

**DATE: 21 DECEMBER 2021**



**REPORT OF CABINET MEMBER: NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY MEMBER**

**LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR FOR RESOURCES**

**SUBJECT: AGILE OFFICE PROGRAMME**

**ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

**Purpose of the Report:**

In January 2021, Cabinet approved an outline 'Agile Office Estate Strategy' (Annex 1) and the development of a detailed programme to deliver the urgent transformation required between now and 2024/25.

As a workstream of the Agile Organisation Programme, it was recognised that Surrey County Council's office estate was unaffordable and no longer fit for purpose. More now than ever, as we emerge from the impacts of the Covid-19 pandemic, the Council continues to recognise the increased need to evolve towards becoming an agile organisation, to help support achieving a sustainable future for Surrey County Council.

This paper completes the draft strategy, setting out a recommended programme of activity defining both size and location of the future office estate. It should be noted that programme offsets upfront costs and provides long term annual revenue savings.

Agreement is sought for the recommended medium to long term programme of change set out in this paper and approval of the capital and revenue investment required to deliver the programme over the next five years.

**Recommendations:**

It is recommended that Cabinet:

1. Approves the recommended programme of activity (see paragraph 15) to deliver a reduced office estate footprint alongside essential transformational investment to deliver workspaces across the county that support the Council's agile organisation objectives. Further details are set out in the Part 2 report.
2. Agrees a total capital budget envelop of up to £21.8m to fit out the remaining core facilities and priority localised workspaces, to the Council's Agile workspace standards.
3. Approves immediate allocation (from the £21.8m envelop) of £4.7m to drive forwards the programme activity (noting that further work will be undertaken to test the scope

and available options for provision of core workspace in the North West quadrant – an additional paper will then be brought back to Cabinet in Q2 2022 with a recommended option and draw down from the remaining £17m capital funding).

4. Approves the use of the Budget Equalisation Reserve to finance the £7.2m of one-off revenue costs of change to enable delivery of the estate transformation programme from 2021-2025 and deliver revenue efficiencies of approximately £2.2m per annum from 2024/25 onwards.
5. Approves the arrangements by which a variation of up to 10% and maximum of £500k of total capital value may be agreed by the Director of Land & Property in consultation with the Cabinet Member for Property, the Cabinet Member for Corporate Resources, and the Executive Director of Resources. If the variance exceeds £500k, a further Cabinet report will be submitted to seek approval for additional capital funds.
6. Delegates the procurement of appropriate supply chain partners to enable delivery of all services associated with the above recommendation, in accordance with the Council's Procurement and Contract Standing Orders, to the Executive Director of Resources and the Director of Land and Property.

#### **Reason for Recommendations:**

**January 2021:** Cabinet approved the outline Agile Office Estate Strategy which made the broad case for change, setting out key drivers and key targets. Specifically, the current corporate office estate was deemed to be:

- Of generally low quality, that does not efficiently support the adoption of Agile modern working practices.
- Expensive compared to industry benchmarks and expensive to maintain.
- High in its carbon output with poor energy efficiency.
- Relatively poorly located and under-utilised.

The strategy set out the components of a new office estate for Surrey County Council based on the evidence from a review of the existing estate and of the opportunities for new ways of working. Whilst the outline strategy was approved, it concluded that further analysis was required before the volume and location of space could be finalised (refer to Table 1 below).

Following January's paper, agile workforce analysis has enabled detailed option reviews to meet demand and the development of a detailed five year programme of rationalisation and modernisation which will deliver an office estate that is flexible enough to support Services as they change office-based working practises to adopt agile ways of working; provides modern, healthy, accessible space to meet the needs of Surrey County Council and its partners; financially sustainable; and more energy efficient. Specifically, the following benefits will then be realised:

- i. Revenue savings of circa £2.2m per annum from 2025/26.
- ii. Flexibility for future increase/decrease workspace without acquiring additional assets.
- iii. Improved quality for healthy, accessible space for staff, partners, and residents.
- iv. Increased value of estate, mitigation against spiralling maintenance costs, leasable unused space, generating revenue or supporting partners to deliver.
- v. Balanced geographical coverage across Surrey (aligns to greener travel plan).

