

# **Commercial, Trading and Customer Focus Committee**

**Minutes of a meeting of the Commercial, Trading and Customer Focus Committee of South Norfolk Council held on Friday 12 November 2021 at 1.00pm.**

**Committee Members Present:** Councillors: C Hudson (Chairman), D Burrill, B Duffin, J Easter, F Ellis, T Holden, W Kemp, T Laidlaw and T Spruce.

**Apologies:** Councillors: F Curson and J Overton

**Other Members in Attendance:** Councillors: J Halls, K Mason Billig and A Thomas

**Officers in Attendance:** The Director of Resources (D Lorimer), the Director of People and Communities (J Sutterby) and the Chief of Staff (Monitoring Officer) (E Hodds)

## **25 DECLARATIONS OF INTEREST**

No declarations of interest were made.

## **26 MINUTES**

The minutes of the meeting of the Commercial, Trading and Customer Focus Committee, held on Monday 21 June 2021 were approved as a correct record.

## **27 FUTURE OFFICE ACCOMMODATION PROJECT – APPRAISAL AND BUSINESS CASE**

The Chairman reminded the Committee that Appendix A of the report was exempt due to its commercially sensitive contents.

The Director of Resources introduced the report and briefed members on the salient points, which included the reasoning behind the accommodation review, the criteria given to the Consultants, the recommended option from

the Consultants' independent review and the recommendation of the Joint Member working Group, who requested that option 2 of the business case (move to Thorpe Lodge and sell South Norfolk House) be investigated further.

One member raised a concern about recommending the purchase of the Horizon Building when there were still numerous surveys and due diligence which needed to be carried out, and without realistic costings calculated. The Director of Resources reminded members that the recommendation to be put before Cabinet was to give in principle approval for the negotiations to start, which would allow officers to commence the necessary surveys and further work, which would then feed into the price negotiations. She further added that surveys had not been carried out before members had indicated they wanted to take the recommended option forward, in order to prevent the unnecessary spending of public funds.

Members discussed the financial model and fit-out costings laid out within the report. They indicated that they felt it was not a true reflection of the actual costs involved and requested that the financial model be updated to include best and worst case scenarios in relation to the purchase of the Horizon Building.

Members then discussed the estimated maintenance costs for both Thorpe Lodge and South Norfolk House over the next 5 years. It was suggested by some members that the accommodation review be slowed down to allow for further investigations to take place, as relatively little of the maintenance/repair work needed to be carried out urgently at the two existing offices.

The Joint Member Working Group's recommendation to further investigate option 2 – occupy Thorpe Lodge and sell South Norfolk House, was discussed by members, with concerns raised of the potential costs of refurbishing/renovating the building to be carbon neutral. The Director of Resources advised the committee that the Council had asked a surveyor to provide a high level costing in relation to knocking down and rebuilding the non listed part of the building and they had indicated that approximately £13.7M would need to be spent on Thorpe Lodge for it to meet the One Teams requirements whilst not being carbon neutral, or, approximately £15M for a carbon neutral building which met the One Team's requirements. It was noted that this would not resolve the parking space shortage at Thorpe Lodge, and that Thorpe Road was subject to a travel initiative which limited parking in the area.

Members discussed the hybrid method of working and queried whether the minimum space standard of 3,775 sqm set by the Consultants was sufficient. They raised concerns of the One Team outgrowing an office space of that size with either an enlarged workforce or if current staff decided to work in the office more than the 2.5 days for full-time staff and 1.5 days for part-time staff, projected by the consultants. They considered that 4 days for full-time staff and 2.5 days for part-time staff maybe a more appropriate working pattern for the majority of staff. Using the table at page 28 of the agenda it was

determined that to future-proof an office space, the minimum space standard should be set at 4,900 – 5,000sqm. It was noted that this would rule out Option 2 – Occupy Thorpe Lodge and sell South Norfolk House. Although Option 3 – Occupy South Norfolk House and sell Thorpe Lodge was not ruled out due to its size, Members acknowledged that the option may be geographically and politically unacceptable for Broadland District Members. The Committee determined that all options should be ruled out except for, Option 9 – purchase the Horizon Building and Option 10 – Build new office at Broadland Business Park.

