

Gloucester City Council

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| Meeting: | Cabinet | Date: | 6 December 2023 |
| Subject: | Review of Office Accommodation for Face-to-Face Appointments | | |
| Wards Affected: | All | | |
| Key Decision: | Yes | Budget/Policy Framework: | No |
| Contact Officer: | Jayne Wilsdon, Asset Management Investment Officer Email: Jayne.wilsdon@gloucester.gov.uk Tel: 396871 | | |
| Appendices: | <ol style="list-style-type: none">1. Gateway Data2. Estimated Cost of The Gateway3. Preferred Method of Contact4. Information from the Customer Survey5. Data Gathered for our Face-to-Face Provision6. Customer Feedback on The Gateway being closed. | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The purpose of this report is to provide a proposal for moving our Face-to-Face pre-bookable appointments from The Gateway, 92-96 Westgate Street, Gloucester to the management suite at Eastgate Shopping Centre.
- 1.2 To give an overview of the service, identify service improvements and summarise the costs associated with maintaining The Gateway.

2.1 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the option to relocate face-to-face appointments to the Eastgate Shopping Centre as soon as is viable be approved.

3.0 Background and Key Issues

- 3.1 Gloucester City Council's face to face reception moved out of HKP on 31 July 2019 and into The Gateway. Using a modern, flexible space has been effective, however with changes in demand it is now not providing value for money for pre-bookable face to face appointments.
- 3.2 Prior to 1 April 2019 the Customer Service and Housing departments were located in HKP and access to these services was on a first come, first served basis. Customers would arrive to the reception and be seen by the "meet and greet" officers who would

signpost them to where best to access the required service or would provide them with a ticket to sit and wait to see an advisor. As a result of this, there was limited structure to the number of customers that would be seen on any given day and the wait time for customers could be more than 3 hours which often caused frustration to the customer who may have had a straightforward query.

- 3.3 On 1 April 2019 an appointment only service was implemented. This enabled improved staff resourcing and also allowed for customers to attend at a pre-booked time, making this more convenient for them. The rationale behind this was to support with the ongoing digital transformation planned across the council and to encourage the ability for customers to self-serve and utilise other forms of communicating with us; online, email and telephone, therefore reducing attendance in person for queries that could be served in alternative ways. Predominantly, prebooked appointments were for housing benefit, council tax support and housing support.
- 3.4 On 31 July 2019 the customer facing reception was moved to The Gateway at Westgate Street and was used to provide face to face services for Customer Service and Housing. The move built on the success of the introduced appointment system, which made it quicker and easier for residents to get help with council services, whilst dramatically reducing any waiting times. At that time, we operated 7 calendars across Customer Service and Housing, and this provided in the region of 1550 available appointments per month for customers to see an advisor regarding their enquiry. Due to the cyber incident, historical data is limited but in February 2020 we had 1563 available appointments and 1011 were booked. (This was prior to the Covid pandemic and lockdown)
- 3.5 From 25 March 2020 all customer contact services, including housing and homelessness services were delivered remotely via telephone, email or through the provision of information and transactional services online (channel shift). This was as a result of the Covid-19 pandemic and the offices being required to close. The shift to accessing services in different ways was assisted by the City Council's investment in process redesign, new telephony, and enhanced information technology. The urgent response to lockdown made working from home a necessity, but the benefits in terms of the customer and staff experience of the service have been tangible and we wish to retain as many of these benefits as possible.
- 3.6 On 1 July 2021 we took the decision, in line with Covid restrictions and a full risk assessment, to reopen The Gateway for those customers that were unable to be served via online, email or telephone. We took the decision to open 2 half days a week initially to test the customer appetite and requirement for face-to-face interactions to resume. The decision was made to open on a Tuesday morning and a Thursday afternoon to allow for customers to have flexibility over times that appointments were available. Between 1 July 2021 and 21 December 2021, we facilitated 9 appointments (all for the Housing service with 0 for Customer Service) with 2 of these customers not attending. We were open to potential appointments for 50 days during that time with 6 appointments available to be pre-booked per day. This was 300 available appointments with just 9 being booked (3%).
- 3.7 Due to the cyber incident on 21 December 2021 all network connectivity was closed down, resulting in all staff returning to working from home full time and providing services to our customers via online, email or telephone.

- 3.8 On 01 November 2022 we were able to recommence offering pre-bookable appointments to customers who had a need to be seen face to face. We continued to provide the previous provision of providing pre-bookable appointments on a Tuesday morning and Thursday afternoon. Between 01 November 2022 and 31 October 2023, we booked a total of 92 pre-bookable appointments and of these 79 attended. 13 appointments were either switched to telephone appointments or did not attend (no shows). During this time 510 appointment slots were available to be booked. (Appendix 1)
- 3.9 The rationale for to the proposed relocation is to maintain continued quality service provision whilst ensuring value for money. The move would ensure the accommodation meets the needs of the City Council and its residents moving forward by continuing with pre-bookable appointments that are required but using an alternative space within our own portfolio of City Centre properties. We can then look to ensure staffing resource is allocated to delivering our services to the majority of our customers who do not need to use the face-to-face channel.

