

Estate Management Strategy, Estate Realisation and Employee Wellbeing

Date: 29 November 2021

Report of: Head of Asset Management/ HR Service Manager

Report to: Resources and Strategy Scrutiny Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

1. The purpose of this report is to provide an update to Resources and Strategy Scrutiny Board on the Council's Estate Management Strategy, Estate Realisation Programme, and general employee wellbeing.
2. Ensuring that staff can effectively deliver our services underpins the delivery of the Best Council Plan ambitions as does the provision, spread and flexibility of our buildings in supporting service delivery. In particular our organisational and agile work policies, as well as changes to our estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation' but can also provide better services, as staff are provided choice and are more able to balance work and personal commitments. It is also good for the environment with lower levels and easing of commuting travel peaks and providing reductions of in work related travelling.
3. Our People Strategy 2020-25 sets out our ambition to be the Best Place to Work with a clear focus on creating a great all round employee experience for all staff, with the support of their leaders and managers working in a positive organisational culture, driven by our council values.
4. The COVID-19 pandemic has accelerated the changes in the way we work, the way services are delivered and customer expectations and therefore the way we use our estate has changed too. Whilst the initial periods of lockdown enforced home working for 8,000 desk-based staff, through staff surveys conducted over the course of the last 16 months, the appetite from many staff to continue to predominantly work from home has become clear, but this of course must be balanced with service delivery requirements, the recognised benefits of face-to-face interaction, and the learning and development that coming together with teams and colleagues brings.
5. As outlined to Resources and Strategy Scrutiny Board previously, the Council has taken onboard the multiple survey responses, and has adopted a gradual approach to the

reintroduction of staff back into workspaces over the summer and into the autumn, although it is also acknowledged that many staff have been regularly coming into the Council's buildings throughout the pandemic due to the nature of the work and need to provide important frontline services to residents. However, due to a number of concerns including the sustained COVID-19 infection rates, the reintroduction into offices has not been as quick as originally anticipated, which is not unique to the Council. Staff are encouraged to work in an agile way, coming into the Council's workspaces regularly to meet with their teams and collaborate. However, this will be different for individual members of staff and teams and as such a fixed ratio of days working from home vs those in Council buildings has not been universally applied.

6. Our workspaces are being remodelled to provide more collaboration and informal workspaces and staff are encouraged to make more flexible use of a full range of Council buildings across the city to support service delivery, although each team has been allocated a Teamzone which is their main work base. Again, this is in direct response to what staff have told us about how they want to work, with a desire to use time in the Council's estate for face to face interaction, training, development and group working activities. At the time of writing, the requirement for social distancing and other measures introduced through the pandemic have been relaxed in line with government guidance which is allowing higher building capacities to be achieved. This position will continue to be monitored against up-to-date Government advice and any covid regulations that come into force.

7. Estate Management Strategy

- A new Estate Management Strategy has been prepared for the period from 2021 to 2025 which responds and guides several service delivery and workforce considerations.
- The pandemic has accelerated the use of digital solutions and meetings and as such has provided an essentially remote working platform which can now support great agility in service delivery.
- In addition, there is further increased financial pressures that the Council is facing compounded by the Council's underlying financial position resulting from successive government funding reductions.
- The Strategy was approved at Executive Board on the 17th November 2021. A copy of the Strategy is attached as an appendix to this report. It sets out the way in which the Council will strategically plan and manage its land and property assets to ensure that it fulfils all its service delivery priorities and to enable the people, the city and its businesses to thrive. The document sets out the vision and a number of priorities and objectives. An implementation plan which will be a live document setting out the changes to our estate has been created and will be maintained by Strategic Asset Management and fulfilled with the support of the Facilitates Management functions in the Resources Directorate.
- It should be noted that the strategy covers the Council's operational and investment estate, but importantly does not cover schools or its housing assets which are guided by separate strategies.
- The strategy is underpinned by the Council's 3 pillar strategies Inclusive Growth Strategy; Climate Emergency and Health and Wellbeing Strategy, and responds to the Best Council Plan which will become the City Ambition, with 5 guiding principles identified to inform future planning and management of the estate:
 - i. A fit for purpose modern estate