- vi. Support Net Zero ambition by 2030, by improved median energy efficiency and efficient operation.
- vii. A network of modernised touchdown/delivery facilities, developed via a place-based approach to meet Service needs, develop partnership opportunities, and deliver maximum benefit to local communities.

**Executive Summary:**

1. The key dependencies, which required further analysis (as agreed in January’s Cabinet) to complete the outline Agile Office Estate strategy, are set out in Table 1 in prioritised order with summarised action undertaken:

**Table 1:** Key dependencies/next steps as defined in the January 2021 Cabinet report.

<b>Activity</b>	<b>Approach</b>	<b>Action since January</b>
<b>Review District and Borough leased properties</b>	Work to be led by the Agile Organisation Programme team to engage with staff and teams based in the ten local offices, to identify future working requirements and opportunities for consolidation.	High level engagement with senior service leads to test proposals. Both lease and service impacts have been assessed and the detail used to prepare this paper.
<b>Explore Opportunities for Partner Co-location</b>	Engagement with partners led by Land and Property, supported by the development of IT infrastructure design and inter-operability standards led by IT and Digital.	Extensive partner engagement has been undertaken and a place-based approach to shared space is starting to be delivered, with the first leasing to NHS at Woodhatch Place.
<b>Explore potential development of Consort House</b>	Agile Organisation Programme team to engage with staff and teams at Consort House to identify future working requirements.	High level engagement undertaken to test outline proposals with senior service leads. Identified service requirements to inform design of specific adaptations at Woodhatch Place to facilitate future relocation.
<b>Assimilate results of other workstreams to inform search for southern hub</b>	Land and Property to work with Agile Organisation Team to identify demand and appropriate space requirements for fourth hub and to produce options for fulfilling.	Assessment undertaken to establish potential opportunities with service and commercial analysis of property solutions with Ranger House being identified as the best value option.
<b>Review options for exiting Fairmount</b>	Agile Organisation Programme team to engage with staff and teams at Fairmount in preparation for the end of the lease in 2025.	High level engagement undertaken to test outline proposals with senior service leads. Detailed staff consultation and engagement plan for initiation, as set out in the Part 2 report – subject to Agile Office Estate cabinet approval in December
<b>Review of children’s social teams at Ashley Park House</b>	Agile Organisation Programme to engage with staff and teams at Ashley Park House to inform the decision about whether to exercise the break clause in 2024.	No direct engagement. Detail engagement plan for initiation, as set out in the Part 2 report, subject to Agile Office Estate cabinet approval in December.

## Strategic Overview

2. The Agile Organisation Programme is the delivery vehicle for the Agile Office Estate, bringing together enablers of Agile working (Change, Technology, Process, Travel and Workspace) to ensure an integrated approach in supporting other Council initiatives, including:
  - i. Greener Futures by ensuring that access and facilities promote the use of sustainable travel options and help reduce carbon emissions.
  - ii. One Public Estate and taking a 'Place' approach by ensuring that the use of property assets is integrated and meets different requirements of Services to deliver for the local community and partnership working.
  - iii. Equality, Diversity and Inclusion (EDI) promotion through ensuring spaces, facilities and technology can be used effectively by all, without compromise to working in an Agile way.
  - iv. Leadership development that is based on outcomes, maximising the benefits of digital and tech to work in a truly Agile way.
3. The Agile Organisation Programme has already delivered significant change and benefit to Surrey County Council. During Covid, the programme drove the exit of County Hall using change management to work with Services to embed Agile ways of working, capture critical Service needs and support increased efficiency. Successfully relocating staff to newly adapted Agile Office locations including Woodhatch Place and Dakota. This impacted approximately 1,700 staff of the circa 5,000 staff who have some use of offices.
4. The Agile Organisation Programme is an enabler and delivery vehicle for the Agile Office Estate. To realise the organisational benefits from the changes required to the physical estate, the programme must continue to deliver Service focussed moves, people change and support.
5. The strategy recommended in this paper sets out an approach to transforming Surrey Council Council's office estate, delivering improvements and future flexibility for both staff and residents. Through a connected programme approach this is affordable. If not adopted, the Agile Organisation Programme will be unable to fully deliver the change management, which will mean that the savings to support wider Council office estate priorities will not be achieved.

