

THE HIGHLAND COUNCIL

Skye, Ross and Cromarty Area Committee – 19 November 2014

Agenda Item	10
Report No	SRC/040/14

Dingwall Office Rationalisation Project

Report by Director of Development and Infrastructure

Summary

This report provides Members with an update on the progress of the Dingwall Office Rationalisation Project.

1. Background

- 1.1 The Dingwall Office Rationalisation Project falls under the umbrella of the Council's Corporate Property Asset Management approach to managing its property portfolio, and aims to reduce the Council's office estate in Dingwall from nine to five properties.

This report provides Members with an update on the progress to date of the Dingwall Office Rationalisation Project.

2. Update on In-Scope Properties

2.1 Council Offices, Dingwall [Retain]

2.1.1 Electrical\Data\Fire Alarm System and Lighting Rewire:

G A Barnie completed all 8 phases of the electrical\data/fire alarm system and lighting rewire of the Council Offices in Dingwall on the 5 September 2014 on schedule. The final evaluation report has yet to be received however the contract is expected to come in on budget.

Original contract value of £375K.

2.1.2 Redecorating\Carpets\Blinds:

Dingwall Office Rationalisation Board Members approved estimated redecorating (painting, carpets, blinds) costs of up to £94K to enable office accommodation and public areas within the Council Offices in Dingwall to be brought up to a standard. Actual costs are expected to come in under budget however the final figure will not be available until all works have been completed.

The final cost of this works will be taken from the £129,415 per annum revenue saving identified for the Dingwall Office Rationalisation Project.

Estimated cost of £94K (expected to come in under budget).

2.1.3 Carbon Clever Initiative:

At the Highland Council Committee on 26th of June 2014, approval was given to include shower facilities alongside a package of measures developed by the Carbon CLEVER Team to supplement the work being conducted by the DOR Project to enable sustainable and active travel.

Work has commenced on the installation of shower facilities within the Council Offices as part of the Carbon CLEVER initiative. Quotes are currently being obtained for upgrades to the external cobbled area and bike shed. This project is also expected to come in on budget.

Provision of £25K was made available.

2.1.4 Staff Occupancy Levels:

The majority of staff have now relocated into the Council Offices, increasing staff occupancy levels from 109 FTEs to approximately 220 FTEs, including hot desk facilities.

2.2 Ross House and Service Point [Retain]

Development and Infrastructure's Project Management Team have engaged with consultants White & McGinn to undertake an options appraisal of Ross House with a view to potential capital investment to address maintenance and other issues.

Occupancy levels have increased from 77 FTEs to approximately 96 FTEs including hot desk facilities.

2.3 Highland Football Academy [Lease Terminated]

The lease at the Highland Football Academy was terminated on the 19th December 2013. Twenty three staff relocated as part of the Dingwall Office Rationalisation Project into the Council Offices in Dingwall.

Cost savings of £20K per annum.

2.4 Fodderty Way [Retain]

At the request of National Health Service (Highland) partners, 20 NESH staff relocated from Fodderty Way into NESH accommodation within the Dingwall Health Centre. During early November 2014, 24 Highland Council staff will relocate from Conon Resource Centre into Fodderty Way.

2.5 Conon Resource Centre [Dispose]

Following the relocation of staff during early November, Conon Resource Centre will become surplus to the requirements of the Council and be handed back to the Asset Management Team for disposal as per their disposal strategy.

Potential Capital receipts of £240k.

2.6 Ferry Road (Old Registrar's Office) [Dispose]

The property at Ferry Road currently accommodates 20 NHH and 2 HC staff from the Mid Ross Mental Health Team under a licence to occupy interim arrangement until the end of December when accommodation will be available within the NHH Mayfield Property.

The Scottish Court Service (who owns the adjacent property) have notified the Council of their plans to advertise their property on the open market as surplus to requirements as of January 2015.

Following the relocation of the Mid Ross Mental Health Team, Ferry Road will become surplus to the requirements of the Council and be handed back to the Asset Management Team for disposal.

This presents an opportunity for the Asset Management Team to enter into a joint Public Sector disposal agreement with the Scottish Court Service.

Potential Capital receipts of £120k.

2.7 ECS Area Education Office, Castle Street [Dispose]

To date, 61 members of staff have relocated from the ECS Area Education Office into alternative accommodation. The remaining 8 members of staff will relocate following the completion of renovation works that are currently being undertaken to the Portacabin (opposite the main Council Offices in Dingwall).

