



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	CABINET – 13 JULY 2022
Report Number	AGENDA ITEM No. 7
Subject	OUTLINE BUSINESS CASE TO IMPROVE OPENESS AND TRANSPARENCY IN COUNCIL BUSINESS AND SUPPORT AGILE WORKING AND DECARBONISATION MEASURES
Wards affected	Witney North
Accountable member	CLlr Andy Graham, Leader Email: andy.graham@westoxon.gov.uk
Accountable officer	Claire Locke, Group Manager Email: claire.locke@publicagroup.co.uk
Summary/Purpose	To seek agreement to changes to Woodgreen and Elmfield Council offices to facilitate the implementation of the Agile Working Strategy, reduce costs and carbon impact of the Council's operations and increase public accessibility.
Annexes	Annex A - Proposed building layout for each option Annex B - Equalities Impact Assessment Annex C - Current emissions from Woodgreen and Elmfield offices
Recommendation/s	It is recommended that Cabinet resolves to: (a) Support Option 2 in section 4 to upgrade technology in the Council Chamber and Committee rooms plus modernisation of the Council Chamber and public spaces to create an attractive, flexible and publicly accessible space; (b) Confirm that, the first floor of 3 Welch Way offices will not be re-let when the current tenancy ends to enable use of this space for staff; (c) Note that a report will be brought back for decision on the future letting options of Elmfield, to consider how that space is utilised; (d) Delegate a final decision on a replacement heating solution to the Chief Executive in consultation with the Leader and Cabinet members for Climate Change and Finance;

	(e) Recommend to Council to allocate £2.15m of funding from the Capital Programme “Investment Strategy for Recovery” line item to facilitate the changes and deliver up to £186,000 of net annual revenue benefits with a return on capital of up to 10% after capital financing costs.
Corporate priorities	<p>Operate with a culture of openness, giving you a voice, choice, priority and access.</p> <p>Securing your Council’s financial future to deliver on priorities and continuously improve your services.</p> <p>Taking urgent action to address the climate and ecological crisis by working in partnership with others.</p>
Key Decision	YES
Exempt	NO
Consultees/ Consultation	

I. SUMMARY

- I.1. After the election in May 2022 the new administration made a commitment to enhancing the public accessibility of the Council in all aspects of its business. In particular the administration has stated that it is keen to open up Council meetings for better public access which would support the principle of openness and transparency in decision making and enable local ownership of 'Your Council'.
- I.2. To this end the administration is seeking to modernise its office spaces and reception desks and enhance the accessibility in respect of timing; place and method of that access. To achieve this will require significant investment in technology to support streaming and recording of meetings together with improvements to the fabric of the publicly accessible parts of the buildings to ensure they are welcoming to residents.
- I.3. In addition to the commitments of the new administration there is a recognition that the introduction of agile working for officers has created a significant amount of spare capacity in the existing office footprint. Recognising that this is an inefficient use of resources, an assessment has been carried out to rationalise the office usage which would release space to be rented by other tenants, giving additional much needed income to the Council and delivering positive effects on our climate agenda as our direct carbon impact would be lowered by reducing our overall building requirements (noting that let property does still impact on the Councils carbon account).
- I.4. There are other significant benefits to this. The change in working arrangements offers the opportunity to increase our accessibility in the centre of town by moving more officers to the Welch Way location, offering an increased range of services in a more publicly accessible space.
- I.5. The Council has also been able to obtain £250k of Contain Outbreak Management Funding (COMF) to create a multi-media facility which could be used to livestream events such as weddings and allow guests who cannot attend in person for whatever reason to interact with the people present and for other third parties to use as an interactive meeting space. This has the added benefit of allowing the Council to progress its ambitions to stream civic meetings making for a more inclusive and accessible District Council.
- I.6. As part of the review of office space, there are various measures we can take to improve our decarbonisation and active travel agendas. It should be noted that Woodgreen was previously assessed for decarbonisation measures under the original Public Sector Decarbonisation Scheme and unfortunately deemed unsuitable because of the structure and nature of the building. The difficulty and expense of installing an alternative heating system vs the estimated savings they would bring made it ineligible for govt funding but there remains a possibility for a further bid with a hybrid heating solution as set out in 5.5 below.
- I.7. There is a strong case for the rationalisation of the office space as it delivers many Council objectives and fundamentally, the current situation is an underutilisation of

Council assets. The reduced requirement for desk space is not going to change. The rationalisation of office space allows us to take advantage of that.

