

AGENDA ITEM No:



Finance, Smart City & City Management Policy Scrutiny Committee

Date	24 March 2021
Classification:	General Release
Title:	Rationalisation of Council Buildings
Report of:	Gerald Almeroth
Cabinet Member Portfolio:	Councillor Swaddle, Executive Member for Finance & Smart City
Wards Involved:	All
Policy Context:	Medium Term Financial Plan
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1. Executive Summary

This report outlines the approach being taken to facilitate multi-service community focused spaces which in turn contribute to reducing the council's corporate property footprint. The Vibrant Spaces Framework seeks to enhance service delivery via the co-location of council services whilst delivering the required revenue savings needed for the future.

All services across the council have the opportunity to discuss and input into the approach – engagement sessions have been held throughout February and March to ensure that the thinking is well rounded and inclusive of viewpoints.

2. Key Matters for the Committee's Consideration

The Committee are asked to comment on the approach of synergistic council services delivered together from one location designed to meet the needs of the local community. The Committee are particularly asked to consider the following key question:

- How do we rationalise our operational estate whilst also enhancing service delivery?

**If you have any queries about this report, please contact Claire Barrett, Director of Corporate
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APPENDICES:

APPENDIX 1: Vibrant Spaces Framework Process Map

APPENDIX 2: Summary of properties with rationalisation potential

BACKGROUND PAPERS

None

1.0 Introduction

1.1 In July 2020, as part of the Medium-Term Financial Strategy, the Corporate Property team committed to reducing the corporate property footprint by 10% by cost by 2025. This is c. £2.1 million. This target relates to the Operational Estate, but the team are including some investment properties where those are empty with no secured future.

2.0 Background

2.1 The council's operational estate comprises 191 operational assets including parks and gardens. The Corporate Property team does not manage any Housing Revenue Account assets or public toilets but all other assets including libraries, leisure centres, offices, family hubs and depots falls within the remit of Corporate Property. Up until 2020 the service cost just over £20 million p.a. to run.

2.2 The council's office estate is not extensive with the majority of provision at 64 Victoria Street and at Lisson Grove/Orchardson Street. However, it is intended to review the extent of provision in the light of the impacts of COVID and the successful move to more agile/remote working.

3.0 Progress to Date

3.1 A number of opportunities were identified where progress could be made quickly and thus activity has already been progressed over the last 6 months resulting in over £300,000 full year saving for the council.

Property Identified	Information Collection	Service Liaison	Identify Options	Option Appraisals	Decision	Implementation	Completion Date	Full Year Savings
Crompton Street (Children's Services Teams)	✓	✓	✓	✓	✓	✓	May 2021	121,885
Brunel Contact Centre (Children's Services)	✓	✓	✓	✓	✓	✓	May 2021	100,000
River Road, Barking (seized goods storage)	✓	✓	✓	✓	✓	✓	December 2020	86,000

307,885

3.2 As well as managing the move of four separate Children's Services teams to their new base at Orchardson Street, proposals for the now vacant properties at Crompton Street and Brunel are progressing. The Residential Development Infills team have been progressing proposals for the Brunel site for some time and a Strategic Outline Case has been agreed which results in residential redevelopment of the site. This contributes to the council's housing priorities. Option appraisals for Crompton Street site are currently being developed and these options include:

1. Repurposing the property for alternative council usage.
2. Leasing the property in its current condition or leasing once improvement are made.
3. Sale.
4. Redevelopment.

3.3 The Corporate Property team have worked with the Finance team to build a financial appraisal model to baseline each vacant asset and thus assess the merits of each option consistently against council aims. This tool is being used as an important lens to inform the option appraisal process. It should be noted it is not the only lens that assets need to be assessed through.

3.4 There are a number of other properties which are subject to option appraisal work and these include the following assets.

