

# **Accommodation and Space Management Policy**

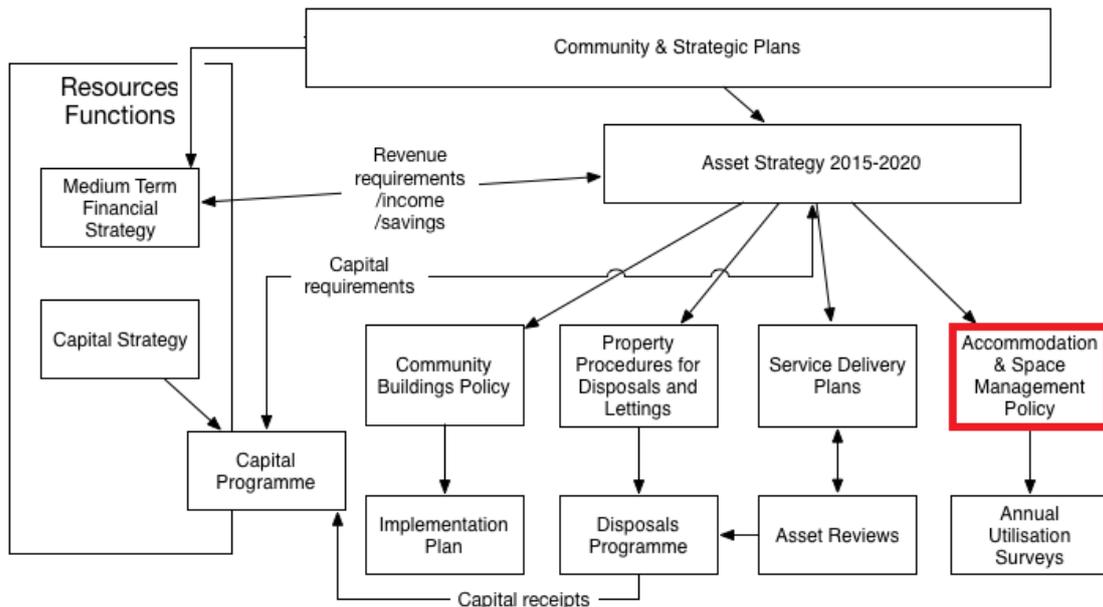
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## 1.0 Introduction

- 1.1 Office accommodation within the council's estate is one of the most expensive resources that services use and therefore inefficient use results in increased occupancy costs, and the potential for costly operational inefficiencies.
- 1.2 The Accommodation and Space Management Policy is fundamental to the council's Asset Strategy and this policy aims to ensure that the council achieves the most efficient estate possible while ensuring that the accommodation is appropriate to meet the needs of all staff, elected members and residents. This policy is designed to ensure that space is allocated according to need.
- 1.3 The council recharges the full cost of support services and facilities to the relevant service area. This is done to comply with accounting practice, to ensure that services reflect 'true' costs i.e. include costs from supporting service areas, and to ensure that comparisons can be made between authorities.
- 1.4 To ensure that the accounting standards are followed accurately and to support the council's requirements to achieve best value the council follows the standards as set by Chartered Institute of Public Finance and Accountancy (CIPFA) and defined in the CIPFA Service Reporting Code of Practice (SeRCOP).
- 1.5 The policy incorporates best practice from central government (National Audit Office) and contains space standards recommended by the Health & Safety Executive (HSE).
- 1.6 The policy has been developed to provide a clear and coherent framework for decision making about the utilisation of the council's estate. The responsibility for managing the functions within the allocated space resides with the council's Facilities Management service.
- 1.7 Responsibility for space provision, allocation and maintenance lies with the Facilities Management service and any changes to the use of space or occupancy are subject to the Asset Management & Capital Strategy Working Group and Board governance processes.
- 1.8 The council is currently developing an Accommodation Strategy which will be presented to the Corporate Management Team (CMT) in February 2017. The strategy will set out a plan for reducing both the amount of space occupied, the cost of maintaining this space and also how the management of the estate will align with the move to the new civic centre in Whitechapel.
- 1.9 This version supersedes any previous versions of this document.
- 1.10 The diagram below sets out how the Accommodation & Space Management Policy fits in with the council's Asset Strategy, Strategic Plan and other strategies and policies; and also how it relates to the Medium Term Financial Plan and budget setting process.