- ii. A well managed and maintained estate
 - iii. Working with partners
 - iv. Maximising income from our portfolio
 - v. Supporting the city's future
- Implementation of the strategy will be led by the Asset Management and Regeneration Service in City Development for strategic planning and delivery of new investment into our estate, and Facilities Management within Resources, providing hard and soft facilities management services. A Property Management Review has recently been concluded which has reaffirmed this position, transferring any property related services and functions being undertaken elsewhere in the Council into either the City Development or Resources Directorates.
 - Through bringing together a comprehensive data set of information about our estate including running cost, maintenance and condition information, an implementation plan will be established which sets out the future for each property from which the maintenance requirements and investment need can be determined. This will be particularly important for our heritage assets where we have additional statutory requirements.

8. Estate Realisation

- The latest Estate Realisation Programme commenced in 2020 with an ambitious working target of a 50% reduction of our core office estate. In addition, there is an anticipation that service reviews will identify additional opportunities as we seek to ensure that all our buildings are appropriately utilised, supporting user and customer experience. Decisions around which buildings should be considered for release take into consideration the energy usage/ sustainability of the building, its condition and backlog maintenance requirements, as well as its ability to provide appropriate solutions for customers, services and staff. In addition, the future use and development potential for sites, including their ability to be sold or leased is considered.
- Phase 1 (2020/2021) of the programme successfully completed at the end of the last financial year. The table below provides an update of the Phase 1 properties.

| Phase 1 Properties | |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shire View 72 Headingley Lane, Headingley, LS6 2DJ | Sold November 2020 Over a £1m generated for the capital receipt programme. |
| Shannon House Spens Lane, West Park, LS16 5EJ | Leased out October 2021 Property moved into the investment portfolio and leased out which will release an adjoining site for disposal. |
| Bramley Housing Office 202- 204 Town Street, Bramley, Leeds, LS13 2EP | Property included in the capital receipt programme approved at Executive Board November 2020. Property being brought forward for disposal. |
| Woodsley Green Offices Woodsley Green, Woodhouse, LS12 3SU | Property included in the capital receipt programme approved at Executive Board November 2020. Options being reviewed to lease out the property and move into the investment portfolio. |

| | |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| South Pudsey Centre Kent Road, Kent Road, Pudsey, LS28 9HG | Property included in the capital receipt programme approved at Executive Board November 2020. Property currently closed not vacated. Estate solution identified for the occupying service. |
| Osmondthorpe Resource Centre Osmondthorpe Lane, Osmondthorpe, LS9 9EF | Options being explored for disposal of the site. |
| St George House Great George Street, Leeds, LS1 3DL | Leased out May 2021 Property moved into the investment portfolio and leased out which generated will excess of £1m in asset savings and income generation. |