Our Current Position

- 3.10 Reasons to consider relocating our current accommodation are as follows:
- To continue to provide pre-bookable face to face appointments that are required.
 - Utilise a more central location for customers and staff.
 - Ability to have a more secure setting using localised security.
 - Continue to have a direct dial telephone system situated in the locale for customers to make direct contact with us.
 - An opportunity to reduce accommodation costs and make savings by utilising a current asset. Appendix 2 sets out the estimated current running costs.
 - An opportunity to lease, sell or repurpose The Gateway to provide an income, sale value or to be repurposed for another use.

Relocation to Eastgate Shopping Centre Management Office Space

- 3.11 This option would see the City Council make use of one of its existing assets to accommodate staff whilst still providing the facility for pre-bookable appointments for customers that require them. The Management Office Space is adjacent to the current City Council office. The intention is for the direct dial telephone to be relocated and replaced with a Wi-Fi info hub type system that can be installed in a number of locations throughout the properties we own in the city. These would provide direct phone and web contact with essential services but also have the ability to provide commercialisation income from local businesses which would enable us to fund this facility on a cost neutral basis.
- 3.12 The current occupants of the Management Office Space, Colliers, are contracted by City Council and will be relocating to a suitable location within the City, potentially being Kings Walk Shopping Centre or The Forum. This will result in the management suite being vacant. The costs associated with this will depend on the location and we

will need to enter into an agreement that coincides with the management contract so that we can get the property back at the end of their contract term.

- 3.13 This option would require investment in the region of between £150,000 and £300,000 to include some structural work, redecoration, moving furniture required, moving IT equipment, installing access control, fire alarms, water systems etc. These costs are estimated as a full design specification is currently unavailable.
- 3.14 The Council would not lose rental income as a result of relocating Colliers as currently no rent is paid. Therefore, no loss of rental income has been factored into the business plan for Eastgate.
- 3.15 The pre-bookable appointments will be located next to the existing City Council offices and the Management Office Space will include an additional meeting room that can be purposed by all council departments.

3.16 Items to consider:

- Reduction in space by 1,764.4 sq. ft. which will be sufficient to meet the requirements based on the hot desk bookings and the ability to accommodate teams on a schedule basis going forward. Due to it being a smaller space this will support in the City Council working to be more efficient and effective.
- No lease / formal agreement required as we own the asset however, we would need to consider entering into an agreement with the managing agents so they can invoice us for our share of the service charge.
- No rent payable would only need to pay the following:

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|---|---------------------------|
| Business rates | £12,500 pa |
| Service charge (inclusive of insurance) | £9,000 pa |
| Cleaning (inc chemicals but excludes consumables) | £8,736 pa |
| Utilities (cost estimate) | £5,000 pa |
| Total payable | <u>£35,236 pa*</u> |

*These costs are based on current layout and subject to change.

- 3.17 Car parking is a factor to consider. Given the more central location the public transport links are better for accessing Eastgate. For the public there is a lift access from the car park and from street level. For staff they can be encouraged to use other means of transport and again supporting our sustainability goals.
- 3.18 The Eastgate Space is currently occupied under a cost neutral basis with Colliers acting as our managing agent for the shopping centre. There is a requirement to give 3 months' notice for them to relocate which can be issued at any time.
- 3.19 With this option of relocating front facing pre-bookable appointments we would no longer have use for The Gateway. Currently the costs for the running of The Gateway stands at approximately £115,000 per annum. By moving it would represent an overall saving of in the region of £79,000 per annum following relocation costs (Appendix 2).

3.20 A move here will show the City Council has faith in the City centre and what it is trying to achieve on completion of these works. In addition, if customers who require an appointment come into a more central location this could have a positive impact on local businesses.

| <u>Positives</u> | <u>Concerns</u> |
|--|---|
| Central location | Relocation will need to be managed internally and may disrupt services / working practices for a short time |
| Considerable cost savings | Cost of redesigning the area. |
| Complete control | Potential cost of £3500 per annum for maintenance (excluding utilities and security) |
| No lease required | |
| Able to oversee the running of our own assets more easily | |
| Onsite security | |
| Centrally located staff enabling better cross team working. | |
| Easier customer access from adjacent car park including lift access. | |
| Relocation of the direct dial telephone into the Eastgate centre. | |
| An additional City Council space that could be purposed for meetings. | |
| Potential to dispose of The Gateway by way of leasehold or freehold which would provide either an income or a lump sum that could be reinvested. | |

3.21 The council has seen a reduction in requests for face-to-face meetings due to service changes and improvements that have occurred over the last few years. As a result, the need for the space afforded by The Gateway has reduced. Examples of the changes can be seen below and in the appendices.

