325W. This would only cover the electricity used and not the gas usage for 2020/21.
- If Thorpe Lodge was to be the only office, then the increase in the number of staff occupying the building would utilise more electricity than in 2020/21 and based on the usage of 2018/19 the number of panels required to deliver this amount of electricity would be 1200 @ 325W per panel or 975 @400W per panel.
- Quite simply it would not be possible to fit these on the site, the building's orientation, shaded and sloping site would mean that it would be impossible to install sufficient PVs. Obviously, there are interventions that could reduce the electricity use in the building such as an LED refit.
- The heating and cooling system is large and complex and requires an upgrade which will be a major piece of work. To achieve net zero and in the likely event that mains gas will be phased out, this will need to switch to an electric system. It's likely that an air source heat pump system would be the most appropriate option for this. However, the grounds surrounding Thorpe Lodge are heavily wooded and it is unlikely there will be sufficient space to install an air source heat pump.
- There is a need to improve the insulation in the building and install double or triple glazing. The old, listed part of the building would pose a problem here. This work would significantly reduce the energy use for the building, but it would likely be a complex and expensive project. And there would still be a need to generate clean electricity for this or to pay to offset remaining emissions from heating.
- Refitting any old building means there are likely to be unforeseen costs during the work as issues can't be seen until work is under way and records are not always available that show how the original construction has been undertaken.
- The listed part of the building would require permission for all works carried out which can be very prolonged in obtaining and as the requirements for the work is very perspective in terms of materials used and finishes required, the costs are much more than for a non-listed building and some solutions that could be used in a non-listed building may not be approved, such as double glazing.

If we can't retrofit the existing building to be Carbon Neutral could we knock it down and build a new Carbon Neutral Building as we own the land?

Based on delivery of a 4,250m² Gross Internal Area, (which would not provide any surplus space) to deliver a non-Carbon Neutral Building would cost over £13.7m. To enhance that to become Carbon Neutral (indeed the new build would need to be Carbon positive to offset the listed part of the building) would cost even more a Quantity Surveyor has estimated this would be in excess of £15m. Even then the parking constraints would still be there.

Is there enough office space to accommodate 300 staff in Thorpe Lodge?

There is enough space within Thorpe Lodge for up to the 300 staff based on the 2.5 (full time) 1.5 (part time) hybrid ratio at 8m² per officer identified as an industry standard within the Ingleton Wood and Roche options appraisal and business case, but it would not be big enough if staff increased their hours in the office or government legislation was to increase space per desk following Covid.

To achieve this, modern standard smaller desks would need to be purchased, in order to replace the larger less space efficient desks currently in both Thorpe Lodge and South Norfolk House.

What is the feasibility of implementing a staff parking rota at Thorpe Lodge in order to relieve pressure on the limited parking on the site?

There are 185 parking spaces at Thorpe Lodge. The majority of the spaces are double, or triple stacked and therefore parking in them requires coordination in order to minimize blocking staff and visitors in as well unnecessarily causing disruption when vehicles need to be moved during the day.

Based on the assumption that members would want unfettered access to the parking area to the right of the main entrance and visitor parking would remain in front of the reception area, this would leave the parking area to the left of the drive reserved for staff only.

There are 122 spaces for staff to share. Based on the assumption that there will only ever be 300 staff (out of a total of 534) in Thorpe Lodge on any one day, a parking Rota would significantly restrict staff parking at Thorpe Lodge to once in every 2.4 days. Those with mobility issues would need priority. In addition, consideration would need to be given on whether those whose roles are essential to the building functioning, or who need to have quick access to vehicles to go out on visits, would have some form of priority parking. While a Rota could be introduced and a car sharing scheme encouraged, the consequences would be for individuals to resolve but it would have a detrimental impact on staff morale, retention and recruitment.

Are there offsite car parking options for Thorpe Lodge?