Property Identified	Information Collection	Service Liaison	Identify Options	Option Appraisals	Decision	Implementation	Comments
1 St. Mary's Terrace	✓	✓	✓				Current Location for NSL Parking Services
Harwood Avenue	✓	N/A	✓				Former Sodhexo premises. Development options brief submitted
Lisson Cottages	✓	N/A	✓				Development options brief submitted
Sussex Street	✓	N/A	✓				Development options brief submitted
Bayswater Children's Centre	✓	✓	✓				Some temporary occupations currently. Development options brief submitted
Elgin Avenue	In progress	N/A					Basement premises in a block owned by a housing association
88 Bravington Road	✓	✓	✓				Development options brief submitted
133 Lupus Street	✓	✓	✓	✓	✓	✓	Decision taken to market

Further property details, commentary and estimated programme timeline is shown in the schedule in Appendix 2.

As can be seen, five properties/sites are currently being considered by the Development Team. Their analysis will help to inform the option appraisal work outlined above. The output of this work will be examined by officers at the Strategic Property Board ahead of formal consideration by the Cabinet Member for Finance & Smart City and other relevant Cabinet Members.

4.0 Vibrant Spaces Framework

4.1 The council does not have a large office-based estate as previous workspace consolidations have released buildings and costs from this portfolio. The work therefore to rationalise council buildings will be enabled by how we work with services to redefine the physical space and place-based offer, so that individuals and communities can access more of the facilities and services that they need in one accessible location. This will create a suitable environment which aligns to our future delivery model. We have called this approach "Vibrant Spaces". It represents a unique opportunity to co-locate services and deliver enhanced and integrated provision for residents. The Framework sets out an area-based approach to enhance service provision in neighbourhoods to benefit communities. The Vibrant Spaces Framework will enable services

to look beyond immediate service needs and be flexible to change incorporating different models of working underpinned by co-operation and collaboration. Making the best use of public money to meet the needs of our Westminster communities fundamentally underpins this vision.

4.2 Vibrant Spaces Vision

To enhance service provision through the co-delivery and co-location of services and by so doing, improve the offer to the community, creating a seamless delivery model and reducing annual revenue costs.

4.3 City for All

The Vibrant Spaces Framework is underpinned by the council's City for All strategy.

Greener & Cleaner

This work will include a comprehensive analysis of the carbon footprint of our operational buildings and provide cost analysis for meeting the council's target of net zero carbon emissions by 2030. This analysis will sit alongside condition surveys and accessibility audits and provide data to inform the suitability and viability of our existing estate in meeting this target. All options will be explored to provide premises that meet all requirements including analysis of whether current plans for new buildings can be modified to deliver the approach.

Vibrant Communities

The co-location of services offers the opportunity to enhance community service provision via the ability to access more council services in one place/space. This work will integrate with the programme to ensure our spaces are accessible, as currently a significant number of operational buildings including half of all libraries, are not fully accessible.

Smart City

Covid has changed service delivery irrevocably, accelerating both remote working and remote access. This change has resulted in greater service accessibility and underscored for many service users that a different approach is better for them; providing flexibility and greater choice. The desire for remote service accessibility is unlikely to change and the council must adapt to these different demand and expectation patterns and build on the radical ways that we have continued to support communities. There has been a focus away from physical spaces and in some areas e-provision has seen an increase in uptake. For example, analysis of remote consultation events held last summer, shows that using online and other distanced consultation methods results in a far higher level of engagement and from a wider demographic compared to traditional physical events.

Thriving Economy

We will exploit commercial opportunities arising from the co-location of more council services in fewer buildings. This will include but extend beyond traditional commercial opportunities such as catering. We will also examine in collaboration with service departments, whether different delivery routes can open up more commercial opportunities for local business and entrepreneurs. There is a clear relationship between the council's environmental goals and the creation of jobs and enhanced, transferrable skills.

4.4 Services in Scope

The following council services are within scope for this work.

DIRECTORATE	SERVICE AREA	NOTES
Adult Social Care & Public Health	Supported living/care homes	
	Adult day provision	Including Community Access Westminster
Finance & Resources	Corporate Offices	City Hall. Lisson Grove. Orchardson Street
	Surplus operational properties and storage	Including Harewood Avenue, Sussex Street and Elgin Ave
	Investment Properties	Vacant space, VCS properties etc
Growth, Planning & Housing	Carparks (HRA)	
	Housing Offices (HRA)	
	Community Centres (HRA)	
	WAES	Lisson Grove, Amberley Road and Pimlico current bases
Children's Services	Children's Centres	Including Bayswater
	Family Centres	
	Early years/nurseries	
	Schools	Identification of under-utilised space
	Registrar Service	
	Libraries	
Environment & City Management	Depots	
	PALS	Leisure Centres
	Parking Services	
	Markets	

- 4.5 The work will explore potential links to development/regeneration sites managed by the Development Team where, for example, ground floor uses of new developments could provide opportunities for council service provision. It will also consider opportunities within the non-residential HRA estate (e.g. housing offices, car parks/garages etc for depot use).

