

Agenda Item	6
Report No	RDB-11-24

The Highland Council

Committee: Redesign Board

Date: 20 November 2024

Report Title: Asset Rationalisation and New Trades Framework Update 2024-25

Report By: Assistant Chief Executive – Place

1. Purpose/Executive Summary

1.1 This report updates on the various asset rationalisation workstreams including the delivery of the new Trades Framework that are underway and the correlation with the overall Highland Investment Plan approach set out in several reports to Council this year.

2. Recommendations

2.1 Members are asked to:

- Note the progress on the asset rationalisation workstreams.
- Note the brief update on progress with the New Trades Framework.

3. Implications

3.1 **Resource:** The Asset Rationalisation programme is an ongoing initiative to deliver a range of financial and operational benefits and outcomes through a reduction in the Council's building estate footprint.

3.2 **Legal:** There are no legal implications to report at this stage.

3.3 **Risk:** Risk items are under regular review and are managed on both individual workstreams and across the entire programme.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** No further risks at this stage other than those highlighted in this report.

3.5 **Gaelic:** There are no Gaelic implications to report at this stage.

4. Impacts

4.1 In Highland, all policies, strategies, or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required.

5. **Background**

5.1 Links to the reports on the Highland Investment Plan presented at Council meetings in May, June, and October this year are included at the end of this report. These reports set out the approach to place-based planning to deliver a sustainable estate, supported by integrated partnership working on behalf of communities. This provides a clear direction for all current and future asset rationalisation workstreams, including area asset mapping and the development of Community Points of Delivery (PODs). Members are reminded that the establishment of PODs is closely linked to plans to modernise Council service delivery and be a key driver for the future operating model of the Council.

5.2 Recent progress in developing the place-based approach for Dingwall is outlined in the report to Council in October. The work that is being undertaken will establish a detailed structure for all future masterplans with asset rationalisation being an integral part of this approach. A key component will be future co-location opportunities and discussions are taking place with potential partners such as NHS Highland and other public bodies, as well as High Life Highland and other community organisations.

5.3 All asset rationalisation workstreams will continue to reflect the position agreed by the Redesign Board in November 2022 that the Council would focus on retaining five key office buildings:

- a) Headquarters, Inverness
- b) County Buildings, Dingwall
- c) Charles Kennedy House, Fort William
- d) Tigh-na-Sgìre, Portree
- e) Caithness House, Wick

6. **Headquarters/Inverness**

6.1 The Headquarters project is progressing with staff teams moving to co-locate with compatible teams and create service or team zones within the buildings. These zones and the sequencing of the moves have been designed to minimise disruption where possible, co-locate teams to share space and enable better collaboration, match service teams to space that suits their service delivery requirements and create capacity for incoming staff. Asset Management staff are working to deliver the programme of moves in collaboration with colleagues in ICT and Facilities Management. A communications plan is being delivered to ensure teams are kept up to date and have sufficient time to plan for changes to their workspace. This project will facilitate the vacation of the accommodation at Dochfour Drive by the end of November and allow demolition of the huts thereafter. The vacating of the first and second floors in Block A is due to be completed by the end of February 2025 to allow this space to be repurposed and potentially let to third parties to generate an income stream.

- 6.2 Proposals are being developed to take the next step in the Council's hybrid working journey by implementing changes to office spaces within Headquarters. It is planned to pilot a smarter office layout and a booking system in Block B to allow the space to be used more effectively and improve the environment for staff. The Scottish Futures Trust have been engaged to provide advice and guidance throughout this process and to ensure that we support staff through the next phase of change. A smarter office environment will remove individual desk allocations and provide a variety of work settings for staff to access, improving space utilisation and supporting team collaboration.
- 6.3 Options are being considered to create a staff welfare area in Headquarters to provide a space to have breaks, eat food, socialise, or have informal meetings. These options may include a main canteen, individual breakout spaces, vending machines, or a coffee shop set up that will enhance staff experience and better support hybrid working.
- 6.4 A review of the properties used to support the delivery of certain services across Inverness by the People Service is underway. These include educational provision for those outside mainstream schools, specialised support for those re-entering mainstream education, and bringing children back to Highland from out of authority care. This will seek to identify common service delivery themes, future requirements, and opportunities to collaborate and share resources, and the use of properties to enhance provision.
- 6.5 Planning permission was granted in May 2024 to convert the Culcabock Child Guidance Centre building into three flats and erect two houses in the grounds. Options are being considered to relocate the Education Psychology team currently based there and the aim is to vacate the building by the end of 2024 and transfer it to the Housing Revenue Account.

7. Dingwall

- 7.1 The preferred option for the location of the Community POD in Dingwall will be reported to the Council meeting in December. The report will also include an initial assessment of the requirements for office and depot accommodation, a framework for maximising the opportunities for co-location of other Council services, partners, and community facilities, and a description of partnership opportunities that may be built into the design process for the Community POD.