## Demand Analysis

6. Following further engagement with Services and working in an indefinite period of Covid environment, the traditional office workspace is no longer required solely for day-to-day provision of desks. There is now far higher demand for space that facilitates meetings, collaboration and added value activities, complementing remote working in the community or from home.
7. Recognising that circa 5,000 of 11,000 Surrey County Council employees who traditionally were office-based, over the last 12 months, considerable analysis of customer/resident demand and consultation with Service leads has been undertaken to identify the most appropriate locations for staff to be based, particularly those teams that are providing a service to a distinct geographical area. These bases will meet the specific needs, but also act as a network of standardised Agile workspace to enable all Surrey County Council staff to work where best for them and their customers and not necessarily the same location every day.

8. Table 2 sets out the localities across Surrey and the minimum number of staff (FTE) that will need to be able to access workspace/facilities in those localities. In all instances it is critical to have a presence to serve the residents (in particular, Children and Adult Services) in these localities. This is based on existing team structures and volume, so will be continually reviewed at each stage of the proposed Agile Office Estate plan.

**Table 2:** Current FTE space requirement by locality

Region	Locality	FTE
North East	Elmbridge	726
	Epsom and Ewell	101
	Spelthorne	0
South West	Guildford	686
	Waverley	80
South East	Reigate and Banstead	1,920
	Mole Valley	344
	Tandridge	69
North West	Woking	1,349
	Runnymede	58
	Surrey Heath	78
	Total	5,411

9. Although some localities have smaller levels of demand, analysis has shown a critical need for core workspace in those each geographical quadrant, especially the North West and South East localities. Without this provision the service model for both Children and Adult Services in particular, becomes less effective as travel times increase (for both staff and residents) and the opportunity for teams to support each other decreases.
10. The Agile Office Estate programme set out in this paper has been designed to meet the requirements shown above, as well as having flexibility to be able to accommodate changes in the organisation as well as the ability to enable staff to work from a wide network of locations across the county.