## 2.0 Purpose of this Policy

- 2.1 The aim of the policy is to provide a method of managing space within the council's estate, allocating and re-allocating space between departments and services in order to make maximum use of all available space. It will also enable the council to use space more effectively and reduce the size of the estate where possible. This will allow for the older, inefficient buildings to be vacated for mothballing, disposal, re-use or demolition.
- 2.2 The objective of the policy is to provide a framework for the management of all accommodation in order to ensure the available space is fit-for-purpose, complies with statutory and non-statutory recommended standards and its use is maximised. The policy supports the principles contained in the Asset Strategy and is intended to support innovation and new ways of working.
- 2.3 The council's Accommodation Strategy will set out how the administrative offices will change over the next five years as the council plans its move to the new civic centre in Whitechapel. The strategy will also set out targets for reducing cost and energy consumption over the same period for the estate.

## 3.0 Scope

- 3.1 This policy applies to all members of staff (regardless of status or grade) and elected members located at any of the council's administrative building; i.e. Mulberry Place, John Onslow House, Albert Jacob House and Jack Dash House.
- 3.2 Every employee and elected member of the council has an obligation to ensure that the available resources are effectively utilised and this principle applies equally to the use of accommodation.
- 3.3 In order to comply with this policy, all staff and members must be aware of the lines of communications and levels of responsibilities which exist to ensure

that all matters of accommodation allocation are dealt with efficiently and effectively.

## **4.0 Ownership and Responsibilities**

### **4.1 Role of the Divisional Director, Property & Major Programmes**

4.1.1 The Divisional Director, Property & Major Programmes, has delegated responsibility for matters relating to accommodation within the council. This includes ensuring that all properties are well utilised and managed effectively. They will be responsible for ensuring that accommodation is safe and fit-for-purpose and that the appropriate investment decisions are made, based upon an assessment of priorities, and guided by this policy and the council's Asset Strategy.

### **4.2 Role of the Asset Management and Capital Strategy Board**

4.2.1 The Asset Management & Capital Strategy Board (referred to as the Asset Management Board in this document) will manage this policy, dealing (where appropriate) with change requests and managing agreed objectives to optimise the estate and reduce costs where appropriate.

### **4.3 Role of the Facilities Management Service**

4.3.1 Facilities Management are responsible for the implementation and monitoring of this policy, ensuring that:

- All accommodation is reviewed on a regular basis, in line with the guiding principles of occupation outlined in this policy.
- Risk assessments in relation to accommodation, and health and safety in the workplace regulations, are carried out, recorded and reviewed regularly.
- Accommodation management procedures and safe working practices resulting from them are produced, documented and implemented.
- Where departments recruit additional members of staff appropriate workspace/office space is identified in advance of them starting.

4.3.2 The Facilities Management service will maintain records of current allocation of space to divisions and departments on the council's electronic property management system (TF Cloud). This information will be made available to any division or department on request.

4.3.3 The Facilities Management service will make this information available to the Place Directorate Finance Manager to enable the inclusion of directorate re-charging in the annual budget setting process (as managed by Corporate Finance).

### **4.4 Role of the Workplace Support Manager**

4.4.1 The Workplace Support Manager will work with services and directorates to facilitate moves as required by the Asset Management Board. The

Workplace Support Manager will also be responsible for the utilisation surveys and reporting the results to the Asset Management Board.

## **5.0 Standards and Practice**

### **5.1 Accommodation**

- 5.1.1 The council aims to meet statutory and professional requirements and guidelines on accommodation for all staff, members and services.
- 5.1.2 Space or accommodation is not owned by specific departments or services. It is council property, managed by the Property & Major Programmes Service, and all staff and members must be prepared to relocate if it is judged to be of benefit to the organisation.
- 5.1.3 The cost of occupation is to be disaggregated to directorates and then service level. Any savings arising from changes to occupation will be attributed to the General Fund as appropriate and captured as a corporate saving.
- 5.1.4 The establishment of generic space should be encouraged and shared between directorates and services wherever possible.
- 5.1.5 Occupation of accommodation is based on the principles detailed here.
- 5.1.6 Open plan offices will be considered the norm of provision. Where these are provided, the council will ensure that the necessary ICT and telephony is available and that there are sufficient spaces available for quiet working, team working and private meetings.
- 5.1.7 Individual offices will be allocated on the requirements of the post and subject to consultation with the relevant Director and Asset Management Board approval.
- 5.1.8 The desk to staff ratio for back-office functions will be 6:10 and working space will 8-10m<sup>2</sup> per person.
- 5.1.9 Staff members whose work patterns mean they do not fully utilise a desk or office will be required to use designated hot desk areas.

