

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

**Economy Environment and Place Scrutiny Committee
17 December 2020**

Report Title: Overview of Data and Potential Savings in the relocation from NULBC N-u-L Premises to Castle House

Submitted by: Director for Commercial Development & Economic Growth

Portfolios: Commercial Development & Economic Growth; Environment; Finance & Resources

Ward(s) affected: All

Purpose of the Report

To summarise current known Data and Observations in relation to the move from the following Council Buildings and related facilities [Civic; St Georges Chambers 3-10 Merrial Street; Lancaster Buildings and Guildhall] to the co-location Castle House.

Recommendation

To consider current known Data and Observations and make any further ongoing recommendations for 5 Year interim cycles of Reporting [in order to coincide with Staffordshire County Council, as Landlord, Quinquennial Reviews for Castle House – the next Review being planned for 2022 by Staffordshire County Council].

Reasons

To initially Observe that the Financial and Business Case, as well as Sustainability and Environmental case for a co-location move with other Castle House Partners [the main Partners being: Staffordshire County Council, Newcastle-under-Lyme Borough Council and OPCC [Police sub-operational location] but with an Aspire Customer Business Centre as well] was sound and justifiable.

1 Background

- 1.1 In 2015, Staffordshire County Council wished to create a new Public Sector Hub in Newcastle-under-Lyme Town, to allow its own business model of rationalisation of outlying location facilities to be brought into the Town to be achieved. It sought the support and a site (a former School site that Newcastle-under-Lyme Borough Council had bought beside Queens Gardens) from NULBC. Construction commenced in 2016 and initial completion of the building was achieved in summer 2017. There were some issues with the initial new building construct, not least, the rear cladding panel installation, which resulted in final Practical completion in summer 2018. Decants from all outlying SCC, NULBC and OPCC facilities commenced soon after, with full occupancy by early Autumn 2018. Certain moves were “walking distance away” for some of the Castle House occupants, whilst others were as far away as Kidsgrove Town Hall (SCC provision) and Roe Lane on Westlands (SCC Seabridge Centre).

1.2 The Financial and Environmental, as well as Public Estate (co-location) model created in 2015 demonstrated substantial resources, as well as travel savings would result - not least, the central location being virtually adjacent to a major roadways interchange as well as Bus Station. The main "resources saving" would result from closing several buildings, re-purposing others, but more so, the economies of Facilities, Property Estate (including Business Rates and Water Rates/Water Use) and Energy managing one Public provision under one roof. Additional benefits include a shared common main entrance as well as front of house Public Services contact provision (featuring a relocated Public Library and Tourist Information Centre and combined NULBC Customer Services Contact Centre, but also with Neighbourhood Policing Unit public enquiries desk).

2 Purpose

2.1 To demonstrate the initial Observations and Data savings [but caveated pending the next official review by the Staffordshire County Council Landlord in 2022] for Newcastle-under-Lyme Borough Council in the main.

3 Savings Achieved

3.1 **Energy** (gas, electricity, other – including Standing Charges and Indirect Energy Taxations such as Climate Change Levy) – an approximate 33% saving has been achieved by the co-location relocation, across all Occupants (please remember that the Police/OPCC were present as a community Policing operational station within the basement of Civic and that there was some NHS, but predominantly SCC provision at ground and first floors of Civic). The main Environmental (and in part Economical) benefit of the move to Castle House, is that there is no use of fossil fuel based Natural Gas in the new building (and hence no Gas Fired Boilers), relying on Air Source Heat Pumps instead. Civic has 3 large commercial boilers, one of which there, was used for heating the Civic domestic hot water supply. The Castle House Heat Pumps as well as 50KW Solar PV array, but backed up by a daily cycle of pasteurisation of hot water calorifiers, creates the hot water provision for washbasins etc. in Castle House.

3.2 **Water** * – an approximate 30% environmental, as well as Water Business Rates rateable value / water usage has been achieved in the move to Castle House across NULBC provision in the main for metered potable water use, public sewers provision in surface and foul drainage [but * due to de-Regulation of the Water Supplies Industry in April 2018, the SCC Landlord is still assembling this Data from WaterPlus, so figures are based on lesser footprint of Castle House at approx. overall 3300 sq metres building footprint and lesser hardstand run-off, as compared to the equivalents at Civic, Guildhall, Lancaster Buildings and St George's Chambers in the main, and with some acknowledgement of SCC locations such as The Seabridge Centre, which occupied a fairly large out of Town site]. We anticipate £4000.00 approximate billings from Waterplus for Castle House, as compared to £6021.08 in 2017-18 for Civic, £623.00 in 2017-18 for St Georges Chambers and £490.57 for Guildhall. There is a lesser storage of water in water tanks in Castle House as compared to the totality usage from all previous buildings, especially those that are no longer fully used (Guildhall in part, St George Chambers and Civic in the main, but equally Lancaster Buildings from 2018 to late 2019 [Lancaster used by NULBC and SCC whilst Castle House ground floor West Wing was being re-vamped from late Summer 2019 to end of March 2020).