2. BACKGROUND

- 2.1. The Agile Working Strategy was adopted in August 2020 and has resulted in a permanent shift to a hybrid way of working with most staff working remotely for 2 - 3 days a week and being office based the remainder of the week. Whilst the Strategy provides an overarching framework, further work has been undertaken to ensure that the environment provided facilitates a more agile, collaborative approach to working.
- 2.2. As a result of this shift in approach to working, the Council has the opportunity to reduce the occupied footprint of the Council offices, and provide around 40% of office space which can be repurposed.
- 2.3. In considering the future use of the offices, opportunities have been explored to utilise space more efficiently, maximise the use of meeting rooms and Civic space, reduce costs and direct carbon usage from the Council's occupation of buildings and utilise spare office capacity to achieve against Council priorities.
- 2.4. The Council declared a Climate and Ecological Emergency in June 2019, with the aim of making the Council carbon neutral by 2030. Following public consultation in May 2020, the Council adopted a Climate Action Plan in October 2020 and subsequently a Climate Change Strategy was adopted in February 2021. Alongside changes to the use and occupation of buildings, the Council is also looking at opportunities to decarbonise buildings through the retrofit of carbon reducing technologies.

3. MAIN POINTS

- 3.1. The Covid 19 pandemic and the required move to large scale home working in 2020 accelerated work to consider a more agile approach to working and reduce our office footprint. This transition to homeworking has highlighted the financial and carbon benefits which could be achieved if the majority of staff spend a proportion of time working remotely. It has also demonstrated that the business needs of the Council could still be met.
- 3.2. The majority of staff have indicated that they support some home working as it reduces time spent commuting and provides a better work and home life balance. Evidence points to this being a key factor to aid recruitment and retention, as people seek more flexibility in a modern and post Covid work environment. In addition it widens the pool of potential employees as applicants may consider roles further afield if they do not have to travel into the office daily to work.
- 3.3. In early 2021, a detailed information gathering exercise was undertaken, to capture the agile working requirements of each service. This was to establish numbers of desks required (hot desks and dedicated desks), meeting room and storage space requirements, any service specific needs (e.g. confidential interview rooms) and the Members' Civic requirements.

- 3.4. This information indicated that the 242 desks currently provided within the Woodgreen and Elmfield Council office buildings could be reduced to 119 desks freeing up the Elmfield offices as desk requirements are reduced by over 50%. Consultants were then commissioned to produce draft office layouts within the reduced footprint. Consideration of space that would continue to be occupied by Council/Publica staff and Members and that which would be freed up has been influenced by a number of key factors:
- Ability to separate Council and tenant areas, with security doors and separate access where feasible;
 - Scope for the Council to occupy one building only, rather than both Woodgreen and Elmfield;
 - Creating tenant areas that will be attractive to prospective tenants and meet their business needs;
 - Location of specialist ICT and Strong Rooms which would be disproportionately expensive to relocate;
- 3.5. Lead officers who are familiar with the offices have helped refinement of the plans before staff were also consulted to ensure space requirements and business needs can still be met for each service.
- 3.6. As part of the review of office space, the location of the Council Chamber and the fact it is used infrequently has been considered. The Council Chamber is currently located on the first floor at Woodgreen with Committee Rooms located below it on the ground floor. The Committee Rooms can be used quite flexibly. However, the Chamber has a layout and furniture provision which cannot easily be adapted for other purposes.
- 3.7. As additional office space was needed to accommodate staff relocating from Elmfield one of the options considered was to repurpose the Council Chamber as office space for the Planning team. However, this option was discounted due to concerns that the loss of the Council Chamber would result in inadequate provision of larger meeting rooms.
- 3.8. The provision of suitable civic space to facilitate formal Council, Cabinet and committee meetings and enable more informal meetings is essential. Improving accessibility for the public and installing new technology that will enable meetings to be live streamed is a key area of focus for Cabinet. The existing Chamber, committee rooms and member rooms are restrictive in their layout, furniture and technology. The inability to adapt the Council Chamber quickly and easily to different uses means it is underutilised and discourages use by external community groups, businesses or individuals who could also benefit from the stream and technology solution.
- 3.9. The options include in this report therefore support retention of the Council Chamber and provision for installation of technology to facilitate the live streaming of meetings in both the Council Chamber and the Committee rooms. Two options for modernisation of the Council Chamber with more flexible furniture or a general

refurbishment to lighting and decoration to make the space more attractive and encourage wider use are included.

