

**SURREY COUNTY COUNCIL
CABINET**



DATE: TUESDAY 30 APRIL 2019

REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

**LEAD OFFICER: MICHAEL COUGHLIN, EXECUTIVE DIRECTOR OF
TRANSFORMATION, PARTNERSHIPS AND PROSPERITY**

**COMMUNITY COUNCIL
VISION**

OUTCOME:

SUBJECT: MOVING CLOSER TO RESIDENTS

SUMMARY OF ISSUE:

The [Community Vision for Surrey in 2030](#) describes the place we all want Surrey to be – a great place to live, work and learn with a strong economy, and a place that capitalises on its location and natural assets.

In pursuit of this Vision, and as part of the council's ongoing [transformation programme](#), we are working to affect significant cultural changes to the way the council operates. As part of this the opportunity is being taken to move those staff located at County Hall, Kingston, which has been outside the county since boundary changes in 1965, closer to residents and partners. The council is planning to establish a new 'Civic Heart' within the county, with quality collaborative spaces where elected members, the Corporate Leadership Team and their respective strategic support teams can work and conduct council business.

RECOMMENDATIONS:

Cabinet is asked to:

1. Endorse the principle of moving the council closer to the residents of Surrey, and leaving the County Hall complex (in Kingston) by the end of 2020.
2. Agree the principles and criteria on which the location for the new Civic Heart will be chosen.
3. Approve the analysis provided for selecting a location for the new Civic Heart of the council in accordance with the selection principles and request that further work be done to provide due diligence for the leading location options – Guildford and Woking.
4. Agree the principle of reviewing council staff work bases, and relocating our people to other premises within the council's estate, in order to better meet service needs and work closer with our partners
5. Give approval to the responsible officer to appoint advisors to work with the council to explore and appraise the options for the County Hall complex to maximise the potential receipt or benefit to the council, and for this analysis to be presented back to Cabinet in July 2019.

6. Receive a detailed programme proposal report, for decision, at July 2019 Cabinet.

REASON FOR RECOMMENDATIONS:

The Community Vision for Surrey in 2030 and the council's own [Organisation Strategy](#) envisage a quite different and much improved relationship and connectivity between the council and Surrey residents, and a new way of working for the council. A foundational step in furtherance of both is to locate the headquarters of the council in Surrey itself. The move (comprising the establishment of a 'Civic Heart' where many of the functions of a County Hall will be located, a wider workforce increasingly enabled to work in a more agile way and the introduction of new ways of working across multiple work locations) will secure benefits to residents and the council.

DETAILS:

1. The council is committed to creating the conditions for improving the lives and outcomes for the people that live, work and study within Surrey and has stated its intention to relocate from County Hall in Kingston to a new Civic Heart in a location closer to residents, and within the county borders of Surrey, by the end of 2020.
2. The creation of the new Civic Heart is part of a wider cultural transformation taking place across the council. The council's [Our People 2021 Strategy](#) outlines the ambition for elected members and staff to 'focus better on delivering outcomes as opposed to outputs and processes; encompassing agile and digital working; enabling the majority of staff to be able to work anytime, anywhere, supported by the right technology.'

Transforming the way we work

3. The council's Transformation Programme, approved at Cabinet in October 2018, outlined the Agile Workforce business case, which sets out the case to enable staff to work 'almost anywhere, whenever, wherever, to collaborate and contribute without constraints'. Adopting agile working practices will enable deeper innovation, collaboration and creativity of services.
4. The collaborative, flexible and mobile nature of an Agile workforce will be supported through the use of new technologies to create a strong virtual working environment and the extended deployment of laptops, hybrids and smartphones. Staff will benefit from better control of their working time and may also reduce their unproductive time (such as commuting to work or travelling in peak rush hours). On an individual level, this may, in turn, help improve staff work-life balance and overall staff retention, as people will have greater freedom to choose to work when and where they feel most productive.
5. Shifting the council and its workforce to new and Agile ways of working affords the council an opportunity to reassess the office accommodation and spatial planning at the main county council office spaces (County Hall, Quadrant Court, Consort House and Fairmount House), as well as the shared office spaces at district and borough offices.
6. With the council and its workforce enabled and encouraged to work in more Agile ways, and with services redesigned to be delivered more closely to residents, there will be a reduced need for fixed and traditional office space. Staff will be less dependent on a fixed desk location; instead, office spaces will be a place where elements of work can be done, rather than all work being based therein, with pan-directorate hot-desks, on an availability ratio of three persons to one desk being provided and flexible and collaborative working spaces as well as quiet spaces being available across the council's offices.