3.3 **Other Key Benefits** – [measurable and non-measurable] The attached table demonstrates other savings realised by the co-location move to Castle House, including the lessening of Contractor movements / journeys to all those facilities that are mothballed or closed in respect of Statutory Legislative Framework / planned preventative maintenance, cyclical and response maintenance (such likely NULBC Contractor elements not fully shown in the table below):

	Castle House 2019/20	Civic Offices 2017/18	St Georges Chamber 2017/18	Guildhall 2017/18	Total Pre Castle House	Difference
Electricity	£ 54,168.62 (NULBC contribution to total electric billings for Castle House)	£ 32,001.77	£ 1,095.65	£ 7,954.80	£ 41,052.22	£13,116.40 likely more NULBC contribution provision at this stage - n.b. all is electric at Castle House as there is no gas)
Water *	£ - (Data still being collected via WaterPlus and other parties including SCC Landlord)	£ 6,021.08	£ 623.00	£ 490.57	£ 7,134.65	-£7,134.65 (current saving to NULBC at this stage)
Gas	£ - (there is no gas provision at Castle House)	£ 14,599.13	£ 819.74	£ 1,733.64	£ 17,152.51	-£17,152.51 (current saving to NULBC over the last Year or so, but St G Ch coming back into use as a Cold Nights provision as at December 2020)
Business Rates ^	£ 55,771.84	£ 95,680.74	£ 4,071.50	£ 9,774.86	£ 109,527.10	-£53,755.26 (^current saving to NULBC, but see 3.3 narrative)
Cleaning#	£ 39,007.70	£ 51,594.39	£ 6,628.72	£ 17,573.11	£ 75,796.22	-£36,788.52 (≠ current saving to NULBC, excepting covid emergency cleans, not yet fully apportioned, nor certain interim cleaning provision by SCC for NULBC during summer 2017 to summer 2018 at St G Ch, Civic, Lancaster and Guildhall).
Repairs	£ 12,327.37	£ 15,969.22	£ 423.60	£ 2,075.40	£ 18,468.22	-£6,140.85 (current lesser provision/commitment on NULBC's part, as the SCC Landlord bears the cost of most Castle House repairs and apportions such out amongst the 3 Castle House Partners on a % occupancy basis)
Network Circuits	£ 13,075.08	£ 9,391.27	£ -	£ 2,996.77	£ 12,388.04	£687.04
Document Storage	£ 14,362.25	£ -	£ -	£ -	£ -	£14,362.25 (see note below this table)
Waste Collection “	£ 18,349.65 “ (“ SCC, as Landlord, carry the burden of Trade Waste collection	£ 8,165.82	£ -	£ -	£ 8,165.82	-£10,183.83 (“ NULBC saving provision approx., but requires double-checking in relation to new County Environmental Waste Collection Policy and

	charges for Castle House)					related Charges introduced in 2019 and 2020)
						£98,985.97

[net likely saving approx. to NULBC, since late 2018 at this stage, but also needing further Data checks and balances related to *, ^ ≠ and “]

6. **Legal and Statutory Implications**

6.1 None.

7. **Equality Impact Assessment**

7.1 Castle House is a fully Equality Act compliant facility, having also had a Design and Access Statement in place as part of its design and construction. Several of the existing NULBC Assets involved in the case to relocate to Castle House, do not have adequate Public-User Access arrangements in place (e.g. there is no lift to the 2 storey St Georges Chambers at 3-10 Merrial St., over the Merrial Street Shops). The fabric and environs of Castle House are equally constructed to modern day standards.

8. **Financial and Resource Implications**

8.1 The Data and initial Observations for this remain under review (especially given the impact of covid and 2 Lockdowns, as well as localised “Tier-ing”) and will be further assimilated and released toward the end of 2021.

9. **Major Risks**

9.1 All major risks have been reviewed within the original Castle House (new Public Sector Hub) Business Case in 2015 to 2016. There are some Residual Risks that are currently being balanced by Officers and Members within NULBC, including within the SCR Re-Review 2020.

10. **Sustainability and Climate Change Implications**

10.1 The Council’s Carbon Monitoring Officer will be working with Consultants and County Council/Tyndall Centre, as well as Carbon Trust, to fully represent the nett Carbon tonnage savings resulting from the co-location move. This will place a marker in relation to Public Sector use of Assets and both the financial as well as Carbon Tonnage savings that can be achieved by working in a Partnership co-location manner. This also reflects CiPFA Property strategies and advocacies from 2016.

11. **Background Papers**

11.1 Please refer to NULBC Cabinet Papers circulated for 9 December 2020, especially in relation to the Sustainable Environment Strategy and background paper Action Plan.

