
Office move update

Agenda item: 8

Date: 12 February 2019

1. Summary

We moved offices from our previous location at 169 Union Street to our new one at Europoint, 5-11 Lavington Street over the weekend of 24 and 25 November 2018.

The fit out work was completed several days before although our new office furniture was delayed and only arrived in mid-December as the lead time was longer than promised.

The move went smoothly with little disruption to our IT and phone services. The offices closed at lunchtime on Friday 23 November and reopened at 9am on Wednesday 28 November.

2. Move costs

Costs relating to the office move in 2018 totalled £76,944.70. This compares to total costs of £42,823 when we last moved in 2014. There are several reasons for the increase apart from general inflation. Fit out costs were higher due to the need to provide a self-contained tea point at Europoint and to buy some new storage units which had previously been provided at Union Street.

We negotiated with the Fire Service to take a few filing cabinets with us in exchange for a few of our surplus tables. The removals company took away most of our unwanted items. The Fire Service disposed of anything that remained once we had returned after the move to check the premises and taken any additional items that we needed. They were very helpful throughout the process and have not requested that we pay any dilapidations.

3. IT arrangements

Having discussed the new premises with our IT providers, Node 4 and the company which manages our firewall and switches, L8 we established that the IT and phone set up at Europoint would be much less complicated than at Union Street. This would allow us to manage our IT equipment in the office rather than in a large shared computer room. It also offered the potential to save money on our phone and

internet provision given that our contract with Excell was due to run out at the end of November 2018 (see later section on savings). Being in a Cloud environment with no physical servers meant that we were able to minimise IT system downtime and having transferred our equipment to our new offices at lunchtime on Friday 23 November, everything was up and running by the end of the day.

Our new phone and internet provider got our telephones up and running on Monday 26 November. There were a few teething problems as a result of moving to a new telephone provider at the same time but these have been resolved and the new company has been very helpful. The reason for the problems was that our previous supplier, Excell had not supplied Burstfire with all the information they needed for a completely seamless transfer despite us putting them in touch several weeks earlier.

We now have wi-fi installed in our office which will be useful when we have meetings in our meeting room and external visitors who need internet access. We also have a new conference phone which is more suited to our needs than the previous one.

4. Office services

There are few areas where there will be costs which we were not paying at Union Street including cleaning services, supplying our own stationery, meeting room hire and electricity charges. However, we are able to take advantage of the services of the onsite handymen which are included in our service charge and the early signs are that the building is better maintained than our previous offices and the reception staff are very quick to arrange for repairs to be carried out.

Having negotiated a cleaning schedule that would suit our needs, we decided to use the cleaners who clean the common areas of the building as well as many other organisations occupying Europoint.

Board and Policy meetings at Europoint will be held in the large first floor meeting room round the corner from our office.

5. Stakeholder notification

The various organisations we work with were contacted prior to the move to update them on our change of address and a paragraph with the new address was added to staff's email signatures several weeks before the move. The 'contact us' section of the London TravelWatch website was also updated and a new location map was added.

In the event that post is sent to our old offices, we arranged with the Fire Service that they would forward this to us for up to three months after our move.

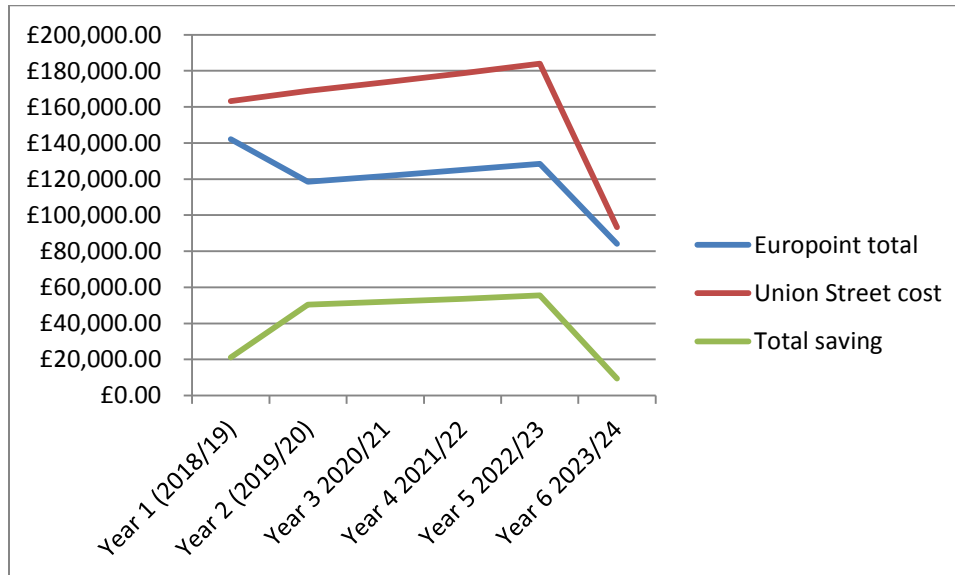
6. Projected savings

When the issue of relocation was considered at the Governance Committee in February 2018 it was forecast that total savings from moving to slightly smaller premises than we ended up taking at Europoint would be £20,986. In reality, the total average annual saving will be around £48,000 despite the fact that the relocation costs were actually higher than originally expected.

