

Property Services – Strategic and Operational Update

Purpose of the report: Scrutiny of Services

In three parts, this report explains the Council's Strategic Property Management Plan, provides the data and outcomes from the workplace utilisation study and the Future Planned Approach (FPA) to the estate.

Introduction

Part 1 – Strategic Property Management

Introduction

1. In May 2013, Property Services issued the first Strategic Asset Management Plan (SAMP). This was widely distributed to members in hard copy and online.
2. The SAMP focuses on setting the strategic importance of assets, the positive impact assets can have on service delivery and how they can act as a catalyst for change.
3. The SAMP sits at the core of the Property Service function and acts as a guide to future property decisions, providing the link between strategic consideration of assets and their role in the delivery of the council's services.
4. The SAMP underpins a set of customer-focused actions that both officers and members are committed to deliver.
5. The SAMP also pulls together information in one place around spend through local Surrey suppliers, CO2 energy usage reduction, support for regeneration and investment, and the move towards smarter and more flexible ways of working.
6. The SAMP demonstrates how we will consider other drivers affecting asset management, including national policy drivers such as the Localism Act, Community Right to Bid and the One Public Estate (formally the Capital and Asset Pathfinder National Project)

Changes to the SAMP

7. The SAMP is a working document meaning it is referred to and adapted as the backdrop changes, however periodically the document it is systematically reviewed and updated with significant changes e.g. following a relevant Council decision, or introduction of new legislation.

The following areas within the SAMP have been refreshed and updated:

- Partnership Working – The original SAMP did not specifically reference partnership working as a target theme. The new SAMP will reflect the importance of working together. As partnership schemes are generally multi-agency projects there are a number of different challenges that need to be addressed. The partners may have to explore new and innovative approaches with regards to public ownership of property; moving away from traditional structures of individual property ownerships in favour of shared co-location arrangements. The SAMP will include details of partnership successes to date with key benefits being:
 - reduction in the number of public sector buildings in operational use through flexible working and intensification of use.
 - significant reductions in annual operating costs for public sector property
 - reduction in backlog maintenance liabilities
 - providing commercial letting space for private sector income generation
 - improved service delivery through joining up services in a single building
 - improved working conditions for staff through modern buildings
- 8. Carbon Management & Sustainability has also been refreshed in line with 2015 Cabinet decision approving a new Carbon and Energy Policy with a target of reducing carbon dioxide (CO₂) emissions by 10% over 4 years. The policy covers energy used in buildings, schools and street lighting as well as emissions arising from staff travel. It builds on the previous policy for 2010-2014 over which time £13.1 million was invested in carbon reduction and energy efficiency schemes to deliver a 9% saving.
- 9. A section will be included on vacant property management. The Vacant Property Group has a mandate to examine, challenge and ensure that sites identified as Vacant are allocated a status and action plan as to their future use, i.e. disposal, hold for future Service need, strategic hold (greater value with adjoining land owners), income generation through lettings etc.
- 10. At the time of this report there are 103 assets being managed as vacant. A number of these are being held for longer term income/capital receipt generation and for use with upcoming service reviews strategies such as the Adult Social Care Extra Care cabinet paper December 2016.
- 11. The figure of 103 is roughly the same as the number of vacant sites held during 2012, however this is a constantly evolving set.
- 12. Since 2011/12, income from the council's leased out portfolios has increased. This being £2.32m in 2011/12 to £4.99m to date. This represents a net income increase to SCC of £2.67m per annum. Each case is evaluated and appraised to ensure that alternative options would not produce a better financial outcome to SCC such as a capital receipt.
- 13. Of the 103 properties that comprise the vacant portfolio only 7% are being held for long term vacant management. In addition, some of these are identified as supporting associated infrastructure i.e. private roads and therefore by design cannot at this point be moved through the review process.
- 14. The remaining 93% of the portfolio is split between sites being prepared for disposal, generating long term revenue income or supporting front line service delivery such as schools, highways or countryside access.