Members further discussed Option 10 – build new office at Broadland Business Park, where it was highlighted that the One Team could design and build an office space that met all of its needs and was:

- Accessible / User friendly
- Carbon Neutral
- Future-proof

A number of members advised the committee that they had spoken to old workers of the Horizon Building who had stated that it was not a nice place to work in, and had highlighted issues related to:

- Poor temperature control
- Loud noise from rainfall hitting the roof
- Poor public transport links

It was noted by some members that you were more likely to hear complaints about an office space from its staff/former staff than you were to hear compliments. Additionally, one member pointed out that the previous occupier of the Horizon Building operated a call centre which had different working patterns, occupancy and requirements than a Council office would have.

The Director of Resources informed members that there had been similar complaints of poor temperature control from staff working at both Thorpe Lodge and South Norfolk House. Several members noted the poor public transport infrastructure across the whole of Norfolk and acknowledged that this was likely to be an issue whichever option was chosen.

One member suggested that improvements could be made to the Horizon Building to address all issues identified and proposed that officers undertook a costing exercise when the surveys were carried out, it was accepted that this would also aid in the understanding of the required fit-out costs of the Horizon Building, and the proposal was supported by members.

One member referred to the Eastern Daily Press article dated 25 September 2021, which had reported on Norfolk County Hall no longer being an option, and queried why Norfolk County Hall had not still been included as an Option 11 within the business case. It was further expressed by members that this option could have been the most cost effective and beneficial to residents, members and staff. It was suggested that a full breakdown of this option be added to the business case. The Director of Resources informed the committee that discussions had taken place with Norfolk County Council

however they had been advised that the option of moving to County Hall was no longer on the table as the County Council continue to review their asset base, the new ways of working for their staff and associated space and options around ongoing consolidation at County Hall. She further explained that Norfolk County Council had requested that the business case did not include this option as there was no potential of this being back on the table. Members reiterated that they felt the option should be included in the business case for transparency and as their responsibility to ensure 'value for money' for residents. The Chief of Staff (Monitoring Officer) explained to members that the Council had no authority to include figures provided by Norfolk County Council within the business case. After further discussion, it was decided to instruct officers to write to Norfolk County Council to ask whether the option to lease office space was definitely 'off the table' or whether it could still be an option in the future.

Members discussed the consultation carried out and the response from Parishes. It was noted that some Parishes were not in favour of the recommended option as they wanted South Norfolk Council to remain within the district for ease of access to the offices and a sense of 'ownership' of the Council. Whilst other parishes did not mind the proposed option as there was no difference in travel time for those particular Parishes. Members acknowledged that the further away the Parish was from the Horizon Building the more likely they were to be against the recommendation.

The Director of Resources reminded members of the proposed Hub and Spoke model which would ensure a South Norfolk Council presence within the district should the office move out of district. She also highlighted the reduced number of visitors to both Thorpe Lodge and South Norfolk House, and that most of the remaining visitors were Taxi Drivers who needed to visit the Licensing Team. She further advised the Committee that home visits carried out by officers had substantially increased as had contact via telephone and email. Members suggested that a public consultation be carried out to gauge residents' views on the options laid out within the business case as well as the proposed Hub and Spoke model. It was agreed that this should be carried out utilising the Council's website, with the consultation to be promoted by district members as well as Parish and Town Councils.

Further discussion was carried out regarding the suitability of the Horizon Building as the preferred option. Members also asked for costings on any enhancements that could be carried out to increase the carbon neutrality and replace the use of gas. Members also considered and agreed the financial model proposed of using the payback period as a reasonable financial assessment methodology.

A vote was carried out, and it was,

**RESOLVED:**

To

1. Set a minimum space standard for the future office space of 5,000 sqm. in order to allow for potential expansion or different working patterns and to better meet the One Team's needs.
2. Instruct officers to write to Norfolk County Council to seek a formal response that makes it clear if what was Option 11 (Move into County Hall) was definitely off the table or could still be an option in the future.
3. Amend the financial model to include best and worst case scenarios in relation to the purchase of the Horizon Building.
4. Update the cost analysis of Option 10 – build new office space, to include the purchase of land at Broadland Business Park, the delivery of a carbon neutral building and fit-out costs for a 5,000sqm building.
5. Undertake a public consultation process, which would utilise the Council's website. The consultation should be promoted by District Councillors as well as Parish and Town Councils.
6. Update the Commercial Trading and Customer Focus Committee, once the necessary surveys/due diligence were completed, on the cost of improving the Horizon Building to address any issues identified, including temperature control and any noise (if considered an issue) of rainfall on the roof. To also provide costing of any enhancements which would remove the use of gas.

(The meeting concluded at 3.26pm)

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Chairman