

**From:** David Cockburn - Corporate Director of Business Strategy & Support and Rebecca Spore – Director of Property & Infrastructure Support

**To:** Gary Cooke - Cabinet Member for Corporate and Democratic Services

**Decision No:** 13/00060

**Subject:** Mid Kent Key Office Hub - Proposal to Acquire Premises

**Classification:** Unrestricted

**Future Pathway of Paper:** Retrospective information only report to Policy & Resources Committee – 17<sup>th</sup> January 2014

**Electoral Division:** Ashford Central & Ashford South

**Summary:** The New Ways of Working Programme identified that Ashford would be an ideal, accessible location for Kent County Council's Mid Kent Key Office Hub which would need to accommodate staff resulting in a space requirement of between 2500 sqm and 3500 sqm.

This report covers the main options that have been considered and seeks a decision to purchase a property in Ashford and undertake some refurbishment work to align the space and others to the New Ways of Working programme it is accompanied by a further report containing information which is exempt from publication under paragraph 3 of schedule 12a of the Local Government Act 1972 (as amended).. The recommended option sits within affordability parameters, making the savings required without exceeding the capital requirement and offers a more flexible estate portfolio solution, particularly in the light of KCC's 'Facing the Challenge' objectives.

**Recommendation(s):**

The Cabinet Member for Corporate and Democratic Services is requested to agree

1. the freehold purchase of a property in Ashford, as named in the exempt report, and in line with the financial expectations also set out therein.
2. the additional costs of purchase including agents' fees and stamp duty and works as set out in the exempt report.
3. the refurbishment and modernisation costs required to make the space fit for purpose under the New Ways of Working Programme, in line with the financial expectations set out in the exempt report

**Governance:**

The Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder) provides the governance pathway for the implementation of this decision by officers. In this instance, the Director of Property, Infrastructure and Support (on

behalf of the Corporate Director Business Strategy & Support) will take all such steps as are necessary to implement the decision.

The decision cannot reasonably be deferred until the next meeting of the Policy and Resources Cabinet Committee as to do so would put at risk the best interests of the Council and therefore it will be reported retrospectively in January 2014. Local procedures for such circumstances will be applied. All statutory requirements will be fulfilled.

## 1. Introduction

- 1.1 This report outlines the options for the Mid Kent Key Office Hub for the New Ways of Working Programme and concludes with a recommendation to purchase a property in Ashford. Several options were identified reporting relation to the acquisition or development of office space all of which had both capital and revenue consequences to KCC, however only the recommended option sits within affordability parameters. Further information on the options considered is contained within the exempt report.

## 2. Financial Implications

- 2.1 Along with the Council's Doing Things Differently agenda, the New Ways of Working Strategy is predicated on achieving property revenue savings from consolidation, releasing the portfolio from budget pressures such as rent and having greater control over repair and facilities management rather than paying service charges. Savings have already been built into the Council's Medium Term Financial Plan. This has led to a preference to consider freehold or long leasehold options (where capital investment is required) over commercial leasehold options that have a significant impact on revenue.
- 2.2 The New Ways of Working programme has produced a financial case which sets out the financial parameters of the programme. The property budget is adjusted annually to take into account the savings to be delivered through the consolidation of the office portfolio. A summary options appraisal has been included in **Appendix 1 of the exempt report** which sets out the financial consequences of each option in this report.

## 3. Bold Steps for Kent and Policy Framework

- 3.1 The New Ways of Working Programme of which the Mid Kent Key Office Hub forms part is a foundation stone to the Council's Doing Things Differently initiative which in turn is key to KCC's future in 'Facing the Challenge'. The programme promotes a more agile workforce consolidated in 3 key office hubs in the East, Mid and West of the County along with smaller sub-hubs in districts to facilitate the customer experience, particularly to the more vulnerable and disadvantaged residents in Kent. The consolidation of space also reduces costs.

## 4. The Report

- 4.1 As part of the New Ways of Working Programme, previous feasibilities were undertaken and it was identified that the Mid-Kent Key Hub should be located in Ashford.
- 4.2 A number of options have been considered, but for reasons of commercial sensitivity and to preserve KCC's negotiating position in the market, these are outlined in the exempt report.

### **New Ways of Working Programme Requirements**

- 4.3 It is envisaged that the Mid Kent Hub should be 2,500 sqm to 3,500 sqm of flexible and fixed desk working space including meeting rooms, break out spaces etc.
- 4.4 All options considered in the exempt report would be able to meet the space requirements.
- 4.5 Each option is assessed against its ability to deliver against the programme parameters and the savings that are identified within the Medium Term Capital Programme.

### **Flexibility**

- 4.6 A further objective for New Ways of Working is that, as far as possible, it should create a more flexible portfolio in terms of options available in the event of a strategy change or service refocus. This is particularly important as the council seeks to transform its service delivery over time. It is envisaged that this will change the Council's property requirements over time. Careful consideration therefore needs to be given to ensure that any investment in accommodation is targeted at property which allows the council future flexibility for redevelopment.

### **Option Appraisal**

- 4.7 The five main options along with some minor options are outlined in the exempt report and summary option appraisal is included in Appendix 1 of the exempt report.

## **5. Conclusions**

- 5.1 All options under consideration are very different propositions and the key factors and reasons for the preferred option are considered in the exempt report.

## **6. Recommendation(s)**

The Cabinet Member for Corporate and Democratic Services is requested to agree:

1. the freehold purchase of a property in Ashford, as named in the exempt report, and in line with the financial expectations also set out therein.

2. the additional costs of purchase including agents' fees and stamp duty and works as set out in the exempt report.
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The decision cannot reasonably be deferred until the next meeting of the Policy and Resources Cabinet Committee as to do so would put at risk the best interests of the Council and therefore it will be reported retrospectively in January 2014. Local procedures for such circumstances will be applied. All statutory requirements will be fulfilled.

## **7. Contact details**

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