

## SLOUGH BOROUGH COUNCIL

**REPORT TO:** Cabinet **DATE:** 15<sup>th</sup> October 2018  
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**PORTFOLIO:** Leader of Council - Cllr Swindlehurst

### PART I KEY DECISION

#### HQ TOWN CENTRE RELOCATION UPDATE

##### 1 Purpose of Report

To provide Cabinet with an update on progress of the HQ relocation project.

##### 2 Recommendation(s)/Proposed Action

The Cabinet is requested to note that:-

- a) The Accommodation & Assets Board has been established and is responsible for the delivery of the HQ move
- b) The following major contracts and contractors required for the office move have been appointed and engaged:
  - Bouygues
  - Kier
  - Arvato
  - Ameresco
- c) Bouygues have already commenced preparatory works in 25WR and are working towards a target of providing occupation of the building commencing in May 2019
- d) The assets now in scope of this town centre campus project include:
  - 25 Windsor Road;
  - The Curve;
  - Cornwall House;
  - Landmark Place (until May 2020); and
  - St Martins Place
- e) Arvato have instructed Virgin Media to supply the required fibre optic connectivity to 25 Windsor Road and that the installation of this crucial infrastructure is currently ahead of programme
- f) Additional resources have been identified and engaged to enable the delivery of the required ICT infrastructure
- g) Solar panels will be installed on the roof of the building as a result of the energy efficiency surveys that have been conducted
- h) A further report on progress of the workstreams be presented to Cabinet in February 2019.

### 3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The transfer of the head office to the town centre frees up St Martins Place (SMP) to help deliver new affordable housing thereby reducing temporary housing costs whilst providing an income stream which could contribute to the provision of front line services. Potential opportunities to consolidate the SMP site, with the inclusion of adjacent buildings together with re-purposing of SMP, will be set out in the Chalvey Regeneration report due before Cabinet in November 2018.

#### 3a. Slough Joint Wellbeing Strategy Priorities

Relocating our headquarters to the town centre will increase footfall and spend per head in and around the High Street increasing the viability of the retail offer and the associated employment opportunities. Improving the viability of the town centre should also contribute towards improving the image of the town.

#### 3b Five Year Plan Outcomes

Relocating our head quarters into the town centre and redeveloping SMP as affordable housing will address the Five Year Plan outcomes through the following:

- **Outcome 1** – Contributing towards a viable and active High Street will help Slough children to grow up happy, healthy and successful;
- **Outcome 3** – Contributing towards a viable and active High Street will help encourage people to visit, live or work in Slough;
- **Outcome 4** – The delivery of a mix of affordable homes through the conversion of St Martins Place will directly contribute towards our residents having access to good quality homes; and
- **Outcome 5** - Contributing towards a viable and active High Street will help attract and retain businesses that provide opportunities for our residents.

### 4 Other Implications

#### (a) Financial

The cost of the project will be fully calculated as the programme progresses. At present some actual costs are known while others are estimated but all are included in the initial proposal to cabinet.

#### (b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	No risks identified at this stage.	
<b>People &amp; Practice</b> - Changes to working practices do not change at required speed to deliver reduction in floors area – impacting on the ability to meet the financial business case, which is dependent on leasing out space.	Ongoing consultation and corporate buy-in to support required cultural shift. Bouygues employed to support staff engagement/change management.  Support from our partner	Transform the organisations working culture to one that is modern, customer focused and encourages staff to think outside the box when looking at how they can deliver services effectively and efficiently.

	<p>BYEs who have experience of delivering this transformation so they will help deliver this project effectively. Access will also be given to further external resources as required.</p> <p>Embrace and roll out top down, taking ownership and push from CMT, Service Leads through to Managers.</p>	
<p><b>Energy</b> – The building is larger than SMP and consists of large glass construction; therefore energy costs will be higher.</p>	<p>BREEAM rating is 'very good' and EPC is rated 'B'.</p> <p>Identify through energy surveys and Re-Fit High Level Assessment and Investment Grade Proposals opportunities to improve energy efficiency and reduce energy demand.</p>	<p>Re-Fit energy conservation measures and optimisation during the fit-out stage will reduce future investment and retro-fitting costs.</p> <p>Opportunities to consider IT energy saving solutions and staff energy awareness programme will reduce energy costs.</p> <p>Lease some floors of the building to generate income and offset running costs such as energy.</p>
<p><b>Property</b> – Although due diligence has identified some defects that require attention which are being addressed, there could be other defects that may only be realised once the fit out works start or once the building is occupied, resulting in long-term financial pressure.</p>	<p>The Council commissioned a full building survey as part of the due diligence process, therefore it is hoped that no or little issues will arise in the future.</p> <p>The fit out budget has allowed a contingency to deal with unforeseen issues.</p>	<p>The building has the benefit of construction warranties.</p>
<p><b>Finance/Property</b> – the proposed new office is greater than the combined space at LMP/SMP and could cause financial drain.</p>	<p>The Council will seek to lease-space to third party organisations to reduce liability and generate an income stream.</p> <p>Assess opportunities to utilise transformation fund to support transition to smarter and digital working.</p>	<p>The Council plans to reduce from an overall 8:10 desk ratio to one nearer 5:10 as part of the Transformation Agenda. This will create additional space to lease, generating additional income.</p>
<p><b>Staff Issues</b> – substantially less car parking than Montem</p>	<p>The space currently enjoyed at Montem would no longer be available when the Montem site is redeveloped for housing. The new office could use vacant space at Herschel car park and comes with 246 spaces on a long lease.</p> <p>Travel Steering Group set up to review all data including the</p>	<p>The new office is located immediately beside the town centre and will provide greater opportunities for staff to use public transport. The Council proposes increasing the fleet of electric cars, which would reduce the need for staff to drive to work if they only use their car for business journeys.</p>