### Ways of Working

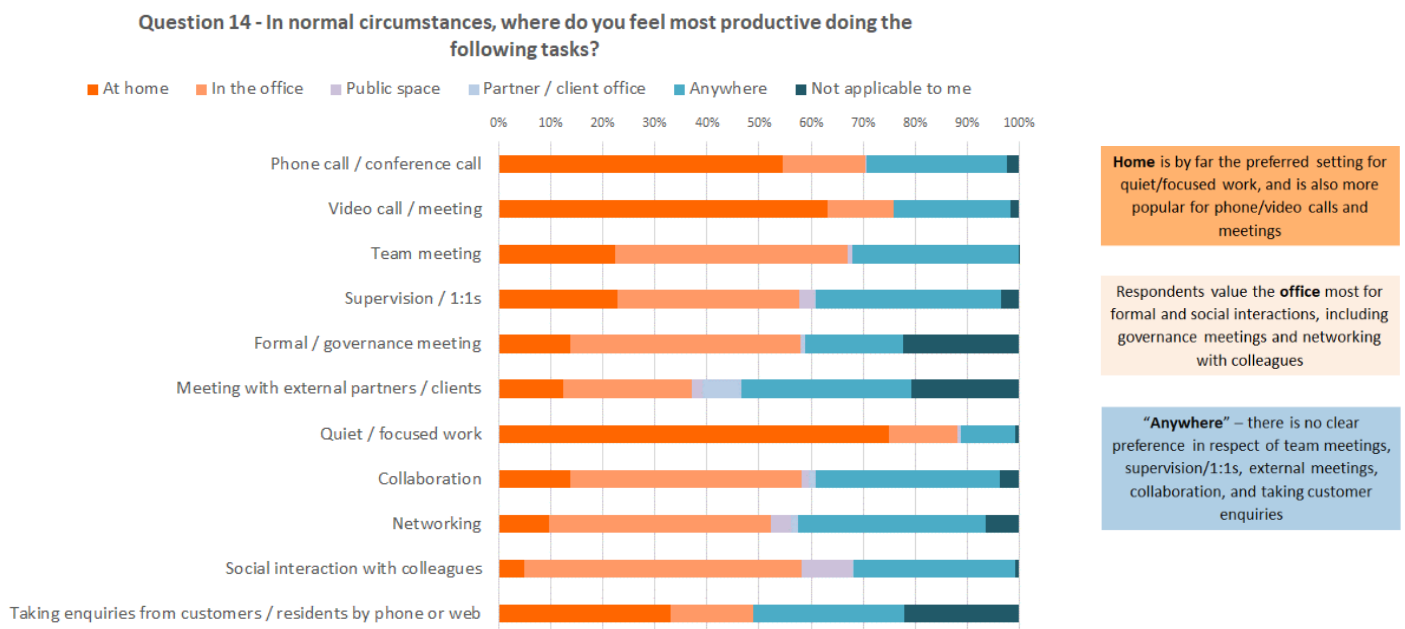
11. Analysis supports the proposed move to Agile working, with office utilisation for no more than 50% of per member of staff on average per week.
12. Staff surveys indicate that most staff currently, and will continue to, make use of office space a couple of times per week on average. Polls of Council staff (Jul 20 – Jan 21 during Covid pandemic) indicated that over 80%, are working more effectively through a mix of workspaces, with a minority of time in the traditional office location. Like many other industries, Council staff feedback indicates that

many staff feel more productive doing quiet and focused work at home and anticipate using the office spaces for activities requiring connection, collaboration, creativity and some formal meetings.

13. This aligns with thinking and research emerging from both local government and other sectors. Whilst this will not apply equally to all roles as for some it is necessary to be on site more often or not possible to work from home, as an overall headline, it conveys the magnitude of the shift in anticipated working patterns. This supports the recommendations to provide a wide spread of accessible Agile work-settings across the county to support all staff to best deliver.

14. The results below are for illustration and are from a poll of staff from County Hall (mix of Services) and the Environment, Transport & Infrastructure Directorate (ETI). A more recent poll of staff based in Woking (mainly Adults and Children’s Services) showed similar results.

**Illustration: Results from office staff survey, mix of Services and Directorates, Summer/Autumn 2020.**



### Agile Office Estate programme

15. Incorporating this analysis into the asset strategy set out in January 2021, the following programme was recommended to deliver the right space, at the right time in the right place:

- a. Reduce the size of the existing office estate from circa 50,000m<sup>2</sup> to circa 26,000m<sup>2</sup>, based on demand analysis and agile working styles. The retained freehold modernised estate will change the way and pace that the Council adapts to workforce requirements. It will enable the flexibility to continue to adapt post-Covid. If occupancy is sustained at lower levels, then additional capacity will be leased to generate additional rental income.

- b. Retain core facilities, one in each of the four regions of the county alongside smaller workspaces in priority areas to support Service delivery based on workforce demand and analysis of the existing estate, and best investment value for the Council.
- c. Invest in facilities to continue the modernisation of the workspace already achieved at Woodhatch Place and Dakota, that is healthy, accessible workspace that meets the need of the Services and partner organisations, providing the facilities required to work in an agile way and deliver for residents. Investment in modernisation and standardisation will also enable efficiencies/savings through modern, dynamic facility management.
- d. Manage delivery through a phased approach to minimise Service disruption whilst downsizing from the existing leased footprint and delivering refurbished Agile workspace/touchdown facilities, where there are high numbers of client and Service users. This is a particular requirement for Social Care teams.