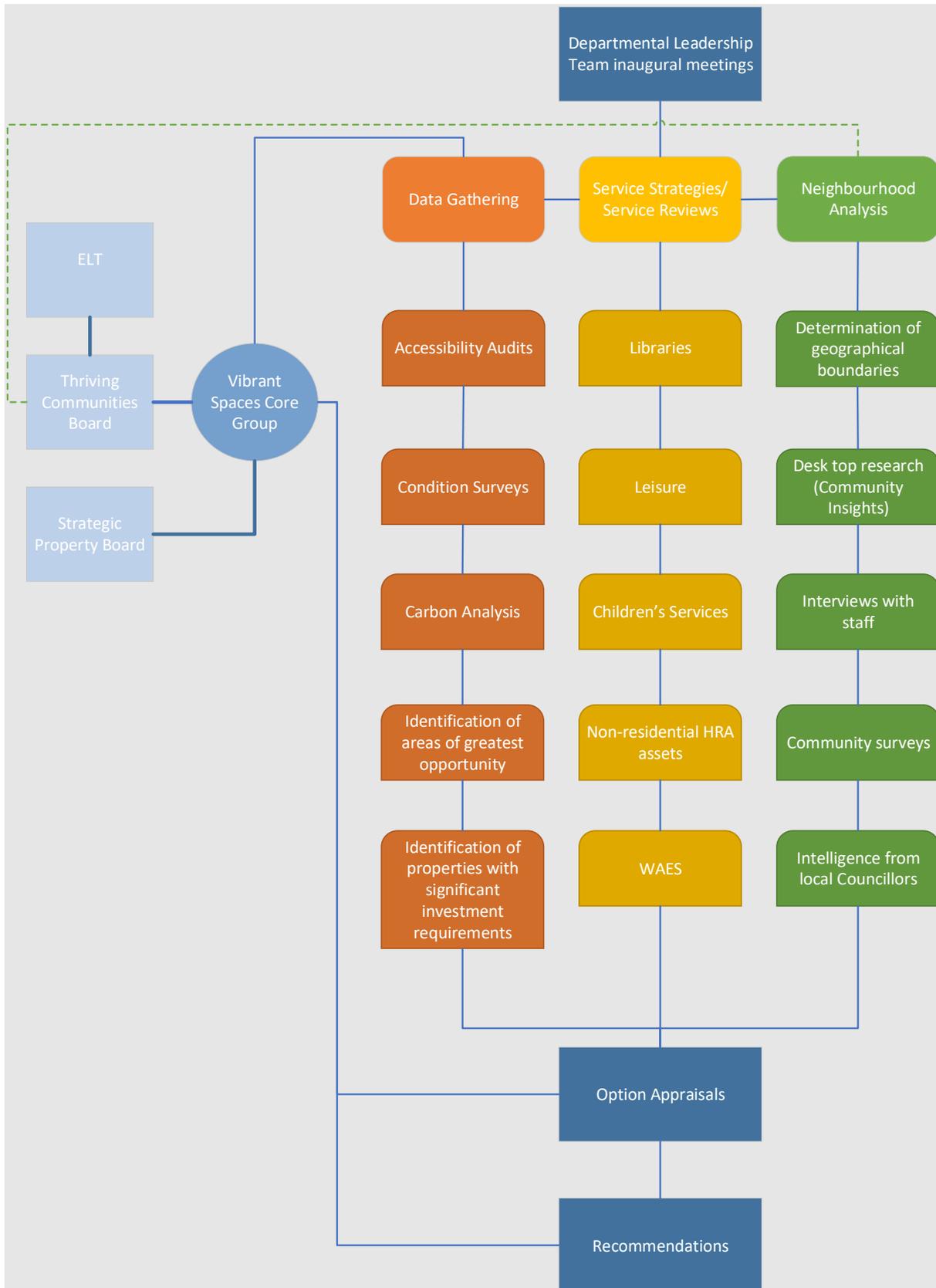
5.0 Approach

The approach is based on the provision of council services across the borough, with services tailored to communities and what other offers are available in the neighbourhood or wider locality. Different spaces will provide different services and the analysis of what services are provided and in which neighbourhoods is absolutely pivotal to supporting the service reviews. How the approach seeks to capture these different strands is captured in the graph on Appendix 1.

6.0 Next Steps

Baseline data including condition surveys, accessibility audits and decarbonisation estimates will be completed by the summer. This data will inform discussions with services about the optimum location of their services going forward. Engagement has commenced with individual management teams to communicate the principles set out in the Vibrant Spaces Framework and agree timescales for service reviews. The broad aim is to report on opportunities in Autumn 2021.

APPENDIX 1: Vibrant Spaces Framework Process Map



APPENDIX 2 - SUMMARY of OPTIONS APPRAISAL PROPERTIES

Site/RAG readiness	Address	Ward		Description	Status / Key Dependencies	Options Brief request	Options Report / Finance Model	Estimated SPB submission
1	1St Mary's Terrace,	Little Venice		A large, attractive, end of terrace period building, neo-Georgian in style, comprising basement, ground, first and second floors, a large rear garden and outbuilding housing workshop. Currently occupied by business supporting Council service, but part formerly used as a childrens nursery (permitted use classification Use Class E encompassing offices, retail, nursery, creche and some medical services)	Vacant possession. Currently occupied by business, but identified for rationalisation of space.	Feb-21	Apr-21	TBC
2	Harewood Avenue	Bryanstone & Dorset Square		A single storey 1960's steel frame building formerly occupied by Sodexo to run food preparation service for Children's Services. The building comprising 342 sqm is currently used for temporary storage, and is on part of a larger WCC site.	Vacant. Assessment of optimal use/design.	Feb-21	Apr-21	TBC