	<p>staff travel survey. This will lead to options being presented to address this issue.</p> <p>The Fleet Challenge Programme focusses on adoption of a 'business travel hierarchy' and EV pool fleet to significantly reduce 'grey fleet' travel and need to travel to work by car. We will also encourage walking and cycling to work, therefore providing bike storage facilities and showers.</p> <p>Bouygues employed to support staff engagement/change management for the overall HQ relocation project.</p>	
<b>Human Rights</b>	No risks identified	
<b>Health and Safety</b> – The design/occupation per floor may be challenged as provision of fire exits, number of toilet facilities, mechanical & electrical etc. may not be sufficient for the number we wish to occupy on each floor.	<p>Early engagement initiated with designers and specialist to start reviewing likelihood of risk being realised, so intelligent design can enable risk to be managed. Early commissioning of M&amp;E conceptual design to be approved.</p> <p>Work with internal officers to support and manage risk i.e. H&amp;S Management Team, Building Control, etc.</p>	Working in partnership with relevant experts will ensure a design fit for purpose is developed.
<b>Equalities Issues</b>	Equality Impact Survey carried out as part of this project.	Fit-out will enable us to take the opportunity to enhance areas where further DDA compliance can be achieved.
<b>Community Support</b>	No risks identified	
<b>Communications</b>	Communication Strategy being planned from the offset. Representation from Coms has been allocated to the Accommodation and Assets Board and the Operational project delivery group responsible for the HQ relocation. Microsite has been set up to inform the business of updates on all transformation boards.	Opportunity to keep all necessary parties informed of progress will encourage commitment from staff, partners, contractors etc.
<b>Community Safety</b>	No risks identified	
<b>Timetable for Delivery</b> - Fit-out and installation of IT infrastructure - delays in the	We have already engaged Early appointment of fit-out based on anticipated	

programme will result in additional holding costs	specification and budget. Effective SBC project Management to manage the programme.	
<b>Governance</b>	Formal processes already implemented. Prince 2 methodology being followed.	
<b>Performance</b>	No risks identified	

(c) Human Rights Act and Other Legal Implications

The report does not have any legal or human rights act implications

(d) Equalities Impact Assessment (EIA)

An EIA has been completed as part of this project.

Locating council offices in the heart of the town centre, close to the rail and bus stations, will reduce fear associated with walking to and from the building in the hours of darkness, potentially benefitting staff and woman in particular.

Releasing SMP for conversion to affordable housing would make a very positive impact on the outcomes contained in the Housing Strategy and would directly benefit the most disadvantaged groups.

(e) Property

This report supports the Accommodation & Hub Strategy document.

(f) Carbon Emissions and Energy Costs

The Council cabinet approved Carbon Management Plan (2015-2020) vision states “*Slough Borough Council aspires to have a low carbon and energy efficient corporate estate, fleet and workforce to meet with the future economic challenges of local government*”. The principal source of carbon emissions relates to electricity and gas consumption within our corporate estate, street lighting and transport fleet emissions.

The new office has an EPC (Energy Performance Certificate) rating B (the modelled energy efficiency rating is ‘good’) and the BREEAM rating for the building is ‘very good’. The modern building should perform better from an energy efficiency viewpoint than SMP, which has a DEC (Display Energy Certificate) rating G which is ‘poor’.

In order to quantify the potential energy demand and CO2 emissions associated with the move to the new town centre office and also to assess the scope for re-fitting the new office with energy conservation measures, including the optimisation of the building as part of the fit out programme; the Council’s Re-Fit provider and energy consultant has been commissioned to undertake energy surveys and high level assessments under our legal Re-Fit Framework.

