

Agenda Item	5
Report No	RDB-02-23

THE HIGHLAND COUNCIL

Committee: Redesign Board

Date: 30 March 2023

Report Title: Asset Management and Hybrid Working Project – Progress Update

Report By: Executive Chief Officer, Housing and Property

1. Purpose/Executive Summary

- 1.1 This report provides Members with a progress update on the Asset Management and Hybrid Working Project and on some of the individual workstreams that are being taken forward.

2. Recommendations

- 2.1 Members are asked to:
- i. **NOTE** the progress to date on the project to relocate staff from Inverness Town House to Headquarters and on vacating the High Life Highland office building in Ardross Street, Inverness.
 - ii. **NOTE** the progress on taking forward the other workstreams outlined in this report.

3. Implications

- 3.1 **Resource:** Asset Management and Hybrid Working is an ongoing initiative that currently focusses on maximising ongoing revenue savings from a reduction in the Council's office footprint. It was originally set a target of £1m recurring revenue budget saving, since revised to £1.3m.

Delivery against target requires the project to be supported with the appropriate level of resources to maintain the progress to date and achieve the financial savings and other benefits and outcomes required in the future. Discussions are ongoing with senior management about the future resourcing of the project.

However, in context, the project is on target to have achieved £500k of the savings target by April 2023. It remains on target to deliver the full revised target by the end of the financial year 2023/24.

- 3.2 **Legal:** There are no legal implications to report.
- 3.3 **Community (Equality, Poverty, Rural and Island):** The project aims to deliver a reduction in office accommodation but at the same time take account of the specific needs of each community and work with Members, partners, and other stakeholders at a local level.
- 3.4 **Climate Change/Carbon Clever:** The planned investment in asset rationalisation and Place-Based reviews will have a positive contribution to the reduction in the Council's energy usage and carbon footprint, as well as Net Zero targets.
- 3.5 **Risk:** Risk items are under regular review and are managed on both individual workstreams and across the programmes of work.
- 3.6 **Gaelic:** There are no Gaelic implications to report.

4. Background

- 4.1 The Asset Management Project seeks to deliver improvements in our estate by reviewing the use and reducing the number of our property assets, thereby reducing associated maintenance costs, energy use and carbon emissions and therefore contributing to delivering revenue savings to the General Fund across all our properties in 2023/24 and beyond. It should be noted that the school estate and Housing Revenue Account properties are not included in the scope of the project.
- 4.2 There has been good progress since the previous meeting of this Board in November, particularly on the project to relocate staff from Town House in Inverness, the moves required in Headquarters to facilitate that, and vacating the High Life Highland office buildings in Inverness. The Town House project has required an intensive resource allocation to deliver the required outcomes in the available timescale, and this will continue from April onwards once the staff are based in the Headquarters buildings.
- 4.3 The report on the 2023/24 revenue and capital budgets that was approved at the Council meeting on 2 March reiterated the need to reduce the Council's asset base and energy usage, develop wider projects such as depot rationalisation, and work with public sector partners to support co-location.

5. Inverness Offices

- 5.1 The Board agreed at the meeting in November 2022 to relocate Council staff from Town House to Headquarters by 1 April 2023, and that a feasibility study on the longer-term use of the Town House building should be undertaken.
- 5.2 The relocation of staff from Town House is seen as the first phase of the overall project to rationalise office accommodation in the Inverness area, focussing on increased utilisation of the Headquarters buildings. The phased approach is set out as follows.
- **Phase 1:** Engage with Service Management Teams and individual Team Managers in Headquarters and Town House to set out the approach; establish protocols for new working arrangements in line with team workplace agreements; creating Service Zones within Headquarters, keeping teams in their current location, and co-locating with other teams in their own Service where possible.

- **Phase 2:** Redesign spaces to be more flexible, including more collaboration space; develop supporting processes, such as space sharing agreements, desk booking systems and building user groups; continue to move staff from other properties.
- **Phase 3:** Implement changes, decant staff, some redecoration and other works, new furniture layouts; complete move of staff from other properties; obtain feedback on new working arrangements and carry out space utilisation surveys.

