

HAMPSHIRE COUNTY COUNCIL

Decision Maker:	Executive Member for Policy and Resources
Date:	22 July 2010
Title:	Eastleigh Workstyle: Hampshire House
Reference:	1625
Report From:	Director of Property, Business and Regulatory Services

Contact name: Steve Clow

Tel: 01962 847858 **Email:** steve.clow@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to provide a summary of the Hampshire Workstyle change programme approved by Cabinet in 2009 and endorsed in January 2010, and in particular to set out the strategy for Eastleigh. The report seeks a number of decisions on the next steps proposed.

1.2. This report:

- Explains the strategy for Eastleigh now underway relating to the identification of the efficiencies, change opportunities and customer benefits
- Confirms the proposed programme, priorities and timescales
- Summarises the various consultations over recent months with key partners and stakeholders
- Seeks approval to the proposal to rationalise the office accommodation in Eastleigh to provide a base for over 300 staff
- Sets out and seeks approval to the design proposals for the refurbishment works at Hampshire House, Eastleigh at a total estimated cost of £908,000 (including fees, furniture, removals, I.T. and other associated costs) to achieve these aims
- Seeks approval to the selection and appointment of a contractor through the Improvement and Efficiency South East (IESE) Tier 2 Framework, via a mini-competition process, to provide construction services for the refurbishment works

2. Background and Context

2.1 The Workstyle Programme

- promotes the release of resources to deliver efficiency and enable enhanced front-line service delivery
- ensures a closer match of corporate resources to job role requirements, in order to maximise effectiveness and to enable consistent, high-quality of delivery
- creates a new platform for the development of the corporate efficiencies agenda
- provides staff with a defined minimum quality of support, enhancing the work/life balance of individuals, and responding equally to the needs of both staff and customers
- assists in ensuring a more sustainable set of outcomes for the County Council
- promotes cultural change to improve organisational performance.

2.2 In February 2009, Cabinet approved the main principles of Hampshire Workstyle. The Workstyle vision is:

‘Transforming our existing workspaces into a modern, flexible office portfolio, whilst introducing flexible working arrangements. Providing the opportunity to generate efficiencies, deliver better services to customers, improve corporate performance, and enable greater collaboration and networking with partner agencies.’

2.3 Workstyle principles must be supported in four key areas for them to become and remain effective:

- Customer access strategy to maximise public access to our services face-to-face
- Creation of a flexible workspace having fewer, more efficiently used offices
- Introduction of Flexible Working practices and patterns, supported by a sustainable IT infrastructure
- Facilities Management, support services to work in synergy with building users’ operational requirements.

2.4 The Eastleigh Strategy

2.5 Eastleigh has been designated as a priority area for the rollout of the Hampshire Workstyle Programme.

2.6 In January 2010, as part of a report providing a broader progress update on Hampshire Workstyle, Cabinet endorsed the strategy to rationalise the office accommodation in Eastleigh.

2.7 The drivers for change in the Eastleigh area are set out below:

- The significant fragmentation of staff in the area, particularly Children's Services
- Russell House is in poor condition and is very overcrowded, making working conditions difficult for staff
- A major lack of facilities linked to function means that there is not adequate capacity for meetings and contact
- There is no integrated 'face of Hampshire County Council' in the town
- Demand for additional workstations from the Adult Services Devolved Finance Unit Payments staff temporarily accommodated in Hampshire House from October 2009
- The Music Service currently based at Rookwood School; the service is self-contained in a number of ways, having both an internal and external customer profile, and could use space more efficiently
- Other town centre buildings are partly occupied on leasehold arrangements e.g., Enterprise House and the Eastleigh Community Enterprise Centre (also known as Barton Park). It would therefore be of benefit to relocate these teams to another more efficiently used building.

2.8 The opportunity for change in Eastleigh comes as a direct consequence of the refurbishment of the former Ashburton Court in Winchester. In order to decant staff and release the spaces to the contractor, it was necessary to take a lease of two floors in Hampshire House, Eastleigh. This was a building that the County Council already part-occupied, and the additional space meant the County Council became the sole occupier.

