

**HOWARDIAN HILLS  
AREA OF OUTSTANDING NATURAL BEAUTY  
JOINT ADVISORY COMMITTEE  
26 MARCH 2015**

**BUSINESS PLANNING FOR THE FUTURE**

**1.0 PURPOSE OF REPORT**

1.1 To consider the options for re-locating the AONB Unit office in December 2015.

**2.0 BACKGROUND**

2.1 At the meeting of the JAC in November 2014, the AONB Manager presented a paper that asked whether Members wished for work to be carried out on scoping alternative locations for the AONB Unit office.

2.2 The issue has been driven by the probable budget scenarios for the next 3-5 years and the potential opportunity presented by a break clause in the lease on the current office at Hovingham.

2.3 Detailed information has been gathered and analysis of a number of possible alternative locations has taken place. The calculations and figures are shown in Appendix 1, with analysis of the various factors reported in Section 3.

2.4 The locations/options considered initially as part of this exercise were:

- County Hall, Northallerton.
- Area Highways Office, Kirby Misperton.
- Sheriff Hutton Industrial Estate.
- Unit 1B, Wath Court.
- Ryedale House, Malton.
- North York Moors National Park, Helmsley.
- North Yorkshire Building Control Partnership, Easingwold.
- Home-working.

2.5 As part of the analysis process the following locations/options were rejected at an early stage because of significant disbenefits in relation to one or more of the assessment factors:

- County Hall, Northallerton – too far from the AONB; significant extra costs in time and mileage payments incurred in travelling to site visits, meetings, etc in the AONB; poor public perception; low potential for synergy from partnership working.
- Area Highways Office, Kirby Misperton – extra costs in time and mileage payments in comparison to other, nearer options; low potential for synergy from partnership working.
- Sheriff Hutton Industrial Estate – no cost savings in comparison to the current office at Wath Court; no potential for synergy from partnership working.
- Home-working – lack of co-ordination/synergy for AONB Unit staff; no potential for synergy from partnership working; accommodation still needed for storage of files, displays banners, materials, etc.

2.6 The remaining options on which detailed work was then carried out were therefore:

- Unit 1B, Wath Court.
- North York Moors National Park, Helmsley.
- Ryedale House, Malton.
- North Yorkshire Building Control Partnership, Easingwold.

### 3.0 FACTORS TO CONSIDER

#### 3.1 Rent and office running costs:

- a) Please refer to Row A in the spreadsheet in Appendix 1.
- b) During the investigation work it has become clear that one of the most significant elements in the current cost of the AONB Unit office is the NYNET broadband charge, which at £6,759p.a. is 30% of the total office costs. Although this is paid centrally by North Yorkshire County Council, it is also shown in our balance sheet because it is a legitimate cost that needs to be included for accounting purposes and not 'hidden' as an in-kind contribution by NYCC. In order to balance the AONB budget an equivalent additional NYCC income figure is added each year to cover the broadband charge.
- c) Although additional income is 'received' to pay for the broadband charge, this element does significantly increase the running costs of the AONB Unit office and is therefore a significant factor when considering the balance between what the JAC spends on 'administrative costs' and what it spends on 'work on the ground'.
- d) Likewise it becomes clear that any office that the AONB Unit occupies solely (e.g. Wath Court) will incur the high broadband charge, whereas any office accommodation/organisation that already has its own NyNET link will offer significant savings. A self-contained AONB Unit 'network' can be installed in a third-party office at minimal cost, whilst the co-location host organisation would only charge the standard per-user fee.
- e) Savings made by moving to a location that already has a NyNET link would be realised by both the JAC budget *and* NYCC – NYCC reduces the number of premises with a NyNET link and the JAC budget shows a much smaller figure for broadband charges.

#### 3.2 Proximity to the AONB – impact on mileage payments and time spent travelling.

- a) Please refer to Rows C and D of the spreadsheet in Appendix 1.
- b) The current office location at Wath Court is probably as central as we could hope to find. Any move to another location would therefore have impacts on both the amount of budget needing to be allocated to Staff Mileage payments and also the additional time spent travelling to meetings or site visits.
- c) In order to assess the potential impact, all the journeys completed by the AONB Manager and AONB Officer in 2014 were analysed to calculate how much longer/shorter and cheaper/more expensive they would have been from the three principal locations being scoped.
- d) Results of the calculations show that Easingwold is the least advantageous location. Helmsley shows a potential *decrease* in mileage costs, due to the number of meetings that AONB Unit staff already attend at the National Park offices and future options for car-sharing. Helmsley also has the smallest increase in travel time.