### **5.2 Meeting Rooms**

- 5.2.1 All meeting rooms within the council are considered a shared resource.
- 5.2.2 The Facilities Management service manages the booking and monitoring of meeting room usage.

### **5.3 Flexible Working/Mobile Working**

- 5.3.1 As part of the council's objective to improve the working lives of staff flexible working patterns and mobile working should be considered if appropriate to the role the individual performs.

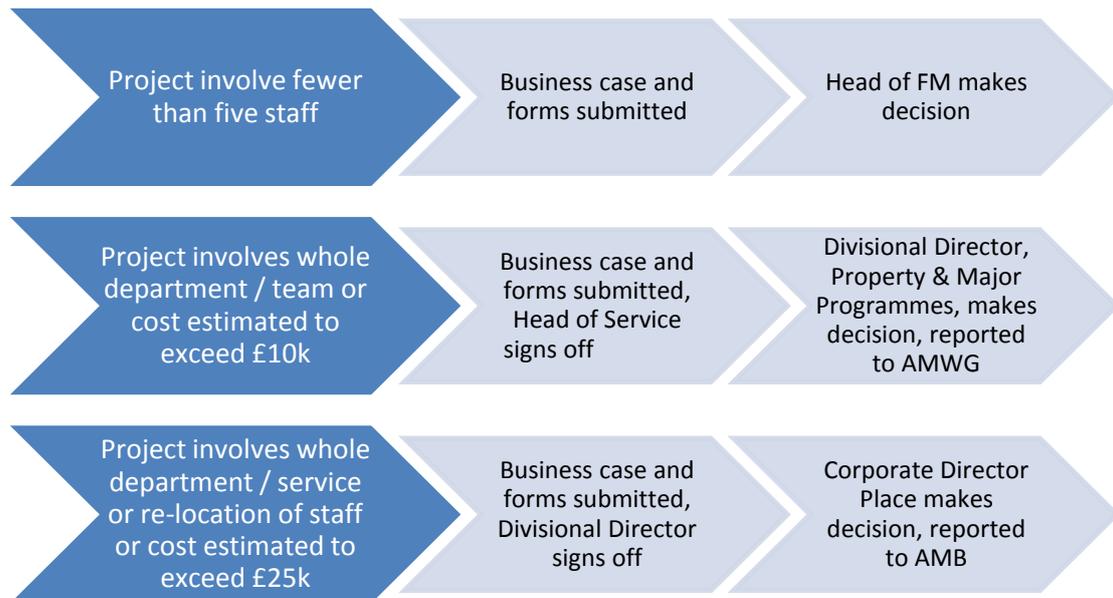
- 5.3.2 For guidance on occasional mobile working please refer to the council's [Smarter Working Policy](#) that can be found in the Human Resource section of the council's intranet.

#### **5.4 Accommodation for Non-Council Staff**

- 5.4.1 Accommodation for non-council staff or departments can be allocated for operational reasons, although this will not be considered unless space is available.
- 5.4.2 The use of this space will be charged at an appropriate rate taking into account whether the co-location delivers a cashable saving to the council or any additional costs arising from the provision of the space.
- 5.4.3 Allocation will be subject to Asset Management Board and, if appropriate, Corporate Management Team (CMT) approval.
- 5.4.4 All space occupied by non-council staff or departments will be subject to a formal legal agreement.

#### **6.0 Process for Change**

- 6.1 All requests for space, changes of use, bids for, or requests for additional space by departments, whether they involve building alterations or not, will be managed under this policy and subject to approval.
- 6.2 The Asset Management Board will have overall responsibility for the optimisation of space and will ensure building/room allocations are based on need and corporate objectives.
- 6.3 Any directorate or service requesting changes in accommodation are to use the process outlined below and complete the request form and business case at Appendix A.
- 6.4 Where funding is required, the directorate's finance business partner must provide cost centres for charging. This expenditure must be authorised by the budget holder for the cost centre.