- The customer service team has been able to reallocate resource to be concentrated on the telephones, emails and to triage Report It and Contact Us requests and customer feedback suggests these are the preferred channels for contact. (Appendix 3)
- The introduction of the direct dial telephone in the lobby on 16 November 2021 and the new contact centre investment in July 2021 enabled customers to contact the

Council more easily and get a response or information, be signposted to the right place or partner organization, or have their needs triaged without a requirement to attend at The Gateway for a face-to-face meeting. Dealing with some difficult calls over the telephone appears to reduce the likelihood of anxiety, tension and aggression in customers and improve customer confidentiality. For customers, often having to attend in person can add to a difficult situation and the Housing support team have said that many customers prefer to make contact remotely, rather than having to attend in person. This is evidenced by the fact that to date 660 Housing customers were offered a face-to-face appointment and only 67 accepted this with the remainder preferring digital and telephone channels.

- Staff have confirmed that customer interaction has been generally more positive and there has been little verbal abuse directed towards staff. However, in the month of February 2023 we did experience a member of staff being blocked from exiting and a telephone in the lobby being vandalized by an unhappy customer. However, staff feel more confident that there will be less incidents of concern without having unnecessary face to face interactions.
- Staff feedback has shown that they feel they are able to provide a better service to customers and that home working has enabled staff to concentrate and focus more which increases the quality and efficiency of their work.
- The launch and ongoing work for “Report It” and “Contact Us” online has enabled customers to report queries and make contact with us 24/7 and this is part of an ongoing transformation of services which will continue to broaden the range of ways and the times that residents, customers, and service users can access Council services.
- Email contact helps those customers with language difficulties and hearing impairment who prefer to contact the Council in writing. In addition, the postal address is available, and customers who are unable to use digital or telephony channels can post queries through to us.
- With the digital direction of travel across the UK in the past 2 years, the majority of customers are now more comfortable in using digital and telephone channels and with DWP (Department of Work and Pensions) introducing and educating customers that claim Universal Credit of the need for digital interactions this has shown the number of customers that need to contact us in person reduce. The implementation of Universal Credit has reduced the numbers of customers claiming housing benefits, and therefore potentially wishing to visit the office or contact us.
- Our website has been far improved and made more accessible. Customers have fed back through the Give us Feedback questionnaire their desire to be able to use the website for more services, which are being explored, rather than even telephone.

3.22 Options for The Use of The Gateway

A full options appraisal is currently being undertaken by Asset Management for the possible disposal of The Gateway which is to include the following options:

- Disposal on the open market for commercial office space. The Gateway is, however, located in Westgate Street where rental values are lower than the City. This would not encourage footfall in the City Centre.
- Potential rental value of The Gateway is estimated at approximately £50k - £60k per annum for the entirety of the building.
- Repurpose of the building to split between retail and office units or residential units. The authority could gain a rental income from this but initial capital for build costs would be high, and we would still be required to cover landlord costs during periods where the building was vacant.
- Conversion to residential would support the need for accommodation across this City but again this would require significant capital up front to convert. This may be permanent accommodation or used for temporary housing.
- Sale of The Gateway to free up capital to be reinvested in other projects across the City. It has been estimated that the sale of The Gateway could produce a capital receipt of approximately £650k for a freehold disposal with the potential to increase this if planning permission for conversion was granted. In addition, by selling the property this would remove costs associated with being a landlord.

The full options appraisal will be made available in due course.

4.0 Social Value Considerations

- 4.1 The purpose of the ongoing transformation work has been to enable customers to contact the Council in a digitally improved way. This creates efficiency for the customer and improves our interaction with them. Customers who completed the survey have shown that the majority are happy to make contact with us digitally and via the telephone rather than the need to visit.
- 4.2 The transformation programme continues to realise benefits which allow swifter, more efficient and effective services which in turn allow us to improve our broader services and interact with our customers in a more positive way.
- 4.3 The relocation of The Gateway will not change any of the ways the council can be contacted, we will continue to offer pre-bookable appointments, from a more central location.

5.0 Environmental Implications

- 5.1 The Council's hybrid working policy has supported its 2030 Net Zero decarbonisation target through both reduced commuting emissions from council officers who now regularly work from home and also via the increasing digitisation of Gloucester City Council customer services, which reduces the need for in-person enquiries. By increasing the proportion of digital customer service consultations – through, for example, e-mail and telephone enquiries – surface transport emissions are also reduced as residents have to travel to council offices less frequently.

