

EQIA Submission – ID Number

Section A

EQIA Title

Property Accommodation Strategy Strategic Headquarters SHQ

Responsible Officer

James Sanderson - DCED INF

Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

Project/Programme

Commissioning/Procurement

No

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Strategic and Corporate Services

Responsible Service

Infrastructure

Responsible Head of Service

Rebecca Spore - DCED INF

Responsible Director

Rebecca Spore - DCED INF

Aims and Objectives

Section 1 - Background / Context

A report was provided to the Policy and Resources Cabinet Committee on 11 September 2020, on the preparation of a Strategic Outline Case (SOC) that reviewed the options for the future of the Headquarters Estate centred around Sessions House. This was reviewed by the Committee on the 6 November 2020, where it was agreed that the options appraisal should be revisited, taking into account accommodation changes following the COVID-19 pandemic.

The key policy drivers to change the Office Estate are as follows:

- ☐ Kent County Council's commitment to an inclusive workplace
- ☐ Carbon Neutral by 2030
- ☐ Condition and suitability issues
- ☐ Reduced Requirement for Office Space that is more effective and affordable
- ☐ Supporting regeneration and Place making

Following consideration of the revised options, on 13 July 2021, the Policy and Resources Cabinet Committee received an update on the Office Accommodation Strategy that specifically addressed KCC's Maidstone office assets, Invicta House and Sessions House (referred to collectively as SHQ).

Following this meeting, the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

took decision 21-00064 on 13 August 2021 to progress with the marketing of Blocks A, B and E of Sessions House for disposal and to develop an option for the refurbishment and modernisation of Blocks C and D predominately for civic uses and Invicta House as a staff hub.

On March 24 2022, the Policy and Resources Committee received an update on the progress of the project following the decision 21-00064. RIBA Stage 1 had been completed for the Masterplan, including development of design options for Blocks C and D of Sessions House and Invicta House, with RIBA Stage 2 designs due for completion in summer 2022. The marketing exercise for the disposal of Blocks A, B and E of Sessions House was noted to commence summer 2022. RIBA Stage 2 design progression and subsequent Final Design Report for the '2021 Option' was completed in June 2022. The cost plan associated with RIBA stage 2 indicated a capital cost of £56.8m.

In October 2022, given the Council's significant financial challenges, the Deputy Leader and Cabinet Member instructed officers to pause design work for the 2021 option and revisit the scope and present lower capital cost options. The £35m capital budget allocated to the project was reduced to £20m and endorsed by Full County Council in February 2023.

On 23rd November 2022, the Policy and Resource Cabinet Committee were presented with a longlist of 6 options for consideration. It was noted that Option 1 (The July 2021 Option) and Option 2 (Retain and expand Invicta House and utilise other KCC accommodation) were not being progressed further due to the high capital cost requirement of each, exceeding the revised maximum budget of £20m and were therefore discounted from further consideration as shortlisted options.

The four remaining lower capital cost options' as outlined in section 2, were shortlisted for further consideration and developed in further detail with both qualitative and financial assessments to be undertaken.

In December 2020, the Council established its strategic reset programme. Future Assets including the future of SHQ is one of the 13 strands of the Strategic Reset Programme. The future of SHQ will influence the accommodation provision across the remainder of the office estate and the delivery of £2.231m revenue savings, which was agreed by full Council and is in the medium-term financial plan (MTFP) as a result of a smaller and more efficient office portfolio.

Section 2 - Refresh of the SHQ Options

The Business Case setting out the consideration of the shortlisted options is available upon request

Historic under-investment in the estate over many years has created a significant maintenance backlog. As a result of this backlog and the limited suitability of buildings, many services are delivered from buildings that offer a poor user experience. In some cases, staff and service users have had to work in restricted and challenging environments due to condition problems which have resulted in the need to temporarily close areas of buildings or a whole building due to health and safety concerns.

Due to the limited resources available, urgent health and safety spend is often prioritised meaning that suitability and accessibility issues are rarely addressed with management actions often put in place to enable services to function. I.e., location of functions is driven by the need for accessibility not strategic location and need. The parts of the SHQ campus in Sessions House that were in particularly poor condition (namely Blocks A, B & E) have not been reoccupied since the COVID-19 pandemic.

While KCC has committed to being carbon neutral by 2030, given the revised financial constraints and a maximum capped budget of £20m, the reduction of the KCC carbon footprint can only be improved through this programme via a reduction in the estate footprint. Due to the size of the estate and the large building

footprint along with the inefficiencies of operating out of some of the current buildings, the current estate, including its office estate, accounts for 46% of the current total emissions that KCC produces.

Annual revenue running costs are approximately £6.5m across the Council's Office estate including SHQ with 3,300 tons of carbon produced. The reduction in the size of the estate (variable subject to selected option) will therefore partly address these figures but KCC's target will not be fully realised. To meet the target set, other measures across the estate will need to be implemented.

The key drivers for the project within the £20 million cap are therefore:

- Address Critical backlog Maintenance - Address Critical Red and Amber backlog condition works to ensure estate is Warm, Safe and Dry.
- Reduce ongoing future maintenance - Through addressing backlog maintenance the future ongoing planned preventative maintenance (PPM) works are reduced and can be planned in an efficient manner.
- Provide accommodation requirements - Provide accommodation in line with the minimum accommodation requirements schedule for the new SHQ provision.
- Rationalise under-utilised estate - Reduction in the size of the SHQ estate by disposing of unused accommodation which in turn reduces future ongoing liabilities from upkeep and holding costs.