8. Fort William

- 8.1 The accommodation at the Camaghael office building in Fort William was vacated earlier this year following significant storm damage. Interim solutions are in place with some staff now located at the Charles Kennedy Building and others occupying surplus classroom accommodation at the Caol Joint Campus school building. A wider review of all accommodation and assets in the wider Fort William area has commenced and this will look at the operational requirements for all Council services and explore further co-location opportunities with public sector partners. An update on progress will be provided to Ward Members later this year.

9. Portree

- 9.1 The Council has been awarded a grant of £800,000 from the Scottish Government's Place Based Investment Programme (PBIP) supplemented by a further £100,000 from Highlands and Islands Enterprise (HIE) and capital funding from the Council. 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.

- 9.2 The funding will be used to refurbish the Tigh-na-Sgìre building. The full scope of the proposed project is being finalised and it is anticipated that works will commence early in 2025. Council staff that require to work from an office will be relocated to several other buildings in Portree while the works are being carried out. Staff have been consulted on the areas of the building that they will occupy once the works are complete, and the finished project will provide Council staff with a modern and efficient working environment.
- 9.3 The terms of occupation with the co-location partners identified to date (HIE, Nature Scot and Skills Development Scotland) are being finalised. Further opportunities are being discussed with other potential partners to maximise use of the improved accommodation within the Tigh-na-Sgìre building.

10. Wick

- 10.1 There have been several enquiries to lease office accommodation within Caithness House and negotiations are underway with NHS Highland to occupy part of the building. This would reduce operating costs for the Council and generate income. There is ongoing liaison to examine any further opportunities that may arise from the Caithness Demonstrator project, which is backed by £750,000 of Scottish Government funding with the aim to help make communities in the Far North more resilient and sustainable.

11. Other Workstreams

- 11.1 **Depots:** A review of all Council depots has been completed with a focus on the condition, suitability, and utilisation of buildings. The key outcomes are opportunities for improved service delivery, asset rationalisation, and capital and revenue maintenance investment priorities. Further work is underway to identify short term investment and disposal priorities, and to inform longer term capital investment decision linked to the wider Highland Investment Plan. An update will be provided at the next meeting of this Committee.
- 11.2 **Badenoch and Strathspey:** Agreement has been reached to move a member of Council staff to the ground floor of Grantown on Spey Courthouse to enable an office to be let to a charity known as the Spey Catchment Initiative. The Charity will pay a market rent for the space for a period of at least 3 years. A review of all office accommodation in Badenoch and Strathspey continues and the needs of staff have been thoroughly assessed. Discussions are also ongoing about the possibility of relocating the Kingussie Service point to the nearby Badenoch Centre which is occupied by High Life Highland.
- 11.3 **Golspie:** We continue to explore options for the future use of Drummie and there have been several recent enquiries. Some of the teams including Environmental Health have increased their staff count in Drummie and agreement has now been reached to relocate the team to a larger office in the building. Work with other public sector organisations continues to ensure that our assets are used as effectively as possible.
- 11.4 **Thurso:** A short list of options for the location of a Community POD in Thurso will be reported to the Council meeting in December. This will include a proposed timeline for the next stage of the process and an outline of potential partnership opportunities that may be built into the design process for the Community POD for Thurso. Future

provision of Council depots and office accommodation will be an integral part of the overall masterplan to be produced.

- 11.5 **New Build School Projects:** As set out in the report to Council in June on the Highland Investment Plan, there was extensive community and partner engagement during the Strategic Definition stage of the Broadford project that closely mirrored the approach now in place to develop Community POD's. The Tornagrain project is at an early design stage and the Community POD approach can also be adopted here. Further work is also underway for the Tain Campus and Nairn Academy new build projects (both of which are at construction stage) that comprises the final mapping of all existing assets in these locations and engagement with relevant partners and stakeholders.

12. New Trades Framework

- 12.1 Work is underway on the collation of data to be used to inform the process for the delivery of the new Trades Framework, a project that is part of the Reconfiguring our Asset Base (ROAB) Portfolio. A Project Board is being formed and the first meeting of the board will take place on the 11th of December 2024. Updates on progress with the new framework will be taken to each meeting of the ROAB Board.

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Date: 23 October 2024

Background Papers: Report to Council meeting on 31 October 2024: The Highland Investment Plan – Progress Update.
Report to Council meeting on 27 June 2024: The Highland Investment Plan – Next Steps.
https://www.highland.gov.uk/download/meetings/id/83523/item_11_highland_investment_plan_-_next_steps
Report to Council meeting on 9 May 2024: Establishing the Highland Investment Plan and Mechanisms to Fund and Deliver It.
https://www.highland.gov.uk/download/meetings/id/83230/item_9_establishing_the_highland_investment_plan_and_mechanisms_to_fund_and_deliver_it