

Arun District Council

REPORT TO:	Policy & Finance Committee – 11 July 2023
SUBJECT:	Future Office Accommodation Needs
LEAD OFFICER:	Karl Roberts - Director of Growth and Joint Interim CEO Philippa Dart - Director of Environment and Communities and Joint Interim CEO
LEAD MEMBER:	Cllr Matt Stanley
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The recommendations support: <ul style="list-style-type: none">• Improve the Wellbeing of Arun;• Supporting our Environment to Support us.	
DIRECTORATE POLICY CONTEXT: The implications of this report impact upon all sections of the Council and how the Council provides its services to the public.	
FINANCIAL SUMMARY: No financial implications at this stage.	

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to consider options for reviewing the Council's future office accommodation needs including recommendations for the future ownership of Bognor Regis Town Hall.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Officers of the Council explore the possible transfer of the Bognor Regis Town Hall to Bognor Regis Town Council including opportunities for the Town Council to make a bid to the Community Ownership Fund to assist with the costs of modernising the building;
- 2.2 Subject to undertaking staff consultation and considering any responses received it is proposed to relocate the Council's 'back office' at the Bognor Regis Town Hall as soon as practical to the Civic Centre in Littlehampton; and
- 2.3 A business case be prepared by officers for the separation and relocation of front and back office functions, including future space requirements, costings, alternative locations and public and staff consultation.

3. EXECUTIVE SUMMARY

- 3.1 The report seeks Committee agreement to facilitate the transfer of the Bognor Regis Town Hall to the Town Council alongside undertaking a comprehensive review of our future accommodation needs to assist the Council with delivering its services in a cost-efficient manner whilst making a positive impact upon the Councils climate change mitigation actions.

4. DETAIL

- 4.1 The Council operates from two principal offices. The main office is the Civic Centre in Littlehampton which includes the civic suite of rooms including the Council Chamber. The majority of the building dates from the 1980's. Parts of the building have also been let to other users such as the Probation Service.
- 4.2 The Council also has a satellite office in Bognor Regis, the Town Hall which dates from the 1920's and which is also occupied by Bognor Regis Town Council.
- 4.3 A number of issues have emerged in recent times some of which are discussed below which would support the Council undertaking a review now of its accommodation needs.
- 4.4 Firstly, the size of the Council's workforce has reduced over the last decade creating surplus floorspace which has been let (e.g. Probation Service). However, the Pandemic has also accelerated the use of flexible working, with the majority of staff now working at home for the majority of the working week. Whilst there will continue to be a gradual movement back to more office working the overall balance will likely still be in favour of home working. As a result there is currently a significant oversupply of floorspace which the Council has to continue to light, heat and maintain. With the added considerations of such working practices as hot desking there is no longer a need for the Council to maintain the current level of provision. Whilst it may be possible to let some limited areas whilst we continue to occupy the building, security and data protection issues reduce the scale of these opportunities. Also, the current fixed configuration of the Civic Centre Council Chamber means that it is a difficult space to use other than for meetings and so the opportunity to generate income from hiring the space is limited.
- 4.5 Secondly, as indicated above there are cost implications of continuing to operate in buildings that are larger than our current needs and the internal mechanics in both buildings, such as heating, are not modern or efficient whilst the windows are in need of upgrading. The Council has significant financial pressures which could be eased if the Council was able to reduce its energy bill. Developing a net zero approach to our energy needs would not only save the Council money but would also make a significant contribution to the Council approach to tackling climate change following the declaration of 'A Climate Emergency' by the Council.
- 4.6 Thirdly, reviewing our future accommodation needs provides an opportunity to consider how the Council might engage with residents and deliver our services.

For example, separating the back office functions from the 'front office' could allow the Council to have a direct presence in the two key town centres by relocating the front offices, whilst relocating the back office functions to a smaller net zero office along with the other civic functions. The intention would be to maximise the percentage of the building floorspace that was multi-functional in order to increase opportunities for income generation (events etc) and provide flexibility for other uses should the building no longer be required for local government functions in the future.

- 4.7 In such a scenario the Council would look to redevelop the existing Civic Centre, which could include the option to convert to other use. This might include the Council retaining ownership in order to create an additional revenue stream. This scenario would also provide an opportunity to transfer the ownership of the Town Hall to Bognor Regis Town Council (for the nominal sum reflective of the buildings status as a community building, its condition and heritage status) and potentially assist BRTC to apply for and use the Government's Community Ownership Fund to help modernise the building whilst recognising its Listed Building Status.
- 4.8 Any transfer arrangement would need covenants to protect this Council's interests should the Town Council decide to dispose of the building in the future. The arrangements would also have to include provision for the Council to continue to occupy the 'front office suite and associated rooms' at a nil rent until the Council had secured and opened a new 'front office' in the town centre. In the scenario where that was not possible the arrangement outlined above would continue indefinitely.
- 4.9 There are many issues to consider including how much space is required, the cost of relocating (including IT) and where would the Council offices be relocated to. It is also important in respect of this last issue that the public get the opportunity to have their say on the proposed relocations. Therefore, the development of a business plan is proposed to consider these and other issues.
- 4.10 It is, therefore, proposed that the following actions be implemented:
- That the Council's 'back office' at the Bognor Regis Town Hall be relocated as soon as practical to the Civic Centre.
 - That officers of the Council enter into formal discussions with Bognor Regis Town Council regarding the transfer of ownership of the (BRTH) to the Town Council and support the Town Council in making a bid to the Community Ownership Fund to assist with the costs of modernising the building.
 - That a business case be prepared for the separation and relocation of front and back-office functions, including future space requirements, costings, alternative locations and public consultation.
- 4.11 In terms of governance, it is considered that whilst all these decisions can be taken by this Committee the intention would be to bring the business case referred to above back to this Committee who would then make recommendations to Full Council.

