

**REPORT TO: POLICY & RESOURCES COMMITTEE
23 JUNE 2008**

REPORT ON: FUTURE USE OF ST SAVIOURS HIGH SCHOOL

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 350-2008

1 PURPOSE OF REPORT

The purpose of this report is to consider the future use of St Saviours High School as Council office accommodation, after the school transfers to the new St Pauls RC Academy in January 2009. The report identifies the sections/departments which would be accommodated in the St Saviours building and details the financial implications of adapting the school to office accommodation.

2 RECOMMENDATIONS

It is recommended that the Committee approves the redevelopment of St Saviours High School as Council offices and that the funding of £4.94m for this project as included in the General Services Capital Plan 2008/11 be revised to £5.17m in the next update of the approved Capital Plan in March 2009.

3 FINANCIAL IMPLICATIONS

The financial implications of this proposal are foremost in respect of the capital expenditure required to fund the refurbishment of St Saviours High School as office accommodation. The total capital cost is estimated to be £5.17m at current prices. This will be largely funded by the capital receipts generated from the sale of sites which will be vacated as a result of staff being relocated to St Saviours. It is estimated that these capital receipts will total £2.92m, and that the balance of capital funding of £2.25m will be achieved through prudential borrowing. The capital expenditure, receipts and borrowing would have to be included in the next update of the Council's Capital Plan in March 2009.

3.2 There will be no net increase in the Council's future Revenue Budget as a result of this proposal.

4 MAIN TEXT

4.1 The Council's PPP for Schools project includes a new RC Academy (St Paul's) to replace Lawside Academy and St Saviours High School. The current PPP building programme identifies that St Saviours will be vacated in January 2009.

4.2 A full option appraisal has been carried out. The option to redevelop St Saviours as Council Offices meets all objectives and offers best value to the Council.

4.3 The City Council is currently experiencing some difficulty on office accommodation issues, and has also identified some future accommodation issues which, with some forward planning, the Council can hopefully address with the utilisation of St Saviours as office accommodation. It is important to stress that two departments of the Council have been given notice by Dundee College to vacate Northern College, Gardyne Road, being the Education Development Service and IT Department, and these departments will definitely have to find alternative accommodation. In addition the Social Work Department offices at Balmerino

Road are in very poor condition and in need of extensive capital expenditure within the very near future.

- 4.4 In the Spring of 2007 a survey of departments was carried out to ascertain accommodation pressures and opportunities and the following responses were received from Departments who expressed an interest in having some or all of their staff relocated at St Saviours office accommodation.

4.5 Education

- a Dundee College has advised the Education Department that they require the Educational Development Services (EDS) to vacate Northern College, Gardyne Road from April 2008.

The Director of Education temporarily relocated the EDS at Rockwell Secondary School in November 2007. However, in the longer term the Director of Education wishes to relocate the EDS at the St Saviours office complex. The EDS has 52 staff and arranges the on-site training of teachers and other staff. A relocation to St Saviours would need to ensure a training facility and this can be achieved through the redesign of St Saviours to include a variety of training facilities, including the retention and utilisation of the assembly hall.

- b The Education Multi-Sensory/ Bilingual Pupil Support employs 29 staff and they are presently located at Northern College, Gardyne Road. It is important that this service is co-located with the EDS and this service can easily be relocated at St Saviours.

- c The Education ICT Team of 16 staff are presently located at Northern College, Gardyne Road and these staff can be relocated at St Saviours. There would be a direct synergy by co-locating the ICT Team along with the City Council's Information Technology Department.

- d The Education Psychology Service is presently located in St Ninians Primary School and employs 22 staff. These staff can be relocated to the St Saviours accommodation.

- e The Integrated Community School (ICSS) is currently located within Macalpine Primary School and employs 5 staff, and needs to be relocated around September 2008 when the McAlpine School site is expected to be relocated. While St Saviours office accommodation will not be available until January 2010, then a temporary relocation will be required for a period of approximately 15 months.

- f The Home School Support is presently located at St Columba's Primary School and employs 37 staff. The staff can easily be accommodated at St Saviours.

