

BRECKLAND DISTRICT COUNCIL

Report of: Trevor Carter, Executive Portfolio Member for Place

To: Strategy Board 07 September 2015
Cabinet 22 September 2015

(Author: Ralph Burton, Strategic Property Manager)

Subject: Office co-location with Department of Work & Pensions

Purpose: To obtain agreement to co-locate with the Department of Work and Pensions at Elizabeth House, Dereham and Breckland Business Centre, Thetford via leasing office space.

1. BACKGROUND

- 1.1 The Department of Work and Pensions (DWP) currently operates out of Job Centres located in high street locations around the country. DWP are progressing a nationwide programme of relocations following the introduction of Universal Credit creating the opportunity to work more closely with local authorities in order to provide more joined up services to the public.
- 1.2 DWP have completed a number of relocations by co-locating with local authorities in their HQ buildings by way of lease and are progressing a number of such projects both in the Eastern region and across the UK. DWP estimate that 70% of their customers are the same as those seeking Council services generally.
- 1.3 **Universal Credit:** This is a new service that aims to make work pay. It is a new simpler, single monthly payment for people in or out of work, which abolishes six benefits being; jobseekers allowance, housing benefit, working tax credit, child tax credit, employment and support allowance and income support.
- 1.4 Universal Credit is the subject of an accelerated roll out across the UK and DWP are agreeing co-locations with Councils to achieve different ways of working in the future to change the ways and ethos of how services can be joined up and provided. Nationally, this forms part of a shared agenda for the government's One Public Estate agenda whereby public property assets and Council buildings are shared and used to optimum affect and residents can benefit from seamless joined up services under one roof.
- 1.5 DWP's proposals to the Council are to co-locate at Elizabeth House in Dereham and Breckland Business Centre in Thetford. The proposals for co-location at Dereham means Elizabeth House has a change of purpose, i.e. it becomes more focussed on delivery of front line services, giving customers a better experience of interacting with the public sector for assistance.

- 1.6 **Breckland Business Centre, Thetford:** The opportunity at Thetford is to co-locate alongside the Anglia Revenues Partnership (ARP) to achieve new ways of working and joined up services. To create suitable ground floor space for DWP there will be some relocation of current occupiers and remodelling of and this is work in progress as is the design work.
- 1.7 **Elizabeth House:** Discussions regarding the co-location of DWP at Elizabeth House are well advanced. The following points in this report - 1.8 to 1.13 relate only to the Elizabeth House project being the most advanced element.
- 1.8 Some office moves are required to create the ground floor space to enable the DWP letting and also to take advantage of this opportunity to rationalise office space in some areas. An extract of the proposed changes to the ground floor are shown in Appendix 1.
- 1.9 DWP requires a 'turnkey' solution where the Council provides the office space, re-modelled to their requirements along with furniture and IT infrastructure. DWP will bring their ICT equipment to 'plug' into the IT infrastructure with the exception of a small number of shared desktop computers for both customer types to use as self-service. The Council funds the solution and rentalises the costs through the resulting leasehold agreement.
- 1.10 The Heads of Terms for the lease are nearly in agreed form and remain work in progress at the time of writing this report. The resulting leasehold agreements will be created allowing for the capital works to be planned and completed, leading to DWP occupying space in Elizabeth House on the ground floor in early 2016.
- 1.11 This project has several strands and as DWP has demonstrated experience and knowledge in achieving co-location elsewhere, their model is being adopted. The Property work-stream consists of the letting, building works, programming and office moves. The Operational work-stream comprises of establishing new ways of shared working, such as shared reception. DWP confirm that a certain amount of operational fit can be achieved prior to occupation but that this is an evolutionary process to develop new ways of working when working alongside each other. This approach is being adopted at Breckland Business Centre, Thetford also.
- 1.12 In order to de-risk the project the lease which will allow DWP's occupation will be completed prior to the point where expenditure is incurred for the building / enabling works which are anticipated to be committed in October/November.
- 1.13 The financial aspects of the project are in Appendix 2.

2.0 Options

- 2.1 **Option 1:** Enter into leasehold agreements with the Department for Work and Pensions for office space at Elizabeth House, Dereham and Breckland Business Centre, Thetford.
- 2.2 **Option 2:** Do not enter in to the leasehold arrangements and cease negotiations to co-locate DWP within the Council's property assets.

3.0 Reasons for recommendations

3.1 Transformation: Customers and residents benefit from the need to have reduced levels of engagement and multiple visits to several locations and the broad aim is to achieve more with less transforming the way the public access public services. DWP has an advanced digitalisation agenda and anticipates more digital engagement with customers both online and within its premises. This project is part of the Council's Transformation Programme and is coming forward now to meet DWP's timescale requirements particularly at Dereham.

3.2 One Public Estate: The Council's Transformation key themes include Digitalisation and One Public Estate. The One Public Estate programme was launched in June 2013. It is designed to allow local authorities to work with central government and local agencies to release assets and share land and property information across the public sector. Its objectives are to (1) Deliver more integrated customer focused services (2) Create economic growth (3) Reduce running costs (4) Generate capital receipts.

4.0 EXPECTED BENEFITS

4.1 The expected benefits of this project are:

- The project is expected to improve resident's access to services and provide services at the right price and in the right place supporting the government's ambition for Universal Credit.
- The proposed leasehold transactions will optimise the Council's assets resulting in both co-location.
- This project will also support the transformation of services through digitalisation and the government's desire for 'One Public Estate'.

5.0 IMPLICATIONS

5.1 Carbon Footprint / Environmental Issues

5.1.1 The building materials required for the works will be of a suitably required and appropriate environmental standard.

5.2 Constitution & Legal

5.2.1 All legal matters to safeguard the Council will be completed as part of the transaction of the purchase.

5.3 Contracts

5.3.1 A works contract will be entered into and a leasehold agreement for each property will be entered into.

5.4 Corporate Priorities

5.4.1 DWP's interests and agenda provides the Council with a broad range of opportunities and benefits and they match the Council's priorities which include:

- Developing the local economy to be vibrant with continued growth.
- Providing the right service at the right price and in the right way

5.5 Crime and Disorder

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 DWP is committed to equality and diversity. DWP has signed its Charter for Employers who are Positive about Mental Health; it adheres to the Public Sector Equality Duty, records annual equality information regarding its employment and has an agreed set of equality objectives.

5.7 **Financial**

5.7.1 See Appendix 2 and Proforma B attached.

5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 **Risk Management**

5.9.1 Current identified risks include:

- De-risking of project to mitigate against abortive expenditure via lease completion before placing orders for building works.
- Obtaining sufficient understanding between the Council and DWP on operational matters and new ways of working prior to committing to expenditure.
- Office moves resulting from DWP occupation.
- Budget constraints and adequate resourcing for the delivery of the project.

5.10 **Safeguarding**

5.10.1 It is the opinion of the Report Author that there are no implications.

5.11 **Staffing**

5.11.1 Staff will be relocated in the building to accommodate these leasehold agreements.

5.12 **Stakeholders / Consultation / Timescales**

5.12.1 Via Cabinet agenda publication.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All

Lead Contact Officer

Name and Post: Ralph Burton, Strategic Property Manager

Telephone Number: (01362) 656327

Email: Ralph.burton@breckland.gov.uk

Key Decision: No

Exempt Decision: No – Please note that the appendices are below the line.

This report refers to a Discretionary Service

Appendices attached to this report:

1. Ground Floor Plan – Elizabeth House **(below the line)**
2. Financial Appraisal including Proforma B **(below the line)**