- The asset savings achieved in Phase 1 were £475,951 with additional income raised through leasing of over £720,000.
- Work is ongoing to deliver vacant possession of 7 properties included within Phase 2 (2021/2022) of the programme. Estate solutions are being sort by Strategic Asset Management for the occupying services to ensure their business needs continue to be met. Consultation is taking place directly with Chief Officers and Heads of Services and through the Trade Union Future Ways of Working working group for delivery of vacant possession early 2022. Early explorative work is underway to consider properties which can be included in Phase 3 (2022/23) of the programme and beyond including any commercialisation opportunities.
- In addition, to support current service delivery, the Strategic Asset Management team are supporting all directorates to understand what their medium to long term estate requirements will be to meet their service and business needs in line with their service reviews and future service delivery models. The focus of these discussions is on service provision and outcomes in the first instance rather than the buildings occupied, and is therefore customer focused, around which the real estate solutions which can support and underpin this will be determined. It is hoped that through this process further phases of estate rationalisation will be identified.
- Whilst there has been a gradual return into the estate by some staff, we need to let staff embed into their new ways of working pattern as restriction and infection level; ease. The uncertainty of the COVID-19 infection rates over the winter period could mean staff continue to be cautious regarding their return to the office.
- The dedicated office estate has been significantly reduced over recent years with the city centre estate reducing from 17 buildings to the three today, therefore, further estate realisation will need to draw on the service outcome discussions referred to above. This is particularly important given that our focus for further rationalisation will turn towards the locality estate, where many buildings provide some form of front-line service delivery. There may be qualitative improvements to customers accessing Council services if these are brought into fewer buildings, albeit it is recognised that there will be a careful balance to be achieved. Specific work is ongoing with the Children and Families and Communities, Environment and Housing Directorates in this respect. It is also important to note that further estate realisation will need to be supported by investment into our retained buildings to remodel and ensure they are fit for purpose, meet service need and maximise utilisation and capacity.

- In addition, a pilot project is underway to explore how we can create more flexible use, including by staff requiring desk and collaboration space, of our locality buildings including Community Hubs, Community Centres, Leisure Centres, Libraries and Museums. This for example may allow us to achieve better utilisation of our buildings, whilst providing benefits to staff in further facilitating agile working and reduced travel demand.
- Through the Future Ways of Working Programme, we have considered how we can ensure staff have access to the right spaces and have certainty when visiting buildings that there is space for them, whether this be desk, meeting or collaboration space. Meeting rooms have been bookable for many years via MS Outlook, however, a new booking application has been developed to allow staff to book desks and informal collaboration spaces. This is an easy to use web based booking system which will allow us to monitor usage of the estate but will also give staff the reassurance that space is available when and where they need it.
- As set out, in the first part of this paper, staff have told us that they want to use our buildings for face to face interaction and collaboration. Pilot collaboration areas have been developed in a number of buildings both in the city centre and in locality buildings using existing furniture in the estate. It is an opportunity to test new workspaces to understand how they are used if it is right for our estate and meets the needs of services and staff.
- In addition to the reconfiguration of the pilot collaboration workspaces trial hybrid technology has been installed into a number of meeting rooms to enable hybrid meetings to take place. A review of the technology will be undertaken by IDS to understand how it has been used and if it is suitable and adaptable to be rolled out further across the estate.
- Further engagement with staff is taking place to seek their feedback on these changes before rolling out across our retained estate, which again will be supported by additional investment funded through the Future Ways of Working Programme.
- The Council has a large number of Heritage properties within its estate, but we may not be the most appropriate owners of these important properties in the longer term. A review of our historic properties is underway to ensure that they have a purpose within the Council's estate and are well utilised. In some cases, it may be appropriate for the Council to dispose of buildings or partner others who are better placed to invest and provide the management and maintenance required, therefore providing a sustainable long-term future and safeguarding the heritage of the city. Where the Council does retain historic properties, there is the potential to leverage external grant funding to support schemes which deliver long term sustainability for these important buildings.

9. Employee Wellbeing

- Following the critical insights from the three wellbeing pulse surveys (May, June and October 2020), a fourth wellbeing pulse survey was carried out in August 2021. Once again, the survey attracted a response rate (3709 colleagues or 26% of total workforce) and included those working from home as well as those working in front line roles. The survey picked up on themes from the first three surveys and also included some targeted questions for two particular groups: carers and disabled colleagues. A further update on the results and associated action for carers and disabled colleagues will be brought to Scrutiny in January 2022.
- The headline results from the fourth survey showed that three in five staff (61%) when asked "how are you feeling?", were feeling fairly or very happy (an increase of 10%),

and fewer staff (17% from previous 20%) reported feeling fairly or very unhappy. This applies to staff working in the workplace and at home.

