

QLDC Council**27 August 2015****Report for Agenda Item: 1****Department: Corporate Services****Council Accommodation****Purpose**

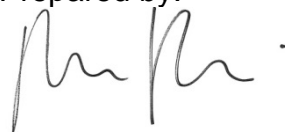
This report seeks Council approval to undertake a detailed, independent review of the current and future accommodation requirements.

Recommendation

That Council:

1. **Note** the contents of the preliminary report prepared by 'The Property Group' and in particular the findings that:
 - a. The current Gorge Road premises do not meet the current and future needs of the Council;
 - b. A lead time of 2-3 years will be required for an appropriate long-term solution;
 - c. A prior decision is required by Council on whether Council ownership, partnership or entirely private sector solutions are preferred;
 - d. Shorter-term steps are required to address issues pertaining to maturing leases and building adequacy.
2. **Agree** that:
 - a. a separate project be delegated to the Chief Executive to address and implement short-term requirements for relocating Gorge Road Staff and the Emergency Operations Centre for Civil Defence purposes (to be undertaken within existing budgets); and
 - b. the Chief Executive submit a report to the November Council meeting evaluating medium to long term options for a single Council building, which includes:
 - i. Options for public vs private ownership of council premises;
 - ii. Use or disposition options for the Gorge Road premise;
 - iii. Detailed costing comparisons.

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14/08/2015

Reviewed and Authorised by:



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Chief Executive

14/08/2015

Background

- 1 Impetus for this review has come in part from a structural assessment of the Gorge Road building. While the building is not “earthquake prone” its relative lack of structural integrity (35% of current code) does not remove the Council or the Chief Executive from their health and safety obligations to staff and the public. (Copies of the advice regarding these two matters was submitted in the previous Council report (Reference COU 150509)).
- 2 In addition, current accommodation is not adequate to house current staffing requirements (*Staff Resourcing Paper* Attachment B). While some of the additional requirements are related to possible short-term workloads (e.g. in building and resource consenting, liquor licensing), the volume of project work in the Ten Year Plan is such that it is unlikely the resource requirements will diminish in the foreseeable future to the point where Gorge Road and one floor of the Shotover Street premises are adequate. Moreover, this does not take account of the very limited meeting room space.
- 3 Finally, of lesser but still important consideration are the adverse effects of being located in four buildings (Shotover Street, Gorge Road, Queenstown Event Centre and Church Street (TBC), such as:
 - Public inconvenience in having to access services from different locations;
 - Losses in staff time created by the walking/travelling between buildings;
 - Challenges to minimising silos within Council due to the geographical separation of staff;
 - Cost inefficiency (two leases and four separate buildings); and
 - An absence of dedicated space for elected members to work or meet with the community.
- 4 Council considered a paper on the Gorge Road and Shotover Street premises at the 3 June 2015 Council meeting after the Audit and Risk Committee recommended in February 2015 that Council consider the seismic assessment of the Gorge Road premise. The report noted that:
 - a. The Gorge Road building is not “earthquake prone” but is at a low level of structural integrity, and significant remediation would not be cost-effective;
 - b. At its present rating level it cannot continue to house certain public records or act as a civil defence headquarter;

- c. The Shotover Street building is not large enough to provide for operational requirements of the departments currently located there, and the landlord has indicated that he does not wish to extend the current leasing arrangements without a commitment for a longer period; and
- d. Both buildings offer a relatively poor level of office functionality.

5 The minutes of 3 June 2015 noted:

There was general agreement based on the seismic assessment of 10 Gorge Road that extending this building to provide additional accommodation space was not an option...Members supported the recommendation that staff assess alternative office accommodation options.

6 Council officers were asked to:

“assess alternative accommodation options encompassing both Gorge Road and Shotover Street premises and report back to Council by July 2015.”

Due to leave considerations it was agreed with the Mayor that the report back would be rescheduled to August 2015.

Comment

- 7 ‘The Property Group’ was engaged to undertake a preliminary independent review of the key issues and recommend options (Attachment A).

Options

- 8 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

9 Option 1: Do nothing

Advantages:

- 10 No additional costs will be incurred.

Disadvantages:

- 11 This does not address the various issues and concerns raised in paragraphs 1 – 3 above.

12 Option 2: Agree to identify a short-medium term solution for relocating staff from the Gorge Road premise, and a medium to long term solution for a single Council building.

Advantages:

- 13 While the organisation can function from Gorge Road for an indefinite period, the risks posed by the engineering report will remain unaddressed, and staff and elected members will have limited options for work space and meeting space. It is a question of judgment whether it is reasonably practicable to mitigate the possible structural risks posed by the engineering report in a 2-3 year timeframe.

It is arguable that a contemplated permanent solution within 3 years is an adequate response. However this presupposes that a solution will be both found and agreed upon within that time. Accordingly, moving out of Gorge Road would eliminate any question about both the adequacy and timeliness of Council's response to the issues raised by the engineering report.

- 14 A short-medium term decision to relocate would also have the advantage of releasing the capital currently tied up in Gorge Road for alternative Council purposes or, in time, partly fund an alternative accommodation option.

Disadvantages:

- 15 Relocation would come with the disadvantage of potentially necessitating two office moves (one soon, and one when (if) a permanent, single office accommodation is identified). With the current availability of office stock in the CBD, it would also be likely to necessitate some parts of the Council moving to the more readily available and plentiful space at Frankton Flats.
- 16 There would also be additional leasing costs with this option, although these could be met from the disposition of Gorge Road.
- 17 Option 3: *Agree to accept the risks and inconveniences associated with the Gorge Road premise, but agree to further investigate options for a long term solution for one building.*

Advantages:

- 18 This option would address all the current risks and disadvantages of current arrangements while avoiding any short-term costs and disruption. the long term advantages as outlined and a cost saving on a short term lease.

Disadvantages:

- 19 The possible safety risks would remain unaddressed, and accordingly a question of Council liability remains.
- 20 This report recommends **Option 2** for addressing the matter.

Significance and Engagement

- 21 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy.

Risk

- 22 This matter primarily relates to the strategic risk SR7: 'Capacity for Emergency'. It also relates to the following operational risks as documented in the Council's risk register:
OR004: 'Serious Injury to Member of the Community'; OR016: 'Staff Not Appropriately Resourced'; OR018: 'Serious Injury to Staff Whilst Performing Contracted Duties'.

Financial Implications

23 There will be minor costs associated with the proposed work which will be met within existing budgets. The financial implications of any decision to move to a single building will be addressed at a future point if necessary.

Council Policies, Strategies and Bylaws

24 No policies or strategies are directly applicable.

Local Government Act 2002 Purpose Provisions

25 The purpose provision is not relevant to the recommendation.

Consultation: Community Views and Preferences

26 No consultation has been required to date but will be necessary if the recommendations are accepted.

Attachments

- A The Property Group Accommodation Review
- B Staff Resourcing Paper