Thorpe Lodge is set in an urban area and parking restrictions apply on many of the surrounding roads. In those areas where on street parking is allowed there is a

risk that encouraging staff to park there could lead to complaints from residents and risk increased traffic congestion.

The Transforming Cities project is trying to remove parked cars on major access routes, including Yarmouth Road, to better facilitate public transport.

There is however all-day parking at RCP Lower Clarence Road at £7 per day for cars. There is also parking at Norwich Station from £5 per day via JustPark. Both locations are approx. 0.7 miles from Thorpe Lodge and the walk would take most people at least 20 minutes. There are buses along the route staff would need to walk and the cost would be approximately £2.00 each way. A reduction in being able to park at the office and a potential cost of parking would be detrimental as described above. Given the current national employment situation where some roles are very hard to recruit too, the limited parking at Thorpe Lodge would not assist.

Is there enough meeting space for the one team and two sets of Members in Thorpe Lodge?

The existing Council Chamber at Thorpe Lodge could be shared by the two Councils and the current programme of meetings for both Councils are arranged so that they do not clash and can be supported by the Officers.

However, there is not sufficient space within Thorpe Lodge to meet the meeting room needs of both Councils. In addition to the Council Chamber there is one large (Trafford Room) and two medium size meeting rooms (John Mack Room and Basement Room). In addition, there are a number of smaller 'two to four' people meeting rooms around the building.

This amount of space is insufficient to meet the needs of the two Councils and the One Team as apart from the Council Chamber the other rooms could not accommodate meetings for around 25 to 30 people and with more committee meetings taking place in the Council Chamber this would be an issue.

Any attempt to increase meeting space by extending the existing building footprint would compromise the already limited parking on the site.

What would be the cost of refitting Thorpe Lodge to provide a quality modern office space for up to 300 staff and partners while also providing sufficient meeting space?

The answer to this question can only be provided once a detailed survey and building re-design project has been undertaken. Such a piece of work would take considerable time to undertake. However, the answers to the questions above already indicate that: -

- We need to increase the meeting space in the building to meet both Council's and the One Team's needs. To do so would likely impact on the available parking space.
- There could be costs to facilitating the use of offsite parking.
- Staff may need to be decanted from Thorpe Lodge whilst the works outlined above are undertaken. Past experience has shown that major works in a building can be very disruptive to service delivery and takes longer to complete when there are people working in the building. There will be costs associated to the decanting of staff and depending on where staff are temporarily moved to it could be very disruptive to their working and personal lives.
- The floor plates for the offices are narrow and long and therefore more restrictive in what can be delivered in trying to achieve the modern office space required and also being spread over several floors is not as beneficial in bringing staff together as a more open plan office provides.
- We have been unable to obtain any detail from other recent refurbishments to enable us to provide informed costs of refitting Thorpe Lodge. However, some information was found that indicates prices vary from around £40 per sq ft to around £80 per sq ft for a low to medium spec office refurbishment. <https://www.trevorblake.co.uk/insight/articles/2020/03/how-much-does-an-office-fit-out-cost/> Based on these figures an approximate range for the cost of fit out could be between £1.5m & £3m and this would still not be a Carbon Neutral Building.
- In addition, while the work was carried out the One Team and Members would have to work at South Norfolk Council during this period.

8 ISSUES AND RISKS

- 8.1 This report has considered a number of risks around the recommended option from the Consultants' business case and has also considered alternatives.
- 8.2 **Resource Implications** – These have been provided in the main body of this report.
- 8.3 **Legal Implications** – If the purchase of the Horizon Building does proceed the two Councils will need to jointly appoint a legal team.
- 8.4 **Equality Implications** – Officers are working on an equalities assessment to accompany the Cabinet report as it goes forward.
- 8.5 **Environmental Impact** – The Horizon Building is a Carbon Neutral Building and the other offices cannot be adapted to this level.
- 8.6 **Crime and Disorder** – None
- 8.7 **Risks** – All risks have been highlighted within the main body of this paper.

