

## Report for Resolution

**Report to** Executive  
28 July 2010

**Report of** Assistant Director - Neighbourhood Development

**Subject** Housing Property services Co-location with Connaught Partnerships Ltd

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### Purpose

To seek approval for the Council to enter into a 5 year lease to allow Housing Property Services (HPS) to move from their current office accommodation in Pilling Park Area Office and be co-located with Connaught Partnerships Ltd (CPL) at its main office in Old Hall Road. Also for the Director Regeneration & Development to be given delegated authority to agree the detail with the Section 151 Officer and the Portfolio Holder for Housing & Adult Services.

### Recommendations

1. To approve, in principle subject to recommendation 2, the signing of a 5 year lease on part of the floor space of CPL's offices at Old Hall Road to allow HPS to co-locate.
2. To delegate authority to the Director – Regeneration & Development to agree the details of the lease in consultation with the Council's Section 151 Officer and the Portfolio Holder for Housing & Adult Services.

### Financial Consequences

The financial consequences of collocation are still being negotiated. The costs involved include minor works to provide secure accommodation for the property team, ICT links, relocation costs, and ongoing lease/office costs. The full cost will be met from the Housing Revenue Account and a provision has been made in the 2010/11 budget. Any cost above this sum will be funded from the HRA contingency budget.

### Risk Assessment

Co-location of client and service provider has widely been recognised as contributing to improved partnership working and ultimately better service provision to the customer. By not taking the opportunity of co-locating, opportunities through partnership working, such as, reducing duplication improved communications and ultimately improving the service to residents that are not recognised and implemented.

Any risks associated with the early termination of the current contract, by either party, could be underwritten by including a requirement that the remainder of the CPL lease is taken on by the new service provider and this requirement is included as part of any the contract conditions.

## **Strategic Priority and Outcome/Service Priorities**

The report helps to meet the strategic priority “Safe and healthy neighbourhoods – working in partnership with residents to create neighbourhoods where people feel secure, where the streets are clean and well maintained, where there is good quality housing and local amenities and where there are active local communities”.

**Executive Member:** Councillor Arthur - Housing and Adult Services

**Ward:** All wards

### **Contact Officers**

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Chris Rayner, Head of Housing Property Services	01603 213208

### **Background Documents**

None

## **Report**

### **Background**

1. The co-location of client and service provider has long been recognised as a means to promote closer partnership working, identification and removal of duplication in processes resulting in leaner processes, and ultimately give rise to an opportunity to deliver an improved service to tenants and leaseholders.
2. In this context the housing contract specification for Lot 8 'Housing Maintenance & Improvements' included a requirement for 6 desk spaces within the successful service providers offices for the use of HPS staff. However the subsequent award of four of the housing contracts to CPL has presented a greater opportunity, and benefit, for the whole of Housing Property Services (HPS) to co-locate with Connaught Partnerships Ltd (CPL) in their main office and depot at Old Hall Road.
3. Initial discussions have taken place and an area of the office on the first floor has been identified for the sole use of HPS. CPL staff who are engaged in delivering the bulk of the housing contracts are also located on this floor.
4. CPL have signed a 5 year lease on the building and, should the proposal go ahead, the Council would sign a sub-lease to this head lease effectively making us sub-tenants, for the remainder of the 5 year term, up to 31<sup>st</sup> march 2015 (the term of the current contract with CPL). CPL also have an option on their lease to extend for a further 5 years should the current contract be extended and it is proposed that the sub-lease would also include this option, should the extension be granted.
5. The Principle Valuer within Asset & City Management is currently negotiating the terms of the lease to ensure that the Council achieves the best terms possible, and as soon as these have been finalised they will be passed to the Director – Regeneration & Development for final agreement, subject to the approval of this report.

### **IT Issues**

6. In order to meet the necessary requirements of 'Gov Connect' (Government requirements to ensure security of IT systems and data) it will be necessary for HPS to have a fully secure "self contained" area of the office, including all IT hardware and software. Steria and the Councils Systems Support team have been fully consulted and involved in this aspect of the project and proposals that ensure the security of Council equipment and data and compliance with the required regulations have been agreed in principle with CPL.

### **Costs**

7. Detailed costs in relation to the sub-lease, such as rent and service charges, have yet to be finally agreed. However, some provision has been made within the Housing Revenue Account for these charges. Should the actual costs exceed this budget allocation then finance is available in the Housing Revenue Account contingency fund. This budget will be adjusted, where necessary, for

8. In addition to ongoing costs there are costs associated with installing a new fibre optic cable to the building for the sole use of HPS and also new cabling within the HPS office area to ensure that it is completely secure and separate to the CPL cabling.

## **Benefits**

9. As well as acknowledging that there will be costs associated with this co location it is important to recognise that there are considerable service related benefits. The co-location of client and service provider has proven benefits and will result in closer working and the resolution of issues quicker and more easily by discussing the matter face to face as opposed to waiting for the next meeting or by email. This should lead to an improved service for tenants and leaseholders. The contract management of the CPL housing contracts will be easier, which, it is hoped, will lead to improved performance. In addition areas of duplication will be more easily identified and solutions more easily put in place, which should lead to leaner processes and a method of working which is more as one organisation/team rather than two.
10. The co-location of both organisations will result in better value for money as there will be cost savings in terms of a complete removal of the need for travel to attend various meetings etc and also in terms of officer time currently spent travelling.
11. The Pilling Park Area Office currently occupied by HPS has, since 1<sup>st</sup> April 2010, been used as the accommodation for the Neighbourhood Team for the east neighbourhood area. The relocation of the HPS team will enable additional space to be available at the Pilling Park area office and provide greater opportunity and flexibility to have other partners located there on the same principles.

## **Conclusion**

12. The co-location of HPS with CPL will provide a range of benefits to both organisations but more importantly to our customers, the tenants and leaseholders, and the Executive are asked to approve the recommendations contained within this report.