4. OPTIONS

4.1. Both options propose moving staff out of Elmfield and making some changes to how rooms are occupied at Woodgreen. The Council has already successfully secured 'Contain Outbreak Management Funding' of £250,000 to fund new ICT equipment including portable microphone units and video conferencing facilities for Council meetings. This enables tables to be configured in different arrangements without the restriction of hardwired microphone systems and will facilitate the proposed flexible use of meeting rooms.

4.2. The principle differences between each option are set out below:

	Option 1	Option 2
New ICT equipment installed to Council Chamber	✓	✓
New ICT equipment installed to Committee rooms	✓	✓
Furniture in Council Chamber changed to flexible, moveable tables & chairs		✓
Minimal redecoration of Council Chamber	✓	
Substantial modernisation of decor and lighting in Council Chamber		✓
COMF funding available	£63k	£198k

(Option 1) Upgrade of technology to Council Chamber and Committee Rooms

4.3. New technology to provide for portable microphones, video conferencing and live streaming meetings would be installed to the Council Chamber and Committee Rooms. The COMF funding is to facilitate more accessible meeting space for the Council and the Public. Simply installing this technology in the Council Chamber does not meet this requirement due to the lack of flexibility the room provides. This option would therefore require the Council to fund the installation in the Chamber but would enable COMF funding to be used to install the same technology in the Committee Rooms.

(Option 2) Upgrade technology in the Council Chamber and Committee Rooms, whilst also modernising the Council Chamber to create an attractive, flexible and accessible space.

4.4. As with option (1) new technology would be installed in the Council Chamber. However, in addition the carpets and lighting would be changed to create a more

modern and attractive meeting space and new folding tables and stacking chairs purchased to enable the room to be reconfigured for weddings, community and business functions as well as meeting the formal requirements of Council, Cabinet and Committee meetings. This option would enable the COMF funding to be utilised in the Council Chamber.

Generic benefits of office changes

- 4.5. The proposed changes provide the opportunity to reduce costs and enable significant rental income to be secured for Elmfield. Some refurbishment of the new tenanted areas is required to make the area more attractive to prospective tenants.
- 4.6. As part of the next stage detailed design, consideration of the Council's parking needs must be undertaken. The Council could decide to retain some parking at the Elmfield site for use by staff and Members or for wider public use if Electric Vehicle Charging Points are installed.
- 4.7. Agile, collaborative working places and the provision of break-out areas and meeting spaces are vital, particularly as teams will not have desk space to accommodate all their staff at one time. A number of quiet working/hot desk rooms, meeting rooms and 'break out zones' have been identified. The designs for these will be detailed at the developed technical design stage, but this provides an opportunity to create innovative spaces that promote collaborative, agile working.
- 4.8. The detailed design stage will also look at opportunities to ensure all service and Member needs are fully met. The proposed layouts meet services' desk requirements on the whole and it is anticipated that with a systematic de-cluttering ahead of the implementation of the new layouts that storage requirements can also be met. Welfare of staff remains a priority and managers will continue to support staff who work from home to ensure they do not become isolated and welfare issues are managed. There is a particular focus on staff who may live on their own or face particular challenges if they work from home. Staff who are unable to work safely from home and need to come into the office for their physical or mental wellbeing will be supported to do so.

Office space at 3 Welch way

- 4.9. During early 2022, the Welch Way offices underwent a refurbishment of its ground floor space; providing an opportunity for customers to access Council services in a central location, whilst also offering face to face service provision. The Customer Services team relocated from their offices in Woodgreen, into Welch Way. To ensure a positive service experience for customers, officers from the Revenues, Benefits and Housing Advice Services also occupy desk space alongside customer service colleagues.

