

ITEM No ...10.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 21 JUNE 2021
REPORT ON: PROPERTY RATIONALISATION PROGRAMME - NEXT STEPS
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 181-2021

1 PURPOSE OF REPORT

1.1 This report updates members on progress made with property rationalisation and assesses likely future impact of COVID-19 on the office environment for the City Council. As part of future service delivery, the report outlines the proposal to create a city centre Community Learning and Development Campus, allowing the closure of less suitable premises.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a notes the progress made to date with the property rationalisation programme, and that a further report will be brought to a subsequent Committee covering progress with Claverhouse, and the broader post COVID-19 estate strategy for Council accommodation;
- b approves the proposal to create a Community Learning and Development Campus at Shore Terrace comprising the services currently provided at Mitchell Street and Discover Opportunities Centre in Crichton Street;
- c approve the proposed partial renunciation of the existing licence to occupy for the Shore Terrace/Caird Hall premises between Dundee City Council and Leisure & Culture Dundee subject to consultation on the proposal with the Leisure & Culture Dundee Board.
- d approves the refurbishment and upgrade of office accommodation at the Central Library and remits the Head of Design & Property to work in partnership with the Director of L&CD to design the layout for the relocation of the L&CD HQ;
- e notes the strategy for the lease of Mitchell Street through continued dialogue with third sector organisations for six months with subsequent marketing and sale to a private sector developer in the event that no third sector partner can be identified;
- f approve the allocation of capital expenditure from the Property Rationalisation contained within the Capital Plan 2021-2026 for the relocation of council services as set out in the report, and delegates the Executive Director of City Development to approve the tenders within the budgets outlined for these works; and

3 FINANCIAL IMPLICATIONS

- 3.1 As the Council has moved through the pandemic, progress has still been made in rationalising accommodation utilised for service delivery and staff offices across the city, meeting previously agreed targets as part of the Property Rationalisation Programme contributing to reducing annual running costs by circa £300k.
- 3.2 The proposal to relocate services delivered at Mitchell Street and Discover Opportunities to a city centre Community Learning and Development Campus will result in revenue savings of Council property costs of circa £90,000 per annum.
- 3.3 The potential transfer of the Mitchell Street centre to a third sector provider or subsequent sale of the premises avoids short to medium term capital investment requirement in the region of

£200,000 for the costs of modernising accessibility and replacement of building services and ageing mechanical & electrical services.

- 3.4 The decant cost of relocating the Mitchell Street services to Shore Terrace and the relocation and associated refurbishment works for the upgraded HQ for L&CD at the Central Library will require a capital budget allocation of £380K. This one-off capital expenditure will be met from the provision for Property Rationalisation contained within the Capital Plan 2021-2026.
- 3.5 L&CD currently manage the conference meeting rooms at the rear of the Caird Hall with lets contributing to their financial income on an annual basis. An appropriate assessment will require to be made confirming the loss of income to L&CD and an adjustment made as part of their annual financial support to ensure there is no detrimental loss to L&CD.

4 POST COVID-19 - OFFICE ACCOMMODATION

- 4.1 Although the COVID-19 pandemic has been extremely challenging for staff working remotely compared with the traditional office environment, there have also been significant benefits developed during this time, particularly around the use of IT software and utilising remote meetings.
- 4.2 Looking to the future the Council requires to achieve the balance of securing the benefits of remote working while creating a hybrid culture that offers staff the best possible work life balance between home and the office environment. The Council is currently developing this strategy for working in an effective and efficient manner in the future. Research and development work is currently being carried out by the Corporate Services leads for IT and HR working with City Development to set out how non public-facing Services of the Council will operate in the future.
- 4.3 Initial feedback indicates that a hybrid model of working, split between the office and working remotely will provide effective service delivery and staff wellbeing. Balancing increased home-working with continued social distancing and a lower density of desk space for offices will still leave potential for further reduction in the Council's overall office footprint.
- 4.4 Based on the UK private sector and feedback from other local authorities, it is anticipated that demand for post COVID-19 office space will remain. This demand for office accommodation has been reinforced in Dundee through recent private sector reinvestment and committed long term tenant lease agreements. Interest and enquiries remain high in securing suitable quality office accommodation across Dundee as the city progresses through this recovery period.
- 4.5 The Council staff survey supports a hybrid model of working offering the opportunity to review offices and their workspaces while factoring in tolerances for density of staff, allowing the Council to continue with the property rationalisation programme. By modernising office accommodation this ensures the Council continue to compete as an employer of choice within the city.