#### 3.3 Potential for partnership working:

- a) One of the most significant opportunities offered by an office move is the potential for new synergies to be created via partnership with the organisation with whom we choose to co-locate. This covers not only the synergy between our own business objectives/activities and those of our co-location host, but also the scope that might be available to access expertise that they have but which we don't.
- b) It is very difficult to put any kind of financial value on this synergy, but it also extends as far as the AONB Unit staff feeling at least some sense of shared purpose with their co-location host, which then translates across into staff morale and productivity.
- c) Of the three 'external' options being scoped, the North York Moors National Park clearly offers the highest potential for synergy of both purpose and expertise, with the North Yorkshire Building Control Partnership offering the lowest.

#### 3.4 Scope for future re-structuring of the AONB Unit staff resource:

- a) Leading on from the potential for synergy with a co-location host is the opportunity that that organisation might offer for future sharing of staff. Any change of office location needs to consider the opportunities that could be available should the AONB Unit reduce its core staff team in order to respond to budget reductions or changes in priorities.

- b) It therefore follows that a co-location host organisation whose business is closely aligned to our own, covers the same areas of work and which has specialist staff for those areas of work is likely to offer more potential opportunities for staff/cost sharing. The capacity of the organisation to offer us staff is however also an important consideration, as organisations are generally reducing staff numbers themselves and therefore 'spare' capacity might be limited.
- c) As with the potential for partnership working synergy described above, the North York Moors National Park offers the highest potential and capacity for future staff sharing opportunities, with the North Yorkshire Building Control Partnership again offering the lowest.
- d) Row E of the spreadsheet in Appendix 1 gives an indication of the level of savings that could potentially be achieved if the AONB Assistant post was made redundant at some point in the future and tailored services (ranging from administrative support to technical specialists) were bought-in from a co-location host organisation instead.

### 3.5 Public/partner organisation perception:

- a) Whilst the four factors analysed above are clearly the most important ones with regards to potential cost savings and future flexibility, it is also important to recognise that the perception of members of the public and partner organisations is a potential 'reputational risk' for the JAC and the AONB Unit.
- b) When the AONB Unit was first established in 2001 it worked hard to build its own identity, demonstrate that it had a useful role to play within the Howardian Hills/could be of use and service to landowners and communities, and prove that it wasn't a precursor to designation of the Howardian Hills as a National Park.
- c) Fifteen years later all of those goals have been achieved and the JAC and AONB Unit is firmly established as a significant player within the Howardian Hills, as well as being an equal partner with other organisations in various partnerships.
- d) The risks around public perception are therefore different from what they were fifteen years ago, whilst the need for public sector organisations to co-operate has also significantly increased in importance. One of the principal recommendations from the Land Use Consultants report prepared for Defra in 2014 (but still embargoed) was that Protected Landscapes should look to share more 'back-office' functions.
- e) Of the three 'external' options being scoped, Ryedale District Council is felt to offer some reputational risk as it is the Local Planning Authority covering the largest percentage of the AONB area. The JAC's position offering independent comment on planning applications within the AONB might therefore be seen to be compromised if we were co-located with one of the LPAs. The North York Moors National Park might present some reputational risk, but it is felt that we have carried out enough partnership projects over particularly the last ten years where it has been shown that we are equal partners rather than having been subject to a 'take-over bid'. All work with National Park staff is very much on the basis of a 'partnership of equals' and many AONB communities and landowners have benefited from the additional skills and staff resources that these partnerships have offered. The North Yorkshire Building Control Partnership would present no reputational risks, as it has little similarity with our areas of work.

