

<b>Subject:</b>	Business Centre Improvement Works	<b>Status:</b>	For Publication
<b>Report to:</b>	Full Council	<b>Date:</b>	8 September 2021
<b>Report of:</b>	Facilities Management Officer	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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<b>1.</b>	<b>RECOMMENDATION(S)</b>
1.1	To approve Capital Funding for the Post Covid 19 Building Works and Office Moves within the Business Centre at Futures Park Bacup.
1.2	To approve an addition to the Capital Programme of £44,000 to be funded from either borrowing or capital receipts.

## 2 PURPOSE OF REPORT

- 2.1 To seek approval from full council to approve capital funding for building works and office moves within Futures Park post Covid.

## 3. BACKGROUND

The Covid-19 pandemic enforced homeworking and arrangements were made for the majority of office based council staff to work remotely from home to continue to successfully deliver the council services. The council has subsequently taken the opportunity to review staff working practices and developed a more flexible working policy to support a more agile and outcome based working module, this will include more flexibility for staff to work remotely as needed whilst continuing to maintain efficient and effective service delivery.

In addition, the council has completed an options appraisal to support a review of the most efficient usage of The Business Centre, Futures Park building, following a change in the shift of the focus for all business sectors during and post Covid pandemic.

Considerations taken into account of the use of the building most effectively include:

- Revisiting the use of all available space at Futures Park
- Improved synergy to office locations and use
- Creation of additional meeting rooms and private working areas
- Considering future growth requirements
- Commercialisation of The Business Centre
- Future use of the One Stop Shop (OSS).

In order to prioritise the opportunities in alignment with demand, any works would take place on a stage-by-stage basis considering; the Business Centre, council offices, car park, break out area and future use of OSS.

## **The Business Centre**

The Business Centre offers services to our partners and independent businesses within the private and third sectors through leasing of rooms to private tenants, renting out boardrooms, meeting rooms on daily basis for which we have a pricing structure.

To improve this current arrangement, it is proposed that the externally leased offices are situated in a dedicated area of the building, separate to the council main function. The 1<sup>st</sup> floor west wing would be allocated with exclusive use of private tenants. Private tenants would have their own entry /exit door via the OSS and the existing FOB security door system would be upgraded and programmed to accommodate this. Tenants would continue to have full use of facilities on the 1<sup>st</sup> floor including welfare facilities and all tenant meeting room bookings would be within the existing boardroom Room 110. The provision of access to free on-site parking would remain.

Currently there is one private tenant situated on the 1<sup>st</sup> floor west wing that would be required relocation to the east wing and the relocation of the three council storage rooms from the east wing to create additional vacant tenant rooms to lease. The vacant rooms would be decorated to a commercial standard and would be offered on an unfurnished, managed basis. The marketing strategy would be enhanced to create individual listings, increased agent engagement and listings on the existing Invest in Rossendale Pages.

The lease rates would remain as existing although specialised rates will be agreed with third sector users.

In speaking with local agents and SMEs, it is noted that the current climate demonstrates a demand for new start-up businesses who are trying to navigate a new way of working. In the business environment, the location of your business can make a big difference providing prestige and professionalism.

Futures Park has an ability to re-launch a Virtual Office provision. This service would allow businesses to hire a mailbox at Futures Park for approx. £25 per calendar month plus vat. All businesses would be thoroughly vetted. This service would provide a business address that businesses can use on their websites, advertising etc. They will also be able to collect mail securely stored via the OSS during business hours, access the on-site meeting rooms to meet with clients and would have access to networking events and business support through the council's Economic Development Team. As their business grows, the business centre offers the provision of physical offices to expand into.

## **Council offices**

The relocation of the Business Centre tenants and storage creates an opportunity to consider the layout and use of the council offices. Further to internal consultations and taking future growth into consideration, a matrix has been drawn up of proposed space allocations against the following criteria:

- Improve synergy to office locations to promote cross service working
- Access to paper files for those teams that require this
- Sufficient officer accommodation spacing within offices
- Additional smaller meeting rooms for internal meetings
- Access to breakout space and provision to support online/private working stations.

There is room to rationalise requirements and streamline office storage, although, staff will

have a requirement to still attend online meetings and will need access to quiet space as well as breakout space to support space requirements. As we move forward post Covid-19 it is critical that any moves support not only current requirements and have potential to support future department expansions and changes easily.