5 CREATION OF A CITY CENTRE LEARNING & DEVELOPMENT CAMPUS

- 5.1 With the City Square complex expected to be fully operational by Quarter 3 2021, the Property Rationalisation Programme is planning to relocate some Services and staff to their permanent locations. Across Services, officers have jointly reviewed current delivery models and identified an option to create a Learning and Development Campus within the heart of the City Centre.
- 5.2 The Community Learning and Development Campus will comprise the services currently delivered from the Mitchell Street Centre and Discovery Opportunities Centre currently located in Crichton Street being transferred to Shore Terrace accommodation, whilst Adult Employability services will be delivered across the street at The Shore.
- 5.3 The Mitchell Street centre offers a single point of delivery venue for a citywide service for adult literacy and English for Speakers of Other Languages (ESOL) as well as being the base for

humanitarian support and English teaching for refugees. The subjects are also used by a range of services, including staff from Health & Social Care, Children & Families staff and Neighbourhood Services teams. The Centre also provides accommodation for some community activities an elected member surgery.

- 5.4 The centre is of an age that it is impaired by suitability and condition constraints for modern day service delivery. Significant capital expenditure is required to modernise accessibility, replace ageing mechanical and electrical services, and upgrade the building fabric. The on-going revenue expenditure will also continue to increase due to the age and condition of this building which is also compromised in terms of energy efficiency. Given the condition and ongoing costs the opportunity to relocate the services to a city centre venue. This delivers easier access for clients, and offers the opportunity to repurpose Mitchell Street.
- 5.5 The pandemic offered the opportunity to trial this service in a City Centre venue and to get feedback from service users and staff. Between August and December 2020 and April 2021, officers from Neighbourhood Services, L&CD and City Development worked together to enable adult learning to be delivered in the City Centre on a trial basis. This pilot initiative was developed using L&CD accommodation at Shore Terrace which was vacant due to the restrictions and working practices in place due to COVID-19.
- 5.6 An evaluation of the pilot, which involved consultation with 37 service users, 8 staff and trade unions was undertaken. The Head of Housing & Communities has confirmed the pilot initiative has been received favourably by users. The evaluation was positive in favour of the services being relocated to Shore Terrace. The positives included the good condition of the building, bright rooms, modern facilities, location, bus routes, disabled access, proximity to shops and other service as well as the waterfront. It showed the Shore Terrace offices, currently occupied by L&CD, offers a central location to build on the strong services already delivered at Mitchell Street due to the better access from all areas of the city.
- 5.7 As part of the evaluation of the pilot scheme, users feedback for the proposal was captured and some of the thoughts are captured in the following quotes:
- a the building is fantastic and bright. It helps with your learning;
 - b very easy access as only need one bus to the city centre. It's handy being in town 'cos I can get to the shops and chemist;
 - c nice and quiet in Shore Terrace. Being able to be with people again is important for me; and
 - d being able to use V&A or other nearby buildings for further learning use outside green space.

Appendix 1 of this report contains the overall Summary Report for the pilot consultation.

- 5.8 There has been initial Trade Union consultation with Communities' staff over the use of the Shore Terrace, during this pilot phase. There has been a positive response over the use of the premises as a Community learning and development base. Further consultation will take with DCC and L&CD trade union representatives as the project proceeds.
- 5.9 The services provided at Mitchell Street align closely with the services currently provided from The Shore and Discover Opportunities. Referrals and co-working happen between the services for additional support around employability, English language skills, literacy and youth employability. Being able to provide all these services from one campus, in the City Centre, offers the opportunity to extend this co-working model and create greater synergy for developing a shared timetable where people can come to one point of contact and have a range of needs met. It is also consistent with the 'City Centre First' principle, and will enhance footfall for businesses in the area.