Conclusions

15. The SAMP has changed and evolved over time. For Property Services it is a living document.
16. Property Services recognise that it does however, require formal updating. Some recent changes which are to be included in version 2 relate to partner working, carbon management and vacant property management.
17. The new section in the SAMP on partner working needs to reflect the complexities of this arrangement.
18. Vacant property management is subject to its own review, processes and status alignment. It is important that we keep vacant property optimisation at the forefront in order to increase efficiencies to the council.

Part 2 – Office Utilisation Data

Introduction

1. Property collects a number of data sets to assist in asset analysis and the monitoring of operational performance. The property analysis supports future strategy formulation.
2. The corporate office utilisation analysis was recently completed.
 - Between July 2015 and January 2016 utilisation studies were undertaken at the four main Surrey County Council office sites
 - A company called Plan B was used which provided both resources and external challenge to our established thinking
 - There are several benefits to having office utilisation data and analysis, primarily to enable and support operational management at sites but also to assist decision making around strategic space planning.
 - The four buildings assessed as part of this study were County Hall, Kingston; Consort House, Redhill; Fairmount House, Leatherhead and Quadrant Court, Woking.
 - Each survey lasted 10 working days and included an assessment of utilisation of office space, meeting rooms and other spaces e.g. touch-down areas, canteens, quiet spaces etc.
 - There were nearly 300,000 lines of data produced and analysed by Plan B over the course of the survey. This report summarises the information and extracts the key findings.

The Survey

3. Plan B visited each of the sites for a two week period. Due to logistics, the sites were not assessed over the same two week period.

4. Hourly sampling was undertaken at each site and a status for the space was noted and headcount undertaken.
5. Space defined as “in use” was given a status of 1 or 3 – see Table A
6. High level summary data collected across all four sites is shown below in Table B

Table A - Status definition

1 Occupied - Staff in situ at workspace / room
2 Not Occupied & Unused - Space not occupied & no signs of it being used
3 Not Occupied & In Use - Space not occupied but evidence of recent use

Table B – High level summary data across sites

SCC Location	Fairmount House			Consort House			County Hall			Quadrant Court (%)		
Utilisation Study Date	Jan-16			Nov/Dec-15			Nov/Dec-15			Jul-15		
Key Space Type	Qty	Ave.%	Max.%	Qty	Ave.%	Max.%	Qty	Ave.%	Max.%	Qty	Ave.%	Max.%
Desks / Offices	358	61.8	76.5	339	58.0	72.6	1779	48.7	57.9	737	45.7	55.8
Meeting Rooms	25	47.5	80.0	20	46.0	85.0	91	31.3	53.8	38	38.6	71.1
Training Rooms	0	n/a	n/a	0	n/a	n/a	7	57.3	100.0	3	54.0	100.0
Quiet Rooms	0	n/a	n/a	0	n/a	n/a	3	12.4	100.0	14	42.4	92.9
Contact Rooms	1	14.9	n/a	4	33.1	100.0	0	n/a	n/a	1	21.5	n/a

County Hall, Kingston

- This is the main County base and the site is occupied by both Officers and Councillors and some other partner organisations. There are 1,559 Officers currently with County Hall as their contractual base and 1779 desk spaces included in the survey.
- The highest office space utilisation day is Tuesday and the peak hourly time is 11am.
- Friday is the lowest office utilisation day of the weeks assessed.
- The maximum utilisation of office space over the period was just under 58%
- The older part of the building including the Grand Hall, and Council Chambers areas are some of the most poorly used within the building, although outside of core council use, these are used for revenue generation e.g. filming and weddings. This was not factored into the survey.
- Meeting rooms are fully booked but under-utilised due to a high no-show rate of just over 48%. The means that space is often booked by staff and not used. See Table C. This finding corroborated the findings of the Property Space Booking Project.
- The Space Booking project is rolling out a new meeting room booking system which has the ability to check-in attendees and to release back space when people do not turn up for meetings. This new system is currently being piloted at Consort House and due to be rolled-out to County Hall in March 2017.

Key Plan B Finding: - “Even at a Max Utilisation of 57.9% throughout County Hall half of all groups hit 100% Utilisation”.