- g There are a variety of Education support services located at Dryburgh Resources Centre, including Connect 5. The Director of Education proposes to relocate all the Dryburgh Resource Centre services, with the exception of Connect 5 to St Saviours. This would require 25 staff to be relocated at St Saviours.

4.6 Information Technology

The Information Technology Department is presently located at Northern College, Gardyne Road. As previously mentioned, Dundee College has agreed with the City Council that as part of the redevelopment of the Gardyne Road site, the City Council's departments, including the IT Department, will vacate the property. Dundee College has advised the Council that the IT Department can stay on site until the St Saviours office development is available. At present there are 90 IT staff located at the Gardyne Road site. The IT Department require a store for equipment and components and a number of workshops and these facilities can all be made available at St Saviours.

4.7 Leisure & Communities Department

- a The Sports Development Section employs 38 staff and they are presently located at a variety of properties throughout the City. It is possible to co-locate all the 38 staff in St Saviours and this will greatly improve the efficiency and effectiveness of the section. A further added benefit of the St Saviours site is the fact that the Gymnasium and Stores will be available to the Section for their active use and storage.
- b The Environmental Development Team employs 15 staff and these can be easily located at the St Saviours office development. It will be useful for the Environmental Development Team to be located close to the Parks Management Team as they undertake regular joint working. There would also be a synergy between the Landscape Architects being in close vicinity to the Council's Architectural Services.
- c The Parks Management Team consists of 16 staff who can be easily relocated at St Saviours. The co-location with the Environment Development Team will be an added benefit for the service delivery of the Department.
- d The Staff Development and Quality Assurance team employs 13 staff and these numbers can easily be located at St Saviours. This team will require the use of training rooms.

4.8 Architectural Services

The Architectural Services Department employs 120 staff and they are presently located on Floors 11 and 12 of Tayside House, Dundee. Originally it was planned to relocate these staff in the new Dundee House development. However, due to the increasing space demands within Dundee House the relocation to St Saviours offers an opportunity to provide appropriate space planning requirements to reflect the function of professional and technical staff. Further, a relatively high proportion of the Architectural Services staff spend a reasonable proportion of their working day out on site. This requires car journeys and parking which could more easily be accommodated on the St Saviours site, rather than at a City Centre site such as Dundee House.

4.9 Social Work

The Social Work Department has experienced a variety of serious office accommodation issues. In response to the St Saviours property questionnaire which was issued, the Director of Social Work stated that there was 151 Social Work Department staff that could be relocated at St Saviours. These staff are presently located at offices at Balmerino Road, Douglas House and Dundee Contract Services headquarters, Clepington Road, and the quality of the fabric of some of these properties is in poor condition. In addition, the coming together of these different Social Work sections will create opportunities for improved working together.

4.10 Summary of Staffing Accommodation Requirements

In summary, the number of staff that Departments wish to relocate to St Saviours office development is 629 and a summary of these staff is included in Appendix A. This level of staffing would give an average office accommodation figure of 9m² per member of staff which is within the standards for new office developments. A detailed allocation of the departments, staff and areas is enclosed at Appendix B.