2.9 On completion of the major refurbishment in Winchester, the staff who had decanted to Eastleigh returned to the newly named Elizabeth II Court, leaving two vacant floors in Hampshire House. It was always intended to keep this space longer-term to rationalise office accommodation in the area.

2.10 The strategy now is to use this space to create a new flexible office and customer access point in Eastleigh, in parallel with the disposal of a freehold office in Eastleigh known as Russell House. This office currently accommodates Adult and Children's Services staff, and is in poor condition and will be disposed of in due course.

2.11 The Eastleigh Strategy Key Headlines

The strategy will provide a range of financial and service benefits. The following are some of the key headline outcomes and benchmarks:

- On completion, following disposal, and at the end of lease position, property savings will be achieved of £204,000 pa (24%)
- IT hardware savings of £30,000 pa

- Backlog maintenance expenditure will be avoided estimated at £500,000
- Capital receipt generated of £700,000 (subject to planning permission)

2.12 Key Benchmark elements

• Gross office floor area occupied reduced	-	33%
• Reduction in IT desktops	-	32%
• Reduction in printer/copiers	-	70%
• Carbon reductions	-	30%
• Reduced space per head	-	15%
• Reduced property costs per head	-	20.5%
• Workstations furniture re-used	-	100%

2.13 The Hampshire House Option

A property rationalisation and staff relocation strategy has been developed in response to the above drivers for change. Hampshire House, whilst leased until 2019, provides a significant opportunity to deliver Workstyle in the Eastleigh area. This option would address the issues as follows:

1. Enable co-location of Children's Services staff in the area:

All teams in scope will be brought together with those who have a similar customer base and front/back office requirements. These include the Reception and Assessment, Children In Need and Locality teams currently at 1 Wessex Way, Colden Common (the lease on this property can then be relinquished), the Teenage Pregnancy Unit at Eastleigh Community Enterprise Centre, Barton Park and the Behaviour Support Team located at Enterprise House, Market Street.

2. Facilitate vacation and disposal of Russell House:

Russell House is owned by the County Council and has been identified as not fit for purpose and overcrowded. It is proposed to vacate and dispose of the building, relocating Adult and Children's Services staff to Hampshire House. The Integrated Learning Disability team, moving from Russell House, will require additional facilities, particularly in terms of a consulting room for the team Consultant Psychiatrist, who works in Eastleigh on a part-time basis. The receipt from the disposal of Russell House is earmarked as another contribution to the successful Elizabeth II Court refurbishment project in Winchester.

3. Provide improved facilities for meeting and contact:

Significant alterations are proposed to the ground floor of Hampshire House in order to address the current lack of public access facilities in County Council buildings in Eastleigh.

4. Provide an integrated 'face of Hampshire County Council' in the town:

Workstyle principles support the design of flexible office space, suitable for use by any HCC department. This project incorporates a local 'drop-in' centre which will provide visiting staff with supported flexible workstations from which to work.

5. Provide new accommodation for Adult Services DFU payments and IT staff currently in Hampshire House:

These teams are currently based in Hampshire House on a temporary basis. They will be relocated and proposals are currently being prepared.

6. The Music Service at Rookwood School, The Rookwood Centre:

It is proposed that in order to relocate some staff into Hampshire House, a separate, follow-on project is required to make the most effective use of the remaining space at the Centre, in the interim. It is intended to release the building from the County Council's portfolio in due course. A confidential report elsewhere on the agenda provides further information about the Rookwood building.

7. Enable the release of other town centre buildings occupied on leasehold arrangements:

Relocation of some staff from Enterprise House and all staff from the Eastleigh Community Enterprise Centre, Barton Park into Hampshire House enables the lease at Barton Park to be relinquished.

8. IT and HR currently occupying Hampshire House will be included in the scope of the project in terms of adopting flexible working practices. The ground and fourth floors will be remodelled to accommodate the new groups being relocated into Hampshire House.

9. For all staff likely to work in Hampshire House, there will be flexible facilities for meeting with, and supporting clients, including a family contact centre and other specialist facilities.