7. In fact real demand at certain times may be well above 100% which will create the perception that space is not available in the building. This is due mostly to the “pooling effect” or the way in which desks are assigned to small/medium sized teams. This is not helped by the design of the building being based around single separate offices making space sharing harder and in effect masking available desks.

Table C – Meeting Room analysis across sites

SCC 4 Site Workplace Utilisation Study 2015-2016				
	No. of Meeting Rooms	Max Rooms in Use	Minimum Free Rooms	Current No-Show %
<i>County Hall</i>	91	49	42	48.6%
<i>Quadrant Court</i>	38	27	11	33.0%
<i>Fairmount House</i>	25	20	5	40.6%
<i>Consort House</i>	20	17	3	39.0%
Total spaces (approx)	174	113	61	

Consort House, Redhill

- Number of desk spaces included in the survey was 339
- Number of staff registered with Consort House as a base are 492
- The highest office space utilisation days are Wednesday and Thursday and the peak hourly time is 12 noon.
- Friday is the lowest office utilisation day of the weeks assessed.
- The maximum utilisation of office space over the period was just under 73% and hotdesks were the highest used desk type with a maximum utilisation of just under 89%
- The maximum meeting room simultaneous use was 85%. The number of meeting room bookings average over 146% of utilisation. This difference accounts for no-show bookings. See Table C.

Quadrant Court, Woking

- Number of desk spaces included in the survey was 737.
- Number of staff registered with Quadrant Court as a base are 983
- The highest office space utilisation day is Tuesday and the peak hourly times are 10-1pm.
- Friday is the lowest office utilisation day of the weeks assessed.
- The maximum utilisation of office space over the period was just under 56%
- *“1 in 3 meeting room bookings results in a no-show”* Plan B

Key Plan B Finding: - *“84 staff groups experienced 100% utilisation; even though the overall desk average is only 45.6%. Many groups will have demand above 100%”.*

8. Table D shows both building headroom or additional notional capacity but also teams within the site who have utilisation of space of over 100% during the two week period. This is mostly down to the pools of space managed at team level as discussed at previous sites e.g. County Hall.

Table D – Table showing headroom v over 100% utilisation

SCC Admin Centre	Desk/ Office Count	Overall Ave Desk/Office Utilisation (%)	BUILDING HEADROOM		% of Groups Reaching 100% utilisation
			Min Free Desks (4 Hr) (Teams + assigned desks segmentation)		
County Hall	1779	48.7	279	15.7%	49.4
Quadrant Court	737	45.7	67	9.1%	82.4
Fairmount House	358	61.8	5	1.4%	93.8
Consort House	339	58.0	7	2.1%	88.9

Fairmount House, Leatherhead

- Number of desk spaces included in the survey was 358.
- Number of staff registered with Fairmount House as a base are 439
- The highest office space utilisation day is Wednesday and the peak hourly times are 12-2pm.
- Friday is the lowest office utilisation day of the weeks assessed.
- The maximum utilisation of office space over the period was 76.5%

Key Plan B Finding: - “45 of the 48 groups reach 100% use though their demand may be greater”

Recommendations from Study

9. Review the pool or team ownership and sharing of space throughout the sites, look to create bigger management pools and open up more flexible space (touchdown/hotdesking) all available to book through the new space management system.
10. Monitor meeting room use and no-show via the new space booking system. Ensure all room and desk resources are made available and visible through the new booking system
11. Foster a culture of space sharing amongst staff, for both desk space, working flexibly and meeting rooms.

Conclusions

12. Spare desk capacity does exist across all four sites to lesser or greater degrees, but the current sharing model does not highlight its availability and in fact is probably causing appearance of under-supply problems in many areas. This will be a cause of staff frustration.
13. All buildings had a headroom potential to increase occupancy but this can only happen through undertaking the key actions to create usable available space.

14. A revised sharing model with fewer pools and more flexi-desks will significantly increase building capacities
15. The new space booking system is needed to manage meeting room usage and no-shows and thereby open up this space for greater use.