## Benefits

16. The preferred option will enable the following benefits to be delivered:

- a. **An efficient and affordable office estate:** It will ensure the best use of Council resources and reduce unnecessary costs, delivering an estate that is affordable both now, and in the future, through the consolidation of services within a reduced number of buildings within Surrey. Maintenance and operational costs will reduce as the estate footprint is reduced. In addition, as there is built-in additional capacity to enable future adaption at best value, spare workspace is already being leased to public sector partners (such as the NHS in Woodhatch Place).
- b. **Ongoing revenue efficiencies:** This programme will provide ongoing revenue efficiencies, over and above the borrowing costs associated with the required capital investment, enabling the Council to realise revenue efficiencies of approximately £2.2m per annum, achievable by 2024/25.
- c. **A core of complementary, modern Agile workspace:** It will support the ongoing transformation of working styles with approximately 50% of staff-time spent working in an office space and 50% remotely (a figure which is anticipated to continue to change as Agile work practises embed and greater efficiencies are realised from the estate). Staff will benefit from a standardised, agile, office environment that is fit for purpose, meets current industry standards and is flexible to adapt to future changes in working practice and partnership relationships. Facilities in each quadrant will also provide additional bespoke elements, for example, Woodhatch Place has lecture/training facilities. Other areas offer greater connectivity and different forms of environments to make the most of their individual attributes in addition to the standardised agile workspace design.
- d. **Fully Accessible Offices:** The core office facilities have been identified with accessibility in mind. As part of the proposed capital refurbishment projects, fully accessible enhancements will be made to all core buildings in line with the EDI programme.
- e. **Energy Efficiency:** Investment will follow environmental standards in line with the greener future agenda enabling development of a sustainable corporate

office estate that will support the Council to deliver on its vision for Net Zero carbon by 2030. Balancing investment alongside affordable improvements and as part of the Agile Organisation Programme supporting new working methods which also reduce the daily requirement for staff to commute.

17. Overall, this programme generates a net positive financial benefit to the Council whilst also funding and resolving multiple related un-budget pressures, including:

- a. **Embedding Agile Transformation:** Resourcing to prepare the workforce to change to agile ways of working as the workplace is modernised.
- b. **Enabling historical commitments:** To relocate Service teams from both Fairmount House and Consort House (a commitment linked to the Woodhatch Place acquisition), by creating the new space required in core hubs, realising a capital receipt in relation in Consort House and reduced leasehold costs relating to Fairmount.
- c. **Funding dilapidations liabilities:** Including move costs and lease surrender costs (where relevant), this is estimated at a total of £3.94m (an unbudgeted pressure due to be incurred when exiting leasehold properties).
- d. **Resolving backlog maintenance:** Through both estate reduction in size and investment in retained facilities.

#### Consultation:

18. In the development of the programme and supporting business case, views and inputs have been sought from a range of stakeholders including:

- Industry expertise and contractors
- Executive Directors
- Cabinet members with portfolio responsibilities and local interests.
- Partner organisations (NHS CCG)
- Targeted groups of Surrey County Council staff through the Agile Organisation Programme

#### Risk Management and Implications:

19. Refer to Part 2 of the report.

#### Financial and Value for Money Implications:

20. The capital cost of the scheme is £21.8m over the next three years. These costs cover the capital fit-out of the remaining two core quadrant offices plus some future investment in priority localised workspaces to enable service delivery.