- 5.10 The campus will target support at key vulnerable and protected groups, bringing the community into the city centre and offering the opportunity to connect with the regeneration of the Waterfront. It will provide a range of services around youth and adult employability, adult learning, family support and refugee support. It provides the opportunity to further develop the partnerships which exist with services in the area such as DWP, Through Care and after Care.
- 5.11 The proposal will deliver positive outcomes against the following strategic objectives:
- closing the jobs gap;
 - reducing inequalities;
 - increase skills for life work and family;
 - improve mental health and wellbeing;
 - tackling substance mis-use;
 - improve health and wellbeing outcomes for children and young people and adults who experience inequalities;
 - build a stronger and more cohesion community; and
 - reduce barriers and stigma.
- 5.12 Having the range of services from Mitchell Street and Discover Opportunities based together provides a co-located model of working which can meet the needs of some of the most vulnerable groups in a single venue. It offers the opportunity to provide a single point of contact entry into a range of services which can provide a continuum of support around a range of learning, employment and personal development needs. It offers a venue for one to one, group work and drop in support in a non-stigmatised city centre venue, which allows the community to be placed at the heart of the city's recovery and linked to the waterfront development.
- 5.13 With The Shore and the Adult Employability team as part of the campus, the model enhances the links between literacy/ESOL and employability. The facilities at The Shore can be used for IT and employability skills development helping people progress onto positive destinations. Strong links already exists between the services but with the learners having to access services at different venues which involves travel and the lack of access to childcare support at The Shore this can be a barrier. The facility at Shore Terrace will provide space for creche provision and it is envisaged that being able to access services in one venue will break down barriers. Additionally, the proximity of V & A Dundee affords the opportunity to develop creative learning opportunities and to link in the cultural sector with more excluded groups.
- 5.14 An assessment has been carried out of the accommodation available at Shore Terrace. The spaces with very minimal change can accommodate all services currently offered from Mitchell Street, ESOL, Literacies, community meeting space, Humanitarian Support, Children and Families family support and access visits and Discover Opportunities Youth Employability Service, Through Care and After Care. It can provide a combination of meeting/teaching /group work and one to one spaces, a creche, a drop-in point of contact and a space for supervised family visits. In addition, there is the capacity to offer a hybrid staff base with Teams being situated in hubs and allowing for a blended model of operation. Also given the proximity of The Shore there is the opportunity to use the IT suite and groups rooms for shared working (Appendix 2 - illustrates the proposed layout and use of the accommodation within Shore Terrace).

6 RELOCATION OF LEISURE & CULTURE DUNDEE SERVICES

- 6.1 The premises at Shore Terrace were used as the headquarters of L&CD prior to the pandemic. An opportunity has been identified to co-locate the HQ with other L&CD staff in the Central Library. L&CD currently receives charitable rates relief for the accommodation at the Central Library. If any other Council services were to utilise the surplus space in the Central Library, additional costs from the current Non-Domestic rates saving of £315,000 (based on a Rateable Value of £562,000) would be incurred.
- 6.2 Recognising the need for L&CD to have a high-quality environment for its headquarters, it is intended that a comprehensive refurbishment of the vacant space in the Central Library will be carried out, offering open plan flexible working space similar to layouts in Dundee House and the City Square complex. Refurbishment and relocation costs will be met by the City Council.
- 6.3 Refurbishment and upgrade works will be also be required to the existing welfare and toilet accommodation in the Central Library to ensure modern facilities, incorporating upgraded IT infrastructure, are provided for staff. The layout will have flexibility for future working patterns and numbers of staff, including the provision of break-out areas.
- 6.4 The design of the proposed refurbishment will be developed in partnership between City Development officers and the Director of L&CD to ensure the spaces will be defined and the required functionality is achieved to meet L&CD requirements for their operations. Throughout this period of time for the proposed joint implementation process, full engagement with L&CD staff and Trade Union representatives will be carried out.
- 6.5 If there is a requirement for L&CD to have temporary decant facilities provided while works are progressed at the Central Library, Council officers will work with L&CD to identify suitable accommodation and then transfer L&CD to ensure continuity of their service delivery during this period.
- 6.6 The accommodation identified for the Learning and Development Campus at Shore Terrace is also utilised periodically throughout the year for graduations and conferences. Based on the historic levels of usage, the teaching and advisory sessions can be tailored to work around these important Council commitments to ensure there is no disruption to regular civic events. The Hollans room is well used for marriage ceremonies and the provision of this service will continue with no disruption.

