

To: Cabinet
Date: 14 September 2022
Report of: Executive Director (Corporate Resources)
Title of Report: Future Workplace – Relocation from St Aldate’s Chambers to Oxford Town Hall

| Summary and recommendations | |
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| Purpose of report: | To seek authority to let the whole of St Aldate’s Chambers and enter in contracts and carry out associated works to vacate the building and consolidate staff office accommodation in the Town Hall. |
| Key decision: | Yes |
| Cabinet Members: | Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management and Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services |
| Corporate Priority: | Enable an Inclusive Economy |
| Policy Framework: | Council Strategy 2020 - 2024 |
| Recommendations: That Cabinet resolves to: | |
| <ol style="list-style-type: none"> 1. Approve a reallocation from the capital programme to the Future Workplace programme of a budgeted £1million to support the works required to vacate St Aldate’s Chambers and relocate staff office accommodation to the Town Hall; 2. Delegate authority to the Executive Director of Development, in consultation with the Head of Law and Governance, the Head of Financial Services / S151 Officer and the Deputy Leader (Statutory) - Finance & Asset Management to enter into appropriate contracts to implement required changes to St Aldate’s Chambers or the Town Hall; 3. Recommend to Council the approval of a contingency budget of £300,000; 4. Delegate authority to the Executive Director of Development, in consultation with the Head of Financial Services / S151 Officer, the Head of Law and Governance and the Deputy Leader (Statutory) - Finance & Asset Management to enter into lease(s) to let the whole of St Aldate’s Chambers in line with the strategy set out in the confidential Appendix 1 or on other terms which fulfil the requirements of S123 Local Government Act 1972; and 5. Approve the decision to relocate staff from St Aldate’s Chambers (subject to any changes to terms and conditions of employment required). | |

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| Appendices | |
| Appendix 1 (Confidential) | St Aldate's Chambers leasing rationale and options |

Introduction and background

1. The Council, like many other organisations, adopted new ways of working during the pandemic including an increase in working from home. While this brought with it many challenges and underlined the importance of the office from a collaboration, social and cultural perspective, it also delivered many benefits. We have now implemented a new flexible working approach to the way we work, and as a result the Council and most council staff have adopted hybrid arrangements, where staff will split their working hours between home and the office, or other locations.
2. While individual officers and teams will have different requirements, a staff survey carried out in mid-2021 indicated that the majority typically wanted to work from home 3 days a week, and in the office 2 days a week. A separate survey on business needs undertaken with Heads of Service and managers supported these findings.
3. A delegated decision was taken in March 2022 to let two floors of St Aldate's Chambers, which was agreed.

Leasing of St Aldate's Chambers

4. Based on initial feasibility work, approved by the Development Board, the ground and first floor has been marketed. Demand has largely been for more or less than 2 floors. Approval is now sought to let the whole of St Aldate's Chambers.
5. The Council has appointed agents to advertise and find suitable tenants to let the ground and first floors. Marketing has been ongoing since January 2022, with several parties having undertaken viewings and most interest being for two floors or more.
6. An offer has been received for the whole building which would provide an attractive return on the cost of moving staff to the Town Hall and would provide a significant improvement to the Council's Medium Term Financial Strategy over leasing just two floors. It also enables more efficient use of the Town Hall.
7. Further detail of the marketing and proposals received are included in confidential Appendix 1.
8. Subsequent recent work, led by Facilities Management, has indicated that based on current levels of office working the Council could fully vacate St Aldate's Chambers and use existing space within the Town Hall for its office workspaces. This also allows for changes in the future should additional staff wish to work from our offices. This accommodation could be adapted to include a mix of fixed desk space, touch down

points, meeting rooms and collaboration space. A separate feasibility study is also underway looking at longer-term options for adaptation of the Town Hall which could provide additional capacity for a range of uses, including more office space if required. This will be considered alongside a review on the on-going management and maintenance of the building to inform a long-term investment plan for the building.