- 6.4 Before submitting a new business cases, services seeking a move may find it useful to have an initial discussion with the Head of Facilities Management.
- 6.5 The formal request should be sent to the Workplace Support Manager and will be acknowledged in writing within five working days. Where appropriate, the Asset Management Working Group or Board will discuss the request at their next meeting.
- 6.6 Where necessary, in conjunction with the Service Manager, the council's Health and Safety team will be asked to carry out an assessment to determine any potential issues with the proposal.
- 6.7 The Asset Management Working Group and / or Board will consider:
- How the proposal fits into the service strategy and Asset Strategy;
  - The feasibility of the proposal;
  - Alternative options for satisfying the requirement; and
  - Whether capital or revenue funding will be required.
- 6.8 The Asset Management Working Group and / or Board will recommend whether:
- The proposal is feasible; or
  - There is a better alternative; and if
  - The proposal needs to be the subject of a capital bid (this will be subject to the capital bid process and procedure).
- 6.9 Once a change has been agreed details of the move will be passed to the Workplace Support Manager who, working with the manager who requested the change, will manage all aspects of the move.
- 6.10 Where there are to be major changes, such as reshaping or relocation of whole departments, these will constitute capital projects which must follow the council's process for capital bids. Consideration will need to be given to any requirements under the council's Handling Organisational Change Policy

6.11 Neither the Facilities Management team nor the Asset Management team will carry out any accommodation moves unless they have been authorised through this process.

#### **6.12 Asset Management Board**

6.12.1 The Asset Management Board will consider all submitted applications for change. Decisions will be made after due consideration of all the issues arising from the request.

6.12.2 It will base its judgments on the merits of the proposal in relation to the service strategy and priorities, how it matches with the Asset Strategy and any capital and revenue consequences.

### **7.0 Accommodation Recharging**

7.1 The council has a policy of recharging the full cost of support services and facilities to the relevant service area. This is done to comply with accounting practice, to ensure that services reflect 'true' costs i.e. include costs from supporting service areas, and to ensure that comparisons can be made between authorities.

7.2 The general principle is that all overheads, including accommodation (support services) and service management costs should be fully recharged to the service expenditure headings defined in the CIPFA SeRCOP.

7.3 Gross total cost includes all expenditure attributable to the service/activity, including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and depreciation. Total cost must also be used for reporting the cost of services in the Comprehensive Income and Expenditure Statement.

7.4 Recharges in themselves do not add to the overall costs of the council as they are an internal transfer of costs already incurred. As a result, provided that the direct costs of all services are reviewed as part of the service review process, then all of the council's budgets will have been reviewed. If efficiencies are identified as part of these reviews, meaning that fewer tasks or reports are required, costs will fall, the recharge of these costs will also fall and so the net cost to the council is reduced.

7.5 Recharges need to be considered when services carry out their benchmarking exercises against other authorities in order to ensure the full costs (including support) have been assessed. However, recharges form just one element of further investigation that is needed to understand the costs of a service.

7.6 Recharging provides a means for service managers to challenge colleagues for the cost of a service provided. The corporate business planning process provides service managers with the forum to challenge those costs.

#### **7.7 Methodology and Principle**

- 7.7.1 When making recharges, in accordance with criteria at 7.3 above, they should be charged across users and other beneficiaries in accordance with the seven general principles within the CIPFA SeRCOP and shown in Table 1.

<b>Principle</b>	<b>Recommended Approach</b>
Complete recharging of overheads	All overheads not defined as unapportionable central overheads or costs of democracy should be fully recharged to service areas.
Correct recipients	The system used must correctly identify who should receive overhead charges.
Transparency	Recipients must be clear about what each recharge covers and be provided with sufficient information to enable them to challenge the approach being followed.
Flexibility	The recharging arrangements must be sufficiently flexible to allow recharges to be made regularly enough and to the level of detail appropriate to meeting both users' and providers' needs.
Reality	Recharging arrangements should result in the distribution of actual costs based on fact. Even if the link cannot be direct, reality should be the main aim.
Predictability/stability	Recharges should be as predictable as possible, although there will be practical limitations to this.
Materiality	It is unlikely that a simple system will be adequate to meet all other requirements noted above. However, due regard should be given to materiality to minimise the costs involved in running the system.