#### Table 3: Capital Investment



<b>Capital Investment</b>					
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£m	£m	£m	£m	£m
North West quadrant facility agile fit out	0.300	0.950	11.850	3.900	17.0
Ranger House agile fit out			2.500		2.5
Spoke fit out			2.300		2.3
<b>TOTAL CAPITAL COST</b>	<b>0.300</b>	<b>0.950</b>	<b>16.650</b>	<b>3.9</b>	<b>21.8</b>
Funded by:					
Third Party					0.0
Government Grant					0.0
Revenue Funding					0.0
SCC Funding Required	-0.300	-0.950	-16.650	-3.900	-21.8
<b>TOTAL FUNDING</b>	<b>-0.300</b>	<b>-0.950</b>	<b>-16.650</b>	<b>-3.9</b>	<b>-21.8</b>

21. There is £18.2m provisionally allocated in the capital pipeline to this scheme, so the request is to approve the move of this pipeline funding to the capital programme and to increase it by £3.6m to reach the total investment requirement of £21.8m. The borrowing costs associated with this borrowing requirement is included in Table 4.

22. The capital investment details are commercially sensitive and are set out in the Part 2 of the report. Given that circa 90% of the capital investment is focused on refurbishing two core buildings additional carbon cost analysis has been undertaken.

23. As a result of the capital investment which enables to movement of staff from existing leasehold offices, significant ongoing revenue efficiencies are anticipated to be delivered, as set out in Table 4.

**Table 4: Revenue Implications**

Revenue Implications	2021/22	2022/23	2023/24	2024/25	Annual from 2025/26	
	£m	£m	£m	£m	£m	
Existing Lease costs	3.39	3.49	3.60	3.71	3.82	
Preferred Way forward Lease CostsLease costs	3.33	2.96	1.41	0.10	0.00	
Leasing Cost Efficiencies	-0.06	-0.53	-2.19	-3.60	-3.82	
Ongoing additional building costs - QC, Ranger House & spokes	0.00	0.00	0.28	0.44	0.45	
Loss of income from existing commercial tenants - Dakota & Ranger House	0.00	0.00	0.09	0.23	0.40	
Borrowing Costs - delay to exit from Consort	0.33	0.30	0.00	0.00	0.00	
Borrowing Costs of capital investment	0.01	0.04	0.60	0.74	0.75	
<b>Total Efficiencies</b>	<b>0.28</b>	<b>-0.19</b>	<b>-1.23</b>	<b>-2.19</b>	<b>-2.22</b>	
<b>One-Off Costs:</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>TOTAL One Off Costs</b>
	£m	£m	£m	£m	£m	£m
One-off costs of change - Resource costs	0.29	1.29	1.25	0.45		
One-off costs of change - move costs, delapidations, lease surrender	0.25	0.30	3.12	0.27		
<b>TOTAL One-Off Costs</b>	<b>0.54</b>	<b>1.59</b>	<b>4.37</b>	<b>0.72</b>	<b>0.00</b>	<b>7.22</b>
<b>Net Efficiencies</b>	<b>0.82</b>	<b>1.41</b>	<b>3.14</b>	<b>-1.47</b>	<b>-2.22</b>	

24. It is proposed that the one-off costs of change (£7.2m) is funded from the Budget Equalisation Reserve to enable the Council to recognise the total revenue efficiencies from these proposals within the Medium Term Financial Strategy.

25. Financial assumptions:

- i. Existing lease costs are assumed to increase year-on-year by inflation.
- ii. Additional running costs are assumed for the additional space in Ranger House and the locality spokes, which off-sets the reduction in current costs of the leasehold properties.
- iii. North West quadrant facility agile fit out capita costs have been modelled on the existing Quadrant Court facility as a baseline. The running costs at Quadrant Court are assumed to remain as is for utilities and facilities management costs, an increase in the business rates has been assumed.
- iv. The use of space at both Dakota and Ranger House that is currently occupied by a commercial tenant is shown as a reduction in income to the Council in the numbers above.
- v. The financial modelling assumes that both Consort House and Thameside are disposed of by April 2023. The disposals were committed to as part of the acquisition of Woodhatch Place. The numbers above include additional borrowing costs relating to the delay in anticipated disposal. If disposal were to be deviated from then it would need to be ensured that the associated borrowing costs were at least covered by any increased rental income from retaining and leasing out the properties.
- vi. Space requirements are modelled on 50% occupancy (compared to existing footprint). If post-pandemic working practices show a sustained level below this, then there would be additional capacity available to optimise rental income by leasing space to third parties.
- vii. Dilapidation assumptions, move costs and lease surrender costs (where relevant) have been estimated by external experts at £3.94m (exact amounts subject to final negotiations with landlords).

