

Report to Cabinet

Subject: Shared Accommodation (Department for Work and Pensions)

Date: 6th June 2013

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Wards Affected

Borough-wide

Purpose

This report sets out proposals to enable the Department for Works and Pensions (DWP), specifically, Arnold Job Centre Plus, to re-locate their existing operational base and Customer Facing Services to the Civic Centre. The proposals include requirements for indicative structural changes to accommodate the DWP. Officers are seeking in principle approval from Members in respect of:

- Entering into a Lease to allow the DWP to share accommodation at the Civic Centre for which an annual rental would be payable by the DWP
- Note the potential in respect of a net reduction in expenditure arising from the proposals
- Note, that subject to satisfactory progress, changes to both Capital and Revenue Budgets will be the subject of further decisions of the Council

Key Decision

This is not a Key Decision

Background

- 1 The DWP are seeking opportunities to relinquish local offices and where possible, enter into long term, stable, commercial arrangements with public sector partners in respect of accommodation. Initial deliberations have taken place between Officers and the DWP with a view the viability of such an arrangement with the Council. Officers are of the opinion that a shared accommodation arrangement would be mutually beneficial. The benefits of such an arrangement would include the establishment of an ideal relationship with the DWP as progress is made in respect of the National Universal Credit Agenda, an enrichment of the Customer experience enabled by the onsite presence of the DWP and such an arrangement would provide an additional income stream for the Council.

Proposal

- 2 It is proposed to enter into a formal lease arrangement with the DWP in support of the complete re-location of the Arnold Job Centre Plus operation to the Civic Centre with an effective commencement date of between July and September 2014. Up to 30 DWP staff would move across to the Civic Centre.
- 2.1 It is proposed that the arrangement would last 10 years and would comprise primarily of the provision of a front of house customer facing presence for the DWP and would also allow for a small back office provision as well. Indicative floor plans have been prepared which both parties have reviewed and, subject to final, detailed, alterations are believed to be viable for the purpose proposed.
- 2.2 In order to create the space required by these indicative proposals an element of structural works will be required together with the re-location of Civic Centre based colleagues which, subject to final deliberations, can be accommodated within the overall proposed works. Directly affected colleagues have been consulted and the final joint accommodation plans will take account of any issues arising from the consultation process.
- 2.3 Part of these proposals will require access to what is currently the Cash Office to accommodate Staff whose current office accommodation is required to accommodate the space required by the DWP. Running alongside these proposals is a previously approved and funded scheme to replace the existing Cash Office presence with an automated kiosk(s) which will be situated in Reception. Current planning suggested that the Cash Office would close and Kiosk facilities put in place by the end of 2013/14; that timeline will be adjusted as required to align with the shared DWP accommodation proposals.
- 2.4 It is proposed that an annual rent will be paid by the DWP in respect of the fully managed service. Depending on the level of initial contribution from the DWP, the annual rental will comprise of a repayment in respect of the required structural alterations, a contribution to the day to day accommodation running costs and the potential for a net reduction in the Council's overall expenditure.
- 2.5 Although there will be distinct and defined physical areas from which the Council and the DWP will operate their services, discussions have commenced with a view to which elements of the arrangement are able to be 'shared' by both parties, for example the interview rooms, thus allowing for a deeper level of working between the Council and the DWP and, where possible, to provide a seamless level of service to the Customer.
- 2.6 Subject to satisfactory progress, approval in respect of the lease associated with these arrangements will be sought from the Portfolio Holder in due course.
- 2.7. It is anticipated that the existing, annually renewable, arrangement with the Citizens Advice Bureaux (CAB) to operate their services from the Civic Centre will continue.

Alternative Options

- 3 Alternative options have been considered and include rejecting the whole proposal or agreeing to a partial re-location where less space would be made available to the

DWP which would mean that the DWP would need to operate their local Arnold services from separate locations. Officers suggest that each of these alternative options are not as advantageous as a complete re-location.

Financial Implications

- 4 The financial implications are split between both Capital and Revenue budgets and assumes no initial input of funding from the DWP:
 - 4.1 The estimated Capital costs are £222,300. The initial Capital cost includes the indicative structural alterations and some fixtures and fittings requested by the DWP, as they are looking for the Council to provide a fully managed office space.
 - 4.2 The estimated annual Civic Centre Revenue Costs are expected to increase by around £1,000. These costs are for the replacement of Customer Facing Internet Access PC'; and general Office furniture during the life of the arrangement. In addition Capital Financing costs in respect of both interest and principal repayments for the financing of the structural changes as well as the potential for increased utility and maintenance costs will need to be provided for in future revenue budgets.
 - 4.3 These costs would be contained within a proposed annual rental charge to the DWP which is likely to be in the order of £80,000 and £85,000, and would be subject to annual index uplift. The final annual rental would also be depend on any additional costs incurred by the Council in respect of the re-location of existing Civic Centre based colleagues, if required.
 - 4.4 The overall arrangements suggest a strong likelihood of a net contribution to the Council, which will reduce the Councils net annual expenditure requirement, and ensure a more efficient utilisation of the Civic centre office accommodation.

Appendices

- 5 The following appendices are available:
 - 5.1 Existing Floor plans
 - 5.2 Indicative Floor Plans

Background Papers

None

Recommendation(s)

It is recommended that Cabinet:

- (a) **Authorise Officers to progress arrangements to allow the DWP (Arnold Job Centre Plus) to share accommodation at the Civic Centre; and**
- (b) **Note the potential for a net reduction in net expenditure arising from these proposals;**

- (c) **Note that, subject to satisfactory progress, changes to both Capital and Revenue Budgets will be subject to further decisions of the Council**
- (d) **Note that the approval of the lease will be subject to a separate report to the Portfolio Holder in due course.**

Reasons for Recommendations

- 7 Members are asked to approve the proposals within this report for the following reasons:
 - 7.1 Contributes to co-location of public agencies and as such enriches the Customer experience when dealing with the public sector;
 - 7.2 Will enable and foster a closer working relationship between the Council and the DWP as progress is made towards the introduction of the National Universal Credit Agenda;
 - 7.3 There is potential for a net reduction in net expenditure arising from these proposals.