5 ST SAVIOURS OFFICE ACCOMMODATION

- 5.1 The departments who wish to avail themselves of the proposed office development at St Saviours have now indicated their intention.
- 5.2 St Saviours High School has an area of approximately 10,992m² within a site of approximately 11.4 hectares.
- 5.3 In terms of the specification of the new offices at St Saviours the following are the key factors:-
- a Office accommodation for 629 staff
 - b Car parking facilities for staff and visitors, with an overflow parking facility on the adjacent site across Drumgeith Road. Car parking provision is still being assessed in terms of need and the Council's Green Travel Plan.
 - c A suite of 5 IT training rooms for use by the IT and Education Departments and any other departments who wish to use the IT training facilities at St Saviours.
 - d A suite of meeting and training rooms, including the retention of the Assembly hall to accommodate larger meetings. The Assembly Hall will also be available for any extracurricular musical and dramatic activities. It should be noted that the Social Work Department will require two dedicated training rooms.
 - e Catering facilities for 629 staff and visitors. This facility will be important for staff located at St Saviours and also visitors who attend St Saviours for the delivery of training. It should be noted that there will be no subsidy from the Council. Tayside Contracts have been approached and are preparing a business plan on how they would propose to operate the catering facility, at no cost to the Council.
 - f The offices will be predominantly open plan with a small number of private offices.
 - g The St Saviours gymnasium will remain open for staff and the general public. This facility will include shower facilities that can be used by any of the staff located at St Saviours, and this will hopefully encourage staff to walk or cycle to their place of work. It should be noted that the opening times and financial viability of this facility have still to be confirmed by the Leisure & Communities Department.
 - h Facilities Management staff on site to ensure the efficient operation of the office development.
 - i Flexitime equipment will have to be installed into the building, in order to facilitate the accommodation of the 629 staff and costings are still awaited.
 - j At present there is some community use of some of the properties currently occupied by staff that would move to St Saviours. In particular, and within close proximity, is the community use of the Social Work Balmerino Road offices. It will be necessary to offer the 6 groups who currently use the Balmerino Road office, a similar facility in St Saviour or other Council building.
 - k The St Saviours site has a number of football pitches within its curtilage and it is proposed to retain all these pitches.
- 5.4 The above specification is that which departments who wish to relocate are aware of at this present time and the basis for the financial costings included in this report.

- 5.5 It should be noted that the legal title of the St Saviours site has been checked out and there are no legal issues in terms of converting the property's use from a school to office accommodation.
- 5.6 Planning Permission will be required for the change of use from a school to a Class 4 Office Use. The proposed change of use would require to be justified against the relevant policies of the Dundee Local Plan Review 2005. It is considered that it would be beneficial if the justification included the retention of the playing fields and some changing facilities to service them.

6 CAR PARKING AND ROAD TRANSPORT ISSUES

- 6.1 Car parking facilities for staff and visitors will be provided at St Saviours with an overflow facility on the adjacent site across Drumgeith Road. Following a review of 'green travel planning' opportunities, it is proposed to provide a total of approximately 400 car parking spaces: 315 on site and 85 within the overflow car park. The City Council's "Streets Ahead" document sets out the parking standards the Council expects for office type developments. The standard for the St Saviours office development would be 363, and therefore it can be demonstrated that the proposal to have 400 parking spaces meets and indeed exceeds the Council's standard.
- 6.2 In terms of traffic issues, the main road that leads into St Saviours is the Drumgeith Road. This road is currently included in the Tayside Safety Camera Partnership Scheme and it has a history of speed related accidents. This proposed development will generate a higher level of vehicle trips and accesses directly onto the road. Access and egress to the proposed office development will be problematic and an upgraded junction will probably be necessary as Drumgeith Road is a busy road carrying approximately 13,000 vehicles a day.
- 6.3 The Director of Planning & Transportation has advised that a full Transport Assessment and a travel plan will be required for this development.

7 CAPITAL WORKS/FUNDING

- 7.1 The City Architectural Services Officer has prepared a schedule of works to bring the St Saviours property up to the required level for the proposed office development and these works total £5.17m at current prices.

The City Architectural Services Officer considers this is the minimum level of works which are required to bring the current school up to the standard required for office accommodation.

- 7.2 In terms of how the total cost of £5.17m can be funded, this will be a combination of capital receipts from the sale of the sites/properties released due to the transfer of departments/sections to St Saviours and an element of prudential borrowing which will have to be contained within the Council's overall revenue and capital budgets.
- 7.3 The funding of the £5.17m will be achieved as follows:-

	<u>£m</u>
Sale of Surplus Properties	2.92
Prudential borrowing	<u>2.25</u>
	<u>£5.17</u>

It can be seen from the above that 56% of the capital works required to convert St Saviours High School into office accommodation can be funded from the sale of properties declared surplus as a consequence of moving staff to St Saviours.

The balance of finance of £2.25m can be funded from prudential borrowing over 30 years at an annual cost of £164,000 per annum and this sum has been included in the Capital Plan and Revenue Budget.