- 4.10. The first floor is let to a tenant with the current 5 year tenancy due to expire on 17th July. The tenants have indicated that due to their own shift in work patterns they will not be renewing the lease.
- 4.11. Space within the ground floor area is limited; which restricts the number of employees in occupation and therefore reduces the level of service provision. There is currently no available space for meetings, and no facilities for conference calls or training. There is also a need to provide space for the Parking Wardens who do not require dedicated desks but do require space to take breaks, plug in their handheld enforcement devices, dry wet clothing etc. This was previously provided in the Shop Mobility office at Woolgate, however that service is now provided by a third party so the Parking Wardens no longer have access to suitable welfare space.
- 4.12. With the Council vacating Elmfield but retaining the Council Chamber, there is a pressure on office space within Woodgreen. It is therefore proposed that the first floor of 3 Welch Way would not be re-let but would instead be repurposed for additional office space for Revenues and Benefits staff who would move out of Woodgreen offices. There would also be space to accommodate the needs of the Parking Wardens. The loss of lease income and increase in business rates is therefore built into the business cases.

Elmfield Option Appraisal

- 4.13. The proposal within this report recommends that Elmfield is repurposed for tenants or, alternatively, a joint venture business development is pursued to provide a commercial return for the Council. More detailed work will be undertaken on the commercial options before a final decision on lease, partnership and occupation is made and a further report will be brought back on the matter.

5. DECARBONISATION AND SUSTAINABILITY MEASURES

Future decarbonisation and sustainability measures at Woodgreen

- 5.1. Given the Council's stated position on the Climate Emergency all options include provision for Woodgreen to benefit from a retrofit programme of carbon reduction measures. Due to its age and layout this will not result in a carbon neutral building. However, its value in terms of embodied carbon means that re-use of the existing building is preferable to a high-embodied carbon, new build alternative.
- 5.2. The proposed refurbishment of Woodgreen presents an opportunity to incorporate energy-efficiency and sustainability measures, ensuring improvements to the energy performance of the building, renewable energy supply, water and waste minimisation, access to active travel and low-carbon transport infrastructure are all a consideration in the design of future office space.

- 5.3. In April 2021, the Council’s consultants completed a full energy modelling and sustainability assessment of Woodgreen and Elmfield offices. It was concluded that a complete decarbonisation strategy involving a switch from the existing end-of-life gas boilers to a 100% heat pump heating solution, was not financially viable. The cost of completing this work was in excess of £1million, requiring internal wall insulation to the external walls, all new heating system pipework, radiators and a new electricity substation on site. During further work on a decarbonisation strategy for Woodgreen, a hybrid heating system with 60% high-efficiency gas boiler/40% Air Source Heat Pump (ASHP) was assessed as an alternative strategy taking the Council a step further towards its carbon-neutral targets but this alternative still has a payback period well in excess of its useful life.
- 5.4. In June 2022 the boilers at Woodgreen had their routine three-year clean during which time the contractor informed the Council that all parts for these boilers are now obsolete so if there are any failures of individual modules they cannot be repaired.
- 5.5. The Council can therefore either:
- (a) Proceed with limited decarbonisation measures such as Solar PV, LED lighting and a like-for-like replacement high efficiency gas boiler at a total cost of £106,000 and a payback period for the decarbonisation measures of 9 years;
 - (b) Proceed with the Solar PV, LED lighting and the hybrid heating system without PSDS funding, at a total cost of £414,750 with a decarbonisation payback period of 30 years;
 - (c) Wait to bid in the next round of PSDS funding which could, if successful, offset in the order of half of the cost of the hybrid heating system and make it a viable alternative. This will carry risk of the existing system failing with no spares available.
- 5.6. The table below sets out the individual energy measures, high-level cost estimate, CO2e and cost savings with payback period.

Measures	Est cost	CO2e/yr saved	% gas/yr saved	% elec/yr saved	£/yr saved 22/23**	Payback in yrs 22/23
Switch all lighting to LEDs	£2.5k	6%	-7.2%*	15.8%	£3,172	0.8
Replacing end of life boilers with a hybrid system: 40% ASHP / 60% gas boilers	£399k	15.8%	55.96%	-14.9%	£9,300	43

New gas boiler high efficiency	£90k	11.9%	16.80%	8.2%	£6,781	13
Solar PV, 40sqm equal to 10kWp	£13.5k	4,010kg	0	4.3%	£1,540	8.8

* A switch to LED lights results in a slight increase in gas heating required as non-LED bulbs are very warm, giving off heat.