The projected savings over the next five years from the move (which span six financial years) are shown in the graph and table below. A more detailed breakdown is included in appendix 2.

This figure includes considerable savings on our phone and internet service partly because of the different requirements at our new offices. As our telephone/internet contract was about to expire, the office move provided us with the opportunity to make major savings on these costs of over £8,000 a year, having tested the market and found that Burstfire, the contractor who supplies several organisations at Europoint offers the best value service. There may also be potential to save on IT and photocopier costs in the future when our contracts with Node 4 and Apogee respectively are due for renewal.

Comparative costs Europoint vs Union Street¹



¹ The figure for year 1 above is half Union Street, half Europoint and for year 6 it is half a year at Europoint.

Premises savings by year

Year	Premises savings
Year 1 (2018-19)	£21,168.89
Year 2 (2019-20)	£50,363.38
Year 3 (2020-21)	£51,934.65
Year 4 (2021-22)	£53,608.34
Year 5 (2022-23)	£55,505.87
Year 6 (2023-24)	£9,388.64
Average savings over 5 years	£48,393.96

Nb: Year 1 and year 6 are half years

7. Other issues

The move went reasonably smoothly and without any injuries to staff. However, the actual removals took two days rather than the one day our removal company had said it would take. In addition, the filing cabinets we ordered took much longer to arrive than expected and we received them several weeks late. This could have been a problem but our new landlord agreed to let us use a spare office to store the crates with contents for the new cabinets. During the removals the only piece of damage was to one of our desks but the company which carried out the removals agreed to repair the desktop as well as resolving a small number of snagging issues which are almost complete.

Detailed planning ensured that potential risks arising from the office move were mitigated and contingency plans were developed to deal with any unforeseen circumstances.

Overall, staff are happy with the new office and the 'hot desk' arrangements are working well – in fact staff without a designated desk of their own are benefitting from having to move around the office and sit with different teams.

Appendix 1: Europoint relocation costs

Premises fit out and removal costs (Including design, project management., removals, etc)	£10,764
IT/phone support	£2,278.19
Professional fees (including stamp duty)	£10,838
Premises tangible fit out costs (Includes partitions, kitchen, flooring, blinds, decorations, etc)	£36,984
New furniture, white goods and equipment	£15,590.02
Other costs	£490.49
Total	£76,944.70

Appendix 2 Costs and savings over a five year period

Assumed inflation rate	RPI - N/A	RPI - N/A	RPI @ 2.8%	RPI @ 2.9%	RPI @ 3%	RPI @ 3%	RPI @ 3%
	(Full-Year)	Year 1 (2018/19)	Year 2 (2019/20)	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24
Size (sq ft)	1385	1385	1385	1385	1385	1385	1385
Rent*	£65,788	£26,315.00	£54,472.05	£56,433.31	£58,521.03	£60,671.39	£31,443.13
VAT on rent	£13,157.50	£6,578.75	£13,525.91	£13,918.16	£14,335.71	£14,765.78	£7,604.38
Service charge	£10,401.35	£5,200.68	£10,692.59	£11,002.67	£11,332.75	£11,672.74	£12,022.92
VAT on service charge	£2,080.27	£1,040.14	£2,138.52	£2,200.53	£2,266.55	£2,334.55	£2,404.58
Licence fee (Union Street)	£5,280.00	£2,640.00	£0.00	£0.00	£0.00	£0.00	£0.00
Rates	£21,495.20	£10,747.60	£21,495.20	£21,495.20	£21,495.20	£21,495.20	£21,495.20
Sub total	£118,201.82	£52,522.16	£102,324.27	£105,049.88	£107,951.24	£110,939.65	£74,970.20
Utilities/services	£14,500.00	£7,250.00	£14,906.00	£15,338.27	£15,798.42	£16,272.37	£8,380.27
Other costs eg meeting costs	£2,000	£1,000	£2,000	£2,000	£2,000	£2,000	£1,000
Savings from new phone contract	£8,198.40	£4,099.20	£8,198.40	£8,198.40	£8,198.40	£8,198.40	£4,099.20
Relocation cost (per year)	£7,503.30	£3,751.65	£7,503.30	£7,503.30	£7,503.30	£7,503.30	£3,751.65
Europoint total	£134,006.72	£142,018.11	£118,535.17	£121,693.05	£125,054.56	£128,516.92	£84,002.93
Union Street cost	£163,187.00	£163,187.00	£168,898.55	£173,627.70	£178,662.91	£184,022.79	£93,391.57
Total saving	£29,180.28	£21,168.89	£50,363.38	£51,934.65	£53,608.34	£55,505.87	£9,388.64

*The terms of our agreement at Europoint include a six month rent free period and this has been spread across the five year period above.

RF-C February 2019