The council offices currently have high speed broadband and use the wireless facilities in the building, however there is a need to extend the wireless coverage throughout the building to mitigate any potential 'black spots' access issues and provided officers with the availability to work effectively from all areas of the building.

A relocation would facilitate two meeting areas for one to ones and private working space.

### **Car Parking**

During the Covid-19 pandemic the car park has increasingly been used by people not working or visiting the building. To ensure the future correct usage of the car park new signage will be installed with "visitors only" in the 1<sup>st</sup> car parking quadrant and "staff and tenants only" signs for the remaining 3 quadrants. Staff will be issued with car parking permits. If the signage fails to be effective alternative methods will need to be explored. The car park will also be re-lined on completion of the construction work for Plot 1.

### **Breakout Area**

The current breakout area on the ground floor would be reviewed with options to include functional desk spaces that could be used during business hours enabling staff to move from their dedicated desks when needed.

### **Future Use of One Stop Shop**

Further consultation will be carried out with customers, partners and elected members to review the usage of the One Stop Shop.

## **4. RISK**

- 4.1 Failure to implement the proposed changes will reduce the opportunity to generate more revenue from room rental to private tenants and restrict flexible working practices of officers in the post covid agile working environment, such as, virtual meetings etc.

## **5. FINANCE**

The works to be carried out will include forming a designated tenant only area on the 1<sup>st</sup> floor west wing this works will include a new private tenant only entrance with up-graded door entry security FOB system and an existing tenant will be relocated from the 1<sup>st</sup> east wing to the new private tenant area.

Instillation of improved wireless network switches with additional wireless devices to increase the wireless coverage throughout the building.

The car park will be re-lined and new signage will be erected in the car park creating designated visitor and staff only parking to ensure sufficient car parking is available for staff and private tenant.

Works will be completed to facilitate to the Rossendale council offices will be carried out,

two new photo copying rooms will be created which will be strategically positioned to improve productivity and a new resource stationary room will be created to accommodate a new central stationary system.

Office moves will be carried out to improve office area space for staff, support cross service working and provide more private working space improve office area space for staff.

The total cost of the capital works is estimated to be £44,000, however the works will be carried out on a phased basis

It is anticipated that the additional revenue cost of £7,500pa. will be funded by the additional rental income generated by attracting new tenants, following the implementation of the capital works.

In a typical year our existing tenants generate an annual income of c£38k for the Council, with the works and improvements we estimate a further annual income of up to c£18k, totalling £56k pa.

As at 31<sup>st</sup> March 2021 the Council had £2.647m of unallocated capital receipts which could be used to fund this scheme. Officers will give consideration as to the optimum funding arrangements, which may include: use of capital receipts, internal borrowing and any other requirements for PWLB borrowing. Should the Council require to borrow to fund the project the table below shows the financial impact.

10 Years

Financial Model (£000s)	Yr1 £000	Yr2 £000	Yr3 £000	Yr4 £000	Yr5 £000	Yr 6/10 Ave £000	10 Years £000
<b>Rental Income</b>	11	11	11	11	11	11	<b>Total Project cost</b> 47
Minimum Revenue Payment	4	4	4	4	4	4	<b>Total Income</b> 110
Interest	1	1	-	-	-	0	
<b>Expenditure</b>	5	5	4	4	4	5	
<b>Surplus/(-)Deficit*</b>	6	6	7	7	7	6	<b>Net Surplus/(-)Deficit</b> 63

NB

1 - £44k PWLB Borrowing over 10 yrs

2 - Asset life and MRP over 10 yrs

3 - £18.5k p.a. rental income, less £7.5k contribution to additional revenue costs

The works will be procured in accordance with the Council's procurement rules.

Following the capital works the ongoing repair & maintenance will be met from within existing revenue budgets.

## 6. LEGAL

- 6.1 All contracts for goods and services will be tendered and let in accordance with the Council's constitution and public procurement regulations to ensure value for money is obtained and mitigate any challenges to the procurement process.

## **7. POLICY AND EQUALITIES IMPLICATIONS**

7.1 No policy or equalities implications.

## **8 CONCLUSION**

8.1 The impact of Covid-19 has provided the council with an opportunity to review the Business Centre and make improvements to better place the private tenant offering and increase revenue potential, review the current room allocation of council officers to improve synergies to promote effective cross service working, create additional internal meeting rooms and private working areas post Covid-19.

8.2 To approve the capital funding of £44,000.