



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.3

Combined Authority Office Accommodation

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Mayor Dr Nik Johnson

From: Roger Thompson, Director of Housing and Development

Key decision: Yes

Forward Plan ref: KD2021/084

Recommendations: The Combined Authority Board is recommended to:

- a) Identify Pathfinder House, Huntingdon, as the preferred option for corporate office accommodation.
- b) Authorise the acquisition of a leasehold property interest and delegate authority to the Chief Executive to finalise tenancy terms in consultation with the Mayor.
- c) Authorise the acceptance of a tenancy at will to facilitate operational occupation until formal lease documentation can be finalised.
- d) Delegate authority to the Chief Executive to approve a preferred layout and design, and to incur associated expenditure to implement that design.

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 This report seeks authority to provide operational office accommodation for the Cambridgeshire and Peterborough Combined Authority (CPCA).

2. Background

- 2.1 The CPCA vacated office accommodation at Alconbury Weald in summer 2020. Employees have since worked remotely, with a small minority of staff utilising the limited amount of office space at 72/74 Market Street, Ely, which is used by the Mayor.
- 2.2 At a Leaders Strategy meeting on 8th December 2021 an Accommodation Strategy and Options Appraisal process were discussed and approved. The strategy identified part of Sand Martin House, Peterborough, and part of Pathfinder House, Huntingdon as preferred options for corporate office accommodation. The strategy and scored options matrix can be found at Appendix 1.
- 2.3 Leaders asked officers to assess these options in greater detail and negotiations were undertaken with officers from Huntingdonshire District Council (HDC) and Peterborough City Council (PCC). Provisional lease terms were reported to a Leaders strategy meeting on 9th March 2022 and during this meeting PCC submitted a more competitive revised offer. A tabulated summary detailing the headline terms of both final offers can be found at Exempt Appendix 2.
- 2.4 The Accommodation Strategy determined that both accommodation options provide positive benefits in terms of public transport accessibility, cost and energy efficiency. However, after careful consideration officers consider the offer of Pathfinder House to be more competitive than that of Sand Martin House for the following reasons:
- i. Based on proportionate floor area the combined costs of Pathfinder House equate to less than those of Sand Martin House.
 - ii. The location of Pathfinder House is more central within the CPCA region than Sand Martin House. This provides more convenience to most staff and Members using the accommodation on a regular basis, and associated travel expenses and carbon impact are reduced.
 - iii. Pathfinder House includes the ability to sub-let part of the premises to an organisation providing services to the CPCA, and this provides potential to generate income from the property.

- 2.5 The Mayor has indicated a preference to retain an operational office base at Market St, Ely, the cost of this is met from a separate mayoral budget. The tenancy for this accommodation expires on 31st December 2022, but there would remain scope to negotiate a new lease, possibly involving the use of less space. The headline terms of the lease for these premises can be found at Exempt Appendix 3.

Significant Implications

3. Financial Implications

- 3.1 Finance officers have confirmed that both options are affordable within existing budgets. The fixed annual revenue costs of Pathfinder House and Sand Martin House demonstrate

significant cost savings when compared to the annual fixed cost of the former office at Alconbury.

- 3.2 The revenue budget approved by Board in January provides for £300K per annum for accommodation and an additional £31K for associated costs such as service charges. There is separate and additional provision of £77K per annum allocated for the Mayor's accommodation budget.
- 3.3 Both options incorporate the ability to book additional public meeting rooms and for Democratic Services teams to co-ordinate forward diary planning to ensure effective utilisation of these shared facilities. Democratic Services have confirmed that it would be reasonable to assume that 50 meetings shall occur each year for Committees, Board and Business Board purposes. An allowance of 4 hours duration per meeting would add approximately £10,000 to the cost of Pathfinder House, and £8,000 to the cost of Sand Martin House.
- 3.4 There is further provision in the capital budget for 2022/23 of £200K towards accommodation fit-out costs that would be sufficient to cover the cost of implementing a final layout design.

4. Legal Implications

- 4.1 The recommendations accord with CPCA's powers under Part 4 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

5. Public Health Implications

- 5.1 The report recommendations have neutral implications for public health, and Government guidance in respect of Covid 19 for office workers can be adhered to.

6. Environmental and Climate Change Implications

- 6.1 The proposal has neutral environmental and climate change implications as office accommodation is to be re-provided in an energy efficient building that is located within close proximity to public transport infrastructure.

7. Other Significant Implications

- 7.1 Options to be considered were confined to the public sector asset portfolio so the proposal seeks to ensure efficient utilisation of public sector property assets.
- 7.1 Staff were consulted through a designated forum during the formation of the Accommodation Strategy, and proposed layout designs have been shared with the staff forum for comment.
- 7.3 This Accommodation Strategy was shared with the Overview and Scrutiny Committee. At the time of writing, this paper is scheduled to be discussed by Overview and Scrutiny Committee in advance of the Board meeting.

8. Appendices

- 8.1 Appendix 1 – Accommodation Strategy and Options Assessment Process including scored Options Appraisal matrix.

- 8.2 Exempt Appendix 2 – Summary of proposed lease terms for Pathfinder House and Sand Martin House.
- 8.3 Exempt Appendix 3 – Summary of proposed lease terms for 72&74 Market St, Ely.