9. Following a previous individual Cabinet Member decision in March 2022, the 2 floors of St Aldate's Chambers have been marketed and during that exercise it has become clear that there is strong demand for more than two floors. Informed by this market demand and the recent Facilities Management survey work, this report seeks authority to let the whole of the building, either to a single tenant, or to multiple tenants. Further details of the marketing progress and proposals received are attached at confidential Appendix 1.
10. Rather than letting two floors of St Aldate's Chambers, letting the whole building and relocating staff who wish to work onsite to the Town Hall would:
 - I. bring in additional income to the Council (over and above that already included in the Medium Term Financial Plan) to support the medium-term financial plan and the delivery of services;
 - II. remove operational costs associated with retaining occupation of two floors of St Aldate's Chambers;
 - III. ensure the maximum use of the office footprint at St Aldate's Chambers therefore maximising footfall in the city centre to support local businesses; and
 - IV. allow the Town Hall to be more efficiently utilised.

The Project

11. The original project was to split St Aldate's Chambers, but with the ability to let further floors in the future.
12. This report therefore seeks authority to drawn down the total £1m capital allocation and authority to enter into contract(s) for necessary construction works to take place as soon as possible. It also seeks delegated authority for officers to enter into future leases with tenants.
13. While there remain inherent risks associated with achieving these workstreams within the timeframes, in order to have the best possible chance we need to start the necessary works to both the Town Hall and St Aldate's Chambers as soon as possible, and no later than mid-September 2022. It is expected that St Aldate's Chambers will be required to be vacated by this point, to enable letting to take place from December 2022.
14. In order to relocate staff to the Town Hall there are several dependencies and the programme will require several workstreams in order to deliver the move. This will include investment in new furniture for the Town Hall, removal of existing furniture

from St Aldate's Chambers to the Town Hall, decoration in the Town Hall, and new IT equipment. These will all lead to enhanced working arrangements for staff.

15. Making use of the Town Hall and relocating staff there will give a welcome focus on the civic building which is largely unused day-to-day. It will become the centre piece for Oxford City Council. In addition, for those areas which already bring an income to the council this will remain unaffected, and by utilising the other areas of the Town Hall it allows the Council to make better use of its buildings and space.
16. Car parking will be reduced from 14 spaces to 6; the pool car scheme will need to be redesigned as no parking will be available at St Aldate's Chambers.
17. Cycle parking – current level of spaces for bicycles will be retained.
18. The unions will no longer have a dedicated office space. However, a large amount of meeting rooms will be made available to book in the Town Hall for confidential meetings. They have been engaged in this proposal.
19. The Members' Room will be moved to the current Unison area. Bookable meeting rooms will be made available for general/confidential meetings. This proposal has been discussed with the Leaders of all the political groups represented on the Council, as well as the independent ward councillors.
20. The project team is currently finalising a full scope of works and an estimate of costs for the project. Once design documentation and specifications have been completed the project can be fully costed by a Quantity Surveyor and Oxford Direct Services will submit a price to carry out the works.

Communications and Engagement

21. An extensive internal communications and engagement campaign will be required ahead of the move, which will be delivered as part of our existing Flexible Working Programme and branded as Flexible Working Future Workplace. Staff, Members and unions will be included at all stages of the programme. The engagement process will feature tours of the new space, working with teams to reduce physical storage, regular updates, and workplace guidance.
22. This project supports the wider change initiative which the Council is currently undertaking, such as key transformation projects including Microsoft 365, People Strategy, and our review of Customer Services. By giving staff the right collaboration tools such as M365 to carry out their roles, and with new and refreshed spaces, better use of the physical space will be made by bringing teams together to collaborate in person. There will also be investment in new technology in the office to run hybrid meetings.

Financial implications

23. The 2021/22 budget setting process, agreed by Cabinet and Council in February 2021, set out savings and income benefits based on consolidating the City Council office requirement into the basement plus two floors of St Aldate's Chambers and subsequently letting the remaining two floors within St Aldate's Chambers to a third-

party. A report to Cabinet on 9 February 2022 and subsequent individual Cabinet Member decision on 9 March 2022 approved £1million to facilitate this.