7. The adoption of an increasingly Agile way of working for staff calls into question the place of the County Hall complex in Kingston, which, since county boundary changes in 1965, falls outside the administrative boundary of Surrey, no longer lends itself to supporting modern ways of working, and is costly to maintain. Additionally, as council services have developed and reorganised, County Hall's office occupation has dropped to 43% of capacity over the last ten years. As a consequence, it is intended to relocate staff from County Hall to alternative locations by the end of 2020.
8. A Programme Board, comprising relevant officers, has been set up to secure the relocation of a set of functions key to a new 'Civic Heart'. The Programme Board has identified and initiated preliminary work, within reasonable and available resources, against each of the following work-streams in order that good progress can be made in the short term:
 - a. Determining the form and location of the new Civic Heart.
 - b. Determining the principles for re-purposing the County Hall complex, including options for disposal.
 - c. Professional and expert financial, legal and property advice and support required for the successful delivery of the programme.
 - d. Collaborating with the Agile Workforce Programme Team to develop the Agile working principles for all elected members and staff, bringing them closer to residents for more of the time.
 - e. Ensuring that the council's IT infrastructure has the capability and capacity to support increased Agile working within a revised property portfolio.
 - f. Office space planning, based on the view of requiring fewer desks as a result of Agile working, and supporting the relocation of elected members and staff to new locations.
 - g. Office accommodation options and solutions, based on the above, at the existing council hubs (Quadrant Court, Consort House and Fairmount House) and district and borough council offices (already shared with some Surrey County Council staff).
 - h. Elected member, staff, district and borough and partner communications and engagement.

Civic Heart: definition and location criteria

9. The Programme Board proposes that the Civic Heart would comprise the following base requirements:
 - a. Suitable working spaces to accommodate elected members, the Corporate Leadership Team (the Chief Executive and Executive Directors) and their respective strategic support teams
 - b. Quality collaborative spaces where elected members and officers can work and carry out council business, as well as other flexible shared spaces, such as breakout spaces, small and large meeting rooms and larger flexible conference rooms
 - c. Capacity for co-location with one or more council partners, such as a Surrey district or borough council.

10. With the base requirements above considered, the secondary criteria used to determine the optimum location for the Civic Heart are:
- a. Accessibility from across Surrey and from London, such as proximity to main road and rail networks
 - b. Space and facilities for civic and member functions and activity
 - c. Suitable and appropriate quantum and type of office accommodation to support new Agile ways of working and resultant cultural change
 - d. Requisite conference and meeting rooms, breakout spaces and catering facilities
 - e. Property that is preferably owned by the county council or one of the eleven district or borough council partners, or other partners
 - f. The overall cost of ownership, including any required refurbishment works
 - g. Sufficient parking available howsoever provided, relative to business requirements
 - h. Premises available, readied and delivered before the end of 2020.
11. Officers from the council have met with counterparts within Surrey district and borough councils to explore the viability of various locations around the county based on the criteria described above. Detailed offers for co-location of the Civic Heart have been made by five Surrey district and borough councils, and from these discussions the towns of Guildford and Woking have emerged as leading options for the potential location of the new Civic Heart, with an initial assessment indicating that both meet a number (but not necessarily all) of the criteria.
12. It is proposed that further detailed analysis of the Guildford and Woking locations be undertaken in close collaboration with the respective local councils, and that a detailed options appraisal and proposal for the new Civic Heart is brought to Cabinet to consider in July 2019.

