



Notice of Non-key Executive Decision

Subject Heading:	Termination of lease for the Public Advice and Service Centre (PASC)
Cabinet Member:	Councillor Roger Ramsey
SLT Lead:	Jane West – Chief Operating Officer
Report Author and contact details:	Mark Butler 01708 432947 mark.butler@onesource.co.uk
Policy context:	<p>The Council's Corporate Plan seeks to deliver value for money by ensuring that our residents receive the best possible services at the lowest possible cost.</p> <p>The Asset Rationalisation proposals agreed by Cabinet on 19th Havering seek to reduce the Council's fixed accommodations costs.</p>
Financial summary:	The proposals within this paper should generate an annual revenue saving to the Council in the sum of £130k p.a. in accordance with the Council's Medium Term Financial Strategy
Relevant OSC:	Overview & Scrutiny Board
Is this decision exempt from being called-in?	Yes - it is a non-key decision by a member of staff

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To approve serving notice terminating the Council's leasehold interest in the Public Advice and Service Centre (PASC) with effect from October 2021.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution, part 3 Responsibility for Functions,
Section 3.9 Functions Relating to the oneSource Group of Services:
Asset Management Functions:

(ix) To be the Council's designated corporate property officer, responsible for the strategic management of the Council's property portfolio, including corporate strategy and asset management, procurement of property and property services, planned and preventative maintenance programmes, property allocation and use, reviews, acquisitions and disposals, and commercial estate management.

STATEMENT OF THE REASONS FOR THE DECISION

The Council has rationalised its operational accommodation over a series of years, consolidating occupation into its freehold estate and reducing its leasehold liabilities over time, having previously released Purfleet Depot and Scimitar House as two examples, saving in excess of £1.5m p.a.

The Council's remaining leasehold interest relates to the Public Advice and Service Centre (PASC), effectively an extended area to the second floor of Mercury House, which is leased from The Liberty. Under the terms of the lease the Council pays a current rent of £104,120 per annum, in addition to which there is a service charge payable to the landlord, currently £25,167 per annum, such that the total fixed costs of the PASC amount to almost £130k p.a. The lease includes a break clause to terminate the agreement that can be exercised by the Council at any time, subject to a minimum of 6 months' notice.

The PASC has served as the Council's public 'front door' for many years and was extended in 2013 prior to the closure of Scimitar House to accommodate reception facilities for Children's and Adults Social Care.

Like many Council buildings, the PASC was closed in March 2020 as part of the lockdown measures associated with the coronavirus pandemic and has remained closed since. Transactional enquiries previously managed via PASC have subsequently migrated online where possible and where this is not the case, customers are assisted over the phone, eliminating much of the need for face-to-face enquiries. Temporary arrangements for Childrens Service enquiries have been made at the former Youthzone building at Hedley Court.

In January 2021, Cabinet approved proposals to further rationalise Council assets associated with a transition to a more agile working model. These proposals recognise that there will be a continuing need to manage more sensitive housing and social care queries (including but not

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limited to the aforementioned Children's Service enquiries) in a face-to-face manner as a result of which Cabinet have approved the remodelling of part of the Town Hall West Wing to provide an appointment centre for this purpose. These works are currently being detailed and procured such that the new facility can be available within 12 months, being sometime in early 2022.

In the meantime there are no plans to re-open the PASC in the interim and the Medium Term Financial Strategy has been reviewed to reflect the saving that would accrue to the Council in the event of the lease being terminated. In the unlikely event that a replacement facility is required in between the PASC lease terminating by October 2021 and the new facility being available in early 2022, the Council would re-purpose one of its vacant retail units as an interim measure.

There is the possibility of some one-off residual costs arising as a result of the Council's exit from the lease albeit these will be mitigated where possible.

OTHER OPTIONS CONSIDERED AND REJECTED

Reopen the PASC when Covid restrictions are lifted:

The successful transition of a significant volume of transactional enquiries to online or telephone channels represents a significant reduction in the unit cost when compared to face to face transactions. Consequently returning to high volume face-to face-transactional work via the PASC would negate the opportunity to deliver services at lower cost.

The proposed Appointment Centre recognises that there remain scenarios requiring face-to-face support and intervention and will accommodate these enquiries in a more physically accessible and fit for purpose environment.

PRE-DECISION CONSULTATION

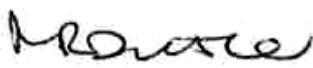
None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Butler

Designation: Director of Asset Management

Signature:



Date: 15 March 2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The current for the PASC is for a 5 year term commencing 26th May 2018 (i.e. expires 25/05/2023).

The lease contains a tenant break provision such that the Council can break at any time after 26/05/2020 subject to service of no more than twelve and not less than six months' notice.

Consequently, it is possible for the Council to serve notice this month to terminate the lease prior to the end of September 2021 and cease the Council's rent and service charge liabilities at the termination date specified within the break notice.

In bringing the lease arrangements to an end, the Council will be required to carry out separation works between the premises and Mercury House and to yield up the premises in the state of repair and condition as required by the repairing covenants in the lease. The Council may also be required to remove any tenant's alterations if required by the Landlord.

FINANCIAL IMPLICATIONS AND RISKS

The shedding of the PASC lease will achieve rent and service charge savings in the sum of £129,287 p.a (based on a full year) suggesting a part year saving of £64,644 during 21/22 if the lease is terminated by the end of September 2021.

The MTFS anticipates a full year saving of £97k in 2021/22 from release of the PASC lease and service costs, rising to £129k from 2022/23

The above savings represent property-related costs. No assumption has been made to savings in salary costs as it is assumed that resources will be transferred elsewhere to service customer enquiries within the new operating model (appointment centre, libraries or remote working)

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no direct human resource implications arising from this decision. Staff previously working within the PASC have been working remotely since March 2020 and it is envisaged that this model will continue to a large extent, supported by remaining transactional work being handled at existing libraries and staffing at the proposed Appointment Centre due to open in early 2022/

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected

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- characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The Council seeks to ensure equality, inclusion, and dignity for all, in all situations.

The proposed Appointment Centre referenced above and within the January Cabinet report will offer greater accessibility to those customers required to attend in person – unlike the PASC the new premises will have street-level access with parking available nearby. There are not considered to be any negative equality impacts arising from the proposals set out within this decision.

The use of the new appointment centre will be monitored to ensure it does not have a negative impact on any groups defined by the Equalities Act 2010.

BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

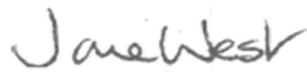
Proposal agreed ✓

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: Jane West

SLT Member title: Chief Operating Officer

Date: March 2021

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____