## 5 **Supporting Information**

### 5.1 **Summary**

Since the acquisition of 25 Windsor Road (25WR) in July 2018, the following progress has been made to date:-

#### 5.1.1 **Project Delivery/Governance**

The Accommodation & Assets Board has been established and is responsible for the delivery of the HQ move and is applying PRINCE2 methodology to the overall project management. A Project Initiation Document (PID), Risk Register, Programme Plan and various other processes have been put in place to ensure good governance and overall management of this project.

The Director of Regeneration is the sponsor of this project and the Service Lead Building Management is the project executive, responsible for ensuring it is successfully delivered. Below the Accommodation & Assets Board sits the HQ Move Project Group, consisting of workstream leads responsible for delivering each element of the project including; Finance, Transport, ICT, Fit Out, Purchase, Landmark Place, Cornwall House and St Martins Place.

#### 5.1.2 **Engagement of Contractors**

All the major contracts and contractors required for the office move have been appointed and engaged.

**Bouygues** who presently provide our Repairs, Maintenance and Cleaning Services to all non-housing council stock, have been commissioned to not only provide overall project support for delivery of this project but also the internal fit out. As one of the largest construction companies in Europe and with experience and a successful track record in change management as well as construction, Bouygues will provide value for money. Market testing has evidenced that Bouygues will support delivery and transformation at very competitive rates.

**Kier Construction** have been contracted to rectify the defects identified as part of out due diligence process and extensive pre-acquisition inspections. Kier carried out the original refurbishment of 25WR, and therefore have expert knowledge of the building whilst carrying the original warranties associated with it.

**Arvato** our Customer Service and IT provider have commissioned the necessary elements to provide IT connectivity to the building.

**Ameresco** are providing energy efficiency and Re-Fit programme recommendations for implementation.

#### 5.1.2 **Fit Out**

Bouygues are providing services works which includes change management, agile working, furniture management, conceptual design and all other associated works

that form the drivers of the programme including the mechanical & electrical, architectural and construction phase.

The advisory service will help us to shape our transformation process, whilst working with staff to engender a new culture of smarter working. They will also be reporting to the People Board to ensure these processes align with the council's vision and objectives.

The following outlines the outcomes Bouygues have been commissioned to deliver for the office fit out:

- Understanding organisational requirements based on data gathering, business analysis, the overall vision and site walk-arounds
- Investigating opportunities to recycle existing furniture
- Concept design following completion of data gathering and analysis
- Presenting a series of recommendations, the concept design and the design journey
- Developing and presenting a more detailed design and 3D design
- Developing construction drawings and handing-over to the Construction team
- Tendering for the Construction
- Project Managing and ensuring successful Construction delivery

Bouygues have already commenced fit out works in 25WR and are working towards a target of providing occupation of the building commencing in May 2019.

### 5.1.3 Assets in Scope

The relocation to the Town Centre has provided us with the opportunity to re-evaluate how we use all of our town centre assets for the benefit of our customers. Therefore the assets now in scope of this town centre campus project include:

25 Windsor Road;  
The Curve;  
Cornwall House;  
Landmark Place (until May 2020);  
St Martins Place.

**25 Windsor Road** - The Council currently occupies circa 79,000 sq.ft. across SMP and LMP, this includes the Slough Children's Services Trust. 25WR consists of 111,000 sq.ft. Grade A space, spread over six floors. At the time of purchase we understood that, in accordance with the business case, the top two floors would be let to commercial organisations, to generate an income stream to reduce borrowing costs. A marketing strategy for this commercial space has been developed and an agency engaged to manage the process on our behalf. We have had a number of enquiries and negotiations with prospective occupiers are ongoing.

**The Curve** – When considering how we provide services to our customers from the town centre in the future we will take the opportunity to evaluate how The Curve is performing and whether, or not, any changes are required as part of a town centre campus approach to service delivery.

**Cornwall House** – This building, for which the Council owns the freehold, has now been vacated by our previous tenants RBS. This building has been identified as the location for our new “front of house” services. Work has commenced on the ground floor in order to make ready for the fit-out. Further details, and related information, on the Council’s future Cashiers Service is subject to a separate report elsewhere on this Cabinet agenda.

**Landmark Place** – Our lease for the use of LMP runs until May 2020. This does afford some flexibility to the organisation with regard to timing of the move of services to 25WR and Cornwall House. This in turn will enable us to ensure a smooth and seamless transition for our customers.