**Prices of energy and relative paybacks have been modelled using actual energy bills for 2019/20 (a year pre-Pandemic) and an estimated price based on a 40% increase in 2022/23 to reflect present-day markets.

- 5.7. Based upon current calculations the hybrid heating solution will deliver an additional £2,519 of annual savings for an additional £309,000 of investment and an additional reduction in carbon consumption of 3.9%.
- 5.8. Cabinet could choose to invest this additional funding on the Woodgreen heating system or alternatively decide to invest this on measures elsewhere with a stronger financial and carbon business case.

Active travel and low-carbon transport measure.

- 5.9. Access to walking and cycle routes and public transport would be clearly signposted at Woodgreen offices in an accessible location providing all staff, Councillors and visitors to the building access to the nearest routes and available services.
- 5.10. Showers, changing facilities, drying space and lockers, would be provided as on-site facilities for cyclists, and accommodated within an office redesign.
- 5.11. Car sharing would be given priority within the Woodgreen car park. At least 5% of the total car parking capacity could be given over to staff and Councillors wishing to enter into a car sharing arrangement. This would be equivalent to four spaces.
- 5.12. To enable the Council to purchase its own electric vehicle fleet and make provision for Councillors, staff and visitors, it is recommended that six bays (three EVCPs with dual charging) are installed. Alternatively EVCP could be installed at Elmfield for staff and tenants. The cost is estimated to be £70,000, however a detailed site survey will be required from the supplier as well as an estimate of connection costs from the Distribution Network Operator.

Future decarbonisation and sustainability measures at Elmfield.

- 5.13. In letting Elmfield offices, the Council would have a responsibility to meet Government's Minimum Energy Efficiency Standards (MEES) for non-domestic buildings. The current regulations require all non-domestic buildings to have a MEES of no lower than an EPC band of E. Elmfield's EPC rating is band C and is therefore currently compliant with MEES. The building is heated by three 120 kW gas boilers which were fitted in 2016. As these are only five years old, and have a long serviceable life of another 15 years, it is recommended they are retained rather than

upgraded at this stage. It is however recommended that the following measures be considered to further enhance the building performance in preparation for tenants, providing energy, financial and marketable benefits.

- 5.14. In terms of energy-efficiency measures, all lighting within the building should be replaced for a low-energy demand LED alternative. Changing all lighting fixtures to LED would result in 17.33% reduction in electrical demand, equivalent to 6.15% reduction in overall CO₂e. The integrated solar PV system is near its end of operational life, so it is recommended that a new roof-mounted array, as a replacement and enhanced system, be installed to feed directly into the building helping reduce electricity costs for future tenants. A total of 23 kWp of solar PV, positioned on southerly and south-easterly roofs in unshaded locations, would derive both carbon and cost savings.
- 5.15. The table below sets out the impact of proposed measures at the Elmfield offices in respect of LED lighting and Solar PV high-level cost estimate, CO₂e and cost savings with payback period.

Measure	Est cost	CO ₂ e saving t/yr	Energy cost saving/yr 2022/23*	Payback 2022/23
LED lighting	£2,300	8.468t	£2,667	0.9
23 kWp Solar PV	£31,050	9.803t	£3,780	8.2

*Prices of energy and relative paybacks have been modelled using actual energy bills for 2019/20 (a year pre-Pandemic) and an estimated price based on a 40% increase in 2022/23 to reflect present-day markets.

Next Steps.

- 5.16. Should Cabinet agree to the changes proposed in this report and Council agree the allocation of capital, a project team will be established to deliver the following:
- Office decluttering and clearance of documents, furniture and equipment that are no longer needed.
 - Phased plan for offices moves, noting this will be incremental, as teams will need to move as other space is freed up - the sequencing of this will be planned to avoid moves at times that are critical to certain teams (i.e. annual billing, elections etc.).
 - Planned installation of ICT and refurbishment of Council Chamber (as appropriate) noting a 16 -18 week lead time on ICT equipment due to supply chain issues affecting availability of parts from placement of order.
 - Procurement of all works required.
 - Completion of all works.
 - Detailed consideration of best commercial options for providing business units at Elmfield.

