
Willcox House Relocation

Appendices 1-9 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraphs 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Purpose of this Scrutiny Report

1. To summarise papers advising the Cabinet of the position in respect of one of the Council's three core offices, Willcox House, in preparation for scrutiny of the proposed decision to negotiate suitable terms for a short-term extension to the lease; and to relocate staff and services currently based at Willcox House.

Structure of the Papers

2. To facilitate the pre-decision scrutiny the following papers and confidential appendices are attached to this report:

Appendix A: Cabinet Report: 12 NOVEMBER 2020

Appendix 1: Section 25 Notice (Willcox House)

Appendix 2: Heads of Terms (Willcox House)

Appendix 3: Staff/Service Relocation Report

Appendix 4: ARC Relocation Report

Appendix 5: Site Details (ARC Relocation)

Appendix 6: Heads of Terms (ARC Relocation)

Appendix 7: Valuation Report

Appendix 8: Surveyor Report (Willcox House)

Appendix 9: Finance Report

Structure of the meeting

3. If Members wish to ask questions pertaining to confidential appendices 1-9 of the papers the Chair will move that this item be considered in a closed session.
4. To present the Willcox House relocation proposals and answer Members' questions the following will attend this remote Microsoft Teams meeting:
 - Councillor Russell Goodway, Cabinet Members Investment and Development;
 - Neil Hanratty, Director of Economic Development;
 - Chris Barnett, Operational Manager Economic Development; and
 - Giles Parker, Head of Property, will attend the remote Microsoft Teams meeting.

Scope of the Scrutiny

5. The Committee will receive a presentation and briefing on proposals:
 - to release the Council from a long-term lease commitment of Willcox House;
 - to relocate essential ICT infrastructure to a preferred site; and
 - to relocate staff to existing core offices.

Members may wish to test the principals and protocols of the proposals in line with corporate policies and previous concerns expressed by the committee. Members have the opportunity to explore key factors shaping the issues and proposed solutions, the financial implications of the proposals to the Council, whether there are risks to the Council within the proposals, and next steps and timelines.

Background

6. The Committee's Terms of Reference confer responsibility for scrutiny of the Council's property estate. This is comprised of both '*operational*' property from which the Council operates and delivers its services, and '*non-operational*' or 'investment' property which is often let for commercial return or to promote local employment, small

businesses and the economic regeneration of local areas. The Council's operational and non-operational estates both fall within the Investment and Development Cabinet Portfolio.

7. The Council has a five year Corporate Property Strategy (2015-20) in place, establishing clear targets to deliver the three strategic objectives of modernisation, rationalisation and collaboration. In relation to the core office estate it outlines that the Council's office footprint will need to reflect the move to more modern working practices; the office estate is outdated, in extremely poor condition and in need of significant investment and modernisation; there are opportunities to develop a more sustainable property portfolio, with a lower carbon footprint; and substantial investment will be required to bring retained office buildings up to a standard that would make them fit for purpose over the next 30 years.
8. The Council's overall policy of 'fewer but better' operational buildings, outlined in Capital Ambition, the Corporate Plan and the Property Strategy, is seen as critical to delivering improved services, a more productive workforce with improved wellbeing, a reduced carbon footprint and lower overall cost.
9. The majority of staff normally based at Willcox House, County Hall and City Hall are currently working from home. The Cabinet report of 11 June 2020 *Restart, Recover, Renew: Next Steps for Cardiff during the Covid-19 Crisis* recognised the impact of the pandemic on current and future working arrangements. With working from home entrenched as the 'new normal', the Council now has a real opportunity to change services for the better with long-term implications for the organisation's sustainability and carbon footprint. As remote working continues, analogue and paper based processes will be progressively replaced by digital systems, presenting an opportunity to embed smarter working that will require a smaller office footprint longer term.
10. Willcox House is occupied under a 15-year lease agreement due to expire on 1 March 2021. It accommodates approximately 700 staff including the Council's C2C Contact Centre and switchboard, the security and surveillance team, the Telecare team, the Alarm Receiving Centre (ARC), and the Social Care Emergency Duty Team (EDT).

Issues identified in the Cabinet Report

11. The landlord of Willcox House has served the Council notice to terminate the existing lease on the contractual expiry date of 1 March 2021, proposing terms for a new lease. **(Appendix 1)**. Attached at **Appendix 2** is the Council's agreed Heads of Terms for a short-term lease extension to allow for the vacation of Willcox House and the relocation of staff and ICT infrastructure.
12. **Appendix 3** provides a high-level summary of the work required to transfer all staff out of Willcox House by 1st March 2021. The Council's Change Delivery Team is determining new working requirements within existing accommodation to enable the office-based workforce to operate with more agility, where home working and remote working are the norm.
13. Three services currently located at Willcox House must suffer no disruption, downtime, or lapse in service in moving location. The ARC, the Emergency Duty team (EDT) and Telecare services team provide 24/7 'life and limb' type services. **Appendix 4** sets out independent advice on options for their relocation including layouts, design, building works and ICT requirements for the preferred location. The recommended solution is to deliver a standalone ICT site that will house the relocation of the ARC and Disaster Recovery services from Willcox House, but also have the long-term capacity to relocate other ICT services such as the Data Centre and Telematics from County Hall.
14. **Appendices 5 & 6** set out the marketing details and agreed terms for the proposed new site, offering the Council the opportunity to meet the required timescales, merge the Telematics service, and relocate the current Data Centre contained at County Hall. External valuation advisors have confirmed that the purchase price represents market value **(Appendix 7)**.

Proposed Recommendations to Cabinet

15. The report attached at **Appendix A** recommends that the Cabinet delegates authority to the Director of Economic Development, in consultation with the Cabinet Member for

Investment and Development, the Director of Communities, the Monitoring Officer and the Section 151 officer to:

- I. Agree a 12-months extension of the Willcox House lease with a 6-month rolling break to manage the transition of staff and services out of Willcox House.
- II. Complete the acquisition of the property set out in Confidential Appendix 5 and in line with the terms set out in Confidential Appendix 6 to enable the relocation of the ARC (Alarm Receiving Centre) and the Disaster Recovery Unit from Willcox House.
- III. Progress the relocation of staff and services from Willcox House as set out in Confidential Appendix 3.
- IV. Progress a Disaster Recovery Strategy.

Way Forward

23. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 1-9**. Members will be invited to agree the meeting go into closed session should they wish to discuss this information.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements

imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to

- I. consider the information presented in this report and at the meeting; and
- II. make any comments or recommendations on the proposals listed at point 15 above, to inform the Cabinets decision programmed for 19 November 2020.

Davina Fiore

Director of Governance & Legal Services

4 November 2020