### 3.6 Transitional costs:

- a) All office relocations inevitably incur transitional costs in both financial and productivity terms. Row B of the spreadsheet in Appendix 1 details the level of financial costs involved, although some of these are general estimates.
- b) The most significant cost is the one-off cancellation fee for the broadband connection. This equates to the remaining 2.5 year period of the 5-year contract but, as described in paragraph 3.1 above, it would be covered centrally by NYCC rather than needing to come from the AONB budget.
- c) Other costs such as the early-exit fee for leaving Wath Court mid-lease, and fees/increased mileage payments for Change-in-Base, are relatively minor and would be more than outweighed by the cost savings realised.

- d) The staff time needed to clear out and pack up the furniture, files and materials in the current office and re-organise them in a new office would need to be factored into the AONB Unit work schedule over the months between April and December and would inevitably have an impact on productivity. A long lead-in time should however allow this to be fitted around other tasks so as to minimise the disruption.

### 3.7 Matrix of locations and factors:

Taking all the factors described above into account, the following table shows the comparative merits or disbenefits of the various potential alternative locations, when compared to the current office at Unit 1a, Wath Court, Hovingham.

Row G of the spreadsheet in Appendix 1 shows the level of savings potentially available on office accommodation, whilst Row H shows the level potentially achievable when a reduction in support staff costs is also factored-in.

Location	Cost	Proximity	Partnership working	Future staffing flexibility
County Hall, Northallerton	++	---	+	++/-
Area Highways Office, Kirby Misperton	++	--	+	+/-
Sheriff Hutton Industrial Estate	~	-	~	~
Unit 1B, Wath Court	+	~	~	~
Ryedale House, Malton	++	-	+	+/-
North York Moors National Park, Helmsley	+++	+	++	++
North Yorkshire Building Control Partnership, Easingwold	++	-	+/-	+/-

### 3.8 Conclusions:

1. Having examined all the costs and implications of an office move, it is apparent that significant savings can be made by moving out of Wath Court and co-locating with another organisation.
2. Of the options available, the North York Moors National Park office in Helmsley offers the best value for money in terms of reduced rental and running costs, additional travelling costs, synergy available from partnership working and scope for shared expertise/support costs. The cost comparison is summarised in the table below.
3. The AONB Team and National Park staff already work together closely on a number of initiatives and this will be likely to increase as Defra encourages more joint-working and sharing of services between adjoining AONBs and National Parks.

Item	Unit 1A, Wath Court	NYMNPA, Helmsley
Rent, rates, utilities, cleaning	£12,150	£4,420
Equipment, stationery, postage, etc	£1,050	£1,050
Photocopier, telephone charges	<u>£1,090</u>	<u>£1,300</u>
	£14,290	£6,770
Broadband fees	<u>£6,759</u>	<u>£200</u>
	£21,049	£6,970
Phase 2 – possible staff costs savings	£0	£6,700

### 3.9 Unforeseen factors:

- a) Before Notice is handed in on the current office at Wath Court (deadline 9<sup>th</sup> June), negotiations and further work will be carried out to firm-up on office rental costs/terms, ICT installation issues and transitional costs.
- b) Other risk factors potentially include the withdrawal of the offer of co-location by the National Park Authority (unlikely), de-centralisation of the broadband charges (cost/benefit analysis would still show a saving in costs within year 2 following a move), or some other factor that is currently unknown.

### 4.0 **RECOMMENDATION**

It is recommended that:

Subject to any unforeseen developments, the AONB Manager in consultation with the JAC Chairman makes arrangements to move the AONB Unit office from Hovingham to the North York Moors National Park offices in Helmsley in December 2015.