9 CONCLUSION

- 9.1.1 This paper takes forward the business case and recommendation from the Consultants who have completed their work on reviewing the Councils future office accommodation needs. Officers have tried to provide additional information and address a number of questions and concerns which Members have raised. However, before the final recommendations are made to cabinet for their consideration, Members are asked to raise other questions, concerns or additional information that is required to ensure the Cabinet are fully informed when they consider this important decision.
- 9.1.2 The paper offers a methodology for the financial assessment of whether to proceed with the recommended option which Members are asked to consider or if they wish to propose any alternatives

10 RECOMMENDATIONS

- 10.1 The Committee is requested to:
1. Review the Consultants' report and preliminary conclusions contained in the report.
 2. To comment on the proposed financial assessment methodology.
 3. To raise any other information or issues that need to be considered prior to final recommendations being made to cabinet.
 4. To consider issues around the needs of Residents, Members, Staff and other Stakeholders.

Background Papers

Joint Member Working Group Minutes and Agendas

**NOT FOR PUBLICATION BY VIRTUE OF SCHEDULE 12A OF PART 1
PARAGRAPH 3 OF THE LOCAL GOVERNMENT ACT 1972 (AS AMENDED) BY
THE LOCAL AUTHORITIES (ACCESS TO INFORMATION) (VARIATION) ORDER
2006 (contains information relating to the financial or business affairs of any
particular person (including the authority holding that information))**

Pages 43 to 208 are not available to the public because the information is confidential as it includes exempt information about the financial or business affairs of a person

Recommendations arising from the Future Office Accommodation Project Joint Member Working Group meeting held 2 November 2021

To Recommend to the Commercial, Trading and Customer Focus Committee, the Service Improvement and Efficiency Committee, and both Broadland and South Norfolk Council Cabinets that

1. The Council does not proceed with the purchase of the Horizon Building on Broadland Business Park (Option 9) at this stage, due to further information being required relating to:
 - Projected costs of the future replacement of solar panels;
 - The air circulation system;
 - The gas boilers;
 - Refit costs including purchase and fit out costs
 - The need for a detailed survey of the building (to include the structure, Mechanical and Engineering, and future use of the building)
2. The option to occupy Thorpe Lodge (Option 2) be investigated further, looking at the potential renovation of the building to make it carbon neutral, and to address the car parking issues;
3. The Future Office Project Joint Member Working Group consider the above options further, once further information has been obtained.

Working Group's rationale for its recommendations-

The working group's recommendations have been in the light of further examination of the business case as presented by the consultants to councillors and questions relating to further due diligence that has been sought and examined. The consultants' brief was limited at that stage in terms of the parameters set at the start of the project in terms of the scope of work.

The examination of Thorpe Lodge with the savings associated has also warranted further examination again in terms of due diligence and what is in the best interests of both Councils and council tax payers.

Further to information gathered in and examined up to our meeting on the 2nd of November, the working group was provided with an update of actions raised at the previous meeting and Officers reported that there was some additional information still required to inform a more detailed estimate of fit out costs, however an indication had been provided. In addition to this, further information was requested on Monday 1st November in relation to costs and due diligence which emerged within the working group. Due to the timescales Officers were not in a position to provide that additional information for the meeting on the 2nd November.

The group was informed that Officers would seek to obtain the information requested and it would be reported to the Service Improvement and Efficiency Committee and the Commercial Trading and Customer Focus Committee at their meetings on the 12th November and subsequently to Broadland Overview and Scrutiny Committee and the respective cabinets in due course. However, the working group would not have time to examine this information or carry out further due diligence from the information and to arrive at a different recommendation.

Members of the Joint Member Working group agreed that they would attend the Service Improvement and Efficiency Committee and the Commercial Trading and Customer Focus Committee on the 12 November as appropriate to answer any questions re the working group's recommendation and reasoning.