



Committee and Date
Council
26 September 2024

Item

Public



Relocation of Council Headquarters – Shirehall to Guildhall

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Cabinet Member (Portfolio Holder):	Cllr Dean Carroll		

1. Synopsis

To seek approval to the accelerated phased move from the Shirehall to Guildhall in Shrewsbury to form the future Council headquarters.

2. Executive Summary

2.1 This report to Council is made subsequent to the previous reports dated 24th February 2022, 14th December 2023 and 29 February 2024 which made the following recommendations;

24th February 2022:-

- i. Further to recommendation 3.1, declare the Shirehall building and associated environs within the site boundary marked in red in appendix I, surplus to requirements.
- ii. Delegate responsibility to the Executive Director of Place, in consultation with the Portfolio Holder for Physical Infrastructure, to agree and implement the disposal and marketing strategy as the recommended option for the Shirehall site; agree terms and conditions of sale, all subject to approval at Full Council.

14th December 2023:- Shirehall Decommissioning & Disposal Strategy:-

Authorise the Executive Director of Place in consultation with the Portfolio Holder for Housing & Assets to

iii. Commence decommissioning of the Shirehall,

29 February 2024, agreement of the Council's Financial Strategy, Medium Term Financial Strategy, extract from Appendix 1:-

iv. RC040 Reduce Cost – Dispose of Shirehall quicker and relocate services

- 2.2 The relocation of the Council's headquarters as per previous decision making has been accelerated further to the decisions set out in 2.1. The former Guildhall building is the Council's preferred venue and is currently being vacated by the University of Chester in the relocation of their University Centre Shrewsbury. This is seen as an important move whilst further work is ongoing concerning the potential full business case for a planned Multi-Agency Hub (MAH) being developed as part of the Shrewsbury Town Centre Redevelopment.
- 2.3 In line with the previous delegation from Council in December 2023, the Executive Director of Place has already instigated the process of vacating the Shirehall, and this report now proposes to accelerate this process to the preferred venue of the Guildhall.
- 2.4 To progress a phased move of the Council, its democratic function and associated services to the new venue Guildhall, Shrewsbury.

3. Recommendations

That Council agrees to;

- 3.1 Authorise the Executive Director of Place in consultation with the Portfolio Holder for Housing & Assets to
- I. Declare the Guildhall as the administrative base for the Council and implement the phased move and the relocation of its services in the financial year 2024/25.
 - II. Rationalise and consolidate the immediate use of the Shirehall building to ground floor and first floor and other essential spaces only to house the data centre, formal meeting spaces, critical storage and remaining tenants until the ultimate building closure in the financial year 2025/26.
 - III. Update the disposal process accordingly to reflect the accelerated decant of the building.
- 3.2 Agree the budget of £1.2 million previously identified to facilitate the accelerated exit from the Shirehall including the cost of decommissioning the Shirehall building, to ultimately achieve a revenue saving of £593k per annum once the move is fully completed and the Shirehall is decommissioned. Full saving achieved by financial year 25/26. Please see further detail in section 5.3

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1 As outlined at Cabinet on 17th July 2024, the Council is now moving towards its strategic operating model, which reflects the transformation required to become the organisation it needs to be in terms of its financial sustainability and future key priorities. This recognises that our staff are our most important asset and it often overlooks the role property plays in enabling a healthy organisation and ensuring financial sustainability. The health, safety and wellbeing of the staff is paramount. The move from the Shirehall into a smaller town centre premises, more quickly, will support the Medium Term Financial Strategy and will also assist the acceleration of several of the essential elements of remote flexible working and the implementation of our Digital Workforce, Asset Management and Carbon Reduction plans. By investing in further technology, training and support for staff and customers, there is huge potential to reduce our reliance on office space, giving us the opportunity to share buildings with partners to improve service delivery as well as make financial and operational efficiencies.
- 4.2 Recent studies recognise that the relocation of Shropshire Council's civic office to the town centre will have a significant and positive impact on the local economy, increasing the vitality and vibrancy of the town. Whilst there is likely to be a sustained reduction in the number of frequent or permanent office-based staff occupying new and existing office space, the relocation of the Council's activity will increase economic activity in the town. Furthermore, the move to the town centre will demonstrate the Council's commitment to its economic growth.
- 4.3 The Council has the opportunity to make use of a former administrative base that is becoming vacant, following the recent tenure, of the University of Chester (University Centre Shrewsbury) coming to an end. The Council owns the freehold of the former Guildhall site and is now bringing forward plans to take back the existing building and convert it into a modern fit for purpose administrative venue. These plans will take into account the consultation, research and best practice to create modern and efficient spaces to support its administrative, back office and service based requirements. To support the proposed move to the Guildhall, the Council's accommodation strategy is transforming to support a hub and spoke based approach across Shropshire.
- 4.4 Work is also underway to develop community and family hubs in key market towns around the county. A mixed method approach (working with available and appropriate assets) will support staff to work at these front facing hubs, or at hub locations specifically for staff to coalesce with colleagues from across directorates and partners. This will provide additional provision for staff alongside the core administrative hub and spoke offer. The community and family hubs will provide a customer focus including our prevention and service provision offer; and in some of our small market towns these may combine with our administration function.
- 4.5 The ambition is to ensure that the organisation can adapt and respond to customers through digital channels, whilst providing face to face support through local hubs. This holistic approach to providing services and administration across Shropshire will provide vital services and infrastructure to local communities and market towns as

