

REPORT TO: Housing Committee, 18 October 2004
Personnel Committee, 18 October 2004

REPORT ON: Future of Happyhillock & Whitfield Housing Offices and Replacement Office Accommodation

REPORT BY: Director of Housing and Assistant Chief Executive (Management)

REPORT NO: 510-2004

1 PURPOSE

- 1.1 The purpose of this report is to propose the merging of Happyhillock and Whitfield Offices, decentralising additional Housing Department services into one centre and relocating all to new accommodation in Mid Craigie (See attached Site Plan: Appendix 1).

2 RECOMMENDATIONS

- 2.1 The Housing Committee is asked to:
- 2.1.1 Agree to the merger of Happyhillock and Whitfield Offices and remit the Director of Housing to identify other appropriate services which could be decentralised. A further report on the latter will be presented to Committee for approval.
- 2.1.2 Agree to the establishment of new office accommodation on the site identified in Appendix 1.
- 2.1.3 Authorise the Director of Housing to instruct the City Architectural Services Officer to obtain tenders for the provision of new office accommodation and to incur appropriate fees.
- 2.1.4 Authorise the Director of Economic Development to enter into discussions regarding leasing accommodation in the Whitfield Community Services Complex to alternative potential users.
- 2.2 The Personnel Committee is asked to approve the following recommendations:-
- 2.2.1 The deletion of the post of Team Leader (Whitfield Sub Office) graded AP5, £22,958 - £25,006.
- 2.2.2 The deletion of the post of Assistant Housing Officer graded GS1/2, £10,320 - £13,751.
- 2.2.3 The deletion of the part-time post of Assistant Housing Officer graded GS3, £6,876 - 7,283.

3 FINANCIAL IMPLICATIONS

- 3.1 The annual loan charges for borrowing to build a new Dundee East Housing Office are estimated at £184,741 per annum. These costs will be met by revenue savings achieved by closing the Happyhillock and Whitfield Area Offices, and by terminating the lease of part of the premises at 3 Shore Terrace.

- 3.2 The cost of altering the Whitfield Office to accommodate staff from Happyhillock Area Office, on a temporary basis, together with removal expenses, amounts to £20,000 and can be met from existing revenue budgets.

4 **LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 By dealing with sustainability issues such as energy savings and the use of sustainable materials, it is considered that the key theme of *"resources are used efficiently and waste is minimised"* is being addressed.

5 **EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1 These are met by compliance with Part III of the Disability Discrimination Act. Part III of the Act comes into force in October 2004. This final stage of the Act means that we will have to make permanent physical adjustments to both the Happyhillock and Whitfield offices in order to improve accessibility for disabled people.

6 **BACKGROUND**

6.1 **Happyhillock Area Office**

- 6.1.1 There is an opportunity to break the lease for the Happyhillock Area Office in August 2005. This opportunity provides us with a reason to evaluate the quality and usefulness of our current accommodation in terms of our compliance with Part III of the Disability Discrimination Act (DDA), which comes into force in October 2004.

If the Happyhillock Area Office were to be retained it would need substantial building works in order to comply with Part 111 of the Disability Discrimination Act. It is not recommended that these works are carried out because the building is of poor quality and design and the necessary alterations would not improve the general suitability of the building as office accommodation. The estimated loan charges incurred in building the new office accommodation have been offset by the savings made in not carrying out the work necessary to achieve DDA compliance, when assessing the financial viability of the project.

- 6.1.2 A site has been identified for a proposed Dundee East Office, at the corner of Midmill Road and Pitkerro Road, Mid Craigie (see Site Plan: Appendix 1).
- 6.1.3 The Government has introduced a *"Verification Framework"* which is intended to increase accuracy from the start of a Housing Benefit claim and throughout its life. Benefits staff have been relocated to Area Offices to improve our service delivery and compliance with the new framework. Enhancements to this service could be achieved through the relocation proposal.

6.2 **Whitfield Area Office**

- 6.2.1 Our housing stock is decreasing, particularly in Whitfield. The justification for having a Whitfield Sub-Office is becoming weaker, as the numbers of Council properties in this area declines.