3	Lisson Cottages	Church Street		Difficult access with no street frontage, in mixed commercial and residential area. Grade II listed building comprising 3nro. C19th cottages, over basement, ground and first floor accommodation. Poor condition requiring capital expenditure to make habitable.	Vacant. Overlooked and shared pathway access. Major repair works required to make habitable.	Feb-21	Apr-21	Apr-21
4	3-13 Sussex Street	Pimlico		Site located at the end of residential terraces located in Pimlico Conservation Area, predominantly residential with some commercial uses. Site comprises 0.16 acre and currently occupied on flexible lease enabling VP on 6 months notice.	Subject to VP and planning potential development will improve footprint and efficient use of site.	Feb-21	Apr-21	TBC
5	Bayswater Children's Centre	Bayswater		15-20 year old Sure Start funded, purpose-built, "Kidney bean" shaped, former children's centre, which ceased operation some 4 years ago and the building has been occupied in part subsequently by Fit for Sport (LGF) and recent Sept 2020 letting of mezzanine floor to Chelsea Hospital School, on short term lease. Total of 470 sqm GIA (gross internal area).	Subject to vacant possession and conversion challenging due to nonorthodox shape and aspect.	Feb-21	Apr-21	TBC
6	61-63, Elgin Avenue	Harrow Road		Leasehold interest in basement accommodation only of Housing Association residential block. Currently used for temporary storage. GIA 324 sqm.	Basement accommodation with separate access via ramp and through car park. Leasehold premises only 75 years unexpired. High costs of adaptation works and limited flexibility for alternative use.	N/A	N/A	TBC
7	88 Bravington Road	Queen's Park Road		A detached brick-built Victorian dwelling, with basement, ground and two upper floors providing 697 sqm GIA. Currently occupied as a Family Centre, pending relocation (business case approved).	Vacant possession in short/medium term.	Feb-21	Apr-21	TBC
8	133 Lupus Street	Churchill		70 sqm		N/A	N/A	TBC