- For those that have had the opportunity to work from home, many referred to the benefits, including that they are able to concentrate and work productively. Others highlighted the benefits of working flexibly (or a mix of working from home and in the office), so that they can meet with colleagues and work with customers
- Respondents were asked if a range of concerns highlighted as being an issue in previous wellbeing surveys had improved, worsened or stayed the same. Workload pressures were identified as a growing concern. Encouragingly management support was the most improved area.
- Just over three quarters of staff (77% and a 3% increase from the last survey) reported they were happy with the level of support they were receiving. 9% reported feeling fairly or very unhappy with the level of supported provided (mirroring the previous survey). All managers have been regularly reminded about the importance of maintaining communication and contact with all team members, and in addition to this, ninety individual members of staff were contacted directly and supported via a dedicated HR team after making a call-back request through the fourth pulse survey.
- The Council's Wellbeing Offer and wellbeing offer booklet continues to be promoted and includes a whole host of wellbeing support sessions which are proving popular with staff.
- Funding has been committed, and proposals are currently being developed, to develop and train managers on flexing their approach to managing staff. This work is being brought forward by the future ways of working group and will build on all the training and resources provided over the last year.

Recommendations

Resources and Scrutiny Board is asked to:

- a) Note the contents of this report
- b) Consider and provide comment on the work to date and future estate realisation opportunities.

Why is the proposal being put forward?

- 1 The purpose of the report is to provide Resources and Scrutiny Board with an update following the report in November 2020.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 2 Estate Realisation is a city-wide programme and therefore considers Council owned properties across each ward in the city.

What consultation and engagement has taken place?

- 3 There have been extensive discussions at Strategy and Resources scrutiny board into reducing energy consumption within Council buildings and the approach to finding solutions for void properties as well as the Future Ways of Working Programme. As part of these enquiries, the board were made aware of the Estate Management Strategy and the discussions of the board have informed the drafting of the strategy.
- 4 As outlined in the main section of this paper, there have been a number of staff surveys and pulse surveys conducted throughout the last 21 months. Along with service support to find the appropriate real estate model to support service delivery. This feedback has provided rich evidence to inform and shape the new working approach and therefore the estate changes proposed.
- 5 There is an established fortnightly Future Ways of Working Trade Union working group which Strategic Asset Management attend to update on the Estate Realisation Programme element.
- 6 As outlined in the report there is continuous consultation and ongoing work with service, focusing on their service delivery models and outcomes, from which their estate requirements can be defined. This are being led through Asset Management Directorate Leads working with each directorate through their Estate Management Groups.

What are the resource implications?

- 7 Phase 1 of the Estate Realisation Programme identified and delivered savings of £475,951 plus the income of £720 k plus.
- 8 In order to support service delivery and deliver estate savings from optimising the estate footprint some investment was required to enable changes within our retained estate as well securing vacant possession for the buildings to be released. Through Future Ways of Working programme this investment has expanded to include wider investment requirements to support staff working from home and IT infrastructure upgrades in the estate. The overall budget allocated is £4.3m for which individual business cases will be prepared to draw down the funding.
- 9 The projected annual asset savings for Phase 2 of the estate realisation programme are projected to be a further £289,569. Future potential savings will be identified as further rationalisation opportunities are identified for future years.
- 10 Further estate realisation will need to be supported by further investment into our retained buildings to remodel them to ensure they are fit for purpose and maximise capacity.

What are the legal implications?

- 11 There are no specific legal implications in relation to this report.
- 12 A full equality, diversity and cohesion and impact assessment is being undertaken and will be constantly reviewed through the Future Ways of Working programme. An impact assessment was also undertaken to support the preparation of the Estate Management Strategy.

What are the key risks and how are they being managed?