24. The proposal set out within this report to now let the whole of the St Aldate's Chambers building and consolidate the Council's office space within the Town Hall allows for increased revenue within a similar capital cost envelope for works of £1million. An additional £300,000 will provide a 35% contingency for works and equipment. This additional contingency reflects the Town Hall's status as a listed building, potential price increases for materials and labour for the works, and a buffer for any additional equipment needed for staff.

25. The £1m capital budget will be broken down into the following areas broad of spend, although there may be a need to reallocate these once more detailed costs are established:

- i) £500k to complete IT works and carry out works required
- ii) £40K for new 27" monitors and arms for desks
- iii) £35K for new AV systems to new meeting rooms
- iv) £60K for new riser desks / chairs
- v) £50K for new collaboration / meeting room furniture and soft furnishings
- vi) £80k for redecoration to interim spaces
- vii) £30k for bike rack works
- viii) £24k clearance and removals to basement / 2nd & 3rd floors (based on £7.7k per floor)
- ix) £40k internal Project Manager (PM) cost
- x) £90k for Professional fees
- xi) £51k (5%) represents the only contingency, to be allocated on remaining tasks/activity (the additional budget of £300k will increase this to a 35% contingency)

26. As noted earlier in the report, a separate feasibility study is being undertaken in parallel with this work to look at longer-term options for works to the Town Hall to create additional space for a variety of potential uses, which could include additional office space if required. This will be considered alongside a review of the on-going management and maintenance of the building to inform a long-term investment plan for the building. Provision for these works will be made within the Council's future Medium Term Financial Plan during the forthcoming budget setting process (if established at this point), but this is not directly linked to the recommendation or proposals set out within this report.

27. The Town Hall will require significant repairs and maintenance in coming years, estimated to cost some £14 million over the next 30 years. These costs will be required whether staff are moved into the building or not. These proposals enable more efficient use of the Council's property estate in line with the draft Asset Management Strategy.

Legal issues

28. Section 123 Local Government Act 1972 empowers a local authority to dispose of land, by way of lease or sale. The disposal of land cannot be for a consideration less than the best that can reasonably be obtained, unless the consent of the Secretary of State is obtained.
29. Section 112-119 Local Government Act 1972 provides the power for the Council to appoint staff and make arrangements on such terms and conditions, including location and office accommodation, as appropriate. The Oxford City Council Constitution provides that terms and conditions of employment of Council Officers, other than pay, is in the remit of the Council.

Level of risk

30. The principal risks associated with this project are -
- i) Loss of prospective tenant(s) if the decision-making process is delayed or the programme for decant over-runs.
 - ii) Project programme over-run would mean a delay to the savings and income. A project manager is in place and regular project board has been established to manage this project to mitigate this risk
 - iii) Project cost overrun – the urgent work to achieve the savings and income targets are those to ensure that the building can be let and the Town Hall made ready for staff. The additional contingency of £300,000 provides a buffer for this risk.
 - iv) Lettable interest / signing and commencement of lease(s) – An agent is appointed to market the space, and regular meetings will take place to oversee this work. A delay in this will lead to a delay in securing income to the Council.
 - v) If we do not invest in proper workspaces in the Town Hall, we may lose staff and retention and recruitment may become more difficult. A detailed engagement and communications plan is being produced.
31. A detailed risk register will be created and managed through the programme governance.

Equalities impact

32. An Equalities Impact Assessment will be produced.

Environmental Impact

33. The overall aim of the project will seek to reduce staff travel and the overall office footprint for the City Council. This will have inherent sustainability benefits.
34. Oxford Direct Services will be the contractor used for carrying out the construction works needed within St Aldate's Chambers and at the Town Hall. ODS is a local Oxford contractor which supports, and is committed to, sustainability and responding to climate change, thus supporting and enforcing the Council's carbon and environmental practices and policies.
35. As noted earlier in this report, a wider feasibility study for the longer-term use of the Town Hall, coupled with a review of the management and maintenance of the building,

will be undertaken to inform a long-term investment plan. This will need to consider opportunities to improve the building's energy efficiency.

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Background Papers: None

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