7 PROPOSED RE-USE OF MITCHELL STREET

- 7.1 City Development is exploring opportunities to ensure a beneficial re-use of the Mitchell Street property by a third sector organisation which may be able to secure external funding to support refurbishment of the facility. Officers have had positive dialogue with one potential partner, however, the organisation decided the premises would not be able to meet all their requirements. Further discussions are continuing with other third sector parties to explore their needs and opportunities for them to progress with a Community Asset transfer application for the premises.
- 7.2 Community third sector operation of Mitchell Street could also provide the opportunity for community groups to continue to provide some services and elected member surgeries from this location. If this is not feasible, alternative suitable accommodation will be identified for activities outwith school hours at the West End School Campus. Liaison with local elected members will be carried out in order to identify suitable alternative premises for their activities.
- 7.3 Should all third sector enquiries be exhausted, officers will, after a period of six months, market the facility to the private sector for re-development of the existing building and external area into residential accommodation providing additional housing provision within the city.

8 NEXT STEPS

- 8.1 Throughout the current pandemic the Health & Social Care Partnership main office at Claverhouse has been utilised on a limited basis. Members may recall that previous proposals were planned to relocate staff in Dundee House, prior to identifying SSSA as a partner to share the Council headquarters.
- 8.2 As the Council progresses from lockdown, H&SC requirements for the full occupation of Claverhouse have diminished based on their current and future working practices. This service delivery model highlights a potential surplus of office accommodation at Claverhouse, providing the Council to seek a potential partner to share the premises and the annual operating running costs.
- 8.3 Officers from City Development and Dundee Contracts Services continue to develop the options for the replacement of the existing depot buildings at Clepington Road. The new facilities will provide cost effective, energy efficient modern facilities for service delivery across the city.
- 8.4 A further report updating the broader estate strategy for the Council will be brought to a future committee for Members to consider.

9 POLICY IMPLICATIONS

- 9.1 This report has been subject of an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. A copy of the integrated Impact Assessment is available on the council's website at www.dundee.gov.uk/ia. The proposed community-based campus is considered to make a significant contribution to addressing the strategic objectives of the City Plan for Dundee 2017-2026 and meeting the legislative requirement under the Community Learning and Development regulations and Equalities Legislation.

10 CONSULTATIONS

- 10.1 The Council Management Team have been consulted in the preparation of this report and are in agreement with its content.

11 BACKGROUND PAPERS

- 11.1 None.

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NM/CC/KM

10 June 2021

APPENDIX 1

Learning @ Shore Terrace

What's working.....what could be better.....what do we need to do next?

Mitchell Street Centre was closed on 19th March, 2020, when Scotland entered lockdown, and ESOL (English as a second language) and Adult Literacies provision was suspended. As part of the Council's recovery plan, 1 Shore Terrace was made available for the delivery of these much needed services, albeit on a reduced basis. In order to look at future accommodation options for the service, it was decided to evaluate and seek feedback on Learning @ Shore Terrace.

Mitchell Street Centre offered a citywide service delivery point for Adult literacy and English for Speakers of Other Languages (ESOL) as well as being the base for humanitarian support and English teaching for Refugees resettled in Dundee under the [Home Office's Vulnerable Person's Resettlement Scheme](#).

Home office requirements state that resettled refugees must be able to access a *minimum of 8 hours of ESOL provision per week, including creche provision*. In addition to fulfilling the Home Office contract, there is a statutory requirement for these services to be delivered as detailed in *The CLD Regulations (Scotland) 2013*. As the adult learning service reaches some of Dundee's most vulnerable people, there is also an obligation under *The Equality act 2010 (Specific Duties) Scotland Regulations (2012)*, to ensure the needs of those with protected characteristics are fully considered in the development or remodelling of service provision.