well as ensure the long-term sustainability of the Shrewsbury town centre. Developing a travel plan to ensure that staff, Members and visitors can access the venue from a range of transport options including Park and Ride will be key to ensuring the success of the proposed administrative base at the Guildhall in Shrewsbury.

4.6 The following Risk Table has been taken from the previous Council report and updated:-

<i>Risk</i>	<i>Mitigation</i>
Delays lead to a prolonged stay at Shirehall incurring additional expenditure	The recommendations within this report are based on an accelerated process which actively brings forward a move to an alternative premise and associated savings.
Shortened period to effect moves cause business disruption and lack of engagement with staff and services	The agreement of a phased process allows prioritisation and flexibility around moves allowing for mitigation and contingency plans involving the Shirehall which will remain active on a smaller footprint for a limited period. The Human Resources team have been fully engaged and will support in the transition process.
Failure to provide adequate parking or travel plans to support the move.	The development of a clear and concise travel plan to support staff in terms of parking, bicycle storage and park and ride options will support the move. The Council intends to transition to implementing payments for all staff parking as a separate process in line with the Medium Term Financial Plan.
The legal and democratic function will not effectively take place due to limitations on meeting spaces.	Meeting and collaboration spaces are being prioritised as part of the planning for the new building. Spatial plans are being developed to support the logistics and occupancy for full Council meetings together with other key committees and forums.
Lack of business continuity for staff moving across to a new headquarters	A new prospectus or guidebook is being developed to introduce the new venue and spatial configuration. Supporting the new way of working, including bookable spaces, collaborative spaces and 'neighbourhoods' where similar services and departments can collocate.
Shirehall becoming listed following expiration of the Certificate of Immunity.	Obtain and implement planning permission for the full site.
Staff and trade union opposition to the earlier move.	High levels of staff and Trade Union engagement are planned. Engagement with Unison to establish requirements. The Employee Engagement Group oversees and manages key consultation with staff and unions, it has and will continue to receive regular updates and is a key consultation forum for future plans.

5. Financial Implications

- 5.1 Shropshire Council is currently managing an unprecedented financial position as budgeted for with the Medium-Term Financial Strategy approved by Council on 29 February 2024 and detailed in our monitoring position presented to Cabinet on a monthly basis. This demonstrates that significant management action is required over the remainder of the financial year to ensure the Council's financial survival. While all Cabinet Reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve
- scaling down initiatives,
 - changing the scope,
 - delaying implementation, or
 - extending delivery timescales.
- 5.2 The previous estimate of direct expenditure was in the region of £1.2m (as detailed in the table in 5.3) to pay for the required workstreams and this was within the funding previously approved at full Council in December 2023. It is not envisaged this requirement will increase to accelerate the move to Guildhall. However, it should be noted this would not cover the cost of any subsequent move to a new MAH as part of the Shrewsbury Town Centre Redevelopment should that be subsequently approved. This estimate also has a provisional sum in for works to support the relocation of the server. Again, this provisional sum does not cover the cost of moving the server to a Cloud based system or future costs associated.
- 5.3 The previous outline cost, activities and costs have been updated and presented in the table below.