- 5.2 By placing customer services at a more central location, land transport emissions for customers are reduced further still as circuitous motor vehicle journeys are reduced, albeit marginally.
- 5.3 By reducing the physical footprint of the corporate estate and co-locating services within the same building envelope, Gloucester City Council is able to provide services at a lower marginal carbon equivalent cost.
- 5.4 Eliminating the use of frequently empty satellite offices, which nevertheless have to be powered and heated, and consolidating the Council's corporate estate will increase the efficiency with which the Council uses energy, thereby reducing its greenhouse gas emissions.

6.0 Financial Implications

- 6.1 The estimated direct financial implications of the move of staff from The Gateway to offices are detailed in the paragraphs above. An initial capital investment will be required to facilitate the move which will lead to medium to long term reductions in the overhead costs of the Council.
- 6.2 There will be financial implications arising from any future plans for The Gateway, but these will be considered as part of separate Options Appraisal.

7.0 People Impact Assessment (PIA) and Safeguarding:

- 7.1 A full PIA is not required. PIA screening has been undertaken with neutral and positive outcomes.
- 7.2 Considerations would be given when undertaking all process changes to ensure that we do not adversely impact on any group and that we are fostering good relations and promoting advancement of opportunities within the community.

8.0 Legal Implications

The below comments were made by One Legal:

- 8.1 Before The Gateway can be moved into the Eastgate Management Suite, it will be necessary for the current occupiers, Colliers, to vacate. It is noted that Colliers will require 3 months' notice to relocate. The notice should be given in writing as soon as possible.
- 8.2 The Council will need to consider what documentation will be required in respect of any alternative premises that Colliers will move to. If Colliers are to have exclusive possession of the premises that they move into then we would advise that they are granted a short-term lease, contracted out of the provisions of sections 24 to 28 of the Landlord and Tenant Act 1954, which should be coterminous with the service contract for the management services that Colliers are currently providing. This will ensure that the Council can take back occupation of those premises at the end of the term.

8.3 It is noted that several options are being considered for disposal of the current Gateway premises following the move:

- **Disposal on the open market for commercial office space:** Section 123 of the Local Government Act 1972 permits the Council to dispose of land in any manner it wishes provided that the disposal is not for a consideration less than the best that can reasonably be obtained. If the building is let on the open market this will demonstrate that best consideration has been achieved and this is therefore a viable option.
- **Repurpose of the building to split between retail and office units or residential units:** In light of the provisions of the Local Government Act 1972 as set out above, any disposal for offices or retail units would need to be for the best consideration that can reasonably be obtained. This could be achieved by letting the retail and office units on the open market. In terms of residential units, a local authority can generally only grant a secure or introductory tenancy unless it is letting the accommodation for short term emergency use, so market letting of residential units would not be viable. However, the Council may be able to use a wholly owned Management Company to enable it to lease residential units at market value.
- **Sale of the freehold to free up capital:** Any sale of the freehold would be subject to the provisions section 123 of the Local Government Act 1972 as outlined above. If the intention is to dispose of the property on the open market then it can be demonstrated that the best possible consideration has been obtained. Any sale for less than the best consideration that can reasonably be obtained would require the consent of the Secretary of State, although there are certain circumstances where the Secretary of State has given a General Consent, such as where the disposal will benefit the community in certain ways.

9.0 Reasons for Recommendations

9.1 The recommended option of relocating the face-to-face pre-bookable appointments will provide the Council with good suitable office space whilst also delivering significant financial and environmental savings and delivering value for money.

10.0 Risk & Opportunity Management Implications

10.1

| Risks |
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| <ul style="list-style-type: none">• Potential difficulty in ongoing operation of The Gateway.• Potential risk of moving Colliers, subject to suitable alternative accommodation.• Unforeseen constructional issues.• Staff Health & Safety and security in the event of difficult customers – we will have security on site who can support in handling this.• Customers without pre-bookable appointments visiting – we would need to ensure clear signage is displayed in the locale to ensure customers are clear that the office is for those who have prebooked appointments and that there is a direct dial Wi-Fi hub that can be used to contact us, located in various places throughout the City, to include Eastgate Shopping centre. We don't want our customers to make unnecessary journeys to the office if their query is one that can be handled efficiently and effectively online or by telephone. We can ensure that their query is dealt with by the correct officer, negating the need for them to personally visit unless their query cannot be handled remotely. |

| Opportunities |
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| <ul style="list-style-type: none">• We will have a more centrally located office with improved access for customers.• The relocation of the pre-bookable face to face appointments for Gloucester City council will provide the opportunity for making expenditure savings on the maintenance of The Gateway.• The opportunity to realise the value in the Gateway, if sold, to make a considerable contribution to council funds.• In house security will be provided.• A more centrally located direct dial telephone to enable customers an increased service to be able to contact us. |

11.0 Community Safety Implications

11.1 The relocation of The Gateway will have no additional community safety implications compared to Westgate Street.

12.0 Staffing & Trade Union Implications

12.1 Nil

Background Documents: None