3. Scheme Proposals for Hampshire House

3.1. The scheme at Hampshire House generally comprises:

- The refurbishment and alteration of the ground and fourth floors to provide accommodation suitable for flexible working
- Existing accommodation at first, second and third floor level will remain largely unaltered (with some minor exceptions) and it has been deemed suitable for Workstyle following work undertaken previously as part of the Ashburton Court Decanting Strategy
- The altered and existing workspace will have the capacity to accommodate the numbers of staff/teams necessary to implement the staff relocation strategy
- Improvements to the main entrance and access, including a new reception point and waiting area at ground floor level
- A new, ground floor 'public contact facility' with a number of interview and contact rooms, and other service user facilities
- A new Workstyle drop-in centre is proposed at ground floor level
- An enhanced accessible toilet/baby change facility
- Improvements to the mechanical, electrical and IT services installations to support the necessary change to flexible working
- Provision of additional loose furniture, fittings and fixtures suitable for Workstyle

4. Finance

4.1 *Capital Expenditure:*

This report outlines the available funding within which the project is to be designed and delivered. The following tables show the breakdown of its distribution across the project:

Capital Expenditure	Current Estimate	Capital Programme
	£'000	£'000
Construction	630	-
Fees	63	-
Furniture and Equipment	130	-
Fees	10	-
IT Infrastructure	75	-
Land to be purchased	-	-
	908	-

4.2 *Sources of Funding:*

Financial Provision for Total Scheme	Buildings £'000	Fees £'000	Total Cost £'000
1. From Own Resources			
a) P&R Office Accommodation capital	360	40	400
b) P&R capital repairs	300	33	333
c) Furniture contribution from Facilities Management and Departments	120	-	120
2. From Other Resources			
a) Health (HPFT) Capital	55		55
Total	835	73	908

Building Cost:

This is an internal refurbishment project and therefore net/gross costs are not appropriate as a benchmark comparison.

4.3 *Revenue Issues:*

- a) Please see benchmark information in Section 2.11, 2.12 and 2.13 above showing savings and efficiencies.
- b) Energy Costs:
The overall energy costs and therefore carbon footprint will be 30% less as a result of the closure of other offices and the greater intensive use of Hampshire House.
- c) Energy Efficiency Measures:
 - Hampshire Houses currently produces 158 Tonnes of Carbon (146 Tonnes from Electrical Usage and 12 Tonnes from Gas Usage), the building currently performs well against the bench mark targets for carbon emissions and energy per m2/annum for office accommodation.
 - The refurbishment works will increase the energy usage for the building, and it will be likely that consequential improvements will be required, this increase is mainly due to the requirement for additional comfort cooling on the top floor required to offset summer

external/solar heat gains, it should be noted that all other floors have existing comfort cooling.

- There are some small measures being considered as this stage, which will reduce heat gains such as, lighting improvements and the introduction of solar film, there also aspiration to model the building for a natural ventilation solution.
- However the net result currently is that the building will still produce more carbon and use more energy than it currently does, despite this increase it is however anticipated that the building will still perform within the energy bench mark figurers for offices set by CIBSE.

4.4 *Implementation Timescale:*

- 4.4.1 It is proposed to procure the works through the IESE Tier 2 framework arrangements. It is anticipated that site operations will commence in late Summer 2010 and be completed by the close of 2010.
- 4.4.2 The appointment of a contractor through the IESE Tier 2 Framework to provide pre-construction services to a maximum value of £25,000 was approved by the Executive Member for Policy at Resources on 10 June 2010.

5. Risk & Impact Issues

- 5.1. Any significant issues from either the Risk or Combined Impact Assessment will need to have specific attention in the design and implementation of this project.
- 5.2. Please see Appendix B for a summary of the risk and impact issues considered in relation to the design of this project.