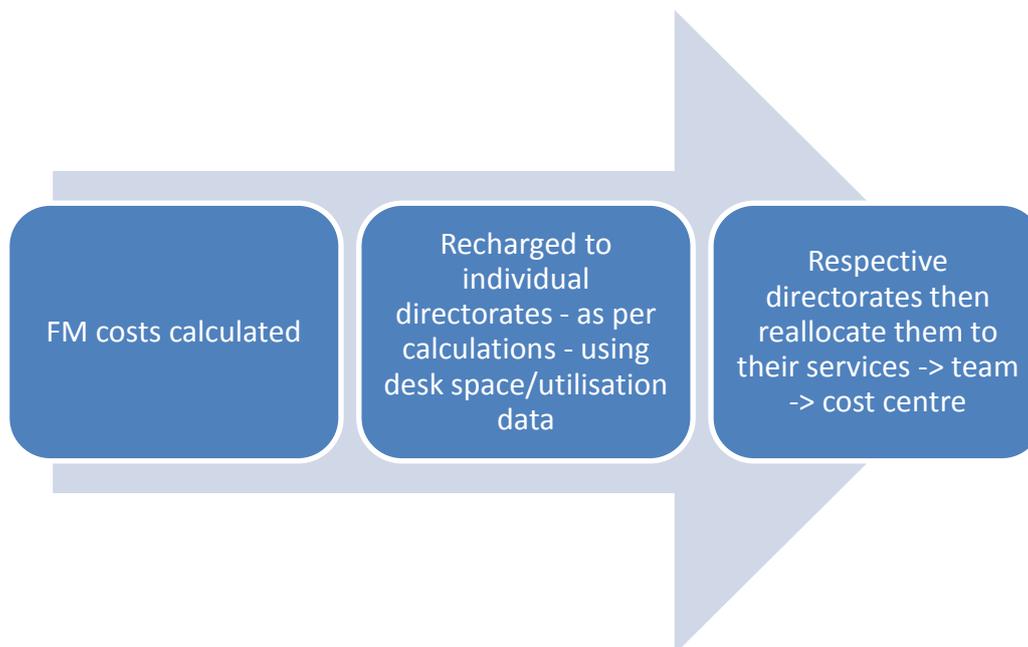
**Table 1 Recommendations for charging of overheads to service users**

- 7.7.2 It is important that the bases of charges are given in a sufficient level of detail to be worthwhile and meaningful. However, there are levels of detail below which it may not be sensible to go, as it is not good practice to spend undue time or other resources in getting unnecessarily precise figures. A balance must always be made between the time taken to complete the allocation of costs and the level of accuracy to ensure there are no distortions in the comparisons of service costs with other local authorities.
- 7.7.3 The overall costs of administering the recharge system are kept down by only carrying out the exercise annually and making use of officer time estimates (see para 7.8.7), rather than utilising a formal time recording system. The recharge allocation process itself is a significant task for the finance team at year-end, but the burden on service areas is minimised.
- 7.7.4 There are a number of charging methods, depending on the costs to be recharged, e.g. time allocation, head count, floor space occupied.

## **7.8 How Recharges are Calculated**

- 7.8.1 To understand how recharges are calculated it is important to understand the rationale for the charges. This section provides an explanation of the process and procedure.

- 7.8.2 Government and accounting standards require service accounts to show the full cost of providing those services, including 'back office' support activities. All administrative costs must therefore be charged to frontline services. The recharges are as much a part of the service as the front-line providers' costs. A proportion of the time (and therefore cost) of the relevant service manager and head of service is also charged.
- 7.8.3 The staff and associated costs recharged are in respect of staff based in the administrative offices and their associated requirements (furniture, equipment, ICT, etc.) These include central and departmental overheads in the directorates.
- 7.8.4 Costs are controlled at departmental level in the budgets for business units, (e.g. HR/Payroll Services, Finance, Facilities Management, ICT) rather than in the services that they are recharged to.
- 7.8.5 Recharges are calculated and charged annually based on actual costs of services in line with the Service Reporting Code of Practice. There is a two-stage process for calculating recharges:
- Firstly all the central services that are being recharged, charge each other as necessary. This could be, for example, Payroll Services being charged ICT costs for supporting the payroll computerised system and ICT being charged for accountancy support in preparing budgets. In this example, Payroll Services will have a charge for ICT and this charge would then become income for ICT. The total cost of ICT would increase by its charge for accountancy services less the income from Payroll Services.
  - Secondly all the central services costs, which include the costs of recharges in from other central services and income from other central services, are charged to the rest of the organisation.
- 7.8.6 The flow diagram below sets out at a high level the process for re-charging space in administrative offices.