5. CONSULTATION

- 5.1 No formal consultations have taken place to date. However, formal staff consultation is necessary, and the public will be invited to comment on proposals subject to the business case outlined in paragraph 2.3 above.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1 The Council could decide to retain ownership of the Town Hall. Options relating to the actual form of our future accommodation needs will be explored in the business plan.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1 The BRTH has been previously valued on the basis of alternative uses which are not currently proposed. The proposed covenants safeguard the Council's position. The proposed nominal sum for the transfer of the ownership to BRTC reflects the current and future anticipated uses and the condition of the building.
- 7.2 The cost of undertaking the business case and the transfer of back-office functions from the BRTH to the Civic Centre will be met from the Transformation Fund established as part of the 23/24 Budget.
- 7.3 Officers will report back to Members once the business case has been developed and the options have been fully costed. The report will also need to indicate how the additional costs arising from the business case will be funded.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1 As part of preparing the business plan a detailed risk assessment will be prepared. The Town Council may also not wish to assume ownership of the Town Hall or seek to require obligations that are not acceptable. Should that situation arise then a further report will be prepared for this Committee.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 The report recommends (amongst other things) that the Arun District Council considers the transfer its interest in Bognor Regis Town Hall to Bognor Regis Town Council. Such a transfer of ownership will amount to a disposal of an interest. Local authorities have a duty not to dispose of an interest in land for less than the best consideration reasonably obtainable, other than in the case of short tenancies (7 years), without the consent of the Secretary of State. This is found in s123 (2) of the Local Government Act 1972 and for land acquired or held by the local authority for planning purposes in s 233 (3) of the Town and Country Planning Act 1990.

9.2 The report does not make reference to the value of BRTH. This is relevant to best consideration and also to the general consent already given by the Secretary of State. Under the General Disposal Consent (England) 2003 local authorities can dispose of any interest in land held by them for less than the best consideration reasonably obtainable providing the undervalue does not exceed two million pounds, where the authority considers that this will help it to contribute to the promotion or improvement of the economic social or environmental wellbeing of its area. This Consent is not, however, designed to override s123 but simply limits its effect. Thus, if the BRTH is valued at £4m it can be sold for £3m because the difference between the sale price £3m and the true value £4m is less than £2m.

9.3 Paragraph 6 of the accompanying Circular states: *“Generally it is expected that land should be sold for the best consideration reasonable obtainable. However, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. The Consent has been issued to give local authorities autonomy to carry out their statutory duties and functions, and to fulfil such other objectives as they consider to be necessary or desirable. However, when disposing of land at an undervalue, authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people”.*

10. HUMAN RESOURCES IMPACT

10.1 Any back office staff who have their main place of work listed on their contract as the Bognor Regis Town Hall will have to be consulted regarding the proposed change to the Civic Centre.

11. HEALTH & SAFETY IMPACT

11.1 There are no Health & Safety implications arising direct from the recommendations in this report.

12. PROPERTY & ESTATES IMPACT

12.1 There are significant implications for the Council's assets. Clearly the transfer of the BRTH to BRTC will reduce the Council's asset base but also its liabilities. The implications for other assets will be assessed as part of preparing the business case.

12.2 Until more certainty over likely future use of buildings and timescales are better understood then ICT will delay investing in upgrades to building specific technologies unless these become critical (eg. unsupported) or the degradation / removal of services is not acceptable.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 13.1 The opportunity to provide modern accommodation in the town centres may be of assistance to those with protected characteristics and new facilities will be designed to be more accessible.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

- 14.1 The opportunity to provide modern accommodation to a net zero specification will be of assistance to the Council in mitigating its impact upon the climate. The Council produced 29 tonnes of carbon dioxide during the 21-22 financial year for gas usage at Bognor Regis Town Hall and 91 tonnes at the Civic Centre during this time period. A reduction in space that is utilised by the Council in this building will help reduce the amount of energy required in heating, and so will support a reduction in the scope 1 (gas) emissions connected with the Council, helping towards the Council's 2030 carbon neutral target. There will also be a reduction in electricity used, however as the Council has 100% renewable REGO backed electricity there is no emissions associated with this usage. It should be noted that this reduction in space will also support savings in relation to energy bills.

15. CRIME AND DISORDER REDUCTION IMPACT

- 15.1 There are no specific Crime and disorder reduction impacts arising directly from this report.

16. HUMAN RIGHTS IMPACT

- 16.1 There are no specific Human Right impacts arising directly from this report.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

- 17.1 There are no FOI or Data protection considerations arising directly from this report.

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BACKGROUND DOCUMENTS:

None