Workstream	Description	Estimated costs
Records storage and digitisation	Move all records to digital storage wherever practical. All other hard copy records for retain to be moved to suitable location	£125k
Data centre relocation	Move of data centre from Shirehall. Current plan involves a planned migration of the server to a 'Cloud' based service. Full costs of this have not yet been finalised.	£500k
Occupational Health move	New location for clinical and counselling space required for occupational health support	£20k
Telecoms masts and roof equipment	New location or termination of the existing antenna on the roof	£50k est.

Solar PV	What to do with the existing solar PV on Shirehall	£50k est.
Schools Library service	This move is currently being planned.	
Registration & Coroners service	Move to a new location potentially Guildhall or another Council premise.	£5k removals
Library service	Move to new location outside the MAH due to the nature of the service being delivered	£70k
Plant and equipment decommission	Decommission and removal where required of plant equipment	£100k
UNISON	Move of the UNISON offices to new location	£2k removals
Parking enforcement and Trading standards	Move to new location likely Guildhall	£5k removals
Site clearance	Removal of excess items from site	£100k est.
Site security	Agree and implement a security policy for the vacated areas until site is disposed of	£20k est.
Back-office relocation	relocation of all remaining staff and service to new site	£50K
External partners	Establish clear communications with partners and their involvement with future plans and opportunities for other Council owned assets.	£10k (Legal fees)
	Project Coordination and Contingency fund@10%	£110K
	Total	£1,197k

- 5.4 The Council's MTFs assumes revenue savings from vacating the Shirehall by 31st March 2025 of £0.325m for the financial year 2024-25 and a further £1.300m for the financial year 2025-26. These savings are unachievable with an updated assessment of savings set out below:-

Financial Year	Annual Running Cost	Saving
24/25	£1,294,341.88	£27,073.13
25/26	£870,966.00	£450,449.00
26/27	£728,216.00	£593,199.00
27/28	£728,216.00	£593,199.00
28/29	£728,216.00	£593,199.00

The Net cost and budget pressure for the financial year 25/26 is £870K. Opportunities for acceleration and further savings, will be considered post decision making and possession of the Guildhall building with a full assessment of adaptation work and running costs informing the potential for additional savings.

6. Climate Change Appraisal

- 6.1 **Energy and fuel consumption:** The move to more home working, the relocation of the council's headquarters to Shrewsbury town centre and the disposal of Shirehall all have the potential to reduce energy and fuel consumption by:
- i. Reducing the need for staff and service users to travel
 - ii. Fostering greater use of low carbon transport modes and developing a 'Travel Plan'.
 - iii. Providing opportunities for both new build and retrofit to incorporate building design measures which improve energy efficiency and carbon performance.
 - iv. The Shirehall is a single glazed energy inefficient building which when replaced with a smaller, sustainable and energy efficient building will drastically reduce the Council's energy and fuel consumption.
 - v. Offering practical support and advice to staff to quantify and reduce their domestic carbon footprint.
 - vi. Initial modelling suggests that, during 2020, increased home working reduced the Council's indirect carbon emissions by around 400 tonnes, due to much lower levels of travel which outweighed additional emissions from staff home heating.
- 6.2 **Renewable energy generation, distribution and storage:** The changes referred to in this report will provide a range of opportunities for the generation and storage of renewable energy from building-mounted solar panels. The existing roof mounted solar panels at the Shirehall will be relocated to another site and costs are included for this in the decommissioning budget. Therefore, the existing FiT payments will be retained and any renewable energy generation incorporated within the MAH will increase the Council's overall renewable generation
- 6.3 **Carbon offsetting or mitigation:** The changes described in this report may provide opportunities to support carbon offsetting or mitigation by:
- i. Opportunities to support carbon offsetting and mitigation measures will be included within the redevelopment of the Shirehall and set out as part of the planning process.
 - ii. Offering practical support and advice to staff to quantify and offset their domestic carbon emissions.
- 6.4 **Climate Change adaptation:** The changes described in this report will provide opportunities to include or support design measures which will help mitigate or adapt to issues and risks generated by climate change such as flood risk management.