6. FINANCIAL IMPLICATIONS

- 6.1. The proposed works to make changes to offices, ICT, furniture etc. will incur considerable costs. However, this needs to be set against the long term benefits of a more suitable and adaptable workspace, increased public accessibility to Council meetings, a reduction in costs and carbon impact and an increased income from tenants.
- 6.2. The high level indicative income, savings and costs for each option are set out in 6.8 below. These capital and revenue figures may be subject to change so the net annual revenue position cannot be guaranteed. There is a particular risk around building and material costs which have risen dramatically together with difficulties with imports and labour shortages and other world supply chain issues.
- 6.3. The reduction of income from the first floor at 3 Welch way is £10,300 plus an additional service charge of £5,000 a year. Rates payable in respect of the first floor are £5,863. There would be some additional costs for any refurbishments to the first floor and it is estimated to cost £5,000 for the installation of video conferencing equipment.
- 6.4. Lease income has been calculated based on likely rent and use of available space at Elmfield, with some allowance for uncertainty regarding rent levels and ability to release all space and subsequently secure tenants for all space. A lease income of £150,000/year has been included but there may be scope to increase this by around £50,000 if all opportunities and income levels are maximised, bringing the net annual revenue position to £200,000/year.
- 6.5. There will be an opportunity to further increase income over time if the civic space can be promoted and used more by external groups or businesses and further office space can be freed up for tenants. However, income is likely to be marginal and therefore not built into the business case.
- 6.6. The decarbonisation works proposed in section 4 above are summarised as:

Measures	Cost (A)	Cost (B)
Woodgreen (A)– gas boiler, LED lights & Solar PV	£106,000	
Woodgreen (B) – hybrid heating LED, Solar PV		£415,000
Other measures (water/cycling etc)	£21,900	£21,900
EVCP	£70,000	£70,000
Elmfield - LED & PV	£33,350	£33,350
Total Decarbonisation costs	£231,250	£540,250

6.7. Two decarbonisation options are included based on gas versus a hybrid heating solution. It is recommended that some additional work is carried out to finalise the appropriate solution weighing the financial and environmental benefits. Given the pressing need to replace the heating system it is recommended this final decision is delegated to the Chief Executive in consultation with appropriate Cabinet members.

6.8. The tables below includes the business case for Agile working, the decarbonisation costs and the combined business case with the gas / hybrid heating decarbonisation options.

OPTION 1	Agile	Decarbonisation	Combined
Capital cost	£1,253,032	£231,250 or £540,250	£1,484,282 or £1,793,282
Net revenue Saving (before borrowing)	£243,915	£17,940 or £20,459	£261,855 or £264,374
Capital financing	£51,628	£9,528 or £22,260	£61,156 or £73,888
Net annual revenue position including borrowing costs	£192,287	£8,412 or (£1,801)	£200,699 or £190,486
Return On Investment	15%	3.6% or (0.3%)	13.5% or 10.6%
Simple Payback Period	5.1 years	13 years or 26 years	5.7 years or 9.4 years

OPTION 2	Agile	Decarbonisation	Combined
Capital cost	£1,606,160	£231,250 or £540,250	£1,837,410 or £2,146,410
Net revenue Saving (before borrowing)	£243,915	£17,940 or £20,459	£261,855 or £264,374
Capital financing	£66,178	£9,528 or £22,260	£75,706 or £88,438
Net annual revenue position including borrowing costs	£177,737	£8,412 or (£1,801)	£186,149 or £175,936

Return On Investment	11%	3.6% or (0.3%)	10.1% or 8.2%
Simple Payback Period	6.6 years	13 years or 26 years	7 years or 8.1 years

7. LEGAL IMPLICATIONS

- 7.1. The Council is statutorily required to provide a safe and suitable workspace for its staff. The proposals set out here meet legal requirements.
- 7.2. If the Council agrees to the principle of letting Elmfield then the normal due diligence in checking the suitability of tenants will be carried out and a delegated decision process will be followed to allocate the required legal transactions to Legal Services to progress. The Council will also need to follow minimum standards of energy efficiency on any buildings it leases to tenants.
- 7.3. The Council is required to provide a safe working environment for staff and Members and would not therefore be able to operate from the Council offices if there was no working heating system.
- 7.4. Save from the above there are no other legal implications arising directly from this Report.