Four shortlisted options have been identified with the capital costs implications as follows:

- Option 3 - £20m Capital Cost
- Option 4 - £15m Capital Cost
- Option 5 - £6.4m Capital Cost
- Option 6 - £7.7m Capital Cost

The capital cost estimates have been calculated based on a number of assumptions and high-level indicative cost estimates.

Section 3 - Recommendation

As a result of the Council's financial position it has been necessary to reconsider the previous decision and the scope of the SHQ project as per decision 21-00064.

The capital budget for the project was reduced to £20m in October 2022 and agreed by Full County Council in February 2023. The report sets out a range of options that have been considered within the revised capital budget.

Options 4 and 6 failed to pass the qualitative criteria and are therefore discounted. The remaining options 3 and 5 both retain the SHQ within Maidstone and utilise existing accommodation within the SHQ estate.

Given the significantly lower overall NPV associated with Option 5 in comparison to Option 3, further market testing is required to establish the market viability of a disposal of the whole or part of Sessions House that would satisfy the MOJ covenants requirements. This remains a key project risk and is a determining factor which informs the next steps and the deliverability of Options 3 and 5.

Given that both options include the continued occupation by KCC of Invicta House, it is proposed to progress with the urgent maintenance works at Invicta House, including the required roof works. £3.4m will be allocated from the £20m approved capital budget in order to progress the design and completion of these works.

Section 4 - Preferred Option from Business Case

Option 5 looks to address all backlog maintenance required (Red and Amber) from the condition survey to ensure the building remains warm, safe and dry. Invicta House is a modern office building with good accessibility to staff and visitors.

This EQIA Screening has been completed and found that there is a limited negative impact on protected characteristics.

Adverse Equality Impact Rating: Low

Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

Yes

It is possible to get the data in a timely and cost effective way?

Yes

Is there national evidence/data that you can use?

Yes

Have you consulted with stakeholders?

Yes

Who have you involved, consulted and engaged with?

Members
Strategic Reset Programme Board
Corporate Management team
Officers across the Council

Has there been a previous Equality Analysis (EQIA) in the last 3 years?

Yes

Do you have evidence that can help you understand the potential impact of your activity?

Yes

Section C – Impact

Who may be impacted by the activity?

Service Users/clients

Service users/clients

Staff

Staff/Volunteers

Residents/Communities/Citizens

Residents/communities/citizens

Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?

Yes

Details of Positive Impacts

Preferred Option results in utilising the modern office (Invicta House) for civic function and continued staff base.

To better understand the current condition of the building and essential works required, KCC commissioned a Condition Survey and has taken a position that all works deemed to be essential in the short-term of 1-5 years (classified in the Condition Survey as Red and Amber works) must be delivered .

The current SHQ estate is not fit for purpose and therefore the recommended option completes backlog maintenance works to ensure the building meets KCC's minimum requirements for Warm, Safe & Dry.

This option continues having a SHQ based in Maidstone and therefore maintains good accessibility links (train, bus, town centre location, parking).

The option does result in a reduce number of desks available for staff who choose to work at Invicta House.

Negative impacts and Mitigating Actions

19. Negative Impacts and Mitigating actions for Age

Are there negative impacts for age?

No

Details of negative impacts for Age

Not Applicable

Mitigating Actions for Age

Not Applicable

Responsible Officer for Mitigating Actions – Age

Not Applicable

20. Negative impacts and Mitigating actions for Disability

Are there negative impacts for Disability?

Yes

Details of Negative Impacts for Disability

Reduce number of desks availble at Invicta House which may mean some staff could be displaced to other offices which could impact on staff who may find it difficult to travel to other offices

Mitigating actions for Disability

KCC will continue to support staff and prioritise spaces in Invicta for those staff that would find it difficult to travel to other offices.

Responsible Officer for Disability

James Sanderson

21. Negative Impacts and Mitigating actions for Sex

Are there negative impacts for Sex

No

Details of negative impacts for Sex

Not Applicable

Mitigating actions for Sex

Not Applicable

Responsible Officer for Sex

Not Applicable

22. Negative Impacts and Mitigating actions for Gender identity/transgender

Are there negative impacts for Gender identity/transgender

No

Negative impacts for Gender identity/transgender

Not Applicable

Mitigating actions for Gender identity/transgender

Not Applicable

Responsible Officer for mitigating actions for Gender identity/transgender

Not Applicable

23. Negative impacts and Mitigating actions for Race

Are there negative impacts for Race

No

Negative impacts for Race

Not Applicable

Mitigating actions for Race

Not Applicable
Responsible Officer for mitigating actions for Race
Not Applicable
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No
Negative impacts for Religion and belief
Not Applicable
Mitigating actions for Religion and belief
Not Applicable
Responsible Officer for mitigating actions for Religion and Belief
Not Applicable
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No
Negative impacts for Sexual Orientation
Not Applicable
Mitigating actions for Sexual Orientation
Not Applicable
Responsible Officer for mitigating actions for Sexual Orientation
Not Applicable
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
No
Negative impacts for Pregnancy and Maternity
Not Applicable
Mitigating actions for Pregnancy and Maternity
Not Applicable
Responsible Officer for mitigating actions for Pregnancy and Maternity
Not Applicable
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships
Are there negative impacts for Marriage and Civil Partnerships
No
Negative impacts for Marriage and Civil Partnerships
Not Applicable
Mitigating actions for Marriage and Civil Partnerships
Not Applicable
Responsible Officer for Marriage and Civil Partnerships
Not Applicable
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No
Negative impacts for Carer's responsibilities
Not Applicable
Mitigating actions for Carer's responsibilities
Not Applicable
Responsible Officer for Carer's responsibilities
Not Applicable