6. Details of site and existing Infrastructure

- 6.1. Hampshire House is leased by the County Council (with an end date of 2019) and all alterations are subject to Landlord's approval, which is in the process of being sought.
- 6.2. The building is situated to the east of the main shopping area in Eastleigh, directly opposite the main-line railway station. The building is also readily accessible by bus and there are various public multi-storey car parks in the vicinity. Good public footpath networks exist up to and alongside the building.
- 6.3. There is one principal entrance into the building at street level from Southampton Road, with a stepped and ramped approach. Some improvements are considered necessary to the ramp and the provision of additional handrails is also being considered. There is only one staircase internally and two lifts giving access to the other floors. The staircase and lifts also extend to a basement/undercroft car park area.
- 6.4. Vehicular access is gained via the basement/undercroft car park area off Mitchell Road. The latter is currently arranged to provide 58 car spaces,

including some disabled parking. There is a controlled access barrier at the site entrance.

7. Scope of Work for Hampshire House

- 7.1 In order to create the flexible workspace necessary for the introduction of flexible working practices and patterns, it is proposed to refurbish parts of Hampshire House, supported by a sustainable IT infrastructure.
- 7.2 In general the building is in a good state of repair and finishes are of an acceptable quality, although the fourth floor requires investment to bring this up to the same standard as the lower floors. Circulation is generally good, with corridors of adequate width and two lifts, both modern in appearance. However, the building has only one staircase and it is not considered feasible to introduce an alternative means of escape in the event of fire within the current building restraints. Therefore structural fire precaution improvements will be introduced and local management plans will be strengthened to enhance the fire safety arrangements for the building. Serviceable and adequate toilet accommodation is already available at each floor level, including an accessible facility at ground floor level.
- 7.3 The main entrance foyer will be altered to give independent access to a new reception point and the 'public access facility'. The latter will be created by re-modelling the existing office space. The facility will extend to approximately half of the ground floor area. The remaining space will be rationalised to provide open-plan office accommodation and drop-in space with separate and secure access. This will maximise the use of the ground floor accommodation as a whole. The existing staff kitchen and toilets will be retained, with some enhancements including the provision of a baby-change area for service users.
- 7.4 A new reception point will be provided with a waiting area (with facilities to access Hants-direct) and some back-of-house (FM) space. There will be secure access from the waiting area into the 'public access facility', controlled from the reception point. A number of interview and contact rooms will be provided here, varying in size and nature (some formal and some informal spaces are intended), the larger ones being capable of providing safeguarding conference facilities for up to 20 people for multi-agency consultations etc. Food and drink vending facilities are to be provided for service users.
- 7.5 The first, second and third floor accommodation has been appraised and found suitable for Workstyle, requiring minimal investment. A minor alteration to provide two quiet rooms will be introduced at first floor. A drop-in facility can be created within the new arrangement of the accommodation at ground floor level. Furniture, equipment and IT improvements will be necessary in this area to support the drop-in concept. The second floor accommodation currently has three large training rooms which will be retained.

- 7.6 The fourth floor is currently arranged as cellular office accommodation, not suitable for Workstyle. Most partitions are demountable, allowing the floor plate to be opened up by removal of the partitions and other fixed furniture and equipment. Some partitions will be retained/reused where quiet rooms and meeting rooms are required. A central resource area will be created to resemble facilities already in place on the lower floors. There is no dedicated communications room at this level (as there are on the floors below). The proposals seek to address this issue.
- 7.7 It is necessary to carry out significant improvement to existing mechanical and electrical systems to support the level of alteration work proposed on the ground and fourth floors. A review of building security devices has also been incorporated into the design to reflect the new occupancy arrangements. IT provision throughout the building can generally support Workstyle, but again significant improvement is required at ground and fourth floor and supplementary services are required in other areas of the building e.g. for new touchdown areas and in the 'drop-in' facility.

8. External Works

The project is principally an internal refurbishment scheme and no external works are proposed. However, a bridge structure linking to the existing hard landscaping/approach off Southampton Road will be constructed to give access to the new front entrance doors. Some minor improvements may be made to the existing external ramp and adjacent glazing (currently included – to be confirmed).

9. Planning

This internal refurbishment scheme does not require planning approval. In consultation with planning officers, the introduction of new entrance doors is considered allowable as permitted development.

10. Building Management

New Facilities Management (FM) arrangements will be introduced.