#### **Section 151 Officer Commentary:**

26. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

27. The Section 151 Officer supports the proposals set out in this paper, to create four corporate office hubs supported by a number of localised spokes, enabling a significant reduction in the leasehold office estate. The efficiencies achievable as a result of these proposals will be factored into the Medium Term Financial Strategy. The use of the Budget Equalisation Reserve to finance the one-off revenue costs of change will enable the full revenue efficiencies to be realised from the outset of the programme and also covers the cost of change required to achieve the ambitions of

the wider agile organisation programme as well as delivering the activities set out for the Agile Office Strategy.

**Legal Implications – Monitoring Officer:**

28. In January 2021, Cabinet approved an outline ‘Office Estate Strategy’ and the development of a detailed programme to deliver an urgent transformation to the office estate. This paper now sets out a recommended programme of activity for the future office estate, which includes retaining the freehold interest of existing assets, undertaking refurbishments works to existing assets to ensure facilities are fit for purpose as well as granting leases where capacity is above requirements which will provide additional income for the Council.
29. The Council is empowered by legislation to pursue the proposals set out in this paper:
- Under Section 123 of the Local Government Act 1972, local authorities have the power to dispose of land in any manner they wish (the proposal to grant leases where capacity is above requirements is deemed to be a disposal), subject to the disposal being for the best consideration reasonably obtainable. The Council should ensure that the price for any such disposal is ‘market value’ to comply with Section 123 of the Act.
  - As freehold owner of the assets, the Council is able to undertake refurbishment works subject to any required consents.
30. As the proposals include the need to procure supply chain partners, Procurement colleagues should be consulted to ensure legal and procedural requirements are adhered to.
31. Cabinet is under fiduciary duties to local residents in utilising public monies and in considering this business case Cabinet Members will want to satisfy themselves that the proposals and financial implications represent an appropriate use of the Council’s resources.

**Equalities and Diversity:**

32. There is no impact on the Equality Impact Assessment. However, this proposal will ensure that the buildings improved upon are compliant to all accessibility regulations and laws and will be in line with the gender equality standards. As a responsible modern employer this strategy will ensure that Surrey County Council is providing the right workspace for all its staff to best deliver, through a wide range of multiple accessible work settings across the county – supporting all staff those who have the ability to work from home and those who don’t - as we evolve our Agile workforce.

**Other Implications:**

33. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

**Area assessed:**

**Direct Implications:**

Corporate Parenting/Looked After Children	<p>Meeting rooms used in office buildings for Service consultation will have improved privacy and be more practical for service use.</p> <p>The estate transformation will improve the consultation and working areas required by corporate parenting or looked after children. Specifically, the proposed programme will target the corporate office facilities utilised by the service to ensure they meet current and future needs.</p>
Safeguarding responsibilities for vulnerable children and adults	<p>Meetings rooms used in office space for Service consultation will have improved privacy and be more practical for service use.</p> <p>The office estate transformation will improve the consultation and working areas for employees and residence of vulnerable children or adults.</p> <p>The office estate programme will be drive from organisational wider engagement with services through the Agile Workforce programme to ensure it is shaped by and meets demand to enable efficient service delivery</p>
Compliance against net-zero emissions target and future climate compatibility/resilience	<p>In 2019 Surrey declared a climate emergency and SCC has an ambition to achieve a net zero carbon Corporate Estate by 2030 to support a net zero carbon Surrey by 2050. Annual CO2 emissions across the council are currently over 18,833 tonnes, that's 2.5 million cubic metres a year, approximately the space of 24,683 double decker buses. It would take the annual growth from around half a million trees to offset this carbon footprint. We have committed to planting 1.2 trees by 2030. But this offsetting is only one part of a package of measures.</p> <p>The dated and poorly maintained corporate office estate is a net contributor this carbon footprint producing over 10302 tons of CO2 equivalent per year which is 55% of the total Surrey County Council targeted footprint for reduction by 2030, something which needs to be addressed if the net zero 2030 target is to be reached.</p>
Environmental sustainability	<p>Surrey has an ambition to achieve a net zero carbon Corporate Estate by 2030 The programme will include consideration of all options to rationalise or invest in the estate to support delivery of this ambition.</p>
Public Health	<p>Surrey's council office buildings will all be compliant and safe for both employees and the public.</p>