The future for County Hall

13. With the creation of a new Civic Heart; staff being equipped to work more flexibly and peripatetically, and the adoption of the new working principles, the council will have a number of options available regarding the future of the County Hall complex.
14. The County Hall complex is an attractive and sizeable asset, and has much potential for its future use. An initial prospective appraisal of the site has been carried out and has identified the following options as potential futures for the site:
- a. With the exception of the Civic Heart, continue to maintain the County Hall complex as a council hub for meetings and council business
 - b. Develop or dispose of the County Hall complex for residential accommodation
 - c. Develop or dispose of the County Hall complex for hospitality accommodation (hotel)
 - d. Develop or dispose of the County Hall complex into alternative/non-council office space
 - e. Develop or dispose of the County Hall complex for retail space

- f. Develop or dispose of the County Hall complex for education space and/or student accommodation

15. Therefore the council is afforded (but not limited to) a number of wide-ranging options for the future of the County Hall complex. To progress the work required to re-purpose or dispose of the County Hall complex the council will need to employ the services of professional and expert financial, legal and property advice and support, to ensure that the council can generate the greatest receipt, benefit and value for money for residents.
16. Cabinet is asked to give approval to the responsible officer to appoint advisors to work with the council to explore and appraise the options for the County Hall complex to maximise potential receipt or benefit to the council, and to ensure that the work required to successfully move closer to residents by the end of 2020 is achieved. A detailed analysis and options report will be returned to Cabinet in July 2019 for further consideration.

CONSULTATION:

17. Preliminary communications and early engagement opportunities for staff have already been put in place (e.g. Jive blogs, staff roadshows, and travel survey).
18. A detailed analysis and options report will be brought to Cabinet in July 2019. The decisions made at that point will establish when and how members, staff and partners will be consulted and engaged. Accordingly, a programme of consultation and engagement will continue to be developed by the Programme Board, and will evolve as the programme continues.

RISK MANAGEMENT AND IMPLICATIONS:

19. The programme of work required to transform the council's working principles, establishing an Agile workforce ethic, and creating a new Civic Heart within the county will carry some risks. As the programme and the proposed solutions are designed, further clarity on the risks and required mitigations will become evident.
20. An indicative view of the major risks to the programme, and some high-level mitigations, can be summarised below:

Risk	Mitigation
The overall costs required to create the culture and capability for Agile working and the creation of the new Civic Heart within the county increase or do not sufficiently reduce the current ongoing revenue costs to make the transformation an improvement or better value for money for residents.	Agreed cost and delivery requirements will be designed into the programme accordingly, with delivery options provided and considered where possible. Regular challenge and testing of financial and delivery models will also be undertaken to provide assurance that the final proposals will achieve the desired outcomes for the council.
Service provision of council functions and staff experience of new ways of working are disrupted due to: IT infrastructure problems, adjustments to new equipment and working from new locations impacting on service continuity, operational effectiveness, and the ability to embed new ways of working.	The introduction of new ways of working, equipment and hardware will be tested and introduced prior to relocation of staff and teams. Priority will be given to key services and functions to ensure that new equipment and infrastructure is fully operational, reducing the risk of service disruption.
Staff attrition may increase due to dissatisfaction with new terms, ways of working and/or locality solutions. This could have an impact on service delivery and operational continuity and quality.	Early and ongoing engagement with staff will help ensure that the direction and benefits of the programme are understood. Strategic workforce planning and consultation with staff, managers and trade unions will help identify

	and plan ways to reduce any capacity/capability gaps, with mitigating actions being put in place accordingly.
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21. An assessment of specific risks and mitigations will be developed as the future model of the council takes shape. A detailed risks and mitigations assessment will be provided within the proposal report for Cabinet to consider in July 2019.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

22. The following expenditure is required in order to progress and construct a full proposal and full cost/benefit analysis for the future re-purposing of the County Hall complex. The July Cabinet report will outline the total expected project costs required.
23. Cabinet is asked to consider and approve an expenditure of £538,150 to appoint advisors to work with the council to explore and appraise the options for the County Hall complex to maximise the potential receipt or benefit to the council, and for this analysis to be presented back to Cabinet in July 2019
24. A breakdown of costs and specialist services required to progress the County Hall work stream to the next level of detail is set out in the table below:

#	Item	Description	Cost (£)
1	Desk utilisation study	Of office sites within Surrey	53,150
2	Specialist professional staff (short-term)	Specialist staff to work on delivery of property-stream and records/filing management work	105,000
3	'Art of the possible' office space planning	Assess potential for adapting sites to be Agile workspaces. Design specifications and costing, building alteration specifications and costings	75,000
4	Heritage statement for County Hall	Statement of Significance and assessment of approaches to County Hall internal layout and redevelopment options	60,000
5	Architect's feasibility study for County Hall	Planning and architectural feasibility with drawings, showing how the complex could be converted or redeveloped	80,000
6	County Hall valuation	Valuation of the County Hall complex, taking into account heritage statement and architect feasibility study	25,000
7	Specialist planning consultant	Planning advice to assist with the development of an outline planning application	100,000
8	IT infrastructure Project Manager and network conditions surveys	Site scoping and detailed network condition surveys of potential sites for the new Civic Heart	40,000
			538,150

SECTION 151 OFFICER COMMENTARY

25. The Section 151 Officer notes that a further report is to be considered at the July meeting of Cabinet. The July report will provide a full financial business case, outlining the expected capital and revenue one-off project expenditure as well as identifying the impact upon ongoing revenue costs. The project costs identified above in paragraph 24 are required in order to deliver the July report and are therefore being spent at risk, if for any reason, the move does not progress. These costs are not included in the MTFP and may be funded as transformation expenditure if the project delivers an ongoing revenue saving and therefore complies with the criteria for such funding.

LEGAL IMPLICATIONS – MONITORING OFFICER

26. At this point Cabinet is only being asked to endorse the work necessary to enable a final decision to be made as to the location of the new Civic Heart and to optimise the options for the disposal or re-purposing of County Hall. The costs associated with that work will need to represent best value.
27. When preparatory work is complete, final reports and recommendations will be completed and the issue will be returned to Cabinet for decisions to be made.
28. A move from County Hall will have a significant impact upon the staff currently working in the building. An Equality Impact Assessment will need to be carried out in relation to the impacts on staff of the proposed new ways of working. Employee consultations will need to take place as soon as new locations are finalised.

EQUALITIES AND DIVERSITY

29. Moving closer to residents will have positive impacts for the residents and partners that the council serves and works with. The introduction of Agile working across the council and the county will impact on all council staff.
30. As Cabinet is not asked to agree service changes, an Equality Impact Assessment (EIA) has not been appended to this report. However, as more detailed plans are explored and developed, the potential impacts to affected staff will be recorded and considered within an appropriate EIA. This will accompany the detailed proposal report for Cabinet in July 2019.

WHAT HAPPENS NEXT?

31. Following Cabinet approval:
- a. The Programme Board will continue to progress the work required to move closer to residents by the end of 2020.
 - b. Appropriate advisors will be commissioned to work with the council to explore and appraise the options available for the County Hall complex.
 - c. Cabinet will receive a further report in July 2019 covering:
 - i. An options appraisal and proposal for the decision to create a new Civic Heart within Surrey, that is closer to residents
 - ii. A comparison of costs, comparing maintaining the current model of the council with the proposed future model
 - iii. Forecasted financial and non-financial benefits of the programme
 - iv. Further details of the ways of working, and how staff and elected members will be supported through the transitions
 - v. A proposal of how and where staff will work
 - vi. The sum of one-off project costs
 - vii. Risks and impacts and how they will be mitigated
 - viii. A timetable of work for the delivery of the programme.

Contact Officer: Dominic Mackie, Policy Manager, 020 82132814

Sources/background papers:

- Report to Council, A Community Vision for Surrey in 2030, Tuesday 9 October 2018
 - Report to Cabinet: Organisation Strategy, Preliminary Financial Strategy, Transformation Programme, and 'Our People' Strategy, Tuesday 30 October 2018
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