8. RISK ASSESSMENT

- 8.1. The effects of the pandemic on the buoyancy or otherwise of the office rental market are not yet clear. There is a risk tenants cannot be found for all space available. The revenue income stated above is based on expected rental income and some allowance has been made for 'void' periods, where the tenanted areas are vacant. A reduction in the market value and periods of void, above that allowed, will have an adverse effect on the payback periods.
- 8.2. Construction material costs are currently volatile as a result of post-Brexit conditions and the pandemic. As a result the proposed works to the Committee rooms and Chamber, refits and refurbishment costs may be affected. However, the cost plans contain a 'risk' and 'inflation' sum to accommodate this unpredictability to a degree.
- 8.3. Costs are high level at this stage and will be refined through the developed design and technical design stage. This may result in adjustments up or down.
- 8.4. If meeting space, desk numbers or storage space requirements have been underestimated, this may reduce the space available to rent to new tenants. Conversely, a reduction in any of these variables, may release additional new tenanted space. This will become clearer at the developed design and technical phase. If insufficient space is available for teams to meet, this may limit collaboration and impact on the business.
- 8.5. Car parking for Council/Publica staff and Members and that allocated to tenants needs to be carefully considered. There may be a need to put plans in place to limit

the number of staff on site during large meetings such as Planning Appeals which could see high numbers of additional visitors.

- 8.6. The existing gas heating system is liable to fail and this presents a major risk. Its replacement cannot therefore be delayed.

9. EQUALITIES IMPACT

- 9.1. The requirements of any staff with specific needs will be considered as part of the detailed planning stage. An Equalities Impact Assessment has been completed and is attached at Annex B.

10. ECOLOGICAL AND CLIMATE EMERGENCY IMPLICATIONS

- 10.1. The move to a more agile way of working significantly reduces the work related journeys that staff will do, reducing fuel consumption and carbon. A 40% reduction in work related staff mileage would achieve a 88,748 mile reduction, achieving a carbon saving of up to 26,053 KgCO₂e and financial savings of £37,000 for the Council. However, the financial savings from this mileage reduction have already been included in budgets so are not included in this business case.
- 10.2. The table in Annex C shows CO₂e for Woodgreen and Elmfield WODC Council offices for the last two years. If Elmfield is no longer occupied by the Council and becomes a tenanted building, the CO₂e for Elmfield becomes the tenants' responsibility rather than the Councils although the Council will still need to account for this appropriately.
- 10.3. The savings total 363,336 kWh of energy (electricity and gas totals) which is equivalent to 69,916 KgCO₂e which represents 3% of the Council's total annual emissions for 2020/21.
- 10.4. In addition to the CO₂e savings for the Council, there will be savings for staff as well. Staff will reduce their commuting and the costs that they themselves incur. Whilst it's difficult to accurately calculate the carbon impact of staff commuting to and from work by vehicle - as vehicles will vary by size, fuel type, emissions and efficiency, not all staff work full time and some travel to different offices - a high level estimate based on distance from home address to main office location (usually the Publica office closest to home) can be calculated. This indicates that if all WODC/CDC/FODDC Publica staff did one return journey it would equate to just over 10,000 miles which is equivalent to a total 3,480 kg/CO₂e (based on an average for diesel and petrol vehicles). Allowing for some reduction based on a proportion of staff only working part time and therefore not travelling 5 days a week, a broad weekly estimate would be in the region of 15,000 kg/CO₂e, which could equate to as much as 775t/CO₂e each year, once staff leave is deducted. A move to agile working could see this figure reduced by 40 - 50%.

- 10.5. Alongside a reduction in Council energy consumption, comes a potential increase in energy bills for staff who are working remotely as they will need to heat and light the room that they work in at home. For many, any increase they see is likely to be offset by the CO2e and cost savings from reducing their travel distance to and from work. This is also hard to quantify as everyone's home, heating system and pattern of usage will be different. Staff are being signposted to further advice and guidance to help them minimise home energy costs, consider improving home heating systems, using renewables and any domestic grant funding that is available. Staff will have a degree of choice with agile working and no one will be required to work at home if they do not have suitable working conditions. However, the majority of staff have expressed a desire to work from home for part of their working week.

11. ALTERNATIVE OPTIONS

- 11.1. The Council could choose to continue to occupy all the space within the offices and not seek tenants but this would not achieve any cost reductions or attract any additional income.

12. BACKGROUND PAPERS

- 12.1. None

(END)