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LOCATION	Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
ITEM					
Rent & Service Charge	7,150	4,750			
Business rates	2,000	1,333			
Insurance	300	200			
Utilities	1,600	1,000			
Office cleaning	1,100	750	4,420	5,500	5,500
	12,150	8,033	4,420	5,500	5,500
Broadband connection	6,759	6,759	200	200	200
Landlines, mobiles, MapInfo licences	615	615	615	615	615
Printer/photocopier/scanner (MFD)	475	475	685	200	685
	7,849	7,849	1,500	1,015	1,500
Furniture/equipment	100	100	100	100	100
Stationery	200	200	200	200	200
Postage	350	350	350	350	350
Miscellaneous	400	400	400	400	400
	1,050	1,050	1,050	1,050	1,050
<b>A Total annual cost</b>	<b>21,049</b>	<b>16,932</b>	<b>6,970</b>	<b>7,565</b>	<b>8,050</b>
<b>RE-LOCATION COSTS</b>	Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
Early exit fee - rent	0	1,625	1,625	1,625	1,625
Early exit fee - NYNet broadband connection	0	0	16,936	16,936	16,936
Re-decorating	0	1,500	1,500	1,500	1,500
Removals	0	200	800	800	800
New office furniture	0	200	200	200	200
ICT infrastructure installation	0	250	150	150	150
Jacobs fees	0	1,500	1,500	1,500	1,500
Change-in-base mileage payments	0	0	1,780	2,084	1,774
<b>B Total cost</b>	<b>0</b>	<b>5,275</b>	<b>24,491</b>	<b>24,795</b>	<b>24,485</b>
NYCC Central		1,500	18,436	18,436	18,436
AONB budget		3,775	6,055	6,359	6,049
2015/16 - NYCC Central		1,500	18,436	18,436	18,436
2015/16 - AONB budget		3,775	4,720	4,796	4,719
2016/17 - AONB budget		0	1,335	1,563	1,331
<b>ADDITIONAL MILEAGE COSTS</b>	Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
Paul Jackson	£ -	£ -	-£ 203.20	£ 245.60	£ 24.80
Liz Bassindale	£ -	£ -	£ 10.40	-£ 40.00	£ 384.80
<b>C Nett saving/increase</b>	<b>£ -</b>	<b>£ -</b>	<b>-£ 192.80</b>	<b>£ 205.60</b>	<b>£ 409.60</b>
Paul Jackson 2014 - £905					
Liz Bassindale 2014 - £865					
£1,770 total					
<b>ADDITIONAL TRAVEL TIME COSTS</b>	Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
Paul Jackson	0.00	0.00	0.24	3.57	1.32
Liz Bassindale	0.00	0.00	2.17	2.03	5.15
<b>D Extra time spent travelling (Days)</b>	<b>0.00</b>	<b>0.00</b>	<b>2.41</b>	<b>5.60</b>	<b>6.47</b>
Paul Jackson + Liz Bassindale = 396 days/yr					
<b>SUPPORT COSTS</b>	Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
AONB Assistant post inc on-costs	11,700	7,722	0	0	0
Call-off secondments, admin, etc	0	0	5,000	5,000	5,000
<b>E Saving</b>	<b>0</b>	<b>-3,978</b>	<b>-6,700</b>	<b>-6,700</b>	<b>-6,700</b>

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<b>BALANCE SHEET</b>		Wath Court Unit 1a	Wath Court Unit 1b	NYMNP, Helmsley	Ryedale House, Malton	NY BCP, Easingwold
	Annual running costs increase/saving	£ -	-£ 4,117	-£ 14,079	-£ 13,484	-£ 12,999
	One-off relocation costs - AONB budget	£ -	£ 3,775	£ 6,055	£ 6,359	£ 6,049
	Mileage costs increase/saving	£ -	£ -	-£ 193	£ 206	£ 410
<b>F</b>	Yr 1 costs increase/saving	£ -	-£ 342	-£ 8,217	-£ 6,920	-£ 6,540
<b>G</b>	ANNUAL SAVINGS FROM YR 2 ONWARDS - OFFICE ONLY	£ -	-£ 4,117	-£ 14,272	-£ 13,278	-£ 12,589
	Support costs saving	£ -	-£ 3,978	-£ 6,700	-£ 6,700	-£ 6,700
<b>H</b>	ANNUAL HHAONB SAVINGS FROM YR 2 ONWARDS - OFFICE + SUPPORT STAFF COSTS	£ -	-£ 8,095	-£ 20,972	-£ 19,978	-£ 19,289
	One-off relocation costs - NYCC	£ -	£ 1,500	£ 18,436	£ 18,436	£ 18,436
<b>I</b>	ANNUAL NYCC SAVINGS 2016/17 ONWARDS	£ -	£ -	-£ 6,759	-£ 6,759	-£ 6,759
	Takes 2.5yrs to off-set the lump-sum £16,936, after which time annual savings then accrue					