7. Background

- 7.1 The Shirehall site is approximately 3.5 hectares. It is a gateway location to the historic county town of Shrewsbury, has conservation areas to the south and west and at the front (south) of the site is Lord Hill's Column, which is Grade II* listed.
- 7.2 In February 2022 Council declared the Shirehall building and associated environs surplus to requirements and delegated responsibility to the Executive Director of Place

and the Portfolio Holder for Physical Infrastructure to agree and implement the disposal and marketing strategy as the recommended option for the Shirehall site; agree terms and conditions of sale, all subject to approval of Full Council.

- 7.3 In December 2023, Council approved the recommendation to commence decommissioning of the Shirehall, and identified and approved an appropriate budget to take forward the key activity to support a potential move in 2026/2027 to a new MAH planned as part of the Shrewsbury Town Centre Redevelopment scheme.
- 7.4 In February 2024, full Council approved the Financial Strategy 2024/25 – 2028/29, the is incorporated the Medium Term Financial Strategy (MTFS) for 2024/25 – 2028/29. Within this strategy a saving reference RC040 Reduce Cost – Dispose of Shirehall quicker and relocate service related to the approved plan to leave the Shirehall more quickly to accelerate the saving.
- 7.5 The capital receipt from the disposal of the Shirehall site is included in the current capital receipts projections, for year 2026/27 at £7 million in support of the currently approved capital programme. Neither the MAH nor the Pride Hill/Riverside developments are as yet included within the capital programme.
- 7.6 Significant work has been undertaken since the last report to Council to investigate and explore the timing and sequencing of any potential move for the Council. Earlier this year the opportunity arose to make use of a former administrative base that is becoming vacant, following the recent tenure of the University of Chester (University Centre Shrewsbury) coming to an end. The Council owns the freehold of the former Guildhall site and is now bringing forward plans to take back the existing building and convert it into a modern fit for purpose administrative venue.
- 7.7 The disposal strategy remains for the Shirehall site and still reflects the Council's view on the best way of securing the optimum development outputs and strategic objectives whilst also achieving best value in terms of financial return. This report does not seek to address the disposal elements and they remain as previous decision making at full Council in December 2023.
- 7.8 There are still substantial parts of the Shirehall building which remain unusable due to fire safety limitations which require significant capital expenditure to bring back into use.
- 7.9 The separate workstream under the Shrewsbury Town Centre Redevelopment Programme (STCR) continues to progress considering the potential for a new MAH in the Shrewsbury town centre. Key consultation is now being undertaken in respect of the new masterplan to inform the emerging design. The planning strategy has been agreed and initiated with the first planning application now approved and further applications due to be considered before the end of this calendar year. Further work will bring forward the remaining planning applications next year. This work continues to progress in line with previous approvals and any ultimate move for the Council to a new multi agency hub (which would be located in close proximity to the Guildhall, within the Riverside development) will proceed dependant on an approved full business case and the approval of Cabinet and Council. Therefore, the intention remains for this to be considered as a key part of the overall redevelopment for the Riverside subject to the ongoing further work concerning planning and viability.

8. Additional Information

- 8.1 The Council has various powers available to it to make provision for accommodation from which to deliver and carry out its statutory duties and functions, which include:
- Section 111 Local Government Act 1972 – a local authority shall have the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.
 - Section 132 Local Government Act 1972 – a principal council may acquire or provide and furnish halls, offices and other buildings, whether within or without the area of the authority, for use for public meetings and assemblies:
 - S2 Local Authorities (Land) Act 1963 –
 - (1) Subject to the provisions of this Act, a local authority may, for the benefit or improvement of their area, erect any building and construct or carry out works on land.
 - (2) A local authority may repair, maintain, and ensure any building or works erected, constructed or carried out under the power conferred by subsection (1) of this section and generally may deal with any such building or works in a proper course of management.

9. Conclusions

- 9.1 The approval of the recommendations within this report will enable Council to move forward with its plans to vacate the Shirehall site, move to the Guildhall, reduce its operational and carbon footprint in line with the aspirations of the Shropshire Plan.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Council paper dated 24th February 2022 – Shrewsbury Town Centre Redevelopment

Council paper dated 14th December 2023:- Shirehall Decommissioning & Disposal Strategy (Exempt)

Local Member: Cllr Mary Davies, Cllr Julian Dean

Appendices