The Learning @ Shore Terrace Consultation invited learners and staff to think about:

- *What's working?.....*what they like about Learning @ Shore Terrace
- *What could be better?.....*what would make their experience even better
- *What do we need to do next?.....*the changes we need to make

41 learners and 17 staff expressed their views about Learning @ Shore Terrace. Learners from 14 ethnic groups* took part through 1 to 1 and group discussions, including translation support and scribing.

* Nigerian, Pakistani, Asian, Ghanaian/Italian, Syrian, Polish, Moroccan, Lybian, Vietnamese, Kurdish Syrian, Moldovian, Argentinian, Brazilian, UK/British/Scottish

What's working?

Learners and staff feel positive about Learning @ Shore Terrace and agree on what matters most to them:

- ✓ the building
- ✓ the location
- ✓ the learning experience *and*
- ✓ covid safety

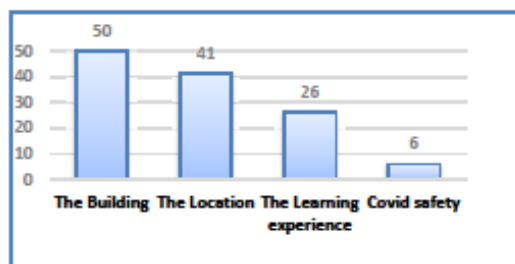


Table 1: What matters most to learners and staff?
Number of statements

What's working?

- ✓ **The Building** was described by learners and staff as bright, modern, spacious and clean
- ✓ **The Location** is easy to get to and close to shops and other city centre opportunities
- ✓ Learners appreciate the quality of **the learning experience** and the opportunity to connect with others
- ✓ Learners and staff feel safe and reassured by the steps taken to follow Scottish Government guidance in relation to **covid**

The building is fantastic and bright. It helps with your learning...

I like the view

Learner and staff views

Very easy access as only need 1 bus to city centre. It's handy being in town 'cos I can get the shops and chemist

Nice and quiet in Shore Terrace. Being able to be with people again is important for me

We have hand sanitisers and separate exit and entrances – actually we have all Covid 19 facilities in the building

What could better?

Although learners and staff feel positive about their experience of using Shore Terrace as a learning base, they have also suggested ways in which this *could be better*.

More learning

We need a creche

More time with other learners

Learner and staff views

Being able to use V&A or other nearby buildings for further learning...use outside green space

Community room to use in between lessons so we can have lunch and tea breaks and relax with other learners

Not having to wait outside to be let in

An easier way to get in the building

Next steps?

The views of learners and staff suggest that Learning @ Shore Terrace is proving to be a positive experience for learners and staff, despite the challenges of the temporary arrangement and the restrictions arising from the covid pandemic.

However, in order to provide the best possible learning experience, the following changes are required:

