

Public Report with Exempt Appendices  
Delegated Officer Decision

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**Committee Name and Date of Committee Meeting**

Delegated Officer Decision – 22 March 2024

**Report Title**

Riverside House Accommodation and Collaboration with Partner Agencies

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

Tim Hartley

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**Ward(s) Affected**

Boston Castle

**Report Summary**

The purpose of this report is to seek approval for the grant of a 5-year underlease to the NHS South Yorkshire Integrated Care Board at Riverside House. The report also outlines the proposals around a restack of the accommodation following a full review of the Strategic Asset Management Plans (SAMP). The proposed details of the underlease are outlined in the exempt Appendix 3.

**Recommendations**

1. That the Assistant Director Planning, Regeneration & Transport approves the underlease with NHS South Yorkshire Integrated Care Board in respect of the space at Riverside House, in consultation with the Council's Section 151 Officer and the Cabinet Member for Jobs and the Local Economy.

**List of Appendices Included**

- Appendix 1 Equality Analysis
- Appendix 2 Carbon Impact Assessment
- Appendix 3 Exempt Summary of Negotiations

## **Background Papers**

None

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Report to Staffing Committee 10<sup>th</sup> July 2023

## **Council Approval Required**

No

## **Exempt from the Press and Public**

Yes or No? If yes, use text below.

*A partial exemption is sought for Appendix 3 of this report under Paragraph 3 (Information relating to the financial or business affairs of any person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this Appendix 3 contains sensitive commercial information relating to a transaction between a number of parties including the Council.*

*It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because releasing the commercial information of the parties financial affairs could jeopardise the transaction.*

## **Riverside House Accommodation and Collaboration with Partner Agencies**

### **1. Background**

- 1.1 In May 2022 Asset Management began the annual collection of Service Asset Management Plan (SAMP) information. However, following the impact of Covid-19, the questions were amended to measure the continued effect of the pandemic on the Council's buildings. Although the Council have moved away from lockdown measures, the higher level of home working throughout the organisation has changed the way operational buildings are now used.
- 1.2 In conjunction with the SAMPs, Asset Management have continued to conduct occupancy surveys on some of the operational buildings and it is obvious that many are no longer fully utilised. This is especially true for buildings with high levels of administrative staff, such as Riverside House.
- 1.3 Whilst occupancy levels at RSH are on the rise, in line with the SAMP's that services have completed and the introduction of the ways of working policy, there is still clearly a level of under occupancy within Riverside House, that could be used by a partner organisation.
- 1.4 In March 2023, the Ways of Working Task and Finish Group was established to look at the principles contained within the hybrid working policy and how this impacted on the use of our buildings, particularly Riverside House.
- 1.5 The SAMPs were re issued to services and managers were asked to consider and examine the planned future working patterns of their teams and to estimate the future demand for desks based upon the proposed working patterns of each team in the future. Essentially, how much time each member of staff will expect to be in the office.
- 1.6 To accurately measure the future level of demand for desks, it was necessary to standardise the calculation to ensure consistency and Strategic Asset Management created a standardised "Worksmart" model of hybrid working, which essentially classifies each worker into a category each with an individual desk allocation.
- 1.7 The outcome of the SAMPs exercise has given the current level of predicted demand for the office space in Riverside House, together with mitigation options and plans for alternative uses.
- 1.8 In July 2023, a paper was taken to Staffing Committee where it was agreed to revise the Hybrid Working Policy to ensure that there is visibility of staff within the borough, providing more opportunities to connect with communities and with each other. It was also agreed to rename the policy to Working Location Policy, as hybrid implied that there were only two working locations, home, or the individual's usual place of work, when in fact there is the opportunity to work from many different places across the borough and within the heart of communities.

## 2. Key Issues

- 2.1 There are 1342 desks within Riverside House that are available as daily workstations, of these 1,292 desks are allocated to RMBC teams and the remaining 50 are for the exclusive use of South Yorkshire Police (these SYP desks are outside the scope of this exercise).

All the SAMPs data relating to Riverside House has been analysed to identify the current occupancy needs and needs of the proposed future working patterns.

- 2.2 Based on these returns and to allow for space for flexible working and hot desks there are several vacant spaces. This gives a vacancy rate through the building; however, the vacant desks are spread throughout the building and not in a single location.
- 2.3 Due to fixed activities in certain areas of the building such as ICT Servers, the Management Suite, and Traffic Control rooms etc clearing larger spaces becomes more difficult to enable closure of parts of the building, therefore it is proposed the teams are “restacked” to allow vacant desks to be grouped in one area to create a meaningful space for other use and / or collaboration.
- 2.4 Through the relaunch of the Rotherham Strategic Estates Group and renewed collaboration with public sector partners it has become apparent that other organisations are looking at ways to rationalise their asset bases and cut revenue costs. These conversations have led to looking at opportunities to share spaces and work together from a common base
- 2.5 Health partners currently occupy several properties throughout Rotherham and the wider South Yorkshire Region which have opportunities for lease events to be acted on in the coming 6 months (break clauses / lease ends).
- 2.6 Following several visits to Riverside House to look at the accommodation, health partners have consulted with their staff on several options for accommodation and their preferred option (subject to full due diligence and business case approval) is to move some of their teams to Riverside House. This is seen as a good opportunity for further partnership working and collaboration.
- 2.7 It is proposed that the NHS South Yorkshire Integrated Care Board will take a 5-year underlease of one of the “C” wings comprising 144 desks, which will allow for the required privacy and for them to be self-contained.
- 2.8 The current thinking is that the following organisations will move from other locations within Rotherham:
- NHS South Yorkshire ICB  
NHS England
- 2.9 The underlease will be taken by the NHS South Yorkshire Integrated Care Board

and an annual rent will be payable under the underlease, which has been calculated as a rate per desk per annum. The rate has been set at a level that recovers the Council's costs.