8 REVENUE EXPENDITURE/FUNDING

8.1 The revenue costs of operating the St Saviours property as office accommodation will be broadly similar to those currently being expended in running the school. However, there are two main differences. Firstly, the non-domestic rate bill will increase from £109,000 to £215,000 as the property as an office has a much higher rateable value figure than a school. The above figures were provided by the Assessor, Tayside Valuation Joint Board. Secondly the facilities management of St Saviours School is budgeted for in the Education Department's revenue budgets and will be part of the savings required to fund the overall PPP for Schools project. The new office accommodation will require dedicated facilities management staff and a provision of £60,000 has been included for these services.

8.2 In total the projected running costs for St Saviours office accommodation are as follows:-

	<u>£</u>
Rates	215,000
Other Property Costs	286,000
Facility management	60,000
Finance Charges	<u>164,000</u>
	<u>725,000</u>

The estimated total running costs at current prices is £725,000.

8.3 The above annual running costs of £725,000 will be funded from revenue budgets which already exist as follows:-

	<u>£'000</u>	<u>£'000</u>
Education		
EDS	144	
Dryburgh	103	
Ed Psychology Service	14	
Integrated Community SS	2	
Home School Support Serv	<u>12</u>	
		275
S/Work Balmerino Road		121
IT		
Gardyne Road		140
L & C		
Charlotte St (Downfield Pavilion)		2
Reduction in external training hires		20
Reduction in Architects travel costs		10
Finance Charges included in Capital Plan/Revenue Budget		<u>164</u>
		<u>732</u>

8.4 In summary the provision of the St Saviours office accommodation can be brought into existence at no additional revenue cost to the City Council.

9 CONCLUSION

- 9.1 The implementation of the City Council's PPP for Schools project, which is currently in the construction stage, will mean that St Saviours High School will become vacant in January 2009. The fabric of the St Saviours building is in reasonable condition and offers the Council an opportunity for its reuse as alternative office accommodation.
- 9.2 A number of the Council's departments are experiencing a growing accommodation problem and are currently using properties that are in a poor condition. The use of St Saviours as upgraded office accommodation will alleviate many of these problems. Funding requirements are the additional net capital cost of £2.25m which will be met from prudential borrowing and no additional net revenue expenditure. After St Saviours High School is transferred to St Pauls RC Academy in January 2009, the City Architectural Services Officer estimates that the new St Saviours office development would be available for occupation in January 2010.

10 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

The proposed use of St Saviours reflects the Council's asset management planning policy for office accommodation and would avoid the need to demolish the building and thus reduce the need for using any landfill facilities and consequently avoid these costs.

11 CONSULTATION

The Chief Executive, Depute Chief Executive (Support Services) and Head of Finance have been consulted in the preparation of this report.

12 BACKGROUND PAPERS

None.

DAVID K. DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

13 JUNE 2008

Department	Staff	Sections	Private Offices	Shared Meeting Room 3 to 6 Person	Shared Meeting Room 10 to 12 Person	Shared Meeting Room 18 Person	S/Work Training Room 18 Person	Parking Staff In	Parking Temp Staff In	Parking Visitors
Education - EDS	52	13	1					52		100
Education - MSS/BPSS	29	3	1					4	22	3
Education - ICT	16	3	1					17		12
Education - Psychology	22	3						6	12	2
Education - ICSS	5	4	1					1	3	30
Education - Home School Support	37	8	1					35		10
Education - Dryburgh	25	8	1					20	5	5
Education - HQ staff										
	186	42	6	4	1	1		135	42	162
Information Technology	90	6	4			1		40	25	20
Leisure & Comm - Sports Dev	38	7						32	6	10
Leisure & Comm - Env Team	15	6						4	9	5
Leisure & Comm - Parks Managers	16	5						6	10	3
Leisure & Comm - Staff Dev & QA	13	4						7		4
	82	22	2	1	1	1		49	25	22
Architectural Services	120	9	3	2	1			40	40	3
Social Work	151	14	4	3	1	1	2	136	10	30
TOTAL	<u>629</u>	<u>93</u>	<u>19</u>	<u>10</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>400</u>	<u>142</u>	<u>237</u>