- 5.3 The number of internal moves within Headquarters to accommodate staff from Town House has been minimised as far as possible to reduce the lead-in time and the risk of moves not being completed in time. These internal moves are programmed to be completed by the end of week commencing 20 March.
- 5.4 Staff will move from Town House during week commencing 27 March and this is on programme to be completed by the end of that week. Contingency plans have been drawn up in case any of the individual team moves are not completed in time, including the temporary use of other office accommodation, or working from home arrangements.
- 5.5 High Life Highland are on course to vacate the offices in 12 and 13 Ardrross Street by 31 March, with alternative staff accommodation being provided in the Highland Archive and Registration Centre. The property has been placed on the market with offers over £425,000 invited.
- 5.6 While resources have had to be focussed on the relocation of staff from Town House, there have been some initial discussions and engagement with staff on the other in-scope offices in the Inverness area as listed below. A detailed update will be provided at the next meeting of the Board.
- Culcabock Child Guidance Centre
 - Criminal Justice Services, Culduthel
 - Dochfour Hutted Accommodation
 - Offices at 4 Castle Wynd
 - Trading Standards Office, Harbour Road
- 5.7 Discussions have been held with the City Manager and other colleagues about the arrangements in Town House once Council staff have vacated the offices, including the retention of the Service Point and continued occupation by other third-party users. Further discussions are due to take place on the scope of the feasibility study on the future use of the building and examination of the options available.
- 5.8 There have been several updates provided to all staff in Town House and Headquarters that are affected by the moves, and these have been uploaded to the Council's Intranet site along with relevant information. This has included information for staff on topics such as Hybrid Working, document handling and storage, developing smarter office environments, as well as supporting information for those staff involved in office moves.

6. Other Workstreams

- 6.1 **Council Depots:** A review of all Council depots is underway that is looking at how they are currently being used, the condition and suitability of buildings, potential opportunities for co-location and partnership working with other public sector bodies. Initial workshops have been undertaken with Service Management representatives and

further workshops are planned in the coming weeks. A detailed update will be provided at the next meeting of the Board.

- 6.2 **Portree Place Demonstrator Project:** The Council have been awarded a grant of up to £800,000 from the Scottish Government's Place Based Investment Programme (PBIP). The PBIP aims to link and align place-based funding initiatives and ensure that all place-based investments are shaped by the needs and aspirations of local communities. A project team is being assembled to take forward the project in two phases as outlined below, and a Project Board will be set up to include representatives from Highlands and Islands Enterprise and other potential partners.
- **Phase 1:** Preparation of a Strategic Masterplan and Concept Design based on a longer-term investment programme to be delivered in a phased manner, and that could be the subject of further bids to the PBIP or other external funding opportunities.
 - **Phase 2:** Delivery of a capital project within the available funding as a first phase of investment in line with the Strategic Masterplan.
- 6.3 **Dingwall Properties:** There are several properties in Dingwall within the scope of the project; the High Life Highland Offices in Tulloch Street (now vacated), the "Portakabin" building (opposite the main County Buildings), and the Criminal Justice Services building on Station Road. Several meetings have taken place with Ward Members to discuss an approach based on increased utilisation of the County Buildings and to consider options for some of the other buildings in Dingwall. It is clear that a Dingwall-wide masterplan needs to be developed and that these in-scope properties should not be considered in isolation. Further engagement is planned with Ward Members, Service Managers, and other agencies to develop a Place-Based strategy that will inform decisions on which buildings to retain or dispose of, and to help identify opportunities for potential co-location with other partners. It is considered that this approach could then be applied to other locations across the Highlands.
- 6.4 **Criminal Justice Services:** There are several properties in Alness, Dingwall and Inverness that are included in the scope of the project and are occupied by Criminal Justice Services (CJS). There has been engagement recently with the Health and Social Care Management Team to discuss these and other properties occupied by CJS and to ensure that all current facilities, and those that may be used in the future, fully meet the operational needs of the CJS team. Again, it is clear that the in-scope properties should not be looked at in isolation and should also be part of any Place-Based reviews or other relevant workstreams that are undertaken.
- 6.5 **Other Properties:** The other properties that are currently in scope are at Golspie, Nairn, Tain and Thurso, and the old Council buildings on Ardross Street, proposed to be redeveloped into housing. As previously indicated resources have recently been largely focused on the Inverness Town House projects and the other workstreams outlined in this report. However, there been some progress on these properties and a detailed update will be provided at the next meeting of the Board.
7. **Next Steps:**
- 7.1 An amended and updated project brief will be required to be produced to reflect the changing emphasis of the project and the move away from the approach of 9 key hub buildings to an approach based on the assumption that offices will close unless a detailed business case proposal is submitted for their retention. This can also develop the approaches and timelines for work around the potential to rationalise depots and

other built environment buildings owned by the Council, e.g. the next stages of the Asset Rationalisation Project.

- 7.2 The development of 7.1 above and for the next stages of the project will be taken forward in conjunction with regular Member/Sponsor meetings and reported back to future Redesign Boards.

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