

GENERATING EFFICIENCY GAINS USING LOCAL AUTHORITY ASSETS



£58m Operational Expenditure benefit

14,000m² Carbon Footprint Reduction

7:10 Desk to head ratio down from 11:10

“It is estimated that Bexley First will save the London Borough of Bexley in the region of £50 million over 25 years, give its staff a greatly improved working environment and catalyse local regeneration.”

The London Borough of Bexley operates from a dispersed portfolio of property which did not meet their aspirational or operational needs.

The centrepiece of its existing portfolio is the Civic Centre, a timber framed building constructed as a temporary solution 35 years ago. The building does not facilitate modern working practices and is becoming increasingly expensive to maintain.

The other properties in the Council’s portfolio are of variable condition and are situated in a number of locations across the borough. This arrangement promotes silo working and is extremely inefficient - officers waste over 1 million miles per year commuting across the portfolio.

EC Harris was appointed to advise the London Borough of Bexley on a major property, change management and regeneration programme known as Bexley First, with the ultimate aim of helping the authority effectively use its assets to improve service delivery.

Creating solutions

The EC Harris team initially undertook an asset health check, which provided a ‘top down’ view of the likely benefits that were within the reach of the authority. The process quantified the current utilisation of the council’s property assets and identified options for change that would unlock real tangible value.

The team then worked closely with the authority - taking a lateral view of its assets - to highlight options for property disposal and development and ways of implementing more flexible working practices (now common in the private sector).

EC Harris recommended new occupancy models and ratios, as well as entirely new ways of working and it was decided the council would merge 11 of its existing offices into a new civic centre, due to open in 2012. This solution should deliver:

- £50 million from the authorities asset portfolio with the opportunity to retain £19 million as a windfall
- IT system improvements to enable efficient flexible working practises
- Operational expenditure benefit of £58 million over 25 year span (NPV £22.1 million)
- Overall Net Present Value benefit of £41.4 million
- A reduction in footprint from 26,000m² to 11,600m²
- Transformation of the desk to head ratio from 11:10 to 7:10
- Adoption of modern space standards - 10.5m² per workstation
- A reduction in commuting miles
- Improvement in staff health and wellbeing, leading to increased productivity and reduced absences.

Adding value

The disposal and development programme will create a platform for the delivery of better services more efficiently and EC Harris is working with the council to ensure it obtains maximum value from the disposal and or development of its surplus property assets across the borough, but the project is more than simply the council 'moving home.'

Our expertise in thinking beyond just the property assets will also help deliver an operational model that will enable the council to catalyse significant regeneration across the region.

It is estimated that Bexley First will save the London Borough of Bexley in the region of £50 million over 25 years, helping to keep council tax increases down, and giving its staff a greatly improved working environment. It is envisaged the programme will also lead to:

- Inward investment of around £150 million
- The delivery of 750 new homes (including 200 affordable homes)
- The creation of 385 permanent new jobs.

Put simply, the programme will enable the authority to achieve a better operating platform to underpin effective service delivery, implemented by happy and motivated staff at a lower cost.

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