**St Martins Place** – Decanting from SMP will enable greater delivery of social, affordable housing in the Borough. A more detailed report on the options, design and fit out of SMP will be included in the Chalvey Regeneration report which is due before Cabinet in November 2018.

#### 5.1.4 Information Technology

**Supply** - Arvato have instructed Virgin Media to supply the required fibre optic connectivity to 25WR. The work for installation of this crucial infrastructure is currently ahead of programme.

**Resources** - It was recognised at an early stage that in order to meet the requirements of the HQ relocation and enhance the way we work, that we needed to invest and commit to addressing IT challenges. We need to implement solutions that will enable our staff and partners to efficiently serve our residents. Therefore, in August we enhanced the team that will support officers in bringing together our future ICT and Digital requirements and support our office move whilst driving our 5-year plan, putting our customers first when looking at ICT.

We have appointed an Interim IT Strategy Manager who has a wealth of experience in the public sector and has joined us to deliver the ICT strategy projects for the council and to modernise our ICT. This will help the development of new Digital and Agile solutions that will underpin our aspirations to deliver improved digital services for our customers, businesses and visitors.

In order to support the ICT and Digital requirements for the move an ICT Relocation Manager has also been appointed to work in collaboration with officers from across the Transformation programme to ensure that we deliver new solutions. These will enable our officers to truly work in a mobile and flexible way, ensuring that we make best use of modern and efficient technologies and to re-launch ICT to the council as part of the positive move to the new locations.

They have already produced a draft ICT and Digital Strategy for the council that is currently subject to review before final approval. The ICT approach for the relocation to 25 WR, and other town centre assets in scope, has also been developed. This is currently being evaluated and tested as part of our internal review.

The Council’s Technology Board has been set up and meets monthly and will oversee the IT elements for HQ re-location and Transformation agenda.



### **5.1.5 Energy Conservation**

A high level assessment for the proposed energy conservation measures at 25 Windsor Road has been conducted and received from Ameresco our Re:Fit Contractor. As a result of these surveys we will be fitting a solar panel array to the roof of the building.

The survey revealed that 25 WR is already an efficient building that has implemented; LED lighting, occupancy sensors, efficient heating and cooling systems and modern BMS systems.

The rooftop Solar PV array of 30kW is estimated to cost £48,445. An investment that would yield £4,015 in annual guaranteed savings leading to a 12 year payback. These proposals will be implemented as part of our existing Re:Fit programme.

In addition to reviewing the above proposal, as part of the fit out works for all buildings in scope of this project, Bouygues will be looking to optimise the Building Management Systems (BMS) and therefore reviewing the heating and cooling system based on occupancy numbers. In addition timers will be installed on electrical systems to ensure we are not running electric unnecessarily i.e. on IT, Water Heaters, electrical equipment etc. More detailed proposals will be developed as part of the construction package.

### **5.1.5 Travel Strategy, Staff Car Parking and Fleet Challenge**

It is recognised that the move to a new town centre HQ campus brings with it the challenges of travel and parking for both staff and visitors and raises the question of how we make a sustainable modal change around the traditional workplace travel methods.

A HQ Move Transport Steering Group has recently been set up to lead delivery of this workstream. The aim of this workstream steering group is to set out options to meet the objective of “helping to achieve a sustainable change to existing workplace travel methods by reducing the dependency on the private car and creating ease of access to other modes of travel”.

All options will ensure that we can incentivise a modal shift of our staff to look at using non private car modes of travel to and at work, thereby helping to reduce traffic levels, reduce air pollution and greenhouse gas emissionsCO<sub>2</sub>. The Fleet Challenge project will be a fundamental part of this project and will offer supportive solutions to help achieve this objective including enhancement of the electric fleet, bike storage facilities, showers etc.

The initial steps are to evaluate all the available data, including that received from the recent staff travel survey. The recommendations from this group will be being passed to the Transformation Board at its next meeting on 25 October 2018.

## **6 Comments of Other Committees**

This report has not been considered by any other committees.

## **7 Conclusion**

- 7.1 Relocating the Council's headquarters back into the town centre has been a long - term aspiration for the Council. It is important that we use this move as an opportunity to transform as much as of the organisations culture as possible, to a more agile workforce.
- 7.2 It is fortunate that we have engaged with partners at an early stage to help speed up the process and have therefore been able to engage contractors very quickly.
- 7.5 It is recognised that work has only just begun to start producing a Customer Service Strategy. Therefore it is appreciated that the HQ relocation project is somewhat ahead and delaying this project while awaiting the sign off of a Customer Strategy is not feasible. For this reason it is recognised that our future model should be flexible enough to enable the organisation to respond to the requirements of the Customer Strategy.

## **8 Appendices**

None.

## **9 Background Papers**

None.