- 7.8.7 Where costs are directly attributable to particular services, these are charged to that service (for example, legal work on a specific lease). The remaining costs are then apportioned by either:
- time allocation - percentages are applied to the actual salary costs together with any departmental running costs to allocate them to services;
  - number based - where the central service is more of a function e.g. payroll, payments or ICT, the costs of these activities are recharged to services based on relevant data i.e. headcount, transactions processed in the accountancy system, number of computers;
  - area occupied – office accommodation is charged out based on the floor space occupied or number of desks allocated to a service area.

## **8.0 Monitoring Compliance and Effectiveness**

- 8.1 The Divisional Director, Property & Major Programmes, has overall responsibility for ensuring that space is efficiently used, recharges are fair and proportionate and that all governance processes are followed.
- 8.2 The use of office accommodation is recorded in Computer Assisted Drawings (CAD) and kept on the council's asset management system TF Cloud. The drawings are updated every time a move occurs. Each office building is inspected at least annually to ensure that drawings are accurate.
- 8.3 To ensure that space is being used efficiently a full utilisation study is conducted on a regular basis to record how space is being used. The results of this survey will be reported to the Asset Management Board and, if the Corporate Director, Place, deems it appropriate, to the council's Corporate Management Team.
- 8.4 The Facilities Management team will monitor the cost of each administrative building per square meter and per desk in order to benchmark costs both within the council and against similar organisations and national indices that are available via British Institute of Facilities Management. The data will also be used to identify trends in cost/use and to enable ongoing targets to be set for reductions in overheads and energy consumption.

## **9.0 Accommodation Strategy**

- 9.1 As referenced earlier in this document the council is developing an Accommodation Strategy that will cover the next five years, up to the move to the council's new civic centre in Whitechapel. The strategy will set out how the administrative office space will be reduced and also sets out the targets for reducing cost, energy consumption and creating a planned preventative maintenance regime that supports the long term Asset Strategy.
- 9.2 The Accommodation Strategy will reflect the council's ICT strategy and also set out any target cost reductions will contribute to the council's medium term financial strategy.

- 9.3 A set of projects will be included within the Accommodation Strategy setting out specific activities that will reduce the overall cost of running the administrative estate, reducing energy consumption and reducing the overall space occupied by both meter squared and per head.

## **10.0 Updating and Review**

- 10.1 The policy will be reviewed on a regular basis, with an eye to any developments such as legislative changes, national policy instruction (DCLG), or at the request of the Chief Executive or council's elected Mayor.