11. Professional Resources

Mechanical and Electrical)	
Structural Engineering)	
Architectural)	Property, Business & Regulatory Services
Quantity Surveying)	
CDM-Coordinator)	

12. Consultations

- 12.1. The following have been consulted during the development of this project and any relevant feedback can be seen in overview in Appendix C:

Local County Councillor

Client Departments affected by the Eastleigh Strategy (effected through the 'Eastleigh Steering Group')
PBRs Fire Safety Manager
Access Officer
Hampshire County Council/Local Planning Officers

13. Recommendations

That the Executive Member for Policy and Resources approves:

1. The design proposals for the refurbishment of Hampshire House as part of the Eastleigh Strategy for Workstyle, at a total estimated cost of £908,000 (including fees, furniture, removals and other associated costs).
2. The selection and appointment of an IESE Tier 2 Framework contractor to provide pre-construction services up to a maximum of £25,000 in connection with the improvement and refurbishment works at Hampshire House
3. The funding as shown in paragraph 4.2, specifically the expenditure of office accommodation and Capital Repairs Budgets.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

RISK & COMBINED IMPACT ASSESSMENT:

Race and Equality Impact Assessment

Race and equality impact assessment has been considered in the development of this report and no adverse impact has been identified.

Crime Prevention Issues

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

Fire Risk Assessment

In consultation with the Hampshire Fire and Rescue Service, a fire risk assessment has been undertaken and proposals submitted to Property, Business & Regulatory Services' Fire Safety Review Group for the proposed scheme.

Health and Safety

A designer's risk assessment and a design health and safety plan, in accordance with the Construction Design and Management Regulations 2007, have been undertaken for the proposed scheme.

Asbestos

Hampshire Scientific Services have been commissioned to carry out a full review of the existing asbestos register for the building. Survey outcomes are anticipated in July. It will not be possible to undertake a fully intrusive asbestos survey at this time as the building is substantially occupied.

Climate Change

Hampshire County Council wishes to incorporate the following sustainable features within the scheme:

- Effective reduction in the County Council's carbon footprint by maximising the use of Hampshire House, thus enabling some other existing buildings in the Eastleigh area to be vacated (Russell House being the only freehold interest, the others currently being leased)
- Reinvestment in existing building stock to improve the effectiveness of the accommodation and prolong its useful life
- The introduction of new energy-efficient mechanical and electrical services, where pragmatically possible as part of the works.

FEEDBACK FROM CONSULTEES:

OTHER FORMAL CONSULTEES:

Organisation	Reason for Consultation	Date Consulted	Response:
Cllr K House	Local Member	7.07.10	Cllr House thanked the officers for the wider consultation exercise and confirmed his support of the proposed rationalisation into Hampshire House. He asked for more in the report on energy use of the existing building and what opportunities have been taken to improve energy efficiency in the refurbishment works and this has been added to the report.
Cllr C Thomas	Local Member	7.07.10	Cllr Thomas asked the following: “What provision will there be for visitor (and in particular) accessible parking facilities following the move from Russell House to Hampshire House?” It was confirmed that there are two public car parks very close to Hampshire House which currently provide free parking for Blue Badge holders. One of these car parks has a level access route to Hampshire House. Parking for disabled visitors to the building has been carefully considered and the public parking solution is felt to be the most convenient for members of the public and cost effective for the County Council. Appropriate communications are being developed for all visitors to the building.” He also asked for a breakdown of the costs in more detail and this has been provided. It should be noted that the works are significant including major

			refurbishment to two of the floors, which makes demolition of the internal walls and re-provision of replacement ceilings, floors and services to make it suitable for flexible working. The local Member is very supportive of the proposals for the release of the Rookwood site for alternative uses subject to the potential purchaser securing funding.
Cllr A Broadhurst	Local Member	7.07.2010	Cllr Broadhurst said that he did not need to make a comment.

Eastleigh Steering Group

Eastleigh Steering Group members have been consulted. They include representatives from Adult Services, Children's Services, Culture, Communities and Rural Affairs department, Chief Executive's department, Environment department, Facilities Management, Hampshire Music Service, HR, I.T. and PBRS Workstyle.