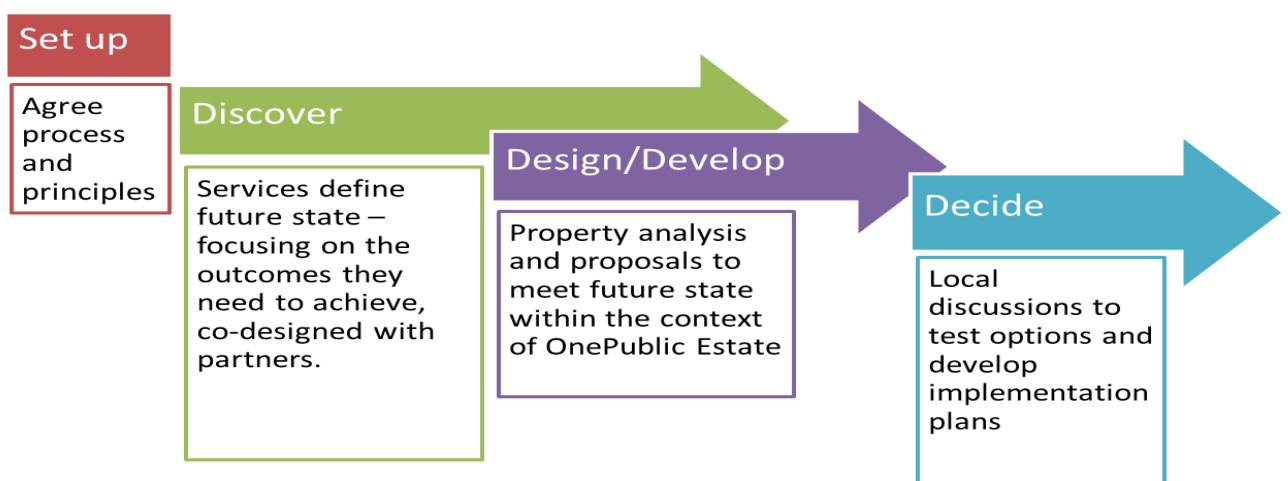
Staff behaviours around booking meeting rooms and not using or not cancelling if they do not intend to use needs to be addressed as part of the rollout of the new meeting room booking system.

Part 3 – A Future Planned Approach to the Estate

Introduction

1. The SAMP is diarised for review by Corporate Asset Panel next year. This new SAMP will pick up the work of the Future Planned Approach (FPA). The FPA is detailed service focused strategy work which started earlier this month and will continue into next year.
2. The outcomes of the FPA will enable the organisation to make decisions about the future shape, and service need of and from our assets. In this work, assets are defined as wider than just property with overarching focus on IT and other supporting resources to services.
3. Diagram 1 sets out the overarching process that we will be following with services to create a combined view of Surrey’s public sector asset landscape for the future. In order to understand what assets might be required services will need to think about their future service model, their workforce, and their future. This is a major piece of work, but will build the picture from the ground up of future requirements.

Diagram 1 – overarching process



4. The FPA is predicated upon a number of core principles.

- Look to enable residents to access multiple services from a single location
- Be digital by design
- Reduce the number of properties we are in by ourselves
- Reduce costs
- There will be a single public estate (generating savings and sharing them equitably)
- Staff will work flexibly