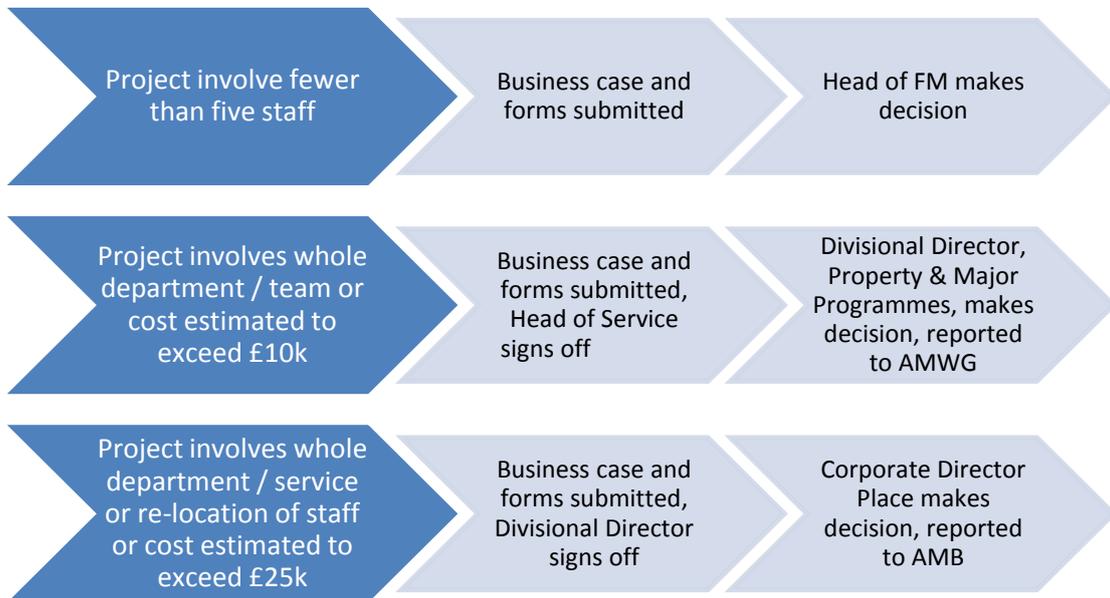
## Appendix A

### Moves Procedure

1. The council has agreed a number of policies to support flexible working. All desks are classed as “hot desks” and currently allocated on the basis of 6:10. To support this, each desk is equipped to enable most users to work at different council locations without the need to move any equipment.
2. All moves need to be agreed in advance and recorded in order that we can monitor the use of the council’s accommodation. Moves will only be agreed if they:
  - Conform to the council’s accommodation strategy and accommodation policies
  - Continue the reduction in overall office accommodation and costs
  - Locate back office functions and non-geographically specific services in core buildings
  - Consolidate services within office accommodation to maximise usage and release of other property for disposal or alternative uses.
3. The standard council workstation environment is:
  - Desk
  - Mira chair
  - Wyse box (or similar thin client) or PC
  - Flat panel monitor on stand
  - Keyboard
  - Mouse
  - Software that is downloaded as part of your user profile when you login
  - Telephone with facilities that can move if you log in to another phone.
4. Any other facilities will only be provided if a business case is submitted and approved by FM and ICT or if a need is identified following a workstation risk assessment (e.g. Display Screen Equipment assessment). Any additional costs arising from the requirement for non-standard facilities will be charged to the cost centre provided as part of the business case.
5. Shared storage (tambour units) and personal lockers are not normally moved, nor are any more allocated unless a business case is provided.
6. Users are expected to pack and unpack their own personal effects and files, although the actual move of the items will be arranged by Facilities Management.
7. Locker allocation is not managed by Facilities Management. This is the responsibility of local managers. Facilities Management can open lockers upon request if they are apparently unused.

## Procedure for Approval of Requests

1. A business case form should be submitted to the Workplace Support Manager. All requests will be acknowledged within 5 working days.
2. Set out below is a summary of the moves procedure.



3. Where appropriate, Head of Service and / or Divisional Director approval must be sought before submitting any move. This must consist of a signed business case form. **All costs involved in any move will be charged to departmental budgets and a cost code must be provided.**
4. The Head of Facilities Management, the Divisional Director, Property & Major Programmes, and the Corporate Director, Place, will review requests on a regular month and may:
  - i. Reject a move at the initial stage if the proposal does not conform to the council's Accommodation Strategy; *or*
  - ii. Request further information including a proposed plan and budget costs; *or*
  - iii. Approve the request.
5. Except in the case of urgent requests, before the Divisional Director, Property & Major Programmes, and the Corporate Director, Place, determine requests, these will be presented to the Asset Management & Capital Strategy Working Group and Board respectively for comment.
6. The decision will be reported back to the applicant in writing. Moves must not be implemented unless they have been approved.

## Business Case for Moving Staff - Application Form

### Detail of Person Requesting the Move

Name:	
Contact phone number:	
Contact email:	

### Summary of the Proposed Move

Description:	Describe the proposed move, including where from, where to, and number of people
Business case for the move:	State the reasons for the move, the benefits to the council, estimated costs and timescales
Dependencies:	Identify any other work that needs to be completed before the move can take place
Target live date:	The date by which the move should be completed. Provide additional dates if the work is to be phased

**When moving between the council's core buildings, there should be no need to move computers, desks, etc., as they will be at the final location. If additional equipment is required, please complete the following sections.**

### Environment, space and facilities requirements

Workstation requirements:	State the number of workstations (as described above) being used at the current location and the number required at the new location, if different.  If the number is different state why.
Dependencies:	State any dependencies e.g. awaiting another team moving out of the target location
Storage:	What team storage requirements are there? Total number of tambour units required Number already at new location Number moving from old location

### ICT Requirements at the new location

Wyse Box / PC requirements:	State the number of Wyse boxes / PCs required at the new location. Total number required Number already at new location Number moving from old location
Printer/scanner/fax requirements:	All core buildings have corporate printers. If you require any additional printers, please state why and the business case. State the number of scanners and faxes required at the new location: Total number required Number already at new location Number moving from old location
Telephone requirements:	State the number of telephones required at the new location. Total number required Number already at new location Number moving from old location

Additional ICT facilities:	Define any additional computer facilities: Additional software Specialist telephone arrangements
Any other requirements:	State any additional requirements not covered above

**Budget**

Available Budget:	State the available budget for the move
Cost Code:	Provide a cost code for the work

**Approval**

Head of Service	
Divisional Director	
Budget Holder	