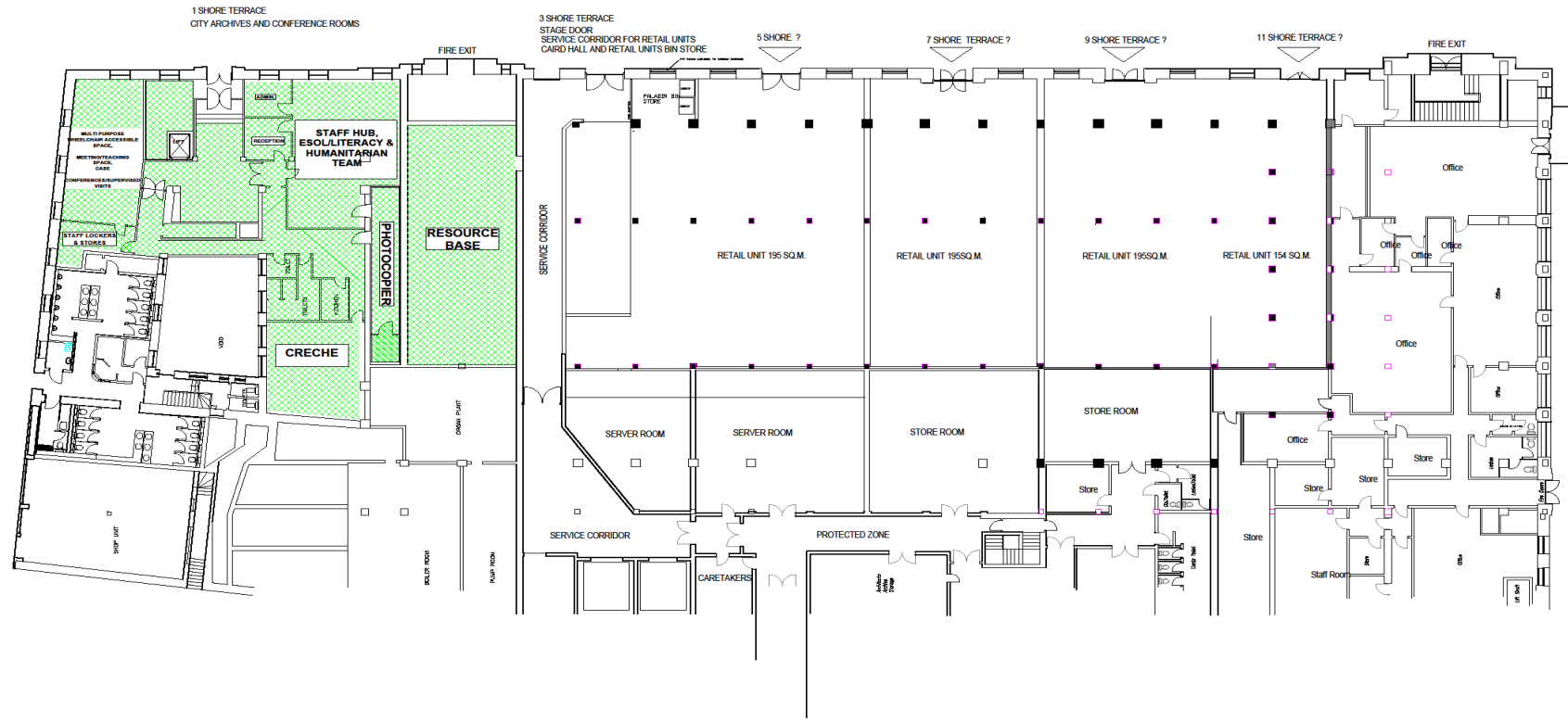
- ✓ **Easier access to the building**, including a welcoming Reception area
- ✓ **A community space**, to enable learners to relax and be with others
- ✓ **Access to more rooms**, including a ground floor space
- ✓ **A space for staff to work**, including access to IT, resources and admin
- ✓ **Creche facilities**, enabling parents to attend provision
- ✓ **A stronger identity as a learning space**, with signs, resources and displays
- ✓ **Dedicated free parking**, to combat the additional costs of relocating to Shore Terrace

APPENDIX 2 – SHORE TERRACE GROUND FLOOR

*All timber to be from the following source, in order of preference (1) Recycled wood and (2) FSC, PEFC, CSA, SFI certified as approved by DEPRFA. The Council will not accept timber which has been illegally logged.
*All specifications to be read as "EQUAL AND APPROVED"

MEETING ROOMS AND STORES PROTECTED ZONES OCCUPIED BY L&C

	SHORE TERRACE ALTERATIONS	181-2021
	GROUND FLOOR FIRE COMPARTMENTATION	501
123 Dundee City Council	10/12/21	10/12/21
10/12/21	10/12/21	10/12/21



APPENDIX 2 -SHORE TERRACE FIRST FLOOR

-All timber to be from the following source, in order of preference (1) Recycled wood and (2) FSC, PEFC, CSA. If certified as approved by DEFRA. The Council will not accept timber which has been illegally logged.
All specifications to be read as: TCGAL, AND APPROVED

MEETING ROOMS AND STORES PROTECTED ZONES OCCUPIED BY L&C