- 2.10 At the same time as these underlease discussions the South Yorkshire Police occupancy will be reviewed.

### **Building Management**

- 2.11 In terms of building management, it is proposed that NHS partners will have access to all Riverside House facilities in line with the SY Police occupancy arrangements. The proposals **exclude** car park spaces, and the NHS are making their own arrangements in respect of parking off site.
- 2.12 The NHS are to bring their own IT equipment for their desks along with chairs from their current accommodation, but the proposals include the use of RMBC desks, lockers, and storage units.
- 2.13 It is proposed the NHS will have their own IT equipment in the meeting rooms and pods within their dedicated space / lease and will have further access to other meeting rooms in the building but will not be able to connect to the meeting room equipment with it being on an RMBC network.
- 2.14 Due to the recent changes to the room booking system NHS colleagues will not have access to the RMBC network to book rooms but will be able to use the rooms if they are vacant / not booked. If there is a requirement to book specific spaces, arrangements will be put in place with the Asset Management Service.
- 2.15 There are several meetings that NHS partners hold throughout the year which are bigger than the room capacity available in Riverside House and these meetings will have to be held in other council buildings or in third party accommodation.
- 2.16 Detailed discussions have taken place around IT Governance, and it is agreed these arrangements will not impact RMBC practices and protocols. It is suggested that a Comms campaign is run close to the NHS entering the building to remind staff of the requirement to protect information, particularly the clear desk policy.

## **3. Options considered and recommended proposal**

### **Option 1 (Preferred Option) – Restack and Health Partners move to Riverside House**

- 3.1 Restack of RMBC teams and health partners move from their current locations in the wider Rotherham Borough to Riverside House, subject to full due diligence being conducted in respect of IT connectivity and other service needs.

- 3.2 Additional staff numbers in Riverside House will allow for further collaboration between public sector bodies and will allow for further synergies to be achieved by being co-located.
- 3.3 Increased numbers occupying Riverside House will encourage third parties to consider opportunities around re-opening the café and will generate increased footfall to the new Forge Island development in the immediate vicinity and the wider town centre.

### **Option 2 – Market the Vacant Spaces**

- 3.4 Following a restack of Riverside House there will be at least one “C” wing (144 desks) available for other end users to occupy. Discussions have taken place with local commercial property agents, who have advised that the office market is not what it used to be, and they would struggle to sublet accommodation of this nature in Rotherham without dedicated car parking spaces.
- 3.5 Other adjacent local authorities and private building owners have brought property to the market for sale or to let since the end of the pandemic and have struggled to generate interest in their spaces due to changing working practices and rising costs.
- 3.6 Therefore, it is considered unlikely there would be any suitable end users to take this type and size of space in this location.

### **Option 3 – “Restack” and Mothball the Vacant Spaces**

- 3.7 It has been suggested that, as a short-term cost saving measure, parts of Riverside House could be closed and mothballed. Unfortunately, aside from the inconvenience of temporarily moving teams, the heating and ventilation systems are interconnected and therefore will not yield any real efficiency savings.
- 3.8 Each of the three wings at RSH (A, B and C) has its own air handling unit and associated plant and therefore all the floors within the wing would have to be vacant before the air handling plant could be decommissioned. The Energy Team have analysed the running cost profile of the air handling plant and have concluded that there are only very minimal savings to be made from closing a wing.
- 3.9 There would be negligible savings around cleaning, but all other rent and rates costs would remain, so this is not a viable option.

## **4. Consultation on proposal**

- 4.1 Ways of Working Task & Finish Group
  - Health Partner Boards
  - SLT and DLT
  - Local Members

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 Once the report has been submitted and approved, the Assistant Director of Legal Services will be instructed to negotiate and complete the necessary legal documentation in respect of the underlease to NHS Property Services.

## **6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

- 6.1 There are no direct procurement implications arising from the recommendations detailed in this report.
- 6.2 The rent and lease payments from this arrangement are identified in the exempt Appendix 3 attached to this report. These payments will contribute to the achievement of existing approved revenue budget savings within the Regeneration and Environment Directorate.

## **7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 As the Council occupies Riverside House pursuant to a headlease, care must be taken to ensure that the Council complies with the terms of that headlease in respect of the proposed underlease. The contents of the report indicate that the headlease obligations have been complied with.

Other than as already identified and detailed in this report and Appendix 3 there are no direct legal implications arising from the subject matter of this report.

## **8. Human Resources Advice and Implications**

- 8.1 There are no direct HR implications arising from this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no direct implications for Young People and Vulnerable Adults arising from this report.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no direct implications for equalities or human rights arising from this report.

## **11. Implications for CO2 Emissions and Climate Change**

11.1 A Carbon Impact Assessment Form is attached in Appendix 2.

## 12. Implications for Partners

12.1. None.

## 13. Risks and Mitigation

13.1 None.

## 14. Accountable Officers

Rob Mahon, Assistant Director Financial Services  
Tim Hartley, Strategic Asset Manager Asset Management

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Robert Mahon	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Stuart Fletcher	Click here to enter a date.

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This report is published on the Council's [website](#).