Following the relocation of the 8 remaining staff, the ECS Area Education Office will become surplus to the requirements of the Dingwall Office Rationalisation project and be handed back to the Asset Management Team for disposal as per their disposal strategy.

Potential Capital receipts of £400k.

2.8 Portacabin, High Street (Former TECs Design Unit) [Retain 3 Years]

The Portacabin is to be retained for a 3 year period until such time as purpose built accommodation for training is included in the future works planned at the Inverness Royal Academy.

Renovation work is currently being undertaken to convert this property from office accommodation into training/meeting facilities to replicate facilities currently delivered at the ECS Area Education Office. The expected date for completion of this works is approximately the end of November/early December.

Estimated costs of £15k.

Future Capital receipt of £65k.

2.9 Highlife Highland, Tulloch Street [Retain]

High Life Highland (HLH) staff continue to occupy accommodation at the old Academy Building's in Tulloch Street Dingwall.

2.10 Family Contact Centre, Tulloch Street [Retain]

A new "Family Contact Centre" is being established within the cottage attached to the rear of the old library on Tulloch Street to enhance family contact visits which are currently being carried out from Conon Resource Centre.

During the feasibility stage of the Dingwall Office Rationalisation Project, DDA works to the sum of £55k were suspended at Conon Resource Centre until the results of the feasibility study were finalised and the future requirements of Conon Resource Centre confirmed.

Drawings, specification and full estimated budget costs of £68k in relation to the renovation of the new Family Contact Centre have been approved by the Care & Learning Service and the appointed consultant (White and McGinn). The Council is currently preparing to go out to tender to obtain quotes. Works are expected to take approximately 8 weeks.

Estimated costs of £68k.

3. Corporate Initiatives

3.1 Mobile & Flexible Working Project

The Corporate Improvement Programme continues to work with the Dingwall Office Rationalisation Project to support the implementation of new office layouts and desk allocation for the various teams based in buildings within scope of the project, most recently at Fodderty Way. The floor layouts at County Buildings are now finalised and the project will be making an assessment of what has been achieved in terms of staff to desk ratios and the availability of hot desk facilities.

The occupancy level within the Council Offices, as noted above, has increased from 109 FTEs to 220 FTEs, and within Ross House from 77 FTEs to 96FTEs, including hot desk facilities.

3.2 Unified Communications Project

The Unified Communications project is currently deploying Lync as an “Office Communications System (OCS)” replacement within Dingwall. Approximately 50% of Dingwall users now have Lync. The next stage is to complete the deployment of Lync to Dingwall users and migrate their existing telephony to the full Lync solution and remove their existing Avaya handsets.

3.3 Managing Information Project

The work undertaken by business teams in Dingwall has resulted in over 1640 linear metres of paper, equivalent of 634 full four drawer filing cabinets, being removed from office space in scope of the Dingwall Office Rationalisation Project.

- 73% has been destroyed through the application of the Corporate Retention Schedules.
- 18% is considered higher risk corporate records and are now stored in the Archive Store.
- 9% is considered lower risk corporate records and will be stored in the new local satellite store being operated on behalf of the Council by High Life Highland.

Significant improvements to working practices have also resulted in:

- increased information security awareness;
- increased security around the storage of personal and sensitive information;
- reduced time spent on document retrieval;
- enabled more effective collaboration; and
- increased compliance around the management of corporate information.

The introduction of a new satellite records store in Dingwall and records management portal will further support teams to increase compliance rate around the management of records and reduce time spent of document retrieval. This includes the provision of a records retrieval service.

MI reviews have been undertaken with all business teams in Dingwall, and staff have led the way in making changes to their working practices to improve the management of information. The MI project team will continue to support teams to take best practice and lessons learned to share across their Service and support colleagues in other areas going through the office rationalisation process.

4. Conclusions

4.1 The project will achieve the following benefits:

- right-sized office estate;
- capable of accommodating the necessary technology infrastructure;
- support the implementation of MFW flexible and remote working practices and CIP Initiatives;
- improved levels of space utilisation;
- facilitates shared service delivery;
- running costs efficiencies;
- capital receipt from the realise of other properties;
- reduced Telephony Call costs;
- reduced Telephony Line Rental costs;
- enhanced cross service interaction;
- facilitate the development of an integrated approach to voice and data communications;
- provide a more reliant and resilient telephony service;
- improved customer experience of telephoning the Highland Council;
- provides more accurate management information on telephony usage and charging;
- reduced travel and property costs through Video Conferencing;
- encourages active travel thereby reducing carbon emissions, whilst helping staff save money and stay healthy;
- supports printer rationalisation and provides more accurate management information on printing usage and charging;
- increased information security awareness;
- increased security around the storage of personal and sensitive information;
- reduced time spent on document retrieval;
- enabled more effective collaboration; and
- increased compliance around the management of corporate information.