- 6.2.2 If this report is approved we would terminate the lease of premises at Happyhillock and relocate staff temporarily to the Whitfield Office until new premises are available. However, permanent use of the Whitfield Office would require substantial investment as the existing layout would need to be completely changed. Additionally, its location is not easily accessible or convenient for the majority of tenants in the management area. Consequently, relocation of all staff to Whitfield Area Office as a permanent office to service the east of the City is not recommended.
- 6.2.3 The current floor space in the Whitfield Community Services Complex occupied by the Housing Department could not accommodate staff from both Happyhillock and any which may be decentralised from Shore Terrace.
- 6.2.4 If Whitfield Housing Office closes tenants, who currently use Whitfield Office, would have a number of alternative methods of making payments. However, those who prefer to call personally would be required to use the local Post Office or other Council payment points elsewhere in the City. The total rent collected at Whitfield Area Office represents only 3.5% of the total City transactions so closure of this payment point would not have a major effect on customer service delivery.
- 6.2.5 The Whitfield Community Complex is currently owned by Dundee City Council and jointly occupied by the Housing Department and Community Groups. Alternative uses, including wider community use, will be explored for the future use of this building. Economic Development Department would continue to manage the premises on behalf of the Housing Department.

6.3 **Shore Terrace Accommodation**

It is very difficult to maintain acceptable air temperatures within the Department's accommodation at 3 Shore Terrace. Temperatures are controlled via an air conditioning system which is prone to failure, consequently temperatures fluctuate creating a mix of comfortable to untenable working conditions, predominately the latter prevails. If the system fails in one part of the premises it tends to overcompensate in other parts thereby exacerbating the situation.

It is proposed that certain services currently located at 3 Shore Terrace, be relocated to the new Housing Office, thereby providing staff with a quality working environment and reducing the Department's leasing cost to engender resources to fund borrowing requirements for the new premises. Should this proposal be agreed the Director of Housing will present proposals for relocation of staff to Committee at a later date, these proposals will be subject to consultation with stakeholders.

6.4 **Staffing**

The merging of Whitfield and Happyhillock Housing Offices will result in the deletion of the following posts from the Housing Department's establishment:-

Team Leader Whitfield sub office, AP5 (£22,958 - £25,006).
 Part-time Assistant Housing Officer GS3, (£6,876 - £7,283).
 Assistant Housing Officer GS1/2, (£10,320 - £13,751).

The accumulative savings, including employees costs, will be £56,000.

The permanent staff currently occupying the proposed deleted posts will be redeployed to existing vacant posts within the Housing Department. The Trade Unions will be consulted on the redeployment process.

Temporary staff, where possible, may be redeployed within the Housing Department.

7 RESULTS OF THE FEASIBILITY STUDY

7.1 Initial indicative costs have been reported by the City Architectural Services Officer to be £2,745,000 inclusive of professional services to provide a two storey build with 64 workspaces plus 6 reception points and 4 dedicated interview rooms. An allowance has also been made for dedicated meeting space for the community should there be a demand for such a facility. Further consultation will take place on this aspect of the design.

7.2 The costs indicated in paragraph 7.1 are rough/indicative budget costs and include the following:

- Basic ventilation, i.e. not air conditioning.
- A sprinkler system, assuming adequate mains water pressure exists.
- An outfall/attenuation system (see paragraph 7.4).
- Allowance for inflation until March 2005.

7.3 The costs in paragraph 7.1 exclude:

- Moveable furniture and equipment.
- The cost of altering the Whitfield Area Office.

7.4 The cost of providing a new attenuation system has been estimated to be £265,000. This is due to Scottish Water and SEPA requiring the developer to fund the necessary improvements to water attenuation infrastructure. This requirement has raised the indicative costs significantly. Negotiations with Scottish Water and SEPA to reduce this cost are ongoing. Discussions are also being held with the PPP team to investigate the possibility of sharing the cost of this infrastructure improvement.

8 CONSULTATION

8.1 Area Office staff affected by the possibility of moving to a new office have been consulted regarding the outline feasibility study. If a decision is made to proceed with this project, all affected staff will be consulted via staff representation on the Design Team.

8.2 It is intended to embark on more detailed consultation with tenants via the DFTA and staff if a decision is made to proceed with this project.

8.3 The Chief Executive, Director of Economic Development, Director of Planning & Transportation, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services), the Trade Unions and Dundee Federation of Tenants' Association have been consulted regarding the contents of this report.

9 **BACKGROUND PAPERS**

9.1 None.

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AUGUST 2004

J C PETRIE
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SEPTEMBER 2004