- 13 There are a number of risks associated with the implementation of the estate management strategy. Firstly, to ensure that a robust evidence based approach is taken to future estate decisions, there is a substantial amount of data which must be brought together. Whilst much of this exists, it is dispersed across a number of systems and as such a process of

bringing this together and data verification is underway. There is however a risk that some of the data required may be difficult to identify or verify. The Council's Integrated Digital Service has been reviewing our existing asset and estate management tools with a view to moving towards the delivery of a new Enterprise Estate Management system which will improve the storage, sharing and access to information in relation to our estate which will improve decision making and future management.

- 14 Delivering changes to and rightsizing the Council's estate is a constant task and dependent upon wider policy and cultural changes to ensure that staff can effectively work from home or in more agile ways. In addition, wider service delivery changes will be critical to maximising the extent of rationalisation possible as outlined in this paper.
- 15 Whilst the Council has a substantial estate, it is limited given the variety of competing needs, service requirements and priorities. This is a constant issue when reviewing the future use of land and buildings and new processes are being embedded to ensure that decisions are made in an appropriate and timely way.
- 16 There is the potential for local sensitivities regarding possible building changes, closures and disposals. Whilst the Council may not be able to utilise buildings, local attachment to buildings is understood and there is a commitment to early ward member engagement to understand such sensitivities and to help to identify solutions which can be supported locally.
- 17 Finally, the use of some buildings and potential for future development will be informed by existing and future planning policies. These will be prepared through the statutory plan making process and subject to independent review. Equally many proposals will be subject to planning consent which involves a period of statutory consultation whereby members of the public and statutory consultees have the opportunity to comment on proposals. This again can result in changes being made to proposals to address any issues raised having both an impact upon how we develop our operational estate but also our ability to raise capital receipts and expand the investment portfolio. To provide planning certainty, sites are considered by Strategic Development Group which is an officer working group involving Planning, Highways and Conservation officers and early pre-application discussions will take place around emerging proposals.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 18 The Estate Management Strategy is underpinned by each of the Council's key pillars. This is fundamental to the success of the strategy and will ensure that property decisions as a result fully consider these themes.

Options, timescales and measuring success

a) What other options were considered?

- 19 The council is under an obligation to have an up to date estate management strategy and therefore there is no option but to bring forward a new document. That said a number of alternative approaches to structuring the document were considered. Asset management or estate management strategies brought forward by other organisations are often bricks and mortar lead. However, in the case of the strategy proposed for approval as part of this paper, an approach which is underpinned by the council's three pillars and desired city outcomes was chosen as this is considered to drive greater benefits to the City, its residents and its businesses.

20 In seeking rationalisation opportunities, building running costs, maintenance requirements and the ability of the building to meet customer, service and staff needs are considered. In addition, the future use and development potential for sites, including their ability to be sold or leased is considered.

b) How will success be measured?

21 Progress in each of these areas will be overseen and monitored by the Council's Corporate Estate Management Board. This includes a focus on estate rationalisation progress but will focus on the following:

- i. Our estate is well utilised, and supports service provision to residents and communities across the city
- ii. We have a clear 5-year vision for each of our buildings and an associated maintenance plan
- iii. We continue to reduce the number of properties in Void Management
- iv. We have a strong investment portfolio, which is well managed and delivering a sustainable income stream
- v. We continue to dispose of surplus properties using the most appropriate method based on the property and market conditions
- vi. We maximise joint working with partners to ensure that our estates across the public sector are complimentary and where appropriate shared.
- vii. We make strategic acquisitions to support future regeneration and change within the city
- viii. Our estate is leveraged to support regeneration within our communities and the city centre and supports the city in becoming carbon neutral.

c) What is the timetable for implementation?

22 The Estate Management Strategy will be implemented immediately guiding the use, planning and management of the estate and preparation and ongoing review of the implementation plan.

23 The Estate Realisation Programme is an ongoing programme, currently we are delivering phase 2. The ongoing work with services set out in this paper will inform future phases of the programme.

Appendices

24 Estate Management Strategy 2021-2025.

Background papers

25 Resources and Strategy Scrutiny Board Report 16th November 2020 Agile Working Approach and Estate Realisation.