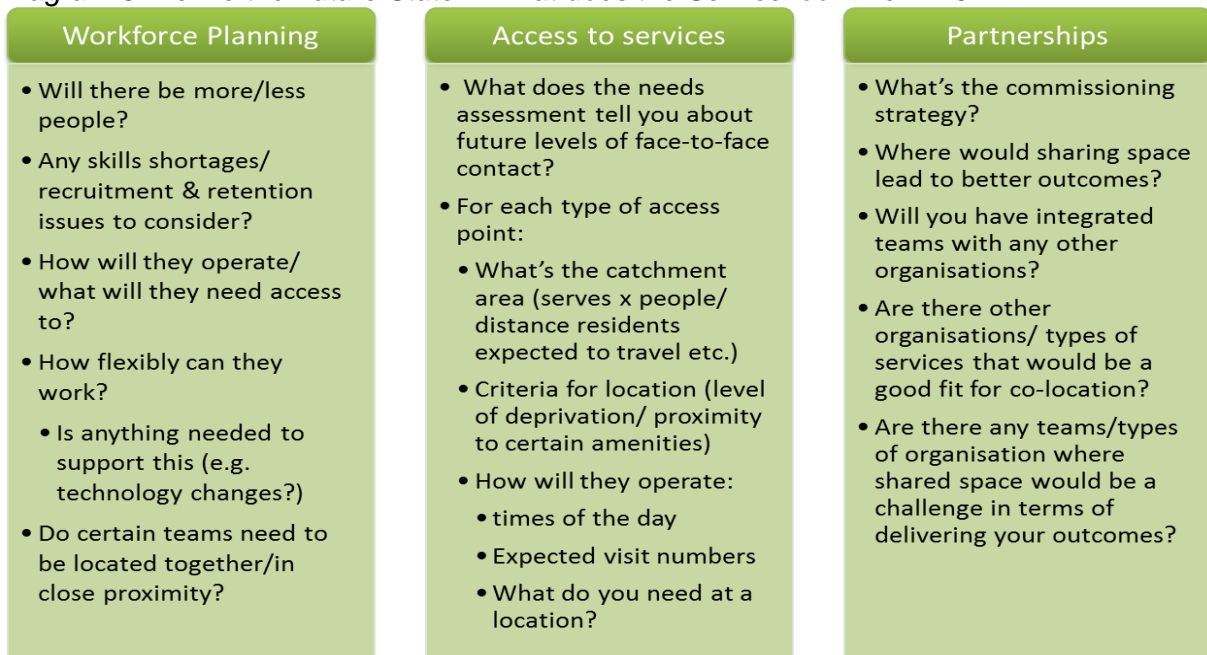
5. Diagram 2 shows what is meant by defining the future state and focusing on service outcomes and needs analysis. This part of the FPA is split into a two stage process (described here as diagrams 2 and 3).

This two stage process is undertaken with services following a workshop approach.

Diagram 2 – the two stage future state process



Diagram 3: Define the Future State – What does the Service look like in 20xx?



Process

6. Property Services are working with the New Models of Delivery team on the FPA process. The workshops are also supported by Corporate Asset Panel (CAP).
7. Once a future service proposal is formed options will be tested both against other service models and with customers and partners before a final strategy is co-designed.
8. The testing of the future service proposal will also involve using data sets that the organisation collects such as the utilisation data around corporate buildings. Therefore maximising the benefits of this data for both strategic and operational benefits.
9. A set of agreed priorities of change will be an outcome of this work.

Conclusions

10. The Future Planned approach is a new method in considering our asset strategy.
11. It ensures we start with the service need rather than with what we currently have or where we currently are.
12. This is the best way to ensure we are as effective and asset efficient in the future. We need to plan for the years ahead and for most services that is a starting point of 2021 or 5 years hence.
13. We are excited by this approach and have received strong support from services to date with the first pilot service being Environment & Infrastructure.
14. The FPA will form part of a third version of the SAMP

Next Steps

15. Issue a SAMP v.2. in January 2017. This will not include the outcomes of the Future Planned Approach (FPA), but will cover both partnership working, carbon management and vacant property management.
16. Rollout new meeting room booking system across all four corporate sites March 2017 – currently live in Consort House. Ensure "no-show" measures are within the success criteria of the project
17. Review office space pooling model across all sites. Identify headroom targets per site by September 2017.
18. Quantify and place a (notional) value on lost benefit to "no-show" lost meeting space – March 2017. Work with communications around informing staff of the lost benefit to their team and the organisation of booking meeting room space, hotdesks and other assets but not using or releasing them for others to use.
19. Undertake FPA work throughout this year and early next year with services – estimated end date April 2017.

20. Update the SAMP v.3 in July 2017 with the new FPA information

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