### Carbon Investment Cost

34. As part of the program of works, where we are retaining existing assets, we will look to consider optimal carbon reduction through our refurbishment work, supporting Surrey County Council's ambition to be Net Zero by 2030.

35. Ranger house for example currently contributes about 1% of the total corporate estate emissions.

**Intervention case**

36. Refurbishment of the buildings to improve efficiency in electricity use and heating use through insulation, will achieve 15%-32% emissions reduction. Switching to complete heating via heat pumps will achieve 94% emissions reductions from heating. All measures will reduce 86% of Ranger house annual greenhouse gas emissions, reducing the projected carbon cost per year in 2030. This cost could be further reduced through generating renewable energy from solar to supply the energy requirements of the buildings.

**Interventions and impact**

Site	Energy efficiency emissions reduction from gas / electricity	Heat pump installation emissions saving	Emissions remaining from electricity use by 2030 tonnes CO2e	Annual Cost of Carbon from 2030
Ranger House	32%	94%	16	£1,511

37. The Council is targeting a carbon neutral estate by 2030; directly moving towards more efficient buildings where affordable and offsetting carbon via alternative methods, with environmental standards in line with the greener future agenda. Indirectly, the estate contributes to carbon production, mainly through staff travel.

38. Through investment in the modern workplace, linkages with agile working collaboration with touchdown spaces, and locating assets in the right place, the Council can significantly reduce the associated travel impact.

39. Cost analysis has shown that a staged investment in improvements to energy efficiency delivers best value, where refurbishment of existing assets is undertaken.

**What Happens Next:**

1. Subject to approval of funding the Agile Office Estate implementation programme will be formally initiated.
2. The programme of activity will be resourced, and both the property related and staff / official's engagement and activity can be progressed as set out in Annex 4.
7. A detailed review of the North West quadrant demand (detailed engagement with impacted service and staff in locality) and all available options to meet service needs will be undertaken. This will conclude in an additional report being brought back to Cabinet in Q2 2022 with a recommended, costed option and associated request to draw down from the remaining £17m capital funding).
3. Governance will continue to be maintained, reporting to the Agile Organisational Programme Board (Executive Director of Resources as the Senior Responsible Officer) with the Agile Office Estate Steering Group managing delivery. The Programme Director will also ensure organisational wide engagement as the strategy develops over the next 4 years, through direct representation on the Council's EDI forum.

---

**Report Author:** Matthew Pizii, CAM, Corporate Landlord Department, Tel: 07815 987416

**Consulted:**

Cllr Natalie Bramhall, Cabinet member for Property  
Surrey County Council Corporate Leadership team  
Leigh Whitehouse, Executive Director for Resources  
Surrey County Council Senior departmental leads  
External specialists  
Public sector partner organisations

**Annexes:**

Annex 1: Outline Agile Office Estate Strategy (Approved Annex to Jan 2021 Cabinet paper)  
Part 2 Report

**Sources/background papers:**

Cabinet Report January 2021: [Agile Office Estate Strategy Item 21/21](#)