5. Implications

5.1 Resources

The project will save revenue costs in excess of £129k per annum with potential capital receipts of £825k. [See Appendix 1]

A summary of the main budget costs to undertake renovation\upgrade works at retained properties is attached as Appendix 2.

5.2 Climate Change / Carbon Clever

The project will help to reduce carbon emissions and promote healthy travel choices for the staff affected. The impacts on the Council's carbon clever objectives are therefore favourable.

5.3 Legal, Equalities, Risk, Gaelic, Rural

There are no legal, equality, risk, Gaelic or rural implications arising from this report.

Recommendation

It is recommended that Members note the content of this report.

Designation: Director of Development and Infrastructure

Date: 6 November 2014

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APPENDIX 1

Potential Capital Receipts £825,000

Property Disposal	Market Value	Notes
Area Divisional Education Office, Castle Street Dingwall	400,000	OBC Market Value Figure Used – April 2012
Portacabin TECs Design Office, High Street, Dingwall	65,000	OBC Market Value Figure Used - 2009
Conon Family Resource Centre, Sellar Place, Conon Bridge	240,000	OBC Market Value Figure Used – April 2012
Old Registrars, Ferry Road, Dingwall	120,000	Market Value figure received from Asset Management – September 2013
Total Potential Receipts	825,000	

Revenue Savings £129,415

[The revenue figure is based on the difference between the “AS IS” positions against the recommended “Option 1” as presented to the SMT at WBM on the 7th of October 2013].

Revenue Savings £129,415 ["As Is" Option vs. Recommended "Option 1"]		
“As Is” Properties Retained	Annual Running Costs (Revenue)	Notes
Conon Resource Centre, Sellar Place, Conon Bridge, DINGWALL	24,758	
TECs Consultancy Design Office, Portacabin, High Street, DINGWALL	8,500	
Divisional Education Office, Castle Street, DINGWALL	70,806	
ECS Staffing Unit, Highland Football Academy, Jubilee Park Rd, DINGWALL	19,913	Includes Lease costs of £11,000 pa and running costs of £8,913 pa
High Life Highland Office, Old Academy Buildings, Tulloch St, DINGWALL	5,000	
Social Work Office, U3, Dingwall Business Park, 4 Fodderty Way, DINGWALL	4,100	
Old Registrar’s Office, Castle Street, Dingwall	18,938	
Total "Running\Lease" Costs "AS IS" (Per Annum)	152,015	

APPENDIX 1 (Continued)

Recommended "Option 1" - Properties Retained	Annual Running Costs (Revenue)	
Social Work Office, U3, Dingwall Business Park, 4 Fodderty Way, DINGWALL	4,100	
High Life Highland Office, Old Academy Buildings, Tulloch St, DINGWALL	5,000	
TECs Design Office, High Street, Dingwall	8,500	Retain for 3 years until dedicated training venue for ECS provided in Inverness.
Family Resource Centre, Tulloch Street, Dingwall	5,000	
Total	22,600	

Revenue Costs Saving Per Annum "Option 1" vs. "As Is"	129,415
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APPENDIX 2

Summary of main budget costs to undertake renovation\upgrade works at retained properties.

Renovation\Upgrade Costs to Retained Properties	Costs	Notes
Council Offices	£375K	GA Barnie Contract (Electrical\data/fire alarm system and lighting contract)
	£94K	Redecorating, Carpets, Blinds
	£25K	Carbon Clever
Portacabin, High Street (Former TECs Design Office)	£15K	Renovation work to convert property from office accommodation into training\meeting facilities to replicate facilities currently delivered at the ECS Area Education Office. Retain for 3 years until dedicated training venue for ECS provided in Inverness.
New Family Contact Centre	£68K	Renovation work to enhance family contact visits which are currently being carried out from Conon Resource Centre.
Fodderty Way	N/A	N/A
Highlife Highland, Tulloch Street	N/A	N/A
Ross House	